

**Registered Office**

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SYDNEY NSW 2000



**OCEAN CAPITAL LIMITED**

ABN 68 010 715 901

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22 February 2012

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

**OCEAN CAPITAL LIMITED**

**HALF YEAR REPORT**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2011**

In accordance with the ASX Listing Rules, attached are the following documents for lodgement:

1. Appendix 4D Half Year Report for the six months ended 31 December 2011; and
2. Directors' Report and Financial Report for the half year ended 31 December 2011.

*John Crawford.*

John Crawford  
**Company Secretary**

Enc.

# Appendix 4D

## Half Year Report to the Australian Stock Exchange

<b>Name of Entity</b>	<b>OCEAN CAPITAL LIMITED</b>
<b>ABN</b>	<b>68 010 715 901</b>
<b>Half Year Ended</b>	<b>31 December 2011</b>
<b>Previous Corresponding Reporting Half Year</b>	<b>31 December 2010</b>

### Results for Announcement to the Market

		\$000	Percentage increase /(decrease) over previous corresponding half year
Revenue from ordinary activities		11,375	(15.2)%
Profit / (loss) from ordinary activities after tax attributable to members		583	8.9%
Net profit / (loss) for the half year attributable to members		583	8.9%
Dividends (distributions)	Amount per security	Franked amount per security	
Final Dividend	NIL	N/A	
Interim Dividend	NIL	N/A	
Record date for determining entitlements to the dividends (if any)		N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			
See attached financial statements			

## Dividends

<b>Date the dividend is payable</b>	N/A
<b>Record date to determine entitlement to the dividend</b>	N/A
<b>Amount per security</b>	NIL
<b>Total dividend</b>	NIL
<b>Amount per security of foreign sourced dividend or distribution</b>	NIL
<b>Details of any dividend reinvestment plans in operation</b>	N/A
<b>The last date for receipt of an election notice for participation in any dividend reinvestment plans</b>	N/A

## NTA Backing

	<b>Current Half Year</b>	<b>Previous corresponding half year</b>
<b>Net tangible asset backing per ordinary security</b>	32.51 cents	35.47 cents
<b>Net asset backing per ordinary security</b>	35.83 cents	40.68 cents

## Control Gained Over Entities Having Material Effect

<b>Name of entity (or group of entities)</b>	N/A
<b>Date control gained</b>	
<b>Consolidated profit / (loss) from ordinary activities since the date in the current half year on which control was acquired</b>	
<b>Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding half year</b>	

## Loss of Control Over Entities Having Material Effect

<b>Name of entity (or group of entities)</b>	N/A
<b>Date control lost</b>	
<b>Consolidated profit / (loss) from ordinary activities for the current half year to the date of loss of control</b>	
<b>Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding half year</b>	

## Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Half Year	Previous Half Year	Current Half Year	Previous Half Year
Nil	Nil	Nil	Nil	Nil
<b>Aggregate Share of Net Profits</b>			Nil	Nil

## Foreign Entities Accounting Framework

For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)

N/A

## Audit/Review Status

**This report is based on accounts to which one of the following applies:**  
(Tick one)

The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
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**If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:**

N/A

## Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Half Year Financial Report
2	Independent Review Report

**Signed By Company Secretary**

*John Crawford.*

<b>Print Name</b>	JOHN CRAWFORD
<b>Date</b>	22 February 2012

**OCEAN CAPITAL LIMITED A.B.N. 68 010 715 901**

**DIRECTORS' REPORT**

The directors present their report together with the financial statements of Ocean Capital Limited ("the Company") and its controlled entities for the half-year ended 31 December 2011 and the independent auditor's review report thereon.

**DIRECTORS**

The directors of the Company during the half-year or since the end of the half-year are:

- David R Kingston
- Malcolm J McComas
- Nicola Constantinidis

All Directors have been in office since the start of the half-year to the date of this report.

**RESULTS OF OPERATIONS**

The consolidated profit for the half-year after providing for income tax was \$582,823 (half-year 2010: \$535,182).

**REVIEW OF OPERATIONS**

Sales declined relative to the previous corresponding half year which reflected ongoing industry price discounting, the high Australian dollar and the competitive environment tourism operators continue to trade in. Tighter controls were implemented across the group which resulted in similar profitability levels being achieved on reduced revenue. These control measures have provided a platform for maintaining a healthy balance sheet as we enter the traditionally quiet months of January to June.

Key initiatives to combat the decline in sales include a restructure of sell rates for each business in line with current consumer demand, resulting in our businesses being more competitive in market. We have aligned ourselves with key agents by ensuring price parity across all channels and matching our products with appropriate and up to date collateral to re-build consumer confidence in our businesses. Opportunities not previously tapped into, such as online distribution for our volume businesses, Long Island Resort and Sunlover Reef Cruises, have been initiated and are showing promising outcomes. The outlook remains solid given the upward trend in our ability to reach larger numbers via online distribution channels.

As tourism will continue to be a volatile industry, the directors will be performing a detailed review of carrying values of the various properties prior to 30 June 2012.

**EVENTS SUBSEQUENT TO BALANCE DATE**

As at the date of this report there have been no events subsequent to balance date.

**AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the half-year ended 31 December 2011.

**ROUNDING OF AMOUNTS**

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Signed in accordance with a resolution of the directors.



DAVID KINGSTON  
Director  
Sydney  
22 February 2012

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**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 half-year ended 31 December 2011 there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature of the WHK firm, consisting of the letters "WHK" in a cursive, flowing script.

WHK NQ  
ABN 49 301 665 931

A handwritten signature in black ink, appearing to read "J Taylor", written in a cursive style.

Jason Taylor  
Principal

22 February 2012  
232 - 240 Mulgrave Rd  
Cairns QLD 4870

**OCEAN CAPITAL LIMITED**  
**Condensed consolidated interim statement of comprehensive income**  
**for the half-year ended 31 December 2011**

	Consolidated Entity	
	Half Year	
Note	2011	2010
	\$'000	\$'000
<b>Income</b>		
Revenue from operating activities	11,375	13,418
Profit from Sale of Land	-	550
<b>Total Income</b>	<b>11,375</b>	<b>13,968</b>
Administrative costs	(207)	(285)
Catering	(460)	(471)
Cost of sales	(1,605)	(1,919)
Communications	(83)	(131)
Depreciation and amortisation	(913)	(965)
Linen	(121)	(113)
Employee related expenses	(4,332)	(5,245)
Finance costs	(11)	-
Fuel	(419)	(526)
Occupancy	(1,048)	(1,029)
Repairs & replacements	(505)	(672)
Impairment Loss	-	(550)
Sales & marketing	(333)	(641)
Other expenses	(607)	(595)
<b>Total Expenses</b>	<b>10,643</b>	<b>13,142</b>
<b>Profit before income tax expense</b>	<b>732</b>	<b>826</b>
Income tax expense	(149)	(291)
<b>Net profit for the half-year attributable to owners of the parent entity</b>	<b>583</b>	<b>535</b>
<b>Other comprehensive income for the half-year, net of tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the half-year attributable to owners of the parent entity</b>	<b>583</b>	<b>535</b>
<b>Earnings per share for profit attributable to owners of Ocean Capital Limited</b>	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	0.724	0.665

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**OCEAN CAPITAL LIMITED**  
**Condensed consolidated interim statement of financial position**  
**as at 31 December 2011**

	<b>Consolidated Entity</b>	
	<b>31-Dec</b>	<b>30-Jun</b>
	<b>2011</b>	<b>2011</b>
<b>Note</b>	<b>\$000</b>	<b>\$000</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	381	343
Trade and other receivables	1,629	906
Inventories	265	224
Other current assets	593	235
<b>TOTAL CURRENT ASSETS</b>	<b>2,868</b>	<b>1,708</b>
<b>NON CURRENT ASSETS</b>		
Assets held for sale	3,200	3,200
Property, plant & equipment	23,762	23,536
Deferred tax assets	2,680	2,829
<b>TOTAL NON CURRENT ASSETS</b>	<b>29,642</b>	<b>29,565</b>
<b>TOTAL ASSETS</b>	<b>32,510</b>	<b>31,273</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,374	2,706
Current tax liability	-	-
Current Provisions	66	60
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,440</b>	<b>2,766</b>
<b>NON CURRENT LIABILITIES</b>		
Provisions	218	240
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>218</b>	<b>240</b>
<b>TOTAL LIABILITIES</b>	<b>3,658</b>	<b>3,006</b>
<b>NET ASSETS</b>	<b>28,852</b>	<b>28,267</b>
<b>EQUITY</b>		
Share capital	20,865	20,865
Retained earnings	7,987	7,402
<b>TOTAL EQUITY</b>	<b>28,852</b>	<b>28,267</b>

The above Consolidated Statement of Financial Position should be read in conjunction with  
the accompanying notes.



**OCEAN CAPITAL LIMITED**

**Condensed consolidated interim statement of changes in equity  
for the half-year ended 31 December 2011**

	Contributed equity \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 July 2010</b>	20,865	12,761	33,627
<b>Total comprehensive income for the half-year</b>			
Profit for the half year		535	535
Other comprehensive income for the half-year		-	-
<b>Transactions with owners in their capacity as owners</b>			
Dividends paid		(1,409)	(1,409)
<b>At 31 December 2010</b>	<b>20,865</b>	<b>11,887</b>	<b>32,752</b>
<b>At 1 July 2011</b>	20,865	7,402	28,267
<b>Total comprehensive income for the half-year</b>			
Profit for the half year		583	583
Other comprehensive income for the half-year		-	-
<b>Transactions with owners in their capacity as owners</b>			
Dividends paid		-	-
<b>At 31 December 2011</b>	<b>20,865</b>	<b>7,987</b>	<b>28,852</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**OCEAN CAPITAL LIMITED**  
**Condensed consolidated interim statement of cash flows**  
**for the half-year ended 31 December 2011**

	<b>Consolidated Entity</b>	
	<b>Half year</b>	
	<b>2011</b>	<b>2010</b>
<b>Note</b>	<b>\$000</b>	<b>\$000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	11,370	14,298
Payments to suppliers and employees	(10,234)	(12,550)
Interest received	5	25
Interest and other costs of finance paid	(3)	-
Income taxes credit / (paid)	-	151
<b>Net cash inflow from operating activities</b>	<u>1,138</u>	<u>1,924</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from Sale of Land	-	1,000
Payments for property, plant and equipment	(1,100)	(708)
<b>Net cash inflow (outflow) from investing activities</b>	<u>(1,100)</u>	<u>292</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	-
Dividends paid	-	(1,409)
<b>Net cash outflow from financing activities</b>	<u>-</u>	<u>(1,409)</u>
<b>NET INCREASE IN CASH HELD</b>	<b>38</b>	<b>807</b>
Net cash at beginning of the half year	343	920
<b>NET CASH AT END OF THE HALF YEAR</b>	<u><u>381</u></u>	<u><u>1,727</u></u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**OCEAN CAPITAL LIMITED A.B.N. 68 010 715 901**  
**NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

**NOTE 1. INTRODUCTION AND BASIS OF PREPARATION OF HALF YEAR FINANCIAL STATEMENT**

Ocean Capital Limited (the "Company") is a company domiciled in Australia. The consolidated half-year Financial Statements of the Company as at and for the six months ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "consolidated entity").

These general purpose Financial Statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 134 *Interim Financial Reporting*.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the consolidated interim financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2011, together with any public announcements made during the half-year. The consolidated annual financial report of the Group as at and for the year ended 30 June 2011 is available upon request from the Company's registered office.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current reporting period. There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The adoption of all new and revised Accounting Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Except as described below, in preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2011.

**NOTE 2. EVENTS SUBSEQUENT TO BALANCE DATE**

There are no matters or circumstances that have arisen since the end of the half year that have significantly affected or may significantly affect the operations of the consolidated entity at the date of this report.

**NOTE 3. CONTINGENT LIABILITIES**

There have been no changes in respect of contingent liabilities since 30 June 2011.

**OCEAN CAPITAL LIMITED A.B.N. 68 010 715 901**  
**NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

**NOTE 4. SEGMENT INFORMATION**

The group is organised in two segments - the Hotels Group and the Cruise Group based on the products and services offered by each segment as per AASB 8 *Operating Segments*. Both segments operate in the same geographical locations being Far North Queensland and share the same central management control.

The revenues reported represents revenue generated from external customers. There were no intersegment sales during the period.

Segment information provided to the executive management committee for the half-year ended 31 December 2011 is as follows:

<b>Half-year ended 31 December 2011</b>	<b>Cruise</b>	<b>Hotels</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Total segment revenue	4,018	7,352	11,370
Interest Revenue		5	5
EBITDA	991	951	1,942
Depreciation and Amortisation	(173)	(740)	(913)
Profit before income tax	666	66	732

<b>Half-year ended 31 December 2010</b>	<b>Cruise</b>	<b>Hotels</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Total segment revenue	4,433	9,535	13,968
Interest Revenue		25	25
EBITDA	1,255	1,061	2,316
Depreciation and Amortisation	(222)	(1,293)	(1,515)
Profit before income tax	1,033	(207)	826

**Total Segment Assets and Liabilities half-year ended 31 December 2011**

Assets	3,215	29,295	32,510
Liabilities	1,464	2,195	3,658

**Total Segment Assets and Liabilities year ended 30 June 2011**

Assets	2,003	29,270	31,273
Liabilities	908	2,098	3,006

**OCEAN CAPITAL LIMITED A.B.N. 68 010 715 901**

**DIRECTORS' DECLARATION**

The Directors of Ocean Capital Limited declare that:

- a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* and:
  - i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) In the Director's opinion, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Director's by:



**DAVID KINGSTON**  
Director

Sydney  
22 February 2012

**Townsville**

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF OCEAN CAPITAL LIMITED AND CONTROLLED ENTITIES****Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of Ocean Capital Limited and controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

*Directors' responsibility for the half-year financial report*

The directors of Ocean Capital Limited (the company) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ocean Capital Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Electronic presentation of reviewed financial report*

The auditor's review report relates to the financial report of Ocean Capital Limited for the half-year ended 31 December 2011 included on Ocean Capital Limited's web site. The Company's directors are responsible for the integrity of Ocean Capital Limited's web site. We have not been engaged to report on the integrity of Ocean Capital's web site. The auditor's review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

*Conclusion*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Ocean Capital Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



WHK NQ

ABN 49 301 665 931



Jason Taylor  
Principal

22 February 2012  
232 - 240 Mulgrave Rd  
Cairns QLD 4870