

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

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

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

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

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

NTA Backing

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

Control Gained Over Entities Having Material Effect

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

Loss of Control Over Entities Having Material Effect

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

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
Aggregate Share of Net Profits			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.

Print Name	JOHN CRAWFORD
Date	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

Townsville

22 Walker Street
PO Box 537
Townsville Qld 4810

T 07 4722 9555
F 07 4722 9599

townsville@whk.com.au

Cairns

232 – 240 Mulgrave Road
PO Box 668
Cairns Qld 4870

T 07 5052 3222
F 07 4051 8827

cairns@whk.com.au

www.whk.com.au

WHK NQ
ABN 49 301 665 931

**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 handwritten signature in black ink that reads "WHK".

WHK NQ
ABN 49 301 665 931

A handwritten signature in black ink that appears to read "Jason Taylor".

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
Income		
Revenue from operating activities	11,375	13,418
Profit from Sale of Land	-	550
Total Income	11,375	13,968
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)
Total Expenses	10,643	13,142
Profit before income tax expense	732	826
Income tax expense	(149)	(291)
Net profit for the half-year attributable to owners of the parent entity	583	535
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income for the half-year attributable to owners of the parent entity	583	535
Earnings per share for profit attributable to owners of Ocean Capital Limited	Cents	Cents
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

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

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

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

	Note	Consolidated Entity	
		Half year	
		2011	2010
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
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
Net cash inflow from operating activities		<u>1,138</u>	<u>1,924</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from Sale of Land		-	1,000
Payments for property, plant and equipment		(1,100)	(708)
Net cash inflow (outflow) from investing activities		<u>(1,100)</u>	<u>292</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings			
Dividends paid		-	(1,409)
Net cash outflow from financing activities		<u>-</u>	<u>(1,409)</u>
NET INCREASE IN CASH HELD		38	807
Net cash at beginning of the half year		343	920
NET CASH AT END OF THE HALF YEAR		<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:

Half-year ended 31 December 2011	Cruise	Hotels	Total
	\$'000	\$'000	\$'000
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
Half-year ended 31 December 2010	Cruise	Hotels	Total
	\$'000	\$'000	\$'000
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

22 Walker Street
PO Box 537
Townsville Qld 4810

T 07 4722 9555
F 07 4722 9599

townsville@whk.com.au

Cairns

232 – 240 Mulgrave Road
PO Box 668
Cairns Qld 4870

T 07 5052 3222
F 07 4051 8827

cairns@whk.com.au

www.whk.com.au

WHK NQ

ABN 49 301 665 931

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