AHC

ANNUAL REPORT

30 June 2020

AHC LIMITED ABN 73 010 544 699

AHC LIMITED
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DIRECTORS' REPORT

The Directors present their report, together with the Financial Statements of AHC Limited, for the financial year ended 30 June 2020.

DIRECTORS

The Directors of AHC Limited in office at any time during or since the end of the financial year are as follows:

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

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

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

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were: -

- Property Development for long term asset portfolio creation, and
- Subdivision of land for residential and commercial development.
- Ownership/Management of Shopping Centre.

There were no significant changes in the nature of the company's principal activities during the financial year.

OPERATING RESULTS

The profit of the company after providing for income tax for the twelve months ended 30 June 2020 amounted to $55,012. (30 June 2019: Loss $161,686)

DIVIDENDS PAID OR RECOMMENDED

No dividend was paid for the financial year ending 2020.

REVIEW OF OPERATIONS

Towards the end of 2019 we were very encouraged and enthused with the addition of new tenant additions to the Parkhurst Town Centre (PTC) by way of Sunlight Kebabs, Parkhurst Animal Land and the performance of recent addition Berry Good Produce. As a result of strong new inquiry, we were feeling very optimistic of filling up to four vacancies by the end of 2020. In late 2019 and early 2020 we were actively engaged with at least two new operators in the fields of fast food and property sales and management.

Unfortunately, along comes COVID-19 and by in large all new inquiry ceased in March 2020 and our focus immediately turned to liaising with our existing tenant base and offering our support the best way possible. The AHC Management Team went about meeting with every one of our existing tenants directly in order to understand how they would be affected and how we could assist. We wanted to also ensure all tenants were aware of all stimulus available to them from the Federal Government by way of cash flow support, loan deferrals and the job keeper assistance package.

Ultimately, we had five businesses effected by forced closures under COVID-19 regulations and another two from related health concerns of patrons and employees. However, what we also learned from our tenant engagement was up until the pandemic commenced, business was strong at the PTC and tenants were satisfied with business operations. This is now also evidenced by the fact that the PTC will not lose a single tenant with all five businesses reopening and trading well.

Recent surveys by AHC management would lead us to believe that the PTC could well be the best performing centre in all of Rockhampton with significant business closure and vacancies recorded in other centres across Rockhampton. The tenancy profile at the PTC being the most resilient in light of the pandemic. Rockhampton as a regional town is performing well and all interested parties are reporting Rockhampton as well placed to prosper over the next 5 years. Residential vacancy rates have hit all-time lows of circa 1% or below.

Recent media reports have also suggested Rockhampton as boasting two of Australia's top ten major projects being;

1. Rockhampton Ring Road - $1 Billion and 800 jobs
2. Shoalwater Bay Military Training Area Expansion - $2 Billion

However significant other projects are adding to the diversity of Rockhampton and a resurgence as a desirable location to live and work. These projects include

1. Rockwood Weir – Agricultural investment
2. Clark Creek Wind and Solar Farm project – Energy
3. GKI Great Keppel Island revitalisation – Tourism & Lifestyle

These projects are actively being advanced now and with infrastructure projects coming to the forefront post pandemic, Rockhampton is surely in line to prosper as a result. Parkhurst and the PTC are geographically well placed in the growth region of Rockhampton.

Drury Lane Industrial – Hervey Bay

The Dundowran Industrial Estate Stage 1 has been fully completed and we believe we are very close to completing our first sales within the estate. As always, the case with pure land sales there is a reluctance to be the first cab off the rank. Unfortunately, a global pandemic does not exactly assist in easing investors' decision making process however we remain optimistic sales will materialise in the second half of 2020.

The Drury Lane corridor and its connection to Urraween Road has been solidified as a major transport route across the Hervey Bay region. Recently the Fraser Coast Council announced the final piece of road to complete the cross-town road corridor and will commence in early 2021 and see residents being able to travel quickly and safely from the growth suburbs of Dundowran, Dundowran Beach and Craignish to the airport via Drury Lane and Dundowran Industrial Estate.

Howard Residential Estate – Good Life RV & Lifestyle Resorts Fraser Coast

Most of 2019/2020 has seen us focus on brand development by way of the Good Life RV & Lifestyle Resorts. If you have not been to our website, I highly recommend you do to better understand the project. www.goodlifelifestyleresorts.com.au. We have also tendered the initial stages of the project comprising of Tree Clearing, Earthworks, Roads & Stormwater, Sewer/Water, Landscaping. With a better understanding of the overall development costs including community facilities we have now begun to focus on house plan development and pricing.

DIRECTORS' REPORT

We currently have approximately 100 registered parties and are now continually fielding inquiry surrounding the project on a weekly basis. We believe this site offers unparalleled offerings in the sector and we look forward to further updates and announcements as we edge closer to commencing at the site.

Finally, we have confirmation from Fraser Coast Regional Council that sewerage will be connected to the site in October 2020 and electricity will be available to the site from December 2020. Ideally, we would be hoping to welcome our first residents in the first half of 2021.

General Business

As highlighted above the company continues to hold a strongly performing District Shopping Centre in the high growth area of Parkhurst in Rockhampton's northern suburbs. The centre has continued to grow year on year and we remain hopeful of adding to the centre's tenant mix before 31 December 2020 based on new leasing interest.

The Good Life RV & Lifestyle Resort in Howard we believe will be extremely well placed to capture migration from the southern states post COVID-19 pandemic for those seeking low density quality and healthy lifestyle living choices. The company has produced a small profit but is well placed to grow the profit in years to come as existing projects mature.

DIRECTORS' REPORT

FINANCIAL POSITION

The net assets of the company have increased from $31,667,187 at 30 June 2019 to $31,722,322 in 2020.

The directors believe the company is in a stable financial position to expand and grow its current operations.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the year ended 30 June 2020.

EVENTS AFTER REPORTING DATE

Uncertainties remain with respect to events or conditions which may impact the company unfavourably subsequently to reporting date as a result of the Coronavirus (COVID-19) pandemic.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Strategy and Planning.

To further improve the company's profit and maximise shareholder wealth, AHC intends to focus resources in the 2019/2020 financial year toward the continuing implementation of the following projects:

- Development of the Industrial Estate at Hervey Bay.
- Development of the land at Howard.

These projects, together with the current strategy of continuous improvement and adherence to quality control in existing markets, are expected to facilitate the achievement of the company's long-term goals and the development of new business opportunities.

ENVIRONMENTAL REGULATION

The company's operations are subject to environmental regulation under the law of the Commonwealth and State legislature. Examples of the company's performance in relation to environmental regulation include (but are not limited to) the following:

- Sediment and erosion control barriers to stop run off into drains and sewers, in addition to fitting temporary downpipes to minimise overland water flow.
- The proper disposal of building waste to prevent or minimise harm to the environment.
- On site water quality treatment devices.
- The compliance with Section J energy modelling in accordance with the Building Code of Australia for all commercial construction.
- Compliance with Environmental Acoustics Assessments of Noise Impacts under Environmental Protection (Noise/Policy,2008)

DIRECTORS' REPORT

INFORMATION ON DIRECTORS AND EXECUTIVES

Ian Roderick MacLeod	**Chairman (Executive)**	
	Qualifications:	M.B.A. Griffith University, Registered Builder.
	Experience:	Director of the Company since incorporation on 1 November 1984 and has had over 30 years experience with the property development industry.
Wayne Benson Lester	**Director (Executive)**	
	Qualifications:	Registered Builder QLD, Master Builder N.Z. Justice of the Peace (Qualified)
	Experience:	Registered Master Builder for over 30 years. Associated with the company since January 1989.
Rod Lindsay MacLeod	**Director (Executive) Managing Director and CEO**	
	Qualifications:	M.B.A. Griffith University, Registered House Builder
	Experience:	Associated with the company since January 1989
Rodney Joseph Walsh	**Non-Executive Director**	
	Qualifications:	Bachelor Commerce University of Queensland
	Experience	35 years in Public Accounting including 20 Years as self employed C.P.A.
Sheryl Anne MacLeod	**Director (Non-Executive)**	
	Qualifications:	Bachelor Business (Accounting) Griffith University
	Experience:	Associated with the company since incorporation
Katie Louise Hicks	**Director (Non-Executive) Company Secretary and CFO**	
	Qualifications:	Bachelor Business (Accounting) Griffith University. MBA Deakin University CPA Australia
	Experience:	CPA with 20 years accounting experience.
	Responsibility:	Company Secretary and CFO

DIRECTORS' REPORT

The particulars of shares held or influenced by the Directors of the Company are as follows:

NAME OF DIRECTOR	SHARES	OPTIONS	COMMENTS
Ian Roderick MacLeod	273,505	0	Held by I.R. MacLeod as Trustee of the MacLeod Family Trust
Ian Roderick MacLeod	1,369,656	0 0	Yorkmount Pty Ltd and Yorkmount Super of which I R MacLeod is a beneficiary
Sheryl Anne MacLeod	955,987	0	Held by S A MacLeod
Sheryl Anne MacLeod	627,201	0	Held by SALQLD Pty Ltd Trustee for S A MacLeod Super Fund of which S A MacLeod is a beneficiary
Rod Lindsay MacLeod	56,909	0	Held by R. L. MacLeod/Related Parties
	178,900		Held by R.L & K.L. MacLeod Super Fund
	2,691	0	Held by Kate MacLeod.
Wayne Benson Lester	252,309	0	Held by W.B. Lester and D.M Lester for the Wayne Lester Super Fund

OPTIONS

There were no options granted over unissued shares or interest during or since the end of the financial year by the company.

Employment Contracts of Directors and Senior Executives

The employment conditions of the Managing Director, Chairman of the Board, the executive directors and specified executives are formalised in contracts of employment. The managing director and all executives are permanent employees of AHC Limited.

The employment contracts stipulate a range of one-to-three month resignation periods. Termination payments are not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time.

MEETING OF DIRECTORS

During the financial year, 6 meetings of directors were held. Attendances were:

	Directors Meeting	
	Number eligible to attend	Number attended
Ian MacLeod	6	6
Wayne Lester	6	6
Rod L MacLeod	6	6
Sheryl MacLeod	6	5
Rod Walsh	6	6
Katie Hicks	5	5

DIRECTORS' REPORT

INDEMNIFYING OFFICERS OR AUDITOR

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The board of directors, is satisfied that there was no provision of non-audit services by the auditor during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 9 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

ROD L MACLEOD - DIRECTOR

SHERYL A MACLEOD - DIRECTOR

Dated 4th September 2020 at Gold Coast.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of AHC Limited, the directors of the company declare that: -

1. The financial statements and notes as set out on pages 10 – 38, are in accordance with the Corporations Act 2001 and:

   (a) comply with Australian Accounting Standards, and

   (b) give a true and fair view of the financial position as at 30 June 2020

   (c) and of the performance for the year ended on that date of the company.

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.

ROD L. MACLEOD – DIRECTOR

SHERYL A MACLEOD – DIRECTOR

Dated 4th September 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 year ended 30 June 2020, 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.

WPIAS Pty Ltd
Authorised Audit Company No. 440306

Lee-Ann Dippenaar BCom CA RCA
Audit Principal

Dated this 4th day of September, 2020.

AHC LIMITED
ABN 73 010 544 699

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 $	2019 $
Revenues	2	2,626,132	2,549,379
Other income	2	93,630	1,401
Revaluation of Investment Property		-	-
Cost of Goods Sold			
Borrowing costs expense	3(a)	(890,487)	(1,046,584)
Depreciation & Amortisation expense	3(b)	(91,976)	(49,475)
Employee benefits expense		(957,600)	(811,103)
Rates and Land Taxes		(174,983)	(176,206)
Repairs & Maintenance		(101,360)	(113,583)
Other Expenses	3(c)	(448,734)	(536,341)
Profit(loss) before income tax expense		54,622	(182,512)
(Tax expense)/benefit	4	390	20,826
Net Profit(loss) for the year		55,012	(161,686)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		55,012	(161,686)
Profit (loss) attributable to members of the entity		55,012	(161,686)
Total comprehensive (loss)/income to members of the entity		55,012	(161,686)
Earnings per Share:		Cents per share	Cents per share
Basic earnings/(loss) per share (cents per share)	8	1.07	(3.14)
Diluted earnings/(loss) per share (cents per share)	8	1.07	(3.14)

The accompanying notes form part these financial statements.

AHC LIMITED
ABN 73 010 544 699

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	2020	2019
		$	$
ASSETS			
Current Assets:			
Cash and cash equivalents	11	2,615,502	3,270,005
Trade & Other Receivables	12	23,714	9,803
Inventories	13	2,437,312	693,647
Other current assets	14	107,341	148,931
TOTAL CURRENT ASSETS		5,183,869	4,122,386
Non-Current Assets:			
Inventories	13	17,274,960	15,132,482
Right of Use Asset	26	256,981	-
Property, Plant and equipment	15	27,189	198,874
Investment Property	23	34,592,240	34,223,761
Deferred tax assets	24	1,217,123	889,394
TOTAL NON-CURRENT ASSETS		53,368,493	50,444,511
TOTAL ASSETS		58,552,362	54,566,897
LIABILITIES			
Current Liabilities:			
Trade & Other Payables	16	726,230	525,622
Lease Liabilities	27	94,445	-
Borrowings	17	-	40,652
Provisions	19	181,779	143,276
TOTAL CURRENT LIABILITIES		1,002,454	709,550
Non-Current Liabilities:			
Borrowings	17	24,260,000	21,177,519
Lease Liabilities	27	211,539	
Provisions	19	26,214	10,147
Deferred tax liabilities	24	1,329,833	1,002,494
TOTAL NON-CURRENT LIABILITIES		25,827,586	22,190,160
TOTAL LIABILITIES		26,830,040	22,899,710
Net Assets		31,722,322	31,667,187
Equity:			
Issued Capital	20	831,681	831,681
Retained Earnings		30,890,641	30,835,506
Total Equity		31,722,322	31,667,187

The accompanying notes form part these financial statements.

AHC LIMITED
ABN 73 010 544 699

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 $	2019 $
Cash Flows from Operating Activities:			
Receipts from customers		3,130,039	2,661,032
Interest received		32,462	75,522
Other Income		85,380	-
Payment to suppliers and employees		(4,101,550)	(4,955,715)
Finance costs		(909,395)	(1,046,584)
Income Tax (paid)		-	-
Net Cash Provided by / (Used in) Operating Activities	10	(1,763,064)	(3,265,745)
Cash Flows from Investing Activities:			
Proceeds from sale of Plant and equipment		-	-
Proceeds from Investment Property		-	-
Purchase of property, plant and equipment		(7,571)	(14,819)
Additions to Investment Property		(368,479)	-
Net Cash Provided by / (Used in) Investing Activities		(376,050)	(14,819)
Cash Flows from Financing Activities:			
Proceeds from borrowings		1,710,000	-
Repayment of borrowings to related party		-	-
Repayment of borrowings		(160,000)	(37,175)
Dividend paid by the company		-	-
Share Buy Back Payment		-	-
Repayment of Lease liabilities		(65,389)	
Net Cash Provided by / (Used in) Financing Activities		1,484,611	(37,175)
Net Increase (Decrease) in Cash and Cash Equivalents		(654,503)	(3,317,739)
Cash and cash equivalents at beginning of financial year		3,270,005	6,587,744
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	11	2,615,502	3,270,005

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Share Capital Ordinary	Retained Earnings	Total
Balance at 1 July 2018		831,681	30,997,192	31,828,873
Loss attributable to members of the entity			(161,686)	(161,686)
Sub-total		831,681	30,835,506	31,667,187
Dividends recognized for the year		-	-	-
Balance at 30 June 2019		831,681	30,835,506	31,667,187
Balance at 1 July 2019		831,681	30,835,506	31,667,187
Profit attributable to members of the entity		-	55,012	55,012
Adjustment			123	123
Sub-total		831,681	30,890,641	31,722,322
Dividends recognized for the year		-	-	-
Balance at 30 June 2020		831,681	30,890,641	31,722,322

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

The financial statements cover AHC Limited as an individual entity. AHC Limited is a public company, incorporated and domiciled in Australia. The financial statements were authorised for issue on 4th September 2020 by the directors of the company.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and interpretations of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Company is a for – profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, and financial assets and financial liabilities. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

a. 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.

b. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

The next valuation will be undertaken in approximately December 2020.

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 25.

(f) Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to /(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(g) Inventories

(i) Land for Sale:
Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Profits are brought to account on the signing of an unconditional contract of sale, if significant risk and rewards and effective control over the land are passed on to the buyer at this point.

(ii) Constructions Contracts and Work In Progress:
Construction work in progress is measured at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis. Construction profits are recognised on the stage of completion basis. Where losses are anticipated they are provided for in full. Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

(h) Plant & Equipment

Each class of plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Plant & Equipment
Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line or diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10-20%

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Profit and Loss in the period in which they arise. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(i) Investment Property

Investment property, comprising a shopping centre is held to generate long term investment yields. All tenant leases are on an arm's length basis. Investment property is carried at fair value determined by an independent valuer who has recognised and appropriate professional qualifications and recent experience, in the location of investment property, being valued. Fair values are determined by the valuer using market information. It is the policy of the company to have an independent valuation every two years, with annual appraisals being made by the directors. It is the Directors' opinion that based on rental return and the recent valuation by the independent valuer, the investment property is at fair and reasonable value as at 30 June 2020. Property under construction is booked at cost. Changes to fair value are recognised in profit or loss in the period in which they occur.

(j) Impairment of Assets

At the end of each reporting period, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Employee Benefits

(i) Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short- term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(ii) Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(n) Revenue and Other Income

When recognising revenue in relation to the sale of properties to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access. Revenue from contract housing is recognised as and when it becomes receivable. Revenue from the rental of investment properties is recognised on a straight line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment, as and when it becomes receivable. Interest revenue is recognised as and when it is received.

All revenue is stated net of the amount of goods and services tax (GST).

(o) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 Impairment for further discussion on the determination of impairment losses.

(p) Trade and Other Payables

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(r) Goods and Services Tax (GST)

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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable, to the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis. The GST components of investing and financing activities, which are receivable from, or payable to the ATO are presented as cash flows arising from operating cash flows included in receipts from customers or payments to suppliers.

(s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(t) Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Key estimates – impairment

The company assesses impairment at the end of each reporting period by evaluating conditions specific to the company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is assessed using value in use calculations which incorporate a number of key assumptions

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

(u) New Accounting Standards for Application in Future Periods

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

New Accounting Standards for Application in Future Periods
New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2020. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the company's financial statements.

(v) 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 June 2021, the company has sufficient resources to continue as a going concern and operate within the level of its current borrowing facilities.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates.

The impact upon the company has been minimal to reporting date. Uncertainties remain with respect to events or conditions which may impact the company unfavourably subsequently to reporting date as a result of the Coronavirus (COVID-19) pandemic.

NOTE 2: REVENUE AND OTHER INCOME	NOTE	2020 $	2019 $
Operating Activities			
Sales Revenue		-	-
Rent Received		2,593,670	2,473,857
Interest Received		32,462	75,522
Total Revenue		2,626,132	2,549,379
Other Income/ (Loss)			
Gain (Loss) on disposal of property, plant & equipment		-	1,401
Government Cashflow Assistance		50,000	-
Other Income		43,630	
Total Other Income/(Loss)		93,630	1,401

NOTE 3: PROFIT FOR THE YEAR

Profit before income tax from continuing operations includes the following specific expenses:

EXPENSES:

		2020 $	2019 $
(a) Finance Costs			
Other persons / corporations		879,585	1,032,204
Finance charges relating to finance lease		10,902	14,380
Total borrowing costs		890,487	1,046,584
(b) Depreciation:			
Plant & equipment	15	5,456	44,282
Leases: Right of Use Asset – Motor Vehicles	26	38,438	5,193
Leases: Right of Use Asset – Lease of Premises	26	48,082	-
		91,976	49,475

(c) **Significant Expenses**

The following significant expense items that are relevant in explaining the financial performance:

	2020 $	2019 $
Cleaning and Rubbish Removal	206,539	201,345
FBT	30,501	100,102
Rent	(651)	78,076
Electricity	80,206	74,436
Insurance	48,255	52,349
Legal Fees	24,351	13,895

	2020 $	2019 $
NOTE 4: TAX EXPENSE		
a) The components of tax expense/(income) comprise:		
Current Tax expense/(income)	-	-
Deferred Tax expense/(income) relating to the origination and reversal of temporary differences	(390)	(20,826)
Under-provision in respect of prior years	-	-
	(390)	(20,826)
b) The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30.0% (2019: 30.0%)	16,387	(54,754)
ADD		
Tax effect of:		
Non-deductible depreciation	492	3,333
Other items	(47,680)	54,361
Under-provision in respect of prior years	-	-
LESS		
Tax effect of:		
Revaluation of investment property at 30 June 2018 converted from 27.5% to 30% tax rate	-	59,047
Tax losses at 30th June 2018 converted from 27.5% to 30% tax rate	-	(36,990)
Sale and revaluation of investment property	337,511	293,928
Other net deductible items	(13,977)	(45,823)
Depreciation on investment property	(293,123)	(293,928)
Income tax expense/(income) attributable to entity	(390)	(20,826)

NOTE 5. INTERESTS OF KEY MANAGEMENT PERSONNEL

(a) Names and positions held of company key management personnel in office at any time during the financial year are:

Directors

- Ian Roderick MacLeod Chairman – Executive
- Wayne Benson Lester Director – Executive
- Rod Lindsay MacLeod Director – Executive
- Rodney Joseph Walsh Director – Non-Executive
- Sheryl Anne MacLeod Secretary/Director – Non-Executive
- Katie Louise Hicks Secretary/Director – Non-Executive

NOTE 5: INTERESTS OF KEY MANAGEMENT PERSONNEL (Cont'd)

(b) Key Management Personnel Compensation:

DIRECTORS	SALARY	SUPER	SALARY SACRIFICE	FBT	TOTAL
	$	$	$	$	$
Ian Roderick MacLeod	148,179	15,024	9,975	29,884	203,062
Rod Lindsay MacLeod	150,000	14,250	-	-	164,250
Wayne Benson Lester	20,000	1,900	-	-	21,900
Rodney Joseph Walsh	8,400	1,520	7,600	-	17,520
Sheryl Anne MacLeod	-	-	-	25,557	25,557
Katie Louise Hicks	91,911	9,329	6,292	3,774	111,306

(c) Shareholdings:

Number of shares held or influenced by company key management personnel:

Directors:	Balance 30.6.19	Net Change	Balance 30.6.20
Mr Ian R MacLeod	1,643,161	-	1,643,161
Mrs Sheryl A MacLeod	1,583,188	-	1,583,188
Mr Rod L MacLeod	238,500	-	238,500
Mr Wayne B Lester	252,309	-	252,309
Mr Rod Walsh	-	-	-
Mrs Katie Hicks	-	-	-

(d) Remuneration Practices

The company's policy for determining the nature and amount of emoluments of key management personnel of the company is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time.

NOTE 6. AUDITOR'S REMUNERATION

	2020	2019
	$	$
Remuneration of the auditor for:		
- auditing or reviewing the financial report	25,000	25,000
- auditing the rental shop leases	2,200	2,200
	27,200	27,200

NOTE 7. DIVIDENDS PAID OR PROPOSED

Distributions Paid	2020	2019
No dividend paid	$	$
	-	-
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and payment of proposed dividends:	9,257,794	9,257,794

NOTE 8. EARNINGS PER SHARE

	Cents per Share	Cents per share
Basic earnings per share	1.07	(3.14)
Diluted earnings per share	1.07	(3.14)
Weighted average number of shares outstanding during the year used in calculation of diluted EPS	5,143,360	5,143,360
Earnings used in the calculation of basic EPS and diluted EPS	55,012	(161,686)

NOTE 9: OPERATING SEGMENTS

The company does not report in operating segments.

NOTE 10. CASH FLOW INFORMATION

a. Reconciliation of Cash Flow from Operations with (loss)/ profit

	2020 $	2019 $
Profit after income tax for the year	55,012	(161,686)
Non-Cash Items included in Profit or Loss:		
Net (gains)/losses on disposal of property, Plant & Equipment	-	(1,401)
Depreciation & Amortisation expense	91,976	49,475
Purchase of Inventory	1,710,000	-
Rent Relief	(16,500)	-
	1,785,476	48,074
Net Changes in Working Capital:		
Decrease/(Increase) in inventories	(3,886,145)	(2,678,154)
Decrease /(Increase) in current receivables	(13,911)	(9,803)
(Decrease)/Increase in trade and other accounts payable	200,608	(603,388)
Increase/(Decrease) in deferred taxes payable	(390)	(20,827)
Increase/(Decrease) in provisions	54,570	(6,581)
Increase/(Decrease) in other current assets	41,593	166,620
Adjustment	123	-
Cash Flows from changes in assets and liabilities	(3,603,552)	(3,152,133)
Net Cash provided by operating activities	(1,763,064)	(3,265,745)

b. Non-Cash Financing and Investing Activities

During the year the company acquired plant and equipment with an aggregate value of Nil (2019 $77,639) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

c. Credit Standby Arrangements with Banks:

	2020 $	2019 $
Credit facility	22,710,000	21,000,000
Bank overdraft	36,000	-
Amount utilized	(22,710,000)	(21,000,000)
Amount unutilized	36,000	-
Lease Facility	-	-
Amount utilized	-	-
Amount unutilized	-	-
Guarantee Facility	355,144	30,000
Amount utilized	(355,144)	(10,000)
Amount unutilized	-	(20,000)

Finance will be provided under all facilities provided the Company has not breached any borrowing requirements and the required financial ratios are met. (refer Note 17b).

NOTE 11: CASH and CASH EQUIVALENTS

	2020 $	2019 $
Cash on hand	200	550
Cash at bank	205,525	639,455
Short term deposits	2,409,777	2,630,000
	2,615,502	3,270,005

Reconciliation of cash:
Cash and cash equivalents balance as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows:-

Cash and cash equivalents	2,615,502	3,270,005
Bank overdrafts	-	-
	2,615,502	3,270,005

NOTE 12. TRADE and OTHER RECEIVABLES

Current:		
Trade receivables	23,714	9,803
Provision for impairment	-	-
	23,714	9,803

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 12. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the company.

NOTE 13. INVENTORIES

Current:		
Inventories - at cost	2,437,312	693,647
Noncurrent:		
Inventories at cost	17,274,960	15,132,482
Total Inventories	19,712,272	15,826,129

NOTE 14. OTHER CURRENT ASSETS

Current:		
Prepayments	25,175	5,011
GST Receivable	-	-
Other	82,166	143,920
	107,341	148,931

NOTE 15. PLANT AND EQUIPMENT:

		2020 $	2019 $
PLANT AND EQUIPMENT			
Plant and equipment - at cost		13,176	7,721
Less: Accumulated depreciation		(7,020)	(6,463)
		6,156	1,258
Office furniture, equipment - at cost		46,964	44,848
Less: Accumulated depreciation		(25,931)	(21,032)
		21,033	23,816
Motor Vehicles – at Cost		-	266,585
Less: Accumulated depreciation	15(a)	-	(92,785)
		-	173,800
Total Plant and Equipment		**27,189**	**198,874**

(a) Movements in the Carrying Amounts

Movements in the carrying amounts for each class of plant & equipment between the beginning and the end of the current financial year.

	Land & Buildings	Plant & Equipment	Leased Plant & Equipment	Investment Property under construction	Total
Balance at 30 June 2018		150,698	36,163	-	186,861
Additions		92,458	-	-	92,458
Disposal/transfers To Investment Property		-	-	-	-
Disposals at written down value		-	(30,970)	-	(30,970)
Depreciation Expense		(44,282)	(5,193)	-	(49,475)
Balance at 30 June 2019		**198,874**	**-**	**-**	**198,874**
Additions		7,571	-	-	7,571
Opening Balance transferred to Right of Use Asset		(173,800)			(173,800)
Disposals at written down value		-	-	-	-
Depreciation Expense		(5,456)	-	-	(5,456)
Balance at 30 June 2020		**27,189**	**-**	**-**	**27,189**

NOTE 16. TRADE AND OTHER PAYABLES

	Note	2020	2019
		$	$
Current Unsecured:			
Trade payables (including accrued charges)		281,326	249,119
Other accounts payable		123,287	123,287
Deposits received		137,008	101,061
Rent in Advance		162,209	16,286
GST Payable		89	13,558
FBT Payable		22,311	22,311
		726,230	525,622
Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
Total Current		726,230	525,622
Total Non Current		-	-
Deposits Received		(137,008)	(101,061)
Rent in Advance		(162,209)	(16,286)
GST Payable		(89)	(13,558)
FBT Payable		(22,311)	(22,311)
Financial liabilities as trade and other payables	18	404,613	372,406

NOTE 17. BORROWINGS

	NOTE	2020	2019 $
Current Secured:			
Lease liabilities	21	-	40,652
Total current borrowings		-	40,652
Non-Current Secured			
Lease Liability	21	-	177,519
Loans – Bank Bills	17(a), 17(b)	21,000,000	21,000,000
NAB Loan	17(c)	1,710,000	-
Related Party Loan	17(d)	1,550,000	-
Total non-current Borrowings		24,260,000	21,177,519
Total Borrowings		24,260,000	21,218,171

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 3.54% 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 Suncorp-Metway Bank facility documentation notes a loan expiry date of 30th April 2021 which assumes a classification as a current liability. However, the Bank's intention is to provide a further 3 to 5-year extension of the facility. To obtain credit approval the bank's requirements need to be met including inter alia, the company's performance to be ongoing and without default and the Bank receiving a satisfactory property valuation and updated tenancy schedule. At the date of this report the Directors have no reason to believe that the loan extension will not be provided.

c. Borrowings 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 18. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, trade receivable and payable, bills and leases. The totals for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements are as follows:

	Note	2020	2019
Financial Assets		$	$
Cash and cash equivalents	11	2,615,502	3,270,005
Trade and other receivables	12	23,714	9,803
Total Financial Assets		**2,639,216**	**3,279,808**
Financial Liabilities			
Financial liabilities amortised at cost			
- Trade and other payables	16	404,613	372,406
- Borrowings	17	24,260,000	21,218,171
- Lease Liabilities	27	305,983	-
Total Financial Liabilities		**24,970,596**	**21,590,577**

NOTE 18. FINANCIAL RISK MANAGEMENT (Con'd)

Financial Risk Management Policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the Company. The Board's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Special Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk.

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through the maintenance of procedures, which include regular monitoring of the financial stability of significant customers and counterparties, ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the company, credit terms are generally 14 – 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions.

The maximum exposure to credit risk by class or recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. The company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company is not currently exposed to any significant liquidity risk on the basis that the realisable value of financial assets is significantly greater than the financial liabilities due for settlement. The company manages this risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice therefore the balances of overdrafts outstanding at year end could become payable within 12 months.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

NOTE 18. FINANCIAL RISK MANAGEMENT (Con'd)

Financial Liability and Financial Asset Maturity Analysis

2020		Within 1 Year	1 to 5 Years	Over 5 Years	Total
		$000	$000	$000	$000
Financial Assets- cash flows realisable					
Cash and cash equivalents	11	2,616			2,616
Trade receivables	12	23			23
Total anticipated inflows		**2,639**	-	-	**2,639**
Financial Liabilities due for payment					
Bank Bills	17	-	21,000	-	21,000
Lease liabilities	27	94	212	-	306
Trade and other payables	16	405	-	-	405
Bank overdraft		-	-	-	-
Loans	17	-	3,260	-	3,260
Total contractual outflows		**499**	**24,472**	-	**24,971**
Less bank overdraft		-	-		-
Total expected outflows		**499**	**24,472**	-	**24,971**
Net (outflow)/inflow on financial instruments		**2,140**	**(24,472)**	-	**(22,332)**

2019	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	$000	$000	$000	$000
Financial Assets - cash flows realisable				
Cash and cash equivalents	3,270	-	-	3,270
Trade receivables	-	-	-	-
Total anticipated inflows	**3,270**	-	-	**3,270**
Financial Liabilities due for payment				
Bank bills	-	21,000	-	21,000
Financial lease liabilities	41	178	-	219
Trade and other payables	372	-	-	372
Bank Overdraft	-	-	-	-
Loan	-	-	-	-
Total contractual outflows	**413**	**21,178**	-	**21,591**
Less bank overdraft	-	-		-
Total expected outflows	**413**	**21,178**		**21,591**
Net (outflow)/inflow on financial instruments	**2,857**	**(21,178)**		**(18,321)**

NOTE 18. FINANCIAL RISK MANAGEMENT (Con'd)

Market Risk

Interest rate risk

Exposure to interest rate risk arises on interest bearing financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect either the future cash flows (in the case of variable interest instruments) or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate instruments. At 30 June 2020, the Company had interest-bearing financial liabilities with fixed interest rates. The company also manages interest rate risk by ensuring that whenever possible, payables are paid within any pre-agreed credit terms.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair values disclosed in the below table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

(ii) Loans and advances have a carrying amount which are equivalent to their fair value.

The fair values of financial assets and financial liabilities equal their carrying values.

		2020		2019	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets		**$**	**$**	**$**	**$**
Cash and cash equivalents	(i)	2,615,502	2,615,502	3,270,005	3,270,005
Receivables	(ii)	23,714	23,714	9,803	9,803
Total Financial Assets		**2,639,216**	**2,639,216**	**3,279,808**	**3,279,808**
Financial Liabilities					
Trade & other payable	(i)	404,613	404,613	372,406	372,406
Lease Liabilities	(ii)	305,983	305,983	-	-
Borrowings	(iii)	24,260,000	24,260,000	21,177,159	21,177,159
Total Financial Liabilities		**24,970,596**	**24,970,596**	**21,549,565**	**21,549,565**

NOTE 19. PROVISIONS

	Employee Benefits	Other
Opening balance at 1 July 2019	153,423	
Additional provisions	105,405	-
Amounts used	(50,835)	
Balance at 30 June 2020	**207,993**	

Analysis of Total Provisions	**2020**	**2019**
Current	181,779	143,276
Non-current	26,214	10,147
Total Provisions	207,993	153,423

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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 discussed in Note 1.

NOTE 20. ISSUED CAPITAL

	2020 $	**2019 $**
Ordinary Shares - fully paid	831,531	831,531
100 B Class Shares – fully paid	50	50
200 Founders Shares – fully paid	100	100
	831,681	831,681

Breakdown by Number of Shares:	**No.**	**No.**
Ordinary Shares - fully paid	5,143,060	5,143,060
B Class Shares – fully paid	100	100
Founders Shares – fully paid	200	200
	5,143,360	5,143,360

Movements in issued capital		
Fully paid shares:		
At the beginning of the reporting period	5,143,360	5,143,360
Shares issued during the period	-	-
Shares bought back during the period	-	-
At the end of the reporting period	5,143,360	5,143,360

NOTE 20. ISSUED CAPITAL (Con'd)

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote for each share held when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

Management controls the capital of the company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. The external capital requirements are bank covenants, QBCC financial requirements and Australian Financial Service License requirements which license ceased on the 12th November 2018.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and distribution to shareholders.

There have been no changes in the strategy adopted by management to control the capital of the company since the prior year. This strategy is to ensure that the company's gearing ratio remains between 30% and 50%. The gearing ratio for the years ended 30 June 2020 and 30 June 2019 are as follows:

	2020 $	2019 $
Total borrowings	24,565,983	21,218,171
Less cash and cash equivalents	(2,615,502)	(3,270,005)
Net debt/(Cash)	21,950,481	17,948,166
Total equity	31,722,322	31,667,187
Total capital	53,672,803	49,615,353
Gearing Ratio	40%	36%

NOTE 21. CAPITAL AND LEASING COMMITMENTS

(a) Finance Leasing Commitments Payable:

	NOTE	2020 $	2019 $
Not later than one year		-	50,431
Later than one year but not later than five years		-	191,450
		-	241,881
Less: Future finance charges		-	(23,710)
Total Lease Liability		-	218,171
Current Lease Liability	27,17	-	40,652
Non-Current Lease Liability	27,17	-	177,519
		-	218,171

(*All finance leases relate to commitments for company vehicles up to four years)

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognized in the financial statements
Payable – minimum lease payments:

	2020	2019
- Not later than 12 months	-	$33,000
- Between 12 months and five years	-	$142,202

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by 3% per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years.

(c) Capital Expenditure Commitments

The company has not contracted for any capital expenditure commitments as at 30th June 2020 (2019: nil)

NOTE 22. RELATED PARTY TRANSACTIONS

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

Share Transactions of Directors	No.	No.
Aggregate number of shares held directly, indirectly or beneficially by Directors and related parties at balance date		
Ordinary shares	3,716,870	3,716,870
B Class Shares	88	88
Founders Shares	200	200
	3,717,158	3,717,158

Other related party transactions

The company leases office premises at Southport Central from a related party Lessor, SAL QLD Pty Ltd as trustee for SA Macleod Superannuation Fund.

Kate Macleod Employment Contract totaling $167,045.

NOTE 23. INVESTMENT PROPERTY

	2020 $	2019 $
Parkhurst Town Centre - at valuation	34,090,000	34,090,000
	34,090,000	34,090,000
Balance at beginning of year	34,223,761	34,090,000
Acquisition / Additions / Transfers	368,479	133,761
Revaluation	-	-
Disposals	-	-
Balance at year end	34,592,240	34,223,761

The fair value model is applied to all investment property. It is the policy of the company to have an independent valuation every two years, with annual appraisals being made by the directors. The Parkhurst Town Centre was valued in February 2018 for reliance by Suncorp Metway Limited for first mortgage security purposes. The Directors have adopted this value as at 30 June 2020.

NOTE 24. TAX BALANCES

	2020 $	2019 $
CURRENT		
Income Tax Payable	-	-

	Opening Balance	Charged to Income	Closing Balance
DEFERRED TAX LIABILITY			
Property Plant & Equipment - tax allowance	9,945	(9,945)	-
Tangible Assets revaluation	649,518	352,976	1,002,494
Balance 30 June 2019	**659,463**	**343,031**	**1,002,494**
Property Plant & Equipment - tax allowance	-	-	-
Tangible Assets revaluation	1,002,494	327,339	1,329,833
Balance 30 June 2020	**1,002,494**	**327,339**	**1,329,833**
DEFERRED TAX ASSETS			
Provisions	54,575	6,245	60,820
Property Plant & Equipment - Impairment	12,928	(12,928)	-
Future income tax benefits attributable to tax losses	406,889	411,798	818,687
Other	51,144	(41,258)	9,886
Balance 30 June 2019	**525,536**	**363,858**	**889,394**
Provisions	60,820	16,371	77,191
Property Plant & Equipment - Impairment	-	-	-
Future income tax benefits attributable to tax losses	818,687	234,647	1,053,334
Other	9,886	76,711	86,598
Balance 30 June 2020	**889,394**	**327,729**	**1,217,123**

NOTE 25: 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.

a.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 AABS16: 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).

NOTE 26: 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 30th June 2020 $	As at 30th June 2019 $
Leased Office Premises		169,701	-
Accumulated Depreciation		(48,082)	-
		121,619	-
Leased Motor Vehicles (finance leases)		266,585	-
Accumulated Depreciation		(131,223)	-
		135,362	-
		256,981	-

Movement in Carrying Amounts	NOTE	2020	2019
Lease of Office Premises:			
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB117)		169,701	-
Depreciation Expense for the year ended 30.06.2020	3(b)	(48,082)	
Net Carrying Amount		121,619	-
Leased Motor Vehicles (finance leases)			
Opening balance transferred from plant and equipment on initial application of AASB 16		173,800	-
Depreciation expense for the year ended 30.06.2020	3(b)	(38,438)	
Net Carrying Amount		135,362	-

NOTE 27. LEASE LIABILITIES

Current			
Lease Liabilities – operating – lease of premises		33,907	-
Lease Liabilities – finance – motor vehicles	27(a)	60,537	
		94,444	-
Non-Current			
Lease Liabilities – operating – lease of premises		94,544	-
Lease Liabilities – finance – motor vehicles	27(a)	116,995	
		211,539	-
Total Lease Liabilities	18	$305,983	-

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

NOTE 28. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of potential financial effects of contingent liabilities that may become payable: -	2020 $	2019 $
Secured: Guarantees to the company's bankers in favour of: -		
DTMR Maintenance & Completion Bonds	$355,145	
Fraser Coast Regional Council Bond		$10,000

NOTE 29. EVENTS AFTER REPORTING DATE

Uncertainties remain with respect to events or conditions which may impact the company unfavourably subsequently to reporting date as a result of the Coronavirus (COVID-19) pandemic.

NOTE 30. COMPANY DETAILS

The registered office of the company is:
Suite 30202 Tower 3
9 Lawson Street
Southport Qld 4215

The principal place of business is:
Suite 30202 Tower 3
9 Lawson Street
Southport Qld 4215

AHC LIMITED
ABN 73 010 544 699

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AHC LIMITED
(Page 1 of 3)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AHC Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of AHC Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter –Impact of Covid-19 and Subsequent Events

We draw attention to Note 1(v) and Note 29 to the financial statements, which describes that uncertainties remain with respect to future events or conditions which may impact the company unfavourably, subsequent to reporting date as a result of the Coronavirus (COVID-19) pandemic. Our opinion is not modified in respect of this matter.

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the independent audit solution

AHC LIMITED
ABN 73 010 544 699

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AHC LIMITED

Information Other Than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of AHC Limited for the year ended 30 June 2020, intended to be included on the Company's website. The Company's directors are responsible for the integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. The auditor's 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 audited financial report to confirm the information included in the audited financial report presented on the website.

Responsibility of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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AHC LIMITED
ABN 73 010 544 699

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AHC LIMITED

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors and management.

- Conclude on the appropriateness of directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transaction and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

WPIAS Pty Ltd
Authorised Audit Company No. 440306

Lee-Ann Dippenaar BCom CA RCA
Audit Principal

Dated this 4th day of September, 2020.

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