



# HALF-YEARLY REPORT

31 December 2019

**AHC LIMITED ABN 73 010 544 699**  
**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

Your Directors submit the financial report of AHC Limited for the half-year ended 31 December 2019.

The names of the Directors and Executives who held office during or since the end of the half-year are:

**DIRECTORS**

- Ian Roderick MacLeod
- Wayne Benson Lester
- Rod Lindsay MacLeod
- Rodney Joseph Walsh
- Sheryl Anne MacLeod
- Katie Louise Hicks (Appointed 28.11.2019)

**Company Secretary**

- Sheryl Anne MacLeod (Resigned 28.11.2019)
- Katie Louise Hicks (Appointed 28.11.2019)

**DIVIDENDS PAID**

No dividend was paid for the half year ended 31<sup>st</sup> December 2019.

**REVIEW OF OPERATIONS**

Low Volume Market, all queries about share sales and purchases should be made to:

Company Secretary  
AHC Limited  
PO Box 8180  
Gold Coast Mail Centre QLD 9726  
(07) 55 732666

**Parkhurst Shopping Centre - Rockhampton**

The Parkhurst Town Centre is continuing to mature as a place to shop, eat, gather and relax for the North Rockhampton community. In more good news in a recent amendment to the Rockhampton Planning Scheme the Parkhurst Town Centre was upgraded to that of 'District Centre' within the hierarchy of centres in Rockhampton. This will only solidify the Parkhurst Town Centre's position in the growth corridor.

Two new tenants were added in the second half of 2019 being Sunlight Kebabs and Parkhurst Animal Land. We are extremely proud of these new additions in that they both offer additional services and variety to the community of Parkhurst. The company continues to be proud of its approach to help small business and locals in the Central Queensland community at the Parkhurst Town Centre with this approach encouraging owner occupiers to commence new business.

**Drury Lane Industrial - Hervey Bay**

It gives me great pleasure to inform shareholders that the first stage of 11 lots ranging from 2,000m<sup>2</sup> - 4,000m<sup>2</sup> was registered in early September 2019. All obstacles including that of the roadworks associated with the first stage of the project have now been completed at long last. Whilst Drury Lane was not officially opened until late November 2019, we understand the newly opened alternative transport corridor linking Urraween Road to Drury Lane is now being well utilised by the public.

**AHC LIMITED ABN 73 010 544 699**  
**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

We believe this will become the premium industrial land in Hervey Bay with great exposure to travellers commuting from the western suburbs of Dundowran, Dundowran Beach, Toogum and Craignish to cross town workplaces and to Maryborough in the South.

In December 2019 AHC Limited agreed to purchase an adjacent 74,000m<sup>2</sup> parcel of land from a related party, Radway Pty Ltd for consideration of \$1,600,000 excluding GST (refer note 9). This (the Radway land) was purchased by Radway in 2007 and sat dormant during the development phase of AHC Limited's project and the directors agreed to purchase the land to benefit AHC shareholders.

**Howard Residential Estate – Hervey Bay**

The Howard development is capable of commencing in mid to late 2020 following confirmation from Fraser Coast Regional Council that the Howard Sewerage Project will commence in March 2020 with the sewerage connection to the AHC development anticipated to be connected by October 2020.

AHC Limited proposes to develop the site predominantly under the Goodlife RV and Lifestyle Resorts brand under the Manufactured Housing Estate Act. This project would be developed in manageable stages of around 30-40 lots per stage. The company strongly believes there is great interest in this development with fantastic facilities already in place in the Howard environment to support the development. Howard is approximately 25-30 minutes from central Hervey Bay and Maryborough and around 15 minutes from Burrum. It is truly an idyllic location offering a diverse lifestyle. The company is yet to determine funding for the project.

**General Business**

**Retail**

Shareholders should be at ease that the company now has a strong performing retail asset in Rockhampton in the Woolworths anchored Parkhurst Town Centre situated in the growth corridor of Parkhurst in North Rockhampton. This asset has seen foot traffic increase from 14,000 per week in late 2016 to 25,000 per week in late 2019.

Traders within the centre are performing well and are predominantly owner-occupied sustainable businesses. The centre consists of 25 specialty tenants and Woolworths as the anchor tenant. The centre still has expansion capability with a drive thru pad site already approved fronting the Bruce Highway.

**Industrial**

As has been reported AHC Limited now has significant industrial land which will provide an income stream for years into the future. We would hope to release lots for sale as well as potentially develop showrooms, sheds and office space for sale and or lease.

**Over 50's Lifestyle Resorts and Aged Care**

This type of development is by far the fastest growing sector in Australia over the next 15 years as Australia's aging population looks to downsize into more affordable housing whilst maintaining a healthy lifestyle. Once this development begins the company can rest easy knowing the company assets are very diversified across the development spectrum and providing solid income streams.

**New Accounting Standards Implemented**

The company has implemented a new accounting standard that is applicable for the current reporting period. AASB 16: Leases has been applied retrospectively. The cumulative effect of initially applying the standard was not considered material and accordingly no adjustment to the opening balance of retained earnings was made at 1st July 2019.

**AHC LIMITED ABN 73 010 544 699  
INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration under 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors.



**ROD LINDSAY MACLEOD  
MANAGING DIRECTOR**



**SHERYL ANNE MACLEOD  
DIRECTOR**

Dated this 2nd March 2020 at Gold Coast.

**AHC LIMITED**  
**ABN 73 010 544 699**

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2019, 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.

**WPIAS Pty Ltd**  
Authorised Audit Company No. 440306



**Lee-Ann Dippenaar BCom CA RCA**

**Dated this 2nd day of March, 2020.**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Half-year Ended 31 December 2019 \$	Half-year Ended 31 December 2018 \$
Revenues	1,350,031	1,243,773
Borrowing costs expense	(544,844)	(520,378)
Depreciation	(2,088)	(22,728)
Depreciation – Right of Use Asset	(36,296)	-
Employee Benefits Expense	(473,076)	(412,329)
Rates and Taxes	(92,277)	(110,321)
Repairs & Maintenance	(23,871)	(35,286)
Other Expenses	(199,475)	(262,737)
	<u>(21,896)</u>	<u>(120,006)</u>
(Loss)/Profit before income tax expense		
Income tax (expense)/benefit	(881)	3,946
	<u>(22,777)</u>	<u>(116,060)</u>
(Loss)/ Profit for the period		
Other comprehensive (loss)/income for the period, net of tax	-	-
<b>Total comprehensive (loss)/ income for the period</b>	<u>(22,777)</u>	<u>(116,060)</u>
(Loss)/Profit attributable to members of the entity	<u>(22,777)</u>	<u>(116,060)</u>
Total comprehensive (loss)/income attributable to members of the Entity	<u>(22,777)</u>	<u>(116,060)</u>
(Loss)/Earnings per Share:	Cents per share	Cents per share
Basic (loss)/earnings per share (cents per share)	(0.45)	(2.26)
Diluted (loss)/earnings per share (cents per share)	(0.45)	(2.26)

*The accompanying notes form part of these financial statements.*

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

	NOTE	As at 31 December 2019 \$	As at 30 June 2019 \$
<b>Current Assets</b>			
Cash and cash equivalents		3,058,311	3,270,005
Trade & Other Receivables		21,310	9,803
Inventories		-	693,647
Other current assets		149,331	148,931
<b>TOTAL CURRENT ASSETS</b>		<u>3,228,952</u>	<u>4,122,386</u>
<b>Non-Current Assets</b>			
Inventories		19,310,263	15,266,243
Right of Use Asset		293,063	-
Property, plant and equipment		22,986	198,874
Investment Property		34,513,995	34,090,000
Deferred Tax Assets		1,070,475	889,394
<b>TOTAL NON-CURRENT ASSETS</b>		<u>55,210,782</u>	<u>50,444,511</u>
<b>TOTAL ASSETS</b>		<u>58,439,734</u>	<u>54,566,897</u>
<b>Current Liabilities</b>			
Trade & Other Payables		676,319	525,622
Lease Liabilities		98,995	-
Borrowings	9	1,710,000	40,652
Provisions		159,818	143,276
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,645,132</u>	<u>709,550</u>
<b>Non-Current Liabilities</b>			
Deferred tax liability		1,184,456	1,002,494
Provisions		11,940	10,147
Lease Liabilities		243,796	-
Borrowings	9	22,710,000	21,177,519
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>24,150,192</u>	<u>22,190,160</u>
<b>TOTAL LIABILITIES</b>		<u>26,795,324</u>	<u>22,899,710</u>
<b>Net Assets</b>		<u>31,644,410</u>	<u>31,667,187</u>
<b>Equity</b>			
Issued Capital		831,681	831,681
Retained Earnings		30,812,729	30,835,506
<b>Total Equity</b>		<u>31,644,410</u>	<u>31,667,187</u>

*The accompanying notes form part of these financial statements.*

**STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Half-year Ended 31 December 2019 \$	Half-year Ended 31 December 2018 \$
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	1,672,372	1,385,035
Interest received	19,726	43,989
Payment to suppliers and employees	(2,608,122)	(3,730,027)
Borrowing costs	(544,844)	(520,378)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(1,460,868)</u>	<u>(2,821,381)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of plant and equipment	-	-
Additions to Investment Property	(423,995)	(122,196)
Payment of property plant & equipment	-	(1,377)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>(423,995)</u>	<u>(123,573)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	1,710,000	-
Repayment of borrowings	-	(19,770)
Dividend paid	-	-
Repayment of lease liabilities	(36,831)	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>1,673,169</u>	<u>(19,770)</u>
<b>Net Increase (Decrease) in Cash Held</b>	<u>(211,694)</u>	<u>(2,964,724)</u>
Cash and cash equivalents at beginning of period	<u>3,270,005</u>	<u>6,587,744</u>
<b>Cash and cash equivalents at the end of period</b>	<u>3,058,311</u>	<u>3,623,020</u>

*The accompanying notes form part of these financial statements.*



**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Note	Share Capital Ordinary	Retained Earnings	Asset Revaluati on Reserve	Total
<b>Balance at 1.7.2018</b>		831,681	30,997,192	-	31,828,873
Shares bought back during the year			-		-
Profit attributable to members of the entity		-	(116,060)	-	(116,060)
<b>Sub-total</b>		831,681	30,881,132	-	31,712,813
Dividends paid or provided for		-	-	-	-
<b>Balance at 31.12.2018</b>		831,681	30,881,132	-	31,712,813
<b>Balance at 1.7.2019</b>		831,681	30,835,506	-	31,667,187
Shares bought back during the year		-	-		-
Profit attributable to members of the entity		-	(22,777)	-	(22,777)
Total other comprehensive income for the period		-	-	-	-
<b>Sub-total</b>		831,681	30,812,729	-	31,644,410
Dividends paid or provided for		-	-	-	-
<b>Balance at 31.12.2019</b>		831,681	30,812,729	-	31,644,410

*The accompanying notes form part of these financial statements.*

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The company is a for-profit entity for financial reporting purposes under Australia Accounting Standards.

These interim financial statements were authorised for issue on 2nd March 2020.

This interim financial report is intended to provide users with an update on the latest financial statements of AHC Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2019, together with any public announcements made during the following half-year.

**b. Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for those as described in Note 1e below. The company has considered the implications of other new or amended Accounting Standards, but determined that their application to the financial statement is either not relevant or not material.

**c. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies**

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2019 annual report.

**d. Valuation**

In accordance with the company's accounting policies, independent valuations of Investment Property are required to be conducted every two years. The last independent valuation was conducted in February 2018.

**e. New and Amended Standards Adopted by the company**

The company has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The company had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16: *Leases*

The impact of the adoption of this Standard and the respective accounting policies is disclosed in Note 10.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**NOTE 2: GOING CONCERN**

The financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

Directors have been continually monitoring the company's business operations and financial performance and where necessary, instituted appropriate action.

Based on the approved budgeted cash flow forecast to 30<sup>th</sup> June 2021, the company has sufficient resources to continue as a going concern and operate within the level of its current borrowing facilities.

**NOTE 3: RESULTS FOR THE PERIOD**

The company reports an after-tax operating loss of \$22,777 which represents a reduction on the loss by \$93,283 reported in the prior corresponding December period.

**NOTE 4: DIVIDENDS**

No dividends have been paid or declared.

**NOTE 5: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Estimates of potential financial effects of  
contingent liabilities that may become payable: - 31-12-2019

Secured: Guarantees to the company's bankers: -	
DTMR Maintenance & Completion Bonds	\$355,145
FCRC Civil Work Maintenance Bond	\$178,755
FCRC Landscaping Maintenance Bond	\$ 17,573
	\$551,473

**NOTE 6: EVENTS AFTER THE END OF THE INTERIM PERIOD**

There have been no events after the end of the interim period.

**NOTE 7: OPERATING SEGMENTS**

The company does not report in operating segments.

**NOTE 8: FAIR VALUE MEASUREMENT**

**a. Valuation techniques**

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**b. Fair Value Measurement**

Amounts and the level of the Fair Value Hierarchy within which the Fair Value Measurements are Categorized.

		Fair Value Measurements at 31 December 2019 Using:	
		Significant Observable Inputs Other than Level 1 Inputs \$000	
Description	Note	(Level 2)	
Investment & Property		34,513	

		Fair Value Measurements at 30 June 2019 Using:	
		Significant Observable Inputs Other than Level 1 Inputs \$000	
Description	Note	(Level 2)	
Investment & Property		34,090	

**Valuation Techniques and Inputs Used to Determine Level 2 Fair Values**

Description	Fair Value at 31 December 2019	Description of Valuation Techniques	Inputs Used
Level 2	\$000		
Property & Investment	34,090	Valuation based on Rental Income	Rental Income

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

NOTE 9: BORROWINGS

Current:

NAB Loan \$ 1,710,000 9(c)

Non-current:

Suncorp Loan \$21,000,000 9(a)(b)

Related Party Loan \$ 1,710,000 9(d)  
\$22,710,000

- a. Borrowings with Suncorp-Metway Limited are secured by the following:
- Registered Mortgage granted by AHC Limited over Parkhurst Town Centre, 810-818 Yamba Road, Parkhurst, QLD more particularly described as Lots 101 and 102 on SP 296885 Certificates of Title 51135821 and 51135822.
  - Set off Agreement granted by AHC Limited over Term Deposit of \$600,000 lodged with Suncorp Metway Ltd.
  - Registered General Security Agreement (GSA) granted by AHC Limited over all its present and after acquired personal and real property, including the goodwill of its business, uncalled and unpaid capital and proceeds.
  - Joint and Several Guarantees by some Directors.
  - Indemnity Agreement between Borrower and the Bank.
- b. The Suncorp-Metway Limited bank bill is rolled over monthly and a fixed rate of 2.63% interest is payable on roll over. Bank bills payable have been drawn down to refinance existing debt to National Australia Bank in relation to the property situated at Parkhurst Town Centre, 810-818 Yamba Road, Parkhurst. The expiry date for the facility with Suncorp-Metway Limited Bank is 30th April 2021. The facility has conditions and covenants including interest cover requirements.
- c. Borrowing from National Australia Bank are secured by the following:
- Security Interest and Charge over all of the present and future rights, property and undertaking of AHC Limited in relation to the property situated at Drury Lane Dundowran QLD, more particularly described in Certificate of Title Reference 50235053.
  - Registered Mortgage over property situated at Drury Lane Dundowran QLD, more particularly described in Certificate of Title Reference 50235053.
  - Guarantee and Indemnity for \$2,298,000 given by some Directors.
- d. The related party loan is a loan from Radway Pty Ltd which is unsecured and interest free and relates to the acquisition of property at Lots 1000,1003 and 1004 Drury Lane, Dundowran on 8th January 2020. The loan is repayable 5 years from the purchase settlement date (8th January 2020) or the date the buyer sells the property, whichever is earlier.

NOTE 10: CHANGE IN ACCOUNTING POLICIES

This note describes the nature and effect of the adoption of AASB 16: Leases on the company's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

The changes in the company's accounting policies have been applied retrospectively and therefore the prior year financial statements have not been restated.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**a. Leases**

**The Company as lessee**

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the company where the company is a lessee. However, all contracts that are classified as short-term (ie. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-to-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**b. Initial Application of AASB 16: Leases**

The company has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2018 reporting period have not been restated.

The company has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low value leases) recognised as operating leases under AASB 117: Leases where the company is the lessee.

Lease liabilities are measured at the present value of the remaining lease payments.

The right-of-use assets for the remaining leases have been measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability and the prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**NOTE 11: RIGHT-OF-USE ASSETS**

The company's lease portfolio includes rent of premises from a related party and leased motor vehicles. These leases have an average term of 5 years.

**a. Options to Extend or Terminate**

The options to extend or terminate are contained in the property lease of the company. The extension options or termination options which management were reasonably certain to be exercised have been included in the calculation of the lease liability.

Right-of-use assets	NOTE	As at 31 December 2019
Leased Office Premises		169,701
Accumulated Depreciation		<u>(31,112)</u>
		138,589
Leased Motor Vehicles (finance leases)		266,585
Accumulated Depreciation		<u>(112,111)</u>
		154,474

**Movement in Carrying Amounts**

Lease of Office Premises:

Recognised on initial application of AASB 16 (previously classified as operating leases under AASB117)	169,701
Depreciation Expense for the half year ended	<u>(31,112)</u>
Net Carrying Amount	138,589

Leased Motor Vehicles (finance leases)	
Opening balance transferred from property, plant and equipment on initial application of AASB 16	173,800
Depreciation expense for the half year ended	<u>(19,326)</u>
Net Carrying Amount	154,474

**NOTE 12 LEASE LIABILITIES****Current**

Lease Liabilities – operating – lease of premises		33,907
Lease Liabilities – finance – motor vehicles	12(a)	<u>65,088</u>
		98,995

**Non-Current**

Lease Liabilities – operating – lease of premises		111,044
Lease Liabilities – finance – motor vehicles	12(a)	<u>132,753</u>
		243,797


(a) Lease Liabilities finance leases are for motor vehicles and are secured by the underlying asset.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

The directors of the company declare that: -

1. The financial statements and notes, as set out on pages 6 - 15 are in accordance with the Corporations Act 2001, including
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
  
2. 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.

This declaration is made in accordance with a resolution of the board of directors.



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**ROD L MACLEOD - DIRECTOR**



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**SHERYL A MACLEOD - DIRECTOR**

Dated the 2nd March 2020 at Gold Coast.



AHC LIMITED  
ABN 73 010 544 699

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF AHC LIMITED  
(PAGE 1 OF 2)**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of AHC Limited (the company) which comprises the Statement of Financial Position as at 31 December 2019, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows, for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2019 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 AHC Limited, 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 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.

.../2

**AHC LIMITED**  
**ABN 73 010 544 699**

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF AHC LIMITED**  
**(PAGE 2 OF 2)**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AHC Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of AHC Limited's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

**WPIAS Pty Ltd**  
Authorised Audit Company No. 440306



**LEE-ANN DIPPENAAR** BCom CA RCA

**Dated this 2nd day of March, 2020.**