Registered Office
V J Ryan & Co Services Pty Limited
Suite 1, Level 5
255 George Street
SYDNEY NSW 2000

OCEAN CAPITAL LIMITED
ABN 68 010 715 901
Phone: 02 9240 4975
Fax: 02 9247 5930
www.oceancapital.com.au

12 October 2011

The Manager
Australian Stock Exchange
ASX On-line
Company Announcements Platform
PO Box H224
AUSTRALIA SQUARE NSW 1215

Dear Sir,

OCEAN CAPITAL LIMITED
ABN 68 010 715 901

In accordance with the ASX Listing Rules, attached is the full 2010/11 Annual Report to shareholders, Notice of Annual General Meeting and Proxy Form in relation to the above company.

The documents have been sent by mail to shareholders today.

The AGM is to be held in the Company's Cairns Office on Tuesday, 22 November 2011.

Yours faithfully

John Crawford

John Crawford
Company Secretary

Annual Report 2011

Ocean Capital Limited
And Controlled Entities

ABN 68 010 715 901

30 June 2011

Contents

	Page
Directors' Report	2
Auditor's Independence Declaration	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	14
Directors' Declaration	40
Independent Audit Report to the Members	41
Corporate Governance Statement	43
Shareholder Information	44
Company Directory	45

OCEAN CAPITAL LIMITED AND CONTROLLED ENTITIES
ABN 68 010 715 901
DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2011

The Board of Directors of Ocean Capital Limited presents the following report on the consolidated entity (referred hereafter as the "Group") consisting of Ocean Capital Limited and its controlled entities for the year ended 30 June 2011.

1. OPERATING RESULTS

Earnings before interest, tax, depreciation and impairment were $1,231k. This result includes a once off $550k profit on sale of unutilized land at Cape Tribulation. This represents a 18% change from the corresponding period last year.

An impairment write-down of $1,546k consisted of property assets held at Cape Tribulation.

The profit/(loss) of the Group for the year ended 30 June 2011 after providing for income tax amounted to ($3,949K) (2009: ($1,755K)) a decrease of 125%.

2. DIVIDENDS

During the year the Company declared and distributed two fully franked dividends to shareholders being an ordinary dividend of 0.75 cents per share paid on 29 October 2010 and a special dividend of 1.0 cent per share paid on 29 December 2010 as a result of the sale of unutilised land at Cape Tribulation. Any future dividends will depend on profitability and the trading outlook.

3. PRINCIPAL ACTIVITIES

The principal activities of the Group involve the provision of tourism related services.

There were no significant changes in the nature of the Group's principal activities during the reporting period.

4. DIRECTORS' INFORMATION

The names and particulars of the Directors of the company in office at any time during or since the end of the financial year to the date of this report are:

Name of Director	Qualifications and Experience	Number of Directors' Meetings	Number of Directors' Meetings Attended
David R Kingston	Investment Banker BCom. LLB appointed 12 August 2002. Chairman of Ocean Capital Ltd and former Managing Director Investment Banking of N M Rothschild & Sons (Australia) Ltd. Directorships in other listed entities Nil.	4	4
Nicola Constantinidis	Executive Director Extensive management experience in the tourism industry. Appointed 19 November 2010	3	3
Malcolm J McComas	Investment Banker BEc, LLB, SF Fin, FAICD Non Executive Director appointed 28 July 2008. Principal of McComas Capital Pty Ltd. Directorships in other listed entities: Pharmaxis Ltd from July 2003 to the present. Former chairman of Sunshine Heart Inc. from July 2004 to December 2008.	4	4
Jayne Pester	Executive Director Appointed 26 November 2003 Resigned 19 November 2010	1	1

DIRECTORS' INFORMATION (continued)

David Kingston and his associates, Sun-2 Pty Ltd, K Capital Pty Ltd ATF K Superannuation Fund and K Capital Pty Ltd, have a relevant interest within the meaning of the Corporation Act 2001 in 59,879,785 shares in the company.

Malcolm McComas and his associates, McComas Capital Pty Ltd (previously Movilli Pty Ltd) and Bunyula Super Pty Ltd, have a relevant interest within the meaning of the Corporation Act 2001 in 2,144,829 shares in the company.

Nicola Constantinidis does not hold a relevant interest as at 30 June 2011.

No formal policy has been adopted regarding Directors hedging exposure to holdings of the company's securities. No Directors have hedged their exposures.

A Share Trading Policy was adopted and lodged with the ASX in January 2011.

5. COMPANY SECRETARY

John Crawford (B.Bus CA SA Fin) was appointed company secretary on 19 December 2006. John is a partner of V J Ryan & Co Chartered Accountants and has a number of years experience in audit and compliance services.

6. REVIEW OF OPERATIONS

The Group's operations were adversely affected during the year by the continued substantial economic slowdown which created challenging conditions for the tourism industry. Operating revenue fell by 13% from $23.4 million in 2010 to $20.3 million in 2011.

The fall in revenue has meant that operating EBITDA fell by 56% from $1.5 million to $0.68 million. A one off profit from the sale of unutilised land at Cape Tribulation resulted in an overall EBITDA of $1.23 million.

In addition to the challenging economy, the high Australian Dollar has adversely affected Australian tourism operations and price competition has been substantial both from Australian operators and from international tourism products. Cyclone Yasi in February 2011 also affected revenue across all businesses and created an adverse perception of the region which had a material impact on forward bookings for the subsequent three months. As a result a decision was made to close Long Island for two months and undertake repairs and maintenance. A fall in consumer discretionary spending over the past twelve months has put further pressure on revenue.

7. FINANCIAL POSITION

Tourism is a cyclical industry and Ocean's profitability has declined at this stage of the cycle as trading conditions remain tough. However, Ocean continues to be in a solid financial position without any material borrowings and no material property lease or rental obligations and a return to profitability is expected as the tourism industry recovers over the medium term.

Ocean benefits from a solid balance sheet and our four resort businesses operate from either freehold or perpetual leasehold properties. A small overdraft facility of $500K has been initiated in the current financial year.

8. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no other significant changes in the state of affairs of the Group during the financial year other than as set out in this Directors' Report.

9. AFTER BALANCE DATE EVENTS

Other than the initiation of a $500,k overdraft during the current financial year no other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

10. FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

During the year Ocean Capital sold some unutilised land at Cape Tribulation, most of the proceeds of which were paid to shareholders as a franked dividend. The Board is currently examining the potential sale of further assets at Cape Tribulation.

11. REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration of each director of Ocean Capital Limited and for key management and executives receiving the highest remuneration.

(a) Remuneration policy:

The Group's remuneration policy has been designed to align directors and management objectives with shareholder and business objectives by providing fixed remuneration with incentives from time to time. The Board believes the remuneration policy to be appropriate to attract and retain the best people to run and manage the Group and to create a common interest in goals between directors, managers and shareholders.

Remuneration of both executive and non executive directors comprise fees determined having regard to industry practice, the need to obtain appropriately qualified independent persons and consideration of costs for people of similar levels of responsibility. Fees do not include any non monetary elements. Fees for the non executive chairman of directors are not linked to the performance of the Group.

(b) Employment contracts of Directors and Senior Executives:

Ms Nicola Constantinidis was appointed as Executive Director and Group General Manager on 19th November 2010. Senior Executives as listed in part 11 of this report are employed under 12 month contracts with roll over provisions.

11. REMUNERATION REPORT (Audited) (continued)

The employment contracts generally stipulate a one month resignation period. The Group retains the right to terminate the contract immediately by making payment equal to one month's pay in lieu of notice. On termination, directors and executives are entitled to receive their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. No other termination benefits are payable.

(i) Names and positions held by the Group's key management personnel in office at any time during the financial year are:

Key Management Person	Position
Mr David R Kingston	Chairman - Non-Executive
Mr Malcolm McComas	Non-Executive Director
Mr John Crawford	Company Secretary
Ms Jayne E Pester[1]	Group General Manager
Ms Nicola Constantinidis[2]	Group General Manager
Mr Patrick Bluett[3]	Group Sales and Marketing Manager
Ms Carol Fitzgerald[4]	Group Sales and Marketing Manager
Mrs Gillian Shaw[5]	Group Financial Controller
Mr Martin Bryars[6]	Financial Controller

[1] *resigned 19 November 2010*
[2] *commenced 19 November 2010*
[3] *commenced 23 August 2010 resigned 5 April 2011*
[4] *commenced 16 March 2011*
[5] *resigned 14 January 2011*
[6] *commenced 1 February 2011*

11. REMUNERATION REPORT (Audited) (continued)

(ii) **2011 Key Management Personnel**

	Short-term benefits			Post-employment benefits	Share based payment	Total	Performance related
	Cash Salary	Cash Incentive	Cash Other#	Super-annuation	Options		
	$	**$**	**$**	**$**	**$**	**$**	**%**
Mr David Kingston	71,560	-	-	6,440	-	78,000	-
Mr Malcolm McComas	-	-	20,000	-	-	20,000	-
Mr John Crawford	-	-	27,500	-	-	27,500	-
Ms Jayne Pester[1]	93,168	-	-	4,975	-	98,143	-
Ms Nicola Constantinidis[2]	68,194	-	-	6,137	-	74,331	-
Mr Patrick Bluett[3]	63,402	-	-	5,280	-	68,682	-
Ms Carol Fitzgerald[4]	20,423	-	-	1,838	-	22,261	-
Ms Gillian Shaw[5]	62,430	-	-	5,270	-	67,700	-
Mr Martin Bryars[6]	71,612	-	-	6,445	-	78,057	-
	450,789	-	47,500	36,385	-	534,674	-

[1] resigned 19 November 2010
[2] commenced 19 November 2010
[3] commenced 23 August 2010 resigned 5 April 2011
[4] commenced 16 March 2011
[5] resigned 14 January 2011
[6] commenced 1 February 2011
 # These represent payments to entities associated with key management personnel for services rendered.

(ii) **2010 Key Management Personnel**

	Short-term benefits			Post-employment benefits	Share based payment	Total	Performance related
	Cash Salary	Cash Incentive	Cash Other#	Super-annuation	Options		
	$	**$**	**$**	**$**	**$**	**$**	**%**
Mr David Kingston	71,560	-	-	6,440	-	78,000	-
Mr Malcolm McComas	-	-	20,000	-	-	20,000	-
Mr John Crawford	-	-	42,641	-	-	42,641	-
Ms Jayne Pester	117,823	-	4,932	10,604	-	133,359	-
Ms Varia Mitchell[4]	92,842	-	-	8,355	-	101,197	-
Ms Katrina Faulkner[1]	-	-	30,877	3,890	-	34,767	-
Ms Tracy Hay[2]	49,347	-	-	4,255	-	53,602	-
Ms Gillian Shaw[3]	12,923	-	-	1,163	-	14,086	-
	344,495	-	98,450	34,707	-	477,652	-

[1] resigned 14 October 2009
[2] commenced 15 November 2009 resigned 31 May 2010
[3] commenced 13 May 2010
[4] resigned 26 June 2010

12. INDEMNIFICATION OF OFFICERS

During or since the end of the reporting period, the parent entity has paid premiums in respect of a contract insuring all the directors and officers of the Group against all claims, proceedings, liabilities and expenses incurred in their position as directors or officers of the company except where the liability arises out of conduct involving a wilful breach of duty or where the liabilities have been imposed by law or for any legal action or litigation outside the jurisdiction of the contract. The total amount of the insurance contract premiums paid during the year was $11,192 (2010: $11,278).

13. AUDITOR INDEPENDENCE DECLARATION

The Auditor Independence Declaration under Section 307C of the Corporations Act 2001 forms part of this directors' report and is attached on the following page.

14. NON-AUDIT SERVICES

Appointed auditors WHK Cairns did not provide any non-audit services during the period of audit appointment. (2010: Nil).

15. AUDIT COMMITTEE

During the year there was an audit committee which consisted of David Kingston, Chairman and Martin Bryars, Financial Controller. The committee's responsibilities were to oversee the existence and maintenance of internal controls and accounting systems, oversee the financial reporting process, nominate external auditors and review the existing external audit arrangements. A formal audit committee meeting was held on 17 February 2011.

16. PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The Group's operations are subject to significant environmental regulation under the laws of the Commonwealth and State. There has been no matter either during or since the end of the reporting period which, in the opinion of the Directors, would give rise to any material conflict with the provisions of the existing environmental regulations.

17. ROUNDING OF AMOUNTS

The company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in this report and in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors.

Dated at Sydney on 31 August 2011.

DAVID KINGSTON
CHAIRMAN

OCEAN CAPITAL LIMITED
ABN 68 010 715 901

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF OCEAN CAPITAL LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011, there have been:

i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK

WHK NQ
ABN 49 301 665 931

Jason Taylor
Principal

31 August 2011

232 - 240 Mulgrave Rd
Cairns QLD 4870

OCEAN CAPITAL LIMITED AND CONTROLLED ENTITIES
ABN 68 010 715 901
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2011

		Consolidated Entity	
		2011	**2010**
	Note	**$000**	**$000**
Operating Revenue	2	**20,332**	23,434
Revenue from Sale of Land		**1,000**	-
Administrative costs		**(595)**	(650)
Catering		**(814)**	(785)
Cost of sales		**(2,810)**	(3,559)
Communications		**(210)**	(234)
Linen		**(188)**	(244)
Land Cost and Selling costs		**(450)**	
Employee related expenses		**(8,852)**	(9,742)
Finance costs		**(3)**	(57)
Fuel		**(982)**	(937)
Occupancy		**(1,906)**	(2,173)
Passenger taxes & levies		**(416)**	(357)
Repairs & replacements		**(1,251)**	(1,074)
Sales & marketing		**(1,071)**	(1,543)
Other expenses		**(553)**	(574)
Depreciation and amortisation		**(1,965)**	(2,105)
Impairment on Property, Plant & Equipment		**(1,546)**	(2,024)
Profit/(loss) for the period before income tax	3	**(2,280)**	(2,624)
Income tax benefit/(expense)	4	**(1,669)**	869
Profit/(loss) for the period		**(3,949)**	(1,755)
Other comprehensive income net of tax		**-**	-
Total comprehensive income/(loss) for the year		**(3,949)**	(1,755)
Attributable to the owners of the Company			
Loss for the period		(3,949)	(1,755)
Total Comprehensive income for the period, net of income tax		(3,949)	(1,755)
Attributable to non-controlling interest		-	-
Basic earnings (loss) per share (cents per share)	17	**(4.905)**	(2.179)
Diluted earnings (loss) per share (cents per share)	17	**(4.905)**	(2,179)

The above statement of comprehensive income is to be read in conjunction with the attached notes.

OCEAN CAPITAL LIMITED AND CONTROLLED ENTITIES
ABN 68 010 715 901
STATEMENT OF FINANCIAL POSITION
YEAR ENDED 30 JUNE 2011

	Notes	Consolidated Entity 2011 $000	2010 $000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**343**	920
Trade and other receivables	6	**906**	1,202
Inventories	7	**224**	242
Current tax assets		**-**	151
Other current assets	8	**235**	245
Asset held for sale	10	**-**	453
TOTAL CURRENT ASSETS		**1,708**	3,213
NON CURRENT ASSETS			
Assets held for sale	10	**3,200**	-
Property, plant & equipment	9	**23,536**	29,076
Deferred tax assets	4	**2,829**	4,498
TOTAL NON CURRENT ASSETS		**29,565**	33,574
TOTAL ASSETS		**31,273**	36,787
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**2,706**	2,805
Provisions	12 (a)	**60**	58
TOTAL CURRENT LIABILITIES		**2,766**	2,863
NON CURRENT LIABILITIES			
Provisions	12 (b)	**240**	298
TOTAL NON CURRENT LIABILITIES		**240**	298
TOTAL LIABILITIES		**3,006**	3,161
NET ASSETS		**28,267**	33,626
EQUITY			
Share capital		**20,865**	20,865
Retained earnings		**7,402**	12,761
TOTAL EQUITY		**28,267**	33,626

The above statement of financial position is to be read in conjunction with the attached notes.

OCEAN CAPITAL LIMITED AND CONTROLLED ENTITIES
ABN 68 010 715 901
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2011

Consolidated Entity	Share Capital $000	Retained Earnings $000	Total $000
Balance at 1 July 2009	20,865	15,724	36,589
Profit (loss) for the year	-	(1,755)	(1,755)
Total comprehensive income	-	(1,755)	(1,755)
Dividends paid	-	(1,208)	(1,208)
Balance at 30 June 2010	20,865	12,761	33,626
Balance at 1 July 2010	20,865	12,761	33,626
Profit (loss) for the year	-	(3,949)	(3,949)
Total comprehensive income	-	(3,949)	(3,949)
Dividends paid	-	(1,409)	(1,409)
Balance at 30 June 2011	20,865	7,403	28,268

The above statement of changes in equity is to be read in conjunction with the attached notes.

OCEAN CAPITAL LIMITED AND CONTROLLED ENTITIES
ABN 68 010 715 901
STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2011

	Note	Consolidated Entity 2011 $000	2010 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and others		20,360	24,025
Payments to suppliers, employees and others		(19,652)	(21,899)
Interest received		50	47
Finance costs paid		(3)	(20)
Income tax credit		151	(151)
Net cash provided by operating activities	2C	906	2,002
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property plant & equipment		(1,074)	(1,415)
Receipts from Sale of Land		1,000	
Net cash (used in) investing activities		(74)	(1,415)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,409)	(1,208)
Net cash (used in) financing activities		(1,409)	(1,208)
NET INCREASE/(DECREASE) IN CASH HELD		(577)	(621)
Cash and cash equivalents at beginning of year		920	1,541
CASH AND CASH EQUIVALENTS AT END OF YEAR	1C	343	920

The above statement of cash flows is to be read in conjunction with the attached notes.

1C Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes –

(a) cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts; and
(b) investments in money market instruments with less than 14 days to maturity.

Cash at the end of the year is shown in the statement of financial position as:

	Consolidated Entity	
	2011	**2010**
	$000	**$000**
Cash on hand and at banks	**343**	920

2C Reconciliation of cash flow from operations with profit/(loss) after income tax:

	2011	2010
Profit/(loss) after income tax	**(3,949)**	(1,755)
(a) Non cash flows in profit/(loss):		
Depreciation, amortisation & impairment	**3,511**	4,167
Gain on sale of land	**(550)**	-
Total non-cash flows	**2,960**	4,167
(b) Movement in operating assets and liabilities:		
Change in Trade and other receivables	**296**	572
Change in Inventories	**18**	(55)
Change in Other assets	**9**	59
Change in Deferred Tax Assets	**1,669**	(806)
Change in Trade and other payables	**(95)**	(95)
Change in Provisions	**(56)**	(47)
Change in Current Tax Liability	**54**	(38)
Total movements	**1,895**	(410)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**906**	2,002

The above statement of cash flows is to be read in conjunction with the attached notes.

1. STATEMENT OF ACCOUNTING POLICIES

Ocean Capital Limited (the "Company") is a listed public company, incorporated and domiciled in Australia. The financial report comprises the Company and its subsidiaries (together referred to as the "Group"). Ocean Capital Limited is the parent entity (the "Parent Company").

The separate financial statements of the parent entity have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial report was authorised on 31 August 2011 for issue by the directors.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted by the Group in the preparation of the financial report are set out below. The accounting policies have been consistently applied, unless otherwise stated.

Historical cost
These financial statements have been prepared on an accruals basis and are based on historical costs.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. These estimates and judgements may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Use of estimates and judgements
Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Income Tax
- Note 6 – Trade and other receivables
- Note 9 – Property, Plant and Equipment
- Note 12 – Provisions

Impairment
The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets have been assessed by reference to valuations by an independent expert.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

a) Basis of preparation (continued)

Comparative figures
Where appropriate, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Functional and presentation currency
These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the Group.

Rounding of amounts
The Company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars other than those specifically excluded.

b) Principles of consolidation

Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation
Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts/allowances and amounts collected on behalf of third parties. Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised when received. All revenue is stated net of the amount of goods and services tax ("GST").

d) Income tax

The current income tax expense or benefit is based on the profit or loss for the year adjusted for any non-assessable or non deductible items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the statement of comprehensive income except where it relates to items that may be recognised in other comprehensive income or directly to equity, in which case the deferred tax is recognised in other comprehensive income directly in equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences or tax losses can be utilised.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

d) Income tax (continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Ocean Capital Limited and its wholly owned subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Ocean Capital Limited is the head company and is responsible for recognising the current tax and deferred tax assets arising from unused tax losses for the tax consolidated group. Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'stand-alone taxpayer' approach. Any current tax liabilities/assets and deferred tax assets arising from unused tax losses are assumed by the head entity and are recognised by the Company as an equity contribution or distribution.

The Group notified the Australian Taxation Office that it had formed a tax consolidated group from 1 July 2003. The consolidated entity has no tax sharing arrangements between the head company and its subsidiaries as at the end of the financial year.

e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, is transferred to entities in the consolidated entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where alternative basis is more representative of the pattern of benefits to be derived from the leased property.

f) Impairment of assets

(i) Financial assets
A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Evidence of impairment may include indications that the customer is experiencing significant financial difficulty, and when debt collection procedures have commenced. When receivables for which impairment has previously been recognised are determined to be uncollectible, they are written off against the allowance account. If no provision for impairment was previously recognised, the impairment is written off against the receivable directly.

All impairment losses are recognised in profit or loss.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

f) Impairment of assets (continued)

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised to the extent of the original impairment. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that largely are independent from other assets and groups. Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

g) Trade receivables

Trade debtors are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full amount is no longer probable. Trade debts are usually settled on thirty day terms.

h) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business, less the estimated costs of completion and selling expenses. The cost of inventory is based on the weighted average cost method.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

i) Property, plant and equipment

Property, plant and equipment are carried at cost, less where applicable, any accumulated depreciation or impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The depreciable amount of all fixed assets including buildings, but excluding land, are depreciated over the useful lives to the Group on a straight line basis and commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The average depreciation rates used for each class of depreciable assets are: -

Class of Fixed Asset	***Depreciation Rate***
Buildings	2.5%
Plant & Equipment	10% to 40%
Vessels and Reef Pontoons	10% to 20%

The gain or loss on disposal of all fixed assets, including any re-valued assets, is determined as the difference between the carrying amount of the asset at the time of disposal and proceeds of disposal, and is recognised as income or expense in the year of disposal and included in profit or loss.

Subsequent costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of the property, plant & equipment are recognised in the profit and loss as incurred.

j) Trade Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

k) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- The amount at which the financial asset or financial liability is measured at initial recognition;
- Less principle repayments;
- Plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method;
- Less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

The group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The Group has not classified any financial assets as "fair value" through profit or loss.

k) Financial instruments (continued)

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. The Group does not hold any "hold to maturity" instruments.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. The Group does not hold any available-for-sale financial assets.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

l) Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

m) Provisions

In accordance with applicable legal requirements, a provision for site restoration in respect to the decommissioning of the pontoons in the Great Barrier Reef is recognised. The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the provision at the end of the reporting period.

The amount of the provision for future restoration costs is capitalised and is depreciated. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

n) Employee benefits

Short term benefits
Liabilities for employee benefits for wages, salaries, and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts. A provision is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contributions are made by the Group to employee superannuation funds (accumulation funds) and are charged as expenses when incurred.

Other long-term employee benefits
The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and recognised in provisions.

Share-based payment transactions
The Group does not presently undertake any share-based payment transactions.

o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

p) Finance costs

Finance costs including interest paid are recognised as an expense in the period in which they are incurred. Finance expenses comprise unwinding of the discount on provisions. All borrowing costs, except for those costs relating to qualifying assets, are recognised in profit or loss using the effective interest method.

q) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for any dilutive potential ordinary shares. There were no dilutive potential ordinary shares in the current or prior reporting period.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

r) Segment reporting

The Group determines and presents operating segments based on information that internally is provided to the Board of Directors, who are the Group's chief operating decision maker.

An operating segment is a component of the Group that is engaged in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group operates in two segments being Cruise Services and Hotel Services.

s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-Settled Share based Payment Transactions [AASB 2] (effective from 1 January 2010).
The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the Group settles the transaction or whether the transaction is settled in shares or in cash. They also clarify how the group share-based payment arrangement should be measured, that is, whether as an equity or a cash settled transaction. The Group will apply these amendments retrospectively for the financial reporting period commencing 1 July 2010. There will be no impact on the Group's financial statements.

(ii) AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (effective from 1 February 2010).
In October 2009 the AASB issued an amendment for AASB 132 *Financial Instruments: Presentation* which addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment must be applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The Group will apply the amended standard from 1 July 2010. As the Group has not made any such rights issues, the amendment will not have any effect on the Group's financial statements.

(iii) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013).
AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess its full impact. However, initial indications are that it may affect the Group's accounting for any available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the Group recognised nil such gains in other comprehensive income. The Group has not yet decided when to adopt AASB 9.

(iv) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011).

1 STATEMENT OF ACCOUNTING POLICIES (continued)

t) New Accounting Standards and interpretations (continued)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Group will apply the amended standard from 1 July 2011. When the amendments are applied, the Group will need to disclose any transactions between its subsidiaries and its associates. However, it has yet to put systems into place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.

(v) AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 July 2010).
AASB Interpretation 19 clarifies the accounting treatment when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. The Group will apply the interpretation from 1 July 2010. It is not expected to have any impact on the Group's financial statements since it is only retrospectively applied from the beginning of the earliest period presented (1 July 2009) and the Group has not entered into any debt for equity swaps since that date.

(vi) AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (effective from 1 January 2011).
In December 2009, the AASB made an amendment to Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.* The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. The Group does not make any such prepayments. The amendment is therefore not expected to have any impact on the Group's financial statements. The Group intends to apply the amendment from 1 July 2011.

u) New Accounting Standards and interpretations applied

The following accounting standard changes are mandatory for the reporting period ended 30 June 2011 and have been applied:

i) ASSB 138 *Intangible Assets* – Advertising and promotional expenses should be recognised as an expense when the entity has the right to access those goods.
ii) AASB 101R *Presentation of Financial Statements*. This has affected the naming convention of reports and has had no impact on the Group's financial results.
iii) s295(2) and s303(2) *Corporations Act 2001* has been repealed and replaced. Where Accounting Standards require consolidated financial statements to be prepared, separate parent entity financial statements will not be required. Regulations require a note to be prepared to include parent entity financial information.

	Consolidated Entity 2011 $000	2010 $000
2. REVENUE		
Operating activities		
Sale of Goods		400
Sale of services	**20,282**	22,987
Interest revenue from other persons	**50**	47
Total revenue	**20,332**	23,434

3. ITEMS INCLUDED IN PROFIT/(LOSS)

	2011 $000	2010 $000
(a) Net bad and doubtful receivables	**0**	36
Operating lease payments:		
Minimum lease payments	**214**	208
Contingent Rentals – Refer to note 14	**416**	357
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Revenue on Sale of Land in Cape Tribulation	**1,000**	-
Cost of Land Sold	**(450)**	-
Profit on sale of land	**550**	-

	Consolidated Entity	
	2011	**2010**
	$000	**$000**
4. INCOME TAX		
The income tax benefit/(expense) differs from the amount of prima facie tax on profit/(loss) and is reconciled as follows:-		
Prima facie tax on profit/loss before income tax at 30% (2010:30%)	**684**	787
Non-Deductible Expenses	**(3)**	-
Adjustment for Impairment Expense ($996k @ 30%)	**(299)**	-
Over provision for prior years	**27**	82
2011 Div 43 Building Allowance	**114**	-
De-recognition of Deferred tax assets	**(2,192)**	-
Income tax benefit/(expense)	**(1,669)**	869
(a) Deferred tax assets comprise:		
Tax losses	**1,740**	1,216
Provisions	**150**	204
Buildings	**897**	2,991
Other	**42**	87
	2,829	4,498
(b) The overall movement in the deferred tax asset account is as follows :		
Opening balance	**4,498**	3,692
(Charge)/credit to profit or loss	**(1,669)**	787
Other adjustment	**-**	19
Closing balance	**2,829**	4,498

The Board has resolved to reduce the deferred tax assets (DTA) previously booked against Hides Hotel and the Cape Tribulation properties. In prior periods, a DTA was created with reference to an asset impairment charge against Hides Hotel. The DTA in respect of this impairment charge has been derecognised in the current period as it is considered unlikely that this DTA will be recoverable in future years. The DTA booked in relation to the Cape Tribulation properties has also been derecognised as the Board is looking at options regarding the sale of these assets and it is considered unlikely that this DTA will be recoverable in future years.

	2011	**2010**
	$000	**$000**
Capital Losses		
Opening balance	**411**	411
Capital losses previously not recognised	**508**	-
Capital gain on sale of land	**(550)**	-
Closing balance	**369**	411
	-	
Unrecognised Deferred Tax Assets		
Temporary differences	**1,461**	-

The temporary differences arising from building allowances at Cape Tribulation and Hides have not been recognised as deferred tax assets as the benefits of which will only be realised if the conditions for deductibility set out in Note 1(d) occur.

	Consolidated Entity 2011 $000	2010 $000
4. INCOME TAX (continued)		
(c) The movement in deferred tax assets for each temporary difference during the year is as follows:		
Provisions		
Opening balance	**204**	179
Credited/(charged) to the statement of comprehensive income	**(54)**	25
Closing balance	**150**	204
Other temporary differences		
Opening balance	**87**	145
Credited/(charged) to the statement of comprehensive income	**(45)**	(58)
Closing balance	**42**	87
Buildings		
Opening balance	**2,991**	2,410
Credited/(charged) to the statement of comprehensive income	**(2,094)**	581
Closing balance	**897**	2,991
Tax losses		
Opening balance	**1,216**	958
Credited/(charged) to the statement of comprehensive income	**524**	258
Closing balance	**1,740**	1,216

5. CASH AND CASH EQUIVALENTS

	2011 $000	2010 $000
Cash at bank	**303**	875
Cash on hand	**40**	45
	343	920

6. TRADE AND OTHER RECEIVABLES

	2011 $000	2010 $000
Trade receivables	**792**	1,041
Provision for impairment of receivables		(12)
	792	1,029
Sundry receivables	**114**	173
	906	1,202

6. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables are non-interest bearing and are generally on 30-60 day terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss has been recognised for the year ended 30 June 2011 of $0k (2010: $12k).

At 30 June, the ageing analysis of trade receivables was as follows:

	Consolidated Entity	
	2011	**2010**
	$000	**$000**
Current	**487**	856
31 - 60 days	**237**	174
61 - 90 days	**50**	(5)
91 days and over	**18**	16
Total trade receivables	**792**	1,041

These amounts relate to a number of independent customers for whom there is no recent history of default. The Group considers these trade receivables to be recoverable. The Group does not hold any collateral in relation to these receivables.

The Group considers all trade receivables that are not past due to be recoverable.

Movements in the impairment of receivables are as follows:

Balance at 1 July	**12**	2
Impairment loss recognised during the year		36
Receivables written off during the year as uncollectible	**(12)**	(26)
Unused amount reversed	**-**	-
Balance at 30 June	**-**	12

The creation and release of the impairment against receivables has been included in other expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

7. INVENTORIES

Finished goods at cost	**224**	242

8. OTHER CURRENT ASSETS

Prepayments	**215**	179
Accrued income	**16**	62
Security deposit	**4**	4
	235	**245**

	Consolidated Entity 2011 $000	2010 $000
9. PROPERTY, PLANT AND EQUIPMENT		
Freehold land at cost	**1,551**	1,966
Transfer to asset held for sale	**(357)**	(453)
Leasehold land at cost	**2,612**	2,612
	3,806	4,125
Buildings on freehold land at cost	**20,767**	20,793
Buildings on leasehold land at cost	**6,574**	6,574
Transfer to asset held for sale	**(2,558)**	
Less accumulated depreciation	**(7,353)**	(6,787)
Less impairment	**(3,546)**	(2,000)
	13,884	18,580
Total Land and Buildings	**17,690**	22,705
Vessels and reef pontoons at cost	**2,995**	2,956
Less accumulated depreciation	**(1,747)**	(1,353)
	1,248	1,603
Plant and equipment at cost	**14,639**	13,520
Transfer to asset held for sale	**(285)**	
Less accumulated depreciation	**(9,757)**	(8,752)
	4,597	4,768
Total Property, Plant and Equipment	**23,536**	29,076

Valuation of property, plant and equipment

The property, plant and equipment owned by the wholly owned subsidiary, Sunlover Reef Cruises Pty Ltd, has been included at the amount paid on acquisition at 30 January 2006.

An independent valuation of Cape Tribulation properties was carried out by Herron Todd White Valuers on 17 May 2011 using the direct comparison method. This valuation of the properties was determined to be $5,950K. The carrying amount of these properties at 30 June 2011 exceeded the valuation and an impairment charge of $1,596K has been recognised.

An independent valuation of Long Island Resort was conducted by Herron Todd White Valuers on 25 November 2010 using the direct comparison method. The valuation of this property was determined to be $9,900K. The carrying value of these properties at 30 June 2011 exceeds the valuation by $159K. However, significant capital improvements have been undertaken since the valuation was performed which the Directors are of the opinion resulted in an appropriate increase in value.

9. PROPERTY, PLANT & EQUIPMENT (continued)

Movement in Carrying Amounts - **2011**

	Freehold and Leasehold Land	Buildings on Freehold and Leasehold Land	Vessels and Reef Pontoons	Plant and Equipment	Total
Consolidated Entity:					
Opening balance	4,125	18,580	1,603	4,768	29,076
Additions	38	6	39	1,119	1,202
Less disposals	-	(32)	-	-	(32)
Less depreciation expense	-	(566)	(394)	(1,005)	(1,965)
Less impairment	-	(1,546)	-	-	(1,546)
Transfer to land held for resale	(357)	(2,558)	-	(285)	(3,200)
Closing balance	**3,806**	**13,884**	**1,248**	**4,597**	**23,536**

Movement in Carrying Amounts - **2010**

	Freehold and Leasehold Land	Buildings on Freehold and Leasehold Land	Vessels and Reef Pontoons	Plant and Equipment	Total
Consolidated Entity:					
Opening balance	4,578	20,949	1,620	5,072	32,219
Additions	-	345	330	739	1,414
Less disposals	-	-	-	-	-
Less depreciation expense	-	(714)	(347)	(1,043)	(2,105)
Less Impairment	-	(2,000)	-	-	(2,000)
Transfer to land held for resale	(453)				(453)
Closing balance	**4,125**	**18,580**	**1,603**	**4,768**	**29,076**

	Consolidated Entity	
	2011	**2010**
	$000	**$000**
10. ASSETS HELD FOR SALE		
Opening balance	**453**	-
Sale of Land	**(453)**	-
Transfer from property, plant and equipment	**3,200**	453
Closing balance	**3,200**	453

The directors have resolved to make available for sale a lot of currently unutilised land in the Cape Tribulation area and part of the Cape Tribulation business (includes land, buildings and plant and equipment). These assets were classified as non-current land, buildings, plant and equipment in previous reporting periods and have now been classified as non-current assets held for sale.

	Consolidated Entity 2011 $000	2010 $000
11. TRADE AND OTHER PAYABLES		
Trade creditors	**1,508**	1,622
Sundry payables	**844**	713
Accrued expenses	**154**	159
Accrued annual leave	**200**	311
	2,706	2,805
12. PROVISIONS		
(a) Current		
Employee benefits – long service leave	**60**	58
	60	58
(b) Non current		
Employee benefits - long service leave	**66**	124
Pontoon decommissioning	**174**	174
	240	298

(c) Movements in provisions

Movements in the provisions during the financial year are set out below:

	Employee Benefits	Pontoon decommission $000	Total $000
Carrying amount at start of year	182	174	356
Additional provisions recognised	-	-	-
Amounts used during the period	(56)		(56)
Carrying amount at end of year	126	174	300

Pontoon Decommissioning
A provision has been recognised for the costs to be incurred for the decommissioning of the reef pontoons owned and operated by the wholly owned subsidiary and any requirement for the restoration of the adjacent portion of the Great Barrier Reef.

Employee Benefits
A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included at Note 1.

13. SHARE CAPITAL

	Consolidated Entity 2011 Number	2010 Number
(a) Contributed equity – ordinary shares at no par value:		
Opening balance	**80,512,389**	80,512,389
Shares issued during the year :	**-**	-
Closing balance	**80,512,389**	80,512,389

b) Capital management

Management considers the share capital and retained earnings as disclosed in the statements of financial position as capital. Management's objective is to ensure that the Group continues as a going concern as well as to maintain optimal surpluses to promote and manage its businesses. The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks in the market. This includes the management of debt levels, distribution to shareholders and share issues.

c) Dividends proposed after balance date

Any future dividends will be dependent on trading results and asset sales over the next twelve months.

	Consolidated Entity 2011 $000
d) Dividend franking account	
30 per cent franking credits available to shareholders of Ocean Capital Limited for subsequent financial years	
Opening balance	(616)
Franking debits	
Franking credits	345
Closing balance	(271)

The ability to utilise the franking credits is dependent upon there being sufficient available profits from which to declare dividends.

e) Dividends paid

During the year the Company declared and distributed two fully franked dividends to shareholders being an ordinary dividend of 0.75 cents per share paid on 29 October 2010 and a special dividend of 1.0 cent per share paid on 29 December 2010 as a result of the sale of unutilised land at Cape Tribulation.

	2011 $000	2010 $000
14. CAPITAL AND LEASING COMMITMENTS		
(a) Operating lease commitments		
Non cancellable operating leases contracted for but not capitalised in the financial statements	**-**	-
Payable:		-
Not later than one year	**191**	222
Later than one year but not later than five years	**-**	289
Later than five years	**-**	8
Closing balance	**191**	519

In addition to the above, wholly owned subsidiaries hold two perpetual leases over crown land. The current annual contribution commitment these leases is $120k (2010 - $64k)

A wholly owned subsidiary also has a rental agreement with Cairns Port Authority in respect of its berthing facility for which there is a fixed rental fee in addition to a levy based on the number of passengers using the facility. The levy charged for 2011 is $1.18 (2010 $1.12)

	Consolidated Entity	
	2011 $000	2010 $000
(b). Capital expenditure commitments		
Capital expenditure contracted for at year end but not provided for:		
Payable:		
Not later than one year	**-**	111
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
Closing balance	**-**	111

	2011 $	2010 $
15. AUDITORS REMUNERATION		
Remuneration of the auditor of the parent entity for:		
Auditing/reviewing the financial report		
December half year review 2009	**-**	15,500
June 2010 audit	**-**	37,000
December half year review 2010	**15,500**	-
June 2011 audit	**34,500**	-
Non audit services	**-**	-
Total	**50,000**	52,500

16. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) **Remuneration**

	Short-term benefits			Post-employment benefits	Share based payment	Total
	Cash Salary **$**	Cash Incentive **$**	Other **$**	Super-annuation **$**	Options **$**	 **$**
Year ended 30 June 2011	**450,789**		**47,500**	**36,385**		**534,674**
Year ended 30 June 2010	344,495		98,450	34,707		477,652

(b) **Option Holdings**

There are no options over the company's ordinary shares in the current or previous reporting period. Accordingly no options have been granted or held by key management personnel.

(c) Share Holdings
Number of shares held by key management personnel and their related parties:

2010/11

Key Management Personnel	Balance 1 July 2010	Received as remuneration	Net change other*	Balance 30 June 2011
David Kingston	59,400,222	-	479,563	59,879,785
Malcolm McComas	2,144,829	-	-	2,144,829
Nicola Constantinidis	-	-	-	-
John Crawford	-	-	-	-
	61,545,051	-	-	62,024,614

17. EARNINGS PER SHARE

	Consolidated Entity 2011 $000	2010 $000
Profit/(loss) used in calculating basic earnings per share	**(3,949)**	(1,755)
Profit/(loss) used in calculating diluted earnings per share	**(3,949)**	(1,755)
Weighted average number of ordinary shares used in calculating basic earnings per share	**80,512,389**	80,512,389
Dilutive potential ordinary shares	**-**	-
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	**80,512,389**	80,512,389
Potential ordinary shares that are not dilutive and not used in the calculation of diluted earnings per share	**-**	-
Ordinary shares issued between reporting date and time of completion of financial report	**-**	-

	2011 Cents	2010 cents
Basic earnings (loss) per share (cents per share)	**(4.905)**	(2.179)
Diluted earnings (loss) per share (cents per share)	**(4.905)**	(2.179)

18. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Ocean Capital Limited. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2011 $000	2010 $000
Current assets	**120**	1,377
Non-current assets	**11,570**	15,661
Total assets	**11,690**	17,038
Current liabilities	**(502)**	184
Non-current liabilities	**22**	21
Total liabilities	**(480)**	205
Net assets	**12,170**	16,833
Contributed equity	**20,865**	20,865
Retained earnings/(accumulated losses)	**(8,695)**	(4,032)
Total equity	**12,170**	16,833
Profit/(loss) for the year	**(1,846)**	(194)
Total comprehensive profit/(loss) for the year	**(1,846)**	(194)

Ocean Capital Limited has not entered into any guarantees in the current or previous financial year in relation to the debts of its subsidiaries. Ocean Capital Limited has no contingent liabilities in respect of its operations. At 30 June 2011, Ocean Capital Limited has not entered into any contractual commitments for the acquisition of property, plant and equipment (2010: Nil).

19. FINANCING ARRANGEMENTS

There are no financing facility arrangements in place for the group in the current or previous reporting period. Subsequent to 30 June 2011, the group has established a $500K overdraft secured by property held by the Group.

The Group has a bank guarantee in favor of the Great Barrier Reef Marine Park Authority Queensland for an amount of $60k (2010 - $60k) in relation to Long Island Resort and an amount of $275k (2010 - $275k) in relation to Sunlover Reef Cruises Pty Ltd.

20. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and short-term deposits, receivables and payables. These activities expose the Group to a variety of financial risks; market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Although the Group does not have documented policies and procedures, the directors manage the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate and foreign exchange risk and by being aware of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through general business and forecasts.

The Group's risk management policies have not changed from the previous year.

The Group holds the following financial instruments:

	Consolidated Entity	
	2011	**2010**
	$000	**$000**
Financial Assets		
Cash and cash equivalents	**343**	920
Trade and other receivables	**906**	1,202
Total Financial Assets	**1,249**	2,122
Financial Liabilities		
Trade and other payables	**2,706**	2,805
Total Financial Liabilities	**2,706**	2,805
Net exposure	**(1,457)**	(683)

21 FINANCIAL RISK MANAGEMENT (continued)

Risk Exposures and Responses

Interest rate risk

Ocean Capital Limited does not have material exposure to interest rate risk.

Currency risk

Ocean Capital Limited does not have material exposure to foreign currency risk.

Credit risk

Credit risk is the risk of financial loss to the entity if a customer fails to meet its contractual obligations to the entity. The Group's objective is to minimize risk of loss from credit risk exposure. Credit risk arises principally from trade and other receivables. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position these notes to the financial statements.

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. It is the Group's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

Price risk

The Group's exposure to commodity and equity securities price risk is minimal.

Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions. Liquidity risk is measured using liquidity ratios such as working capital. The Group manages liquidity risk by monitoring cash flow and maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maturities of financial liabilities (continued)

	Consolidated Entity					
	Carrying amount $000	**Contractual Cash flows $000**	**6 months or less $000**	**6 -12 months $000**	**1 to 2 years $000**	**2 to 5 years $000**
30 June 2011						
Trade and Other Payables	**2,706**	**2,706**	**2,706**	**-**	**-**	**-**
30 June 2010						
Trade and Other Payables	2,805	2,805	2,805	-	-	-

Fair Values

The carrying values of the Group's financial assets and financial liabilities approximate their fair values as at 30 June 2011.

23. SEGMENT INFORMATION

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments where the segments have similar characteristics.

The group is organised in two segments - the Hotels Group and the Cruise Group based on the products and services offered by each segment. Both segments operate in the same geographical locations being Far North Queensland and share the same central management and control. Previously, the Group reported one segment being Tourism.

Segment information provided to the Board for the year ended 30 June 2011 is as follows:

	Cruise 2011 $'000	Cruise 2010 $'000	Hotels 2011 $'000	Hotels 2010 $'000	Total 2011 $'000	Total 2010 $'000
Year ended 30 June 2011						
Total segment revenue	**7,320**	**7,224**	**12,949**	**16,162**	**20,269**	**23,386**
Depreciation and Amortisation	**441**	**428**	**1,505**	**1,637**	**1,946**	**2,065**
Interest Revenue	**-**	**-**	**-**	**-**	**-**	**-**
Profit before tax	**907**	**1,294**	**(2,015)**	**(1,480)**	**(1,108)**	**186**
Total segment assets	**2,003**	**2,633**	**29,235**	**34,155**	**31,238**	**36,788**
Total segment liabilities	**908**	**871**	**2,098**	**2,290**	**3,006**	**3,161**

24 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties

Transactions with related parties:

	Consolidated Entity	
	2011	**2010**
	$	**$**
Key Management Personnel		
Part reimbursement of office rental and facilities paid to Rifon-2 Pty Ltd, an associated company of D Kingston, Chairman of Directors	**50,000**	50,000

25. CONTROLLED ENTITIES

Controlled entities consolidated

	Country of Incorporation	**Percentage owned 2011 %**	**2010 %**
Parent Entity:			
Ocean Capital Limited	Australia		
Controlled entities of Ocean Capital Limited:			
CCH Cairns Operations Pty Ltd	Australia	**100**	100
CCH Island Operations Pty Ltd	Australia	**100**	100
Club Crocodile Whitsundays Pty Ltd	Australia	**100**	100
Sunlover Reef Cruises Pty Ltd	Australia	**100**	100
Long Island Resorts Pty Ltd	Australia	**100**	100
OCE Cape Tribulation Pty Ltd	Australia	**100**	100
OCE Hides Pty Ltd	Australia	**100**	100
Ocean Hotels Pty Ltd	Australia	**100**	100
Oceancorp Pty Ltd	Australia	**100**	100

26. AFTER BALANCE DATE EVENTS

The Group has listed Cape Tribulation Resort for sale. A bank overdraft of $500K was approved by the Groups financiers on 26 July 2011. Apart from these, no matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

27 COMPANY DETAILS

The registered office of the company is:

C/- VJ Ryan & Co Services Pty Ltd
Suite 1, Level 5
255 George Street
Sydney NSW 2000

The principal place of business of the company is:

Reef Fleet Terminal
Sunlover Reef Cruises Offices
1 Spence Street
Cairns QLD 4870

The principal activities of the company are the provision of tourism related services.

OCEAN CAPITAL LIMITED AND CONTROLLED ENTITIES
ABN 68 010 715 901
DIRECTORS' DECLARATION

The Directors of Ocean Capital Limited declare that:

(a) the financial statements and notes, as set out on pages 9 to 39, are in accordance with the *Corporations Act 2001*, and:

- (i) comply with Australian Accounting Standards and the Corporations Regulations 2001 as well as with the International Financial Reporting Standards issued by the International Accounting Standards Board; and
- (ii) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the consolidated Group; and
- (iii) the directors have been given a declaration by the Executive Director and the Group Financial Controller as required by s295A of the *Corporations Act 2001*.

(b) The Executive Director and the Group Financial Controller have declared that:

- (i) the financial records of the company for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001; and*
- (ii) the financial statements and notes for the financial year comply with the Accounting Standards; and
- (iii) the financial statements and notes for the financial year give a true and fair view; and
- (iv) the remuneration disclosures contained in the remuneration report comply with s300A of the *Corporations Act 2001*.

(c) In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

DAVID KINGSTON
CHAIRMAN

Dated at Sydney this 31st day of August 2011.

INDEPENDENT AUDITOR'S REPORT
To the members of Ocean Capital Limited

We have audited the accompanying financial report of Ocean Capital Limited which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes containing a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Ocean Capital Limited, would be in the same terms if it had been given to the directors at the time of this auditor's report.

Basis for Qualified Opinion
The financial report of Ocean Capital Limited for the year ended 30 June 2010 was qualified in respect of the carrying amount of property, plant and equipment for which impairment indicators existed. Since the balance of property, plant and equipment affects the determination of the results of operations, we were unable to determine whether adjustments to the results of operations might be necessary for 2010. Our opinion on the current period's financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures

Qualified Opinion
In our opinion, except for the possible effects on the corresponding figures of the matter described in the Basis for Qualified Opinion paragraph:

(a) the financial report of Ocean Capital Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 6 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Ocean Capital Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001.*

WHK

WHK NQ
ABN 49 301 665 931

Jason Taylor
Principal

31 August 2011
232 - 240 Mulgrave Rd
Cairns QLD 4870

CORPORATE GOVERNANCE STATEMENT

The Board of Ocean Capital Limited believes in working to the highest standards of corporate governance as is appropriate for the Group. The Board also believes it is important to recognize that there can be no hard and fast rule to good corporate governance and that it is important to consider the size of the Group, the industry within which it operates, the corporate history and the Group's inherent strengths.

The Group has complied with several of the Principles of Good Corporate Governance and Best Practice Recommendations of the ASX Corporate Governance Council. These include laying solid foundations for management, appropriate Board structure, promotion of ethical and responsible decision making, the safeguard of integrity in financial reporting, the making of timely disclosure of material matters affecting the Group, respecting the rights of shareholders, recognizing and managing risk, encouragement of enhanced board and management effectiveness, providing fair and responsible remuneration and recognizing the obligations to all legitimate stakeholders.

The Board believes the areas of non conformance shown below will not unduly impact on the Group's ability to meet appropriate standards of Corporate Governance.

Those areas of non compliance are explained as follows:

Recommendation 2.1 – Majority of Independent Directors

As a small market capitalization company, it is important that Ocean Capital Limited has a Board of an appropriate size. The Board believes that three is the appropriate number of directors for the company at its current size and that the existing directors have the necessary skills and industry knowledge. To add additional directors at this stage would increase the Board's size beyond what is currently regarded as appropriate and would unnecessarily increase costs. As and when the company grows, the number of directors may be increased.

Recommendation: 2.2 – Independent Chairman

The Board believes that the company's largest shareholder, Mr David Kingston, is the best candidate to be Chairman and in that role to guide the Group's vision and strategy as well as to set performance expectations.

Recommendation 4.1 – Audit Committee Composition

During the year thecommittee comprised two members including the Chairman of the Board

Recommendation 7.3 – System of Risk Management

The Board has received from the Group General Manager and Group Financial Controller a declaration that a sound system of risk management and internal control is in place and operating effectively in all material respects in relation to financial reporting risks.

SHAREHOLDERS INFORMATION

LIST OF LARGEST 20 SHAREHOLDERS AT 30 JUNE 2011

	Name	No. of Shares	%ofContributed Equity
1	Sun-2 Pty Ltd	54,387,695	67.55%
2	K Capital Pty Ltd (K Superannuation Fund A/C)	5,012,527	6.23%
3	Movilli Pty Ltd	1,813,829	2.25%
4	DB Management Pty Ltd	1,649,121	2.05%
5	Thomas P V & Janet N Cameron, Cameron Family Super Fund	1,000,000	1.24%
6	UBS Wealth Management Australia Nominees Pty Ltd	800,000	0.99%
7	Tappak Nominees Pty Ltd	650,000	0.81%
8	Elcos (Qld) Pty Ltd	600,000	0.75%
9	Superdeck Pty Ltd (D K C & E Groves Super)	542,582	0.67%
10	Elcos (Qld) Pty Ltd (The Elcos (Ald) Unit A/C)	525,000	0.65%
11	David J & Barbara A Niesler	522,692	0.65%
12	Martin Luke Nel	500,000	0.62%
13	Kathryn A Groves	491,971	0.61%
14	K Capital Pty Ltd	479,563	0.60%
15	Kathryn Groves & Nea Der Sarkissian	440,696	0.55%
16	Barchester Pty Ltd	400,000	0.50%
17	Ironwood Investments Pty Ltd (Phillips Super Fund)	400,000	0.50%
18	Rikoaks Pty Ltd (KC Super Fund)	364,169	0.45%
19	Bunyula Super Pty Ltd	331,000	0.41%
20	Rikoaks Pty Ltd (KC Fund A/C)	300,000	0.37%

Top holdings of top 20 shareholders	71,210,845	
Total shares on register	80,512,389	
% held by top 20 shareholders		88.45%

DISTRIBUTION OF SHAREHOLDER NUMBERS

Size of Holding	No. of Holders	No. Held Ordinary	Percentage Held
1 – 1000	148	84,471	0.10%
1001 - 5000	210	560,304	0.70%
5001 - 10000	76	601,407	0.75%
10001 - 100000	186	4,789,232	5.95%
100001 and over	38	74,476,975	93.50%

Number of holders with less than marketable parcels (minimum parcel $500) is 162.

Names of substantial shareholders listed in the parent Entity's register at 30 June 2011 are:

Shareholder Name	Ordinary Holding
1. Sun-2 Pty Ltd	54,387,695
2. K Capital Pty Ltd	5,492,090

AUSTRALIAN STOCK EXCHANGE REPORT

There is no current on market buy back in respect of the company shares.

Company Directory

Directors

David R Kingston (Chairman)
Malcolm J McComas
Nicola Constantinidis

Company Secretary
John Crawford

Registered Office
C/- V J Ryan & Co Services Pty Ltd
Suite 1, Level 5
255 George Street
Sydney NSW 2000
Phone: (02) 9240 4900
Fax: (02) 9247 5930

Auditors
WHK Cairns
232-240 Mulgrave Road
Cairns Qld 4870
Phone: (07) 4052 3222
Fax: (07) 4051 8827

Share Registry
Computershare Investor Services Pty Ltd
Level 19, 307 Queen Street
Brisbane Qld 4001
Phone: (07) 3237 2100
Fax: (07) 3237 2152

Ocean Hotels

Long Island Resort & Spa
Whitsundays Qld 4802
Reservations: 1800 075 125

Club Crocodile Airlie Beach
Shute Harbour Road, Whitsundays Qld 4802
Reservations: 1800 075 125

Hides Hotel Cairns
87 Lake Street, Cairns Qld 4870
Reservations: 1800 079 266

Ferntree Rainforest Lodge
Camelot Close, Cape Tribulation Qld 4873
Reservations: 1800 987 077

Sunlover Reef Cruises
Reef Fleet Terminal
1 Spence Street Cairns Qld 4870
Reservations: 1800 810 512

Stock Exchange Listing
The Australian Securities Exchange Ltd has granted quotation for all fully paid ordinary shares in the company

Websites
www.oceancapital.com.au
www.oceanhotels.com.au
www.sunlover.com.au
www.capetribulationresorts.com.au

NOTICE OF ANNUAL GENERAL MEETING

To Shareholders:

Notice is hereby given that the Annual General Meeting of Ocean Capital Limited will be held at the Conference Room of Hides Hotel at 87 Lake Street, Cairns, on Tuesday 22 November 2011 commencing at 3:00pm.

AGENDA:

ORDINARY BUSINESS

1. TO RECEIVE AND CONSIDER:

The Financial Report of the Company and of the Economic Entity for the year ended 30 June 2011 and the Reports by Directors and Auditors thereon required to be laid before the meeting in accordance with Article 68 of the Constitution and the Corporations Act 2001. The remuneration report of the company is included in the Director's Report and in accordance with Section 250R(2) of the Corporations Act 2001, a resolution that the remuneration report be adopted will be put to the meeting. The shareholder vote is advisory only and will not bind the Directors of the Company.

2. RETIREMENT AND ELECTION OF DIRECTORS:

David Kingston retires in accordance with Article 39.1 of the provisions of the constitution and being eligible offers himself for re-election. Nicola Constantinidis being a new Director of the company and being eligible also offers herself for election.

3. OTHER BUSINESS:

To transact any other general business that maybe properly brought forward.

By Order of the Board

John Crawford.

John Crawford
Company Secretary

12 October 2011

VOTING AND PROXIES

Article 27 of the Company's constitution provides that on a show of hands every member present in person or by proxy or attorney or (in the case of a corporation) by representative, shall have one vote and upon a poll every such member shall have on vote for every share which he/she is a regarded holder.

A proxy form accompanies this notice. Proxies, to be valid, must be received at the registered office of the company, C/- VJ Ryan & Co Services Pty Ltd Suite 1 Level 5, 255 George Street Sydney NSW 2000, no later than 48 hours before the time of the meeting. A proxy need not be a member of the company.

PROXY

I/We………………………………………………………… of ……………………………………………………………...

Being a member/members of Ocean Capital Limited, hereby appoint …………………………………………….

of ……………………………………………………….. or, failing this, the Chairman of the Meeting as my/our

Proxy, to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Tuesday, 22 November 2011 and any adjournment thereof.

Dated this day of 2011

Signed by the said member: COMPANIES ……………………………………………… Director

………………………………… Company Seal ………………………………………………
(Shareholder's signature) *(if applicable)* Director

RESOLUTIONS

ITEM		**FOR**	**AGAINST**	**ABSTAIN**
1	That the Remuneration Report as contained in the Directors' report section of the Company's 2011 Annual Report, be adopted.	☐	☐	☐
2	To re-elect David Kingston as Director	☐	☐	☐
3	To elect Nicola Constantinidis as Director	☐	☐	☐

Members should be aware that it is the intention of the Chairman to vote in favour of resolution 2 and 3 of the above resolutions. The Chairman cannot direct proxy votes for resolution 1 as per note 10 below. If you do not wish to direct your proxy how to vote, please place a mark in the box. ☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

NOTE:

1. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies.
2. Where more than one proxy is appointed each proxy must be appointed to represent a specified proportion of the member's voting rights and neither proxy shall be entitled to vote on a show of hands.
3. A proxy need not be a member of the Company.
4. If this form of proxy is executed, under power of attorney, the instrument must accompany the form of proxy.
5. Any instrument of proxy in which the name of the appointee is not filled in shall be deemed to be given in favour of the Chairman of the meeting.

Continued over page

6. Proxies to be valid must be received at the Registered Office of the company, C/- VJ Ryan & Co Services Pty Ltd Suite 1 Level 5, 255 George Street Sydney NSW 2000, no later than 48 hours before the time of the meeting. A proxy need not be a member of the company but should be a natural person over the age of 18 years.
7. Proxies shall be in writing under the hand of the appointed or his/her attorney duly authorised in writing or if the appointer is a corporation, under its common seal or the hand of its attorney and such instrument is deemed to confer authority to demand or to join in demanding a poll.
8. Should a member desire to direct a proxy how to vote, the member should place a mark (X), in the appropriate box against each item above, otherwise the proxy may vote as he or she thinks fit, or abstain from voting.
9. The Company has determined that, for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded in the company register as at 7:00pm on 20 November 2011 being 48 hours before the date of the meeting.
10. Resolution 1 shall be determined under section 250R(2). Votes must not be cast on this resolution by key management personnel and closely related parties in contravention of section 250R or 250BD of the Corporations Act. Restrictions apply to votes cast as proxy unless exceptions apply. The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.