

AHC Limited

ABN 73 010 544 699

Financial Statements

For the Year Ended 30 June 2021

AHC Limited

ABN 73 010 544 699

Contents

For the Year Ended 30 June 2021

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	34
Independent Audit Report	35

AHC Limited

ABN 73 010 544 699

Directors' Report

30 June 2021

The directors present their report on AHC Limited for the financial year ended 30 June 2021.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Ian Roderick MacLeod	Chairman (Executive)	
Wayne Benson Lester	Director (Non- Executive)	
Rod Lindsay MacLeod	Director (Executive) Managing Director	
Rodney Joseph Walsh	Director (Non- Executive)	Resigned 28 February 2021
Sheryl Anne MacLeod	Director (Non - Executive)	
Katie Louise Hicks	Director (Executive) Secretary and CFO	
Julanne Shearer	Director (Non - Executive)	Appointed 12 February 2021

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

Company secretary

The following person held the position of Company secretary at the end of the financial year:

- Katie Louise Hicks

Principal activities

The principal activities of AHC Limited during the financial year were:

- Property development for long term asset portfolio creation;
- Subdivision of land commercial development; and
- Ownership/ management of Shopping Centre

Director Interest

The relevant interest of each director in the shares issued by the Company, as notified by Director's in accordance with the Corporations Act 2001 at the dates of this report are as per note 21.

AHC Limited

ABN 73 010 544 699

Directors' Report 30 June 2021

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Ian Roderick MacLeod

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.

Shares held: 273,505 - Held by I.R MacLeod as Trustee of the MacLeod Family Trust

Shares held: 1,369,656 - Yorkmount Pty Ltd and Yorkmount Super of which I.R MacLeod is a beneficiary

Wayne Benson Lester

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.

Shares held: 252,309 - Held by W.B Lester and D.M Lester for the Wayne Lester Super Fund

Rod Lindsay MacLeod

Qualifications: M.B.A Griffith University, Registered House Builder

Experience: Associated with the company since January 1989

Shares held: 56,909 - Held by R.L MacLeod

Shares held: 178,900 - Held by R.L & K.L Macleod Super Fund

Shares held: 2,691 - Held by Kate MacLeod

Rodney Joseph Walsh

Qualifications: Bachelor Commerce University of Queensland

Experience: 35 years in Public Accounting included 20 years as self employed CPA

Sheryl Anne MacLeod

Qualifications: Bachelor Business (Accounting) Griffith University

Experience: Associated with the company since incorporation

Shares held: 955,987 - Held by S A MacLeod

Shares held: 627,201 - Held by SALQLD Pty Ltd Trustee for S A Macleod Super Fund of which S A MacLeod is a beneficiary

Katie Louise Hicks

Qualifications: Bachelor Business (Accounting) Griffith University; MBA Deakin University, CPA Australia,

Experience: CPA with 20 years accounting experience

Special responsibilities: Company Secretary and CFO

AHC Limited

ABN 73 010 544 699

Directors' Report

30 June 2021

1. General information

Information on directors

Julanne Shearer

Qualifications

Bachelor of Commerce - Griffith University, Bachelor of Law - Queensland University of Technology

Experience

A former partner of Primrose Couper Cronin Rudkin (law firm), 25 years experience in property and commercial law.

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

Company's Earnings

The table below sets out summary information about the Company's earnings and movement in shareholders wealth for the four years to 30 June 2021:

	June 2021	June 2020	June 2019	June 2018
	\$	\$	\$	\$
Net Profit/(Loss) before tax	2,659,836	54,622	(182,512)	559,154
Net Profit/(Loss) after Tax	2,095,980	55,012	(161,686)	460,914
Basic Earnings per share (cents per share)	40.75	1.07	(3.14)	8.96
Weighted average of number of shares outstanding during the year used in calculation	5,143,360	5,143,360	5,143,360	5,143,360

Operating results

The profit of the Company after providing for income tax amounted to \$2,095,980 (2020:\$55,012).

Dividends paid or recommended

There were no dividends paid or declared during the current or previous financial year.

Directors' Report

30 June 2021

Review of operations

Parkhurst Shopping Centre – Rockhampton

The significant roadworks fronting the Parkhurst Town Centre are now nearing completion and whilst challenging during the works stage, the finished product will result in a much greater traffic flow and ease of movement when entering and exiting the Centre. We expect the lost foot traffic due to the ongoing works will quickly return once the works are completed.

We are also experiencing an increase in leasing enquires now that the COVID-19 pandemic has settled in Central Queensland and business's start to feel confidence again in the economy. We have had several interested parties engage with us in the last couple of months and we look forward to continuing discussions with them with a view to entering leases in the very near future.

In February 2021, in compliance with our lending requirements, we instructed JLL to complete a valuation on the Centre. The valuation has reported a very pleasing valuation uplift from \$34M to \$36.8M. An improvement in yield percentage and an increase in Net Operating Income of the Centre has attributed to this valuation increase.

Dundowran Industrial – Hervey Bay

The pleasing momentum experienced in sales enquires at the end of last year has continued with three more lots sold between the January to June 2021 period bringing the financial year total to four. Development on these sold lots has already started and we look forward to Self-Storage Containers, Industrial Units and a mechanic all commencing trade soon.

With the increase in development on these industrial sites, the sales enquires have surged and we have subsequently revised the pricing of the lots. We expect to enter Contracts of Sale on two more lots within the next month. We continue to actively market the remaining lots on Real Commercial and directly on our own Dundowran Industrial Park website and social media platforms.

Good Life RV & Lifestyle Resorts Fraser Coast

Initial development has commenced on the site with tree clearing completed to some 12 hectares and earthworks required to enable the registration of an Ergon easement from William Street into the site and allowing for an Ergon transformer to be installed, providing permanent power supply also completed. We anticipate the Ergon Pad Mount Transformer being installed prior to the end of 2021.

The site also has town sewer connected and will soon be connected to town water in conjunction with external roadworks fronting the main entry to the development. The company remains hopeful of commencing full construction of initial stage 1 and 1A soon following strong interest from purchasers.

General Business

The financial year ending 2021 has produced a Net Profit of \$2.09M. This pleasing result is attributed to the Parkhurst Town Centre revaluation, Drury Lane land sales and rental income from Parkhurst Town Centre. The Board remains satisfied that all company assets are in a strong position and is looking forward to progressing with future developments.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

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.

Directors' Report

30 June 2021

Future developments and results

The company will continue to pursue its policy of maximising profit within their commercial lettings and property development activities. Further information about the likely developments in the company in future financial years has not been included because disclosure of the information would be likely to result in unreasonable prejudice to the company

To further improve the Company's profit and maximise shareholders wealth, AHC intends to focus resources in 2021/2022 financial year towards:

- The development of the Goodlife RV & Lifestyle Resort at Howard.
- Continuation of industrial lot sales at Drury Lane
- Development of a Drive-Thru Tenancy at Parkhurst Town Centre.

Environmental matters

The Company's operations are subject to environmental regulation under the law of the Commonwealth and State legislature. Example of the Company's performance in relation to environmental regulations 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).

Meetings of directors

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Ian Roderick MacLeod	6
Wayne Benson Lester	6
Rod Lindsay MacLeod	6
Rodney Joseph Walsh	4
Sheryl Anne MacLeod	6
Katie Louise Hicks	6
Julanne Shearer	3

AHC Limited

ABN 73 010 544 699

Directors' Report

30 June 2021

Indemnification and insurance of officers and auditors

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 AHC Limited.

Non -Audit Service

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

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2021 has been received and can be found on page 7 of the financial report.

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

Director: 

Director: 

Dated this 15 day of September 2021



DICKFOS DUNN ADAM

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AHC Limited

73 010 544 699

Auditor's Independence Declaration under Section 207C of the Corporations Act 2001 to the Directors of AHC Limited

I declare that, to the best of our knowledge and belief, during the year ended 30 June 2021, there have been no contraventions of:


- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

DICKFOS DUNN ADAM
Audit & Assurance

DDA

1st September 2021

Date
Southport


T.L. Adam

AHC Limited

ABN 73 010 544 699

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	4	2,970,399	2,593,670
Interest Income	4	12,630	32,462
Revaluation changes for land and building	4	2,168,656	-
Other income	4	48,119	93,630
Total Income		5,199,804	2,719,762
Finance expenses	5	(684,079)	(890,487)
Employee benefits expense		(801,432)	(957,600)
Depreciation expense	5	(68,979)	(91,976)
Rates		(192,290)	(174,983)
Repair and maintenances		(128,121)	(101,360)
Other Expense	5	(665,067)	(448,734)
Profit before income tax		2,659,836	54,622
Income tax (expense)/benefit	6	(563,856)	390
Profit/(Loss) from continuing operations		2,095,980	55,012
Total comprehensive income for the year		2,095,980	55,012

The accompanying notes form part of these financial statements.

AHC Limited

ABN 73 010 544 699

**Statement of Financial Position
As At 30 June 2021**

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,506,280	2,615,502
Trade and other receivables	8	85,707	23,714
Inventories	9	1,896,876	2,437,312
Other assets	10	21,807	107,341
TOTAL CURRENT ASSETS		3,510,670	5,183,869
NON-CURRENT ASSETS			
Inventories	9	18,457,452	17,274,960
Right-of-use assets	11	193,747	256,981
Property, Plant and equipment	14	25,232	27,189
Investment Property	13	36,800,000	34,592,240
Deferred Tax Asset	18	1,108,186	1,217,123
TOTAL NON-CURRENT ASSETS		56,584,617	53,368,493
TOTAL ASSETS		60,095,287	58,552,362
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	460,381	726,230
Lease liabilities	12	85,042	94,445
Short-term provisions	17	190,038	181,779
TOTAL CURRENT LIABILITIES		735,461	1,002,454
NON-CURRENT LIABILITIES			
Borrowings	16	23,600,324	24,260,000
Lease liabilities	12	126,039	211,539
Long-term provisions	17	30,410	26,214
Deferred tax liabilities	18	1,784,751	1,329,833
TOTAL NON-CURRENT LIABILITIES		25,541,524	25,827,586
TOTAL LIABILITIES		26,276,985	26,830,040
NET ASSETS		33,818,302	31,722,322
EQUITY			
Issued capital	20	831,681	831,681
Retained earnings		32,986,621	30,890,641
TOTAL EQUITY		33,818,302	31,722,322

The accompanying notes form part of these financial statements.

AHC Limited

ABN 73 010 544 699

Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Ordinary Shares \$	Retained Earnings \$	Total \$
Balance at 1 July 2020	831,681	30,890,641	31,722,322
Profit/(loss) attributable to members of the entity	-	2,095,980	2,095,980
Balance at 30 June 2021	831,681	32,986,531	33,818,302

2020

	Ordinary Shares \$	Retained Earnings \$	Total \$
Balance at 1 July 2019	831,681	30,835,506	31,667,187
Profit/(loss) attributable to members of the entity	-	55,012	55,012
Adjustment	-	123	123
Balance at 30 June 2020	831,681	30,890,641	31,722,322

The accompanying notes form part of these financial statements.

AHC Limited

ABN 73 010 544 699

Statement of Cash Flows
For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,523,806	3,215,419
Payments to suppliers and employees	(3,201,330)	(4,101,550)
Interest received	12,630	32,462
Finance costs	(684,079)	(909,395)
Net cash provided by/(used in) operating activities	<u>(348,973)</u>	<u>(1,763,064)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(5,670)	(7,571)
Additions to investment property	-	(368,479)
Net cash provided by/(used in) investing activities	<u>(5,670)</u>	<u>(376,050)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	1,710,000
Repayment of borrowings	(639,641)	(160,000)
Payment of finance lease liabilities	(114,938)	(65,389)
Net cash provided by/(used in) financing activities	<u>(754,579)</u>	<u>1,484,611</u>
Net increase/(decrease) in cash and cash equivalents held	(1,109,222)	(654,503)
Cash and cash equivalents at beginning of year	2,615,502	3,270,005
Cash and cash equivalents at end of financial year	7 <u>1,506,280</u>	<u>2,615,502</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Basis of Preparation

The financial report covers AHC Limited as an individual entity. AHC Limited is an unlisted public Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of AHC Limited is Australian dollars.

Date authorised by Directors

The financial report was authorised for issue by the Directors on the date of signing the report.

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

Australian Accounting Standards set 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 accrual 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.

New and amended Australian Accounting Standards that are effective for the current year

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and makes consequential amendments to several other pronouncements and publications. The company has adopted these amendments for the first time in the current year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Basis of Preparation

New and amended Australian Accounting Standards that are effective for the current year continued

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

The company has adopted the amendments included in AASB 2019-1 for the first time in the current year. The amendments include consequential amendments to affected Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB.

The amendments:

- Update numerous pronouncements to refer to the new Conceptual Framework for Financial Reporting or to clarify which version of the Framework is being referenced. These amendments apply to for-profit private sector entities that have public accountability and are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the new Conceptual Framework
- Permit other entities to continue using the Framework for the Preparation and Presentation of Financial Statements adopted by the AASB in 2004.

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

At the date of authorisation of the financial statements, the company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date. Effective for annual reporting periods beginning on or after 1 January 2022

The amendments to AASB 101 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates. Effective for annual reporting periods beginning on or after 1 January 2023
- AASB 2021-2 amends AASB Standards to improve accounting policy disclosures so that they provide more useful information to investors users of the financial statements and clarify the distinction between accounting policies and accounting estimates. Specifically, AASB 2021-2 amends:
 - AASB 7 Financial Instruments: Disclosures, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Basis of Preparation

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective continued

- AASB 101 Presentation of Financial Statements, to require entities to disclose their material accounting policy information rather than their significant accounting policies
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates
- AASB 134 Interim Financial Reporting, to identify material accounting policy information as a component of a complete set of financial statements
- AASB Practice Statement 2 Making Materiality Judgements, to provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures.

Except for the amendments to AASB Practice Statement 2 (which provide non-mandatory guidance and therefore do not have an effective date), the amendments are effective for annual periods beginning on or after 1 January 2023. The amendments to the individual Standards may be applied early, separately from the amendments to the other Standards, where feasible.

The directors of the Company do not anticipate that the amendments will have a material impact on the company, but may change the disclosure of accounting policies included in the financial statements.

2 Summary of Significant Accounting Policies

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilise

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

Income Tax continued

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) Valuation

In accordance with the company's accounting policies, independent valuation of Investment Property are required to be conducted every two years. The last independent valuation was conducted in February 2021.

(c) Revenue and other income

When recognising revenue in relation to the sale of properties to customers, the key performance obligations of the Company is considered to be the point of delivery of the goods to the customers, as this 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 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 recognised as and when it is received.

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

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Inventories

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.

Constructive Contracts and Work in Progress:

Constructions 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 contracts.

(f) Property, plant and equipment

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

Plant and 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 flow, have been discounted to their present value in determining recoverable amounts.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10-20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) 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 value who has recognised and appropriate professional qualifications and recent experience, in the location of investment property, being valued. Fair values are determined by the value 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 Director's opinion that based on rental return and the recent valuation by the independent value, the investment property is at fair and reasonable value as at 30 June 2021. Property under construction is booked at costs. Charges to fair value are recognised in profit or loss in the period in which they occur.

(h) 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.

(i) Trade and Other Receivables

Trade and other receivables include amount due from customers for goods sold and service 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.

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(k) Trade and Other Payable

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 or recognition of the liability.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(l) Lease

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments less any lease incentives.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position. The Company applies AASB 136 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(m) Borrowing Cost

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 of sale, are added to the costs of those assets, until such time as the asset are substantially ready for the intended use of sale.

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

(n) Employee benefits

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, included wages and salaries. Short-term employee benefits are measured at the (undisputed) 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 payable** in the **statement** of financial position. The **Company's** obligations for employees' annual leave and long service leave entitlement are recognised as **provisions** in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlement not expected to be settled wholly within 12 months after the end of the annual reporting period in which in the employees render the related service. Other long-term employee benefits are measured at the present value of 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, expected where the Company does not have unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which cause the obligation are presented as current provisions.

(o) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

The preparation of the financial statements require management to make judgments, estimates and assumptions that affect the reporting period amounts in the financial statement. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expense. Management bases its judgments, 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 judgemental and estimates will seldom equal the related actual results.

The significant estimates and judgments made have been described below.

Key estimates - impairment

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

The provision for impairment of inventories assessment requires a degree of estimation and judgemental. 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.

4 Revenue and Other Income

	2021	2020
	\$	\$
Operating Activity		
Parkhurst Promotion Levy	27,560	24,679
Parkhurst Rentals	2,210,580	2,065,668
Parkhurst Outgoings	227,467	227,396
Puma Parkhurst	279,983	275,927
Sale of Lots - Drury Lane Dundowran	224,809	-
Total Operating Activity	2,970,399	2,593,670
Other Income		
Insurance Recoveries	-	35,380
Covid 19 Assistance	50,000	58,250
Gain/loss on sale of plant & equipment	(1,881)	-
Total Other Income	48,119	93,630
Interest	12,630	32,462
Total Interest Income	12,630	32,462
Revaluation changes for land and building	2,168,656	-
Total Revaluation Income	2,168,656	-

Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Expenses

	2021	2020
	\$	\$
Finance Cost		
Suncorp Bank Bill	645,721	879,585
Finance charge relating to finance lease	6,858	10,902
Borrowing costs	31,500	-
Total Borrowing Costs	684,079	890,487
Depreciation		
Depreciation - Plant	34,574	5,456
Depreciation - Right of Use Asset	34,405	86,520
Total Depreciation	68,979	91,976
Other Expense		
Rent on Land and Building	8,179	(651)
Cleaning Rubbish Consumables	274,736	243,704
Fringe Benefits Tax	6,997	30,501
Electricity	62,517	80,206
Insurance	93,009	48,255
Legal and Consulting Fee	39,646	37,573
Bank Fees	10,581	3,458
Admin Costs	120,274	140,038
Other expenses	100,666	89,994
WIP Allocation	(51,539)	(212,709)
Total Other Expense	665,066	448,734

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

Deferred Tax expense/(income) relating to the origination and reversal of temporary differences	563,856	(390)
Total Deferred tax expense/(benefit)	563,856	(390)

Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Income Tax Expense continued

(b) Reconciliation of income tax to accounting profit:

	2021	2020
	\$	\$
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 26% (2020:30%)	691,557	16,387
Add Tax effect of:		
Non-deductible depreciation	308	492
Other Items	43,147	(47,680)
Less Tax effect of:		
Revaluation of investment property	141,103	337,511
Adjustment to current year tax from 26% to 25%	(26,598)	-
Adjustment previous years deferred tax from 30% to 25%	(18,785)	-
Other net deductible items	(20,129)	(13,977)
Depreciation on investment property	<u>(246,745)</u>	<u>(293,123)</u>
Income tax expense/(income) attributable to company	<u>563,856</u>	<u>(390)</u>

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity.

Notes to the Financial Statements

For the Year Ended 30 June 2021

7 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand	200	200
Bank balances	1,506,080	205,525
Short-term deposits	-	2,409,777
Total cash and cash equivalents	1,506,280	2,615,502

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2021	2020
	\$	\$
Cash and cash equivalents	1,506,280	2,615,502
Balance as per statement of cash flows	1,506,280	2,615,502

8 Trade and Other Receivables

	2021	2020
	\$	\$
Trade receivables	17,130	23,714
Accrued receivables	68,577	-
Total current trade and other receivables	85,707	23,714

9 Inventories

	2021	2020
	\$	\$
CURRENT		
Inventory	1,896,876	2,437,312
Total current inventory	1,896,876	2,437,312
NON CURRENT		
Inventory	18,457,452	17,274,960
Total non-current inventory	18,457,452	17,274,960
Total Inventory	20,354,328	19,712,272

AHC Limited

ABN 73 010 544 699

**Notes to the Financial Statements
For the Year Ended 30 June 2021****10 Other financial assets**

	2021	2020
	\$	\$
Prepayments	-	25,175
Deposit - Rental Property	1,400	-
Lease Incentives	20,407	82,166
Total other financial assets	21,807	107,341

11 Leases**Right-of-use assets**

	Motor Vehicles	Office Premises	Total
	\$	\$	\$
Year ended 30 June 2021			
Asset Balance	266,585	169,701	436,286
Accumulated depreciation charge	(160,052)	(82,487)	(242,539)
Balance at end of year	106,533	87,214	193,747
Year ended 30 June 2020			
Asset Balance	266,585	169,701	436,286
Accumulated depreciation charge	(131,223)	(48,082)	(179,305)
Balance at end of year	135,362	121,619	256,981

12 Lease Liability

	2021	2020
	\$	\$
CURRENT		
Operating - lease of premises	39,908	33,908
Motor vehicles	51,134	60,537
Total Current lease	85,042	94,445
NON-CURRENT		
Operating - lease of premises	60,139	94,544
Other liabilities	65,900	116,995
Total Non Current lease	126,039	211,539

Lease liabilities finance lease area for motor vehicles are secured by the underlying asset.

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Investment Property

The fair value model is applied to all investment properties. It is the policy of the Company to have an independent valuation, with annual appraisals being made by the directors. The Parkhurst Town Centre was valued in February 2021 by JLL for Suncorp Metway Limited for first mortgage security purposes only. The Directors have adopted this value as at 30 June 2021.

	2021	2020
	\$	\$
Parkhurst Town Centre - at valuation	34,592,240	34,090,000
Balance at beginning of year	34,592,240	34,223,761
Acquisition/addition/transfer	2,207,760	368,479
Balance at end of year	36,800,000	34,592,240

Notes to the Financial Statements
For the Year Ended 30 June 2021

14 Property, Plant and equipment

PLANT AND EQUIPMENT

	2021	2020
	\$	\$
General Plant and equipment		
At cost	13,176	13,176
Accumulated depreciation	(8,250)	(7,020)
Total plant and equipment	<u>4,926</u>	<u>6,156</u>
Office equipment		
At cost	44,599	46,964
Accumulated depreciation	(24,293)	(25,931)
Total office equipment	<u>20,306</u>	<u>21,033</u>
Formation Cost		
At cost	220,000	220,000
Accumulated depreciation	(220,000)	(220,000)
Total formation costs	<u>-</u>	<u>-</u>
Total plant and equipment	<u>25,232</u>	<u>27,189</u>

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Total
	\$	\$
Year ended 30 June 2021		
Balance at beginning of the year	27,189	27,189
Additions	5,670	5,670
Depreciation expense	(7,536)	(7,536)
Balance at the end of the year	<u>25,323</u>	<u>25,323</u>
Year ended 30 June 2020		
Balance at the beginning of year	198,874	198,874
Additions	7,571	7,571
Opening balance transfer to Right of Use Asset	(173,800)	(173,800)
Depreciation expense	(5,456)	(5,456)
Balance at the end of the year	<u>27,189</u>	<u>27,189</u>

AHC Limited

ABN 73 010 544 699

Notes to the Financial Statements For the Year Ended 30 June 2021

15 Trade and Other Payables

	2021	2020
	\$	\$
Trade payables	21,019	191,089
Deposits	124,254	137,008
GST payable	9,893	62
Accrued charges	30,383	90,237
Other accounts payable	121,787	122,633
FBT Payable	10,558	22,311
Rent in Advance	142,487	162,209
Trade and other payable	460,381	726,230

16 Borrowings

	Note	2021	2020
		\$	\$
NON-CURRENT			
Unsecured liabilities:			
Randway Vendor Finance	a	1,550,000	1,550,000
Total Unsecured Liabilities		1,550,000	1,550,000
Secured liabilities:			
NAB Drury Lane	b	1,050,324	1,710,000
Bank Bill Parkhurst	c	21,000,000	21,000,000
Total Secured Liabilities		22,050,324	22,710,000
Total non-current borrowings		23,600,324	24,260,000

A: Related Party

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 lot 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 buyers sells the property, whichever is earlier.

B: Borrowings from National Australian Bank are secured by the followings:

- 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.

AHC Limited

ABN 73 010 544 699

Notes to the Financial Statements For the Year Ended 30 June 2021

C : 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 Lot 101 and 102 on SP 296885 Certificates of Title 51135821 and 51135822.
- 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

The Suncorp- Metway Limited Bank bill is rolled over monthly currently and a variable rate is payable on roll over. The Suncorp-Metway Bank facility documentation notes a loan expiry date 30th April 2024.

17 Provisions

	2021	2020
	\$	\$
CURRENT		
Long Service Leave	60,116	54,590
Annual Leave	129,922	127,188
Total current provision	190,038	181,779
NON-CURRENT		
Long Service Leave	30,410	26,214
Total non-current provision	30,410	26,214

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Tax Assets and Liabilities

	Opening Balance	Charge to Income	Closing Balance
	\$	\$	\$
<u>Deferred Tax Liability</u>			
Tangible Asset Revaluation	1,002,494	327,339	1,329,833
Balance as at 30 June 2020	1,002,494	327,339	1,329,833
Other	34,216	(12,412)	21,804
Tangible Asset Revaluation	1,295,617	467,330	1,762,947
Balance as at 30 June 2021	1,329,833	454,918	1,784,751
<u>Deferred Tax Assets</u>			
Provisions	60,820	8,271	69,091
Future Income Tax benefits attributable to tax losses	818,687	234,647	1,053,334
Other	9,886	84,812	94,698
Balance 30 June 2020	889,394	327,729	1,217,123
Provisions	69,091	(11,339)	57,752
Future Income Tax benefits attributable to tax losses	1,053,334	(65,409)	987,925
Other	94,698	(32,189)	62,509
Balance 30 June 2021	1,217,123	108,937	1,108,186

Deferred Taxes

Future Income Tax Benefits is made up of the following estimated tax benefits;

	2021	2020
	\$	\$
(a) Tax Losses	987,925	1,053,334
(b) Temporary Differences	120,260	163,789
	1,108,186	1,217,123

AHC Limited

ABN 73 010 544 699

Notes to the Financial Statements

For the Year Ended 30 June 2021

Tax Assets and Liabilities continued

Tax Liabilities

Deferred tax liabilities is made up;

	2021	2019
	\$	\$
Income Tax Charged directly to retained earnings	(2,677,905)	(3,132,823)
Income Tax charged directly to equity	4,462,656	4,462,656
	<u>1,784,751</u>	<u>1,329,833</u>

19 Dividends

No dividend were paid in 2021 financial year.

Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax payments of proposed dividends: \$9,257,794 (2020 \$9,257,794).

20 Issued Capital

	2021	2020
	\$	\$
Ordinary Shares - fully paid	831,531	831,531
100 B Class Shares - fully paid	50	50
200 Founders Shares - fully paid	100	100
	<u>831,681</u>	<u>831,681</u>
Breakdown by Number of shares		
Ordinary Shares – fully paid	5,143,060	5,143,060
B Class Shares – fully paid	100	100
Founders Shares – fully paid	200	200
	<u>5,143,360</u>	<u>5,143,360</u>
Movements in issues capital		
Fully paid shares:		
At the beginning and end of the reporting period	<u>5,143,360</u>	<u>5,143,360</u>

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

At shareholder 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

21 Key Management Personnel Disclosures

Names and positions held of company Key Management personnel in office at any time during the financial year are:

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

There are no elements of the remuneration of a member of key management personnel for the Company that are related to performance:

	2021	2020
	\$	\$
Shareholders		
Ian Roderick MacLeod	1,643,161	1,643,161
Sheryl Anne MacLeod	1,583,188	1,583,188
Rod Lindsay MacLeod	238,500	238,500
Wayne Benson Lester	252,309	252,309

	Salary	Super	Salary Sacrifice	FBT	Total
	\$	\$	\$	\$	\$
Directors					
Ian Roderick MacLeod	86,293	8,472	11,520	19,144	125,429
Wayne Benson Lester	26,860	2,552	-	-	29,412
Rod Lindsay MacLeod	150,846	14,330	-	-	165,176
Rodney Joseph Walsh	10,667	1,013	-	-	11,680
Sheryl Anne MacLeod	-	-	-	17,038	17,038
Katie Louise Hicks	112,127	10,652	6,413	-	129,192
Julanne Shearer	-	-	-	-	-

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 employer benefits 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.

Notes to the Financial Statements
For the Year Ended 30 June 2021

22 Auditors' Remuneration

	2021	2020
	\$	\$
Auditing or reviewing the financial statements	20,000	25,000
Auditing the rental shop lease	2,200	2,200
Total	22,200	27,200

23 Contingencies

Estimates of potential financial effect of contingent liabilities that may become payable:

Secured: Guarantees to the Company's bankers in favour of:

- Fraser Coast Regional Council general performance bond \$10,000 (2021 financial year)
- DTMR Maintenance & Completion Bonds \$355,145 (2020 financial year)

24 Related Parties

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

(a) Shares transaction of Directors

Aggregate number of shares held directly, indirectly or beneficially by Directors and related parties at balance date.

	No.	No.
Ordinary Shares	3,716,870	3,716,870
B Class Shares	88	88
Founders Shares	200	200
	3,717,158	3,717,158

(b) 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 totalling \$136,800.

Notes to the Financial Statements

For the Year Ended 30 June 2021

25 Events Occurring After the Reporting Date

The COVID 19 pandemic continues to affect businesses with lockdowns and government imposed restrictions on interstate travel. The Directors have assessed that there is expected to be a minimal financial impact on the company operations, although there is a risk if lessees are impacted with their trade and cashflow and timing of settlement of lease rentals. Directors will assess and continue to engage with lessees and communicate regarding any concerns on cashflow. Except for the above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

26 Statutory Information

The registered office and principal place of business of the company is:

Suite 30202 Tower 3
9 Lawson Street
Southport QLD 4215

AHC Limited

ABN 73 010 544 699

Directors' Declaration

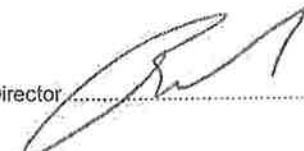
The directors of the Company declare that:

The financial statements and notes, as set out on pages 11 to 33, are in accordance with the *Corporations Act 2001* and:

- a. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as when they become due and payable
- b. in the directors' opinion, the attached financial statements are in compliance with Australian Accounting Standards.
- c. in the directors' opinion, the attached financial statement and notes there to are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and given a true and fair view of the financial position and performance of the Company.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Director 

Dated 15th September 2021



DICKFOS DUNN ADAM

22 Garden Street (PO Box 1669) Southport Queensland 4215
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AHC LIMITED
ABN 73 010 544 699

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
AHC LIMITED

Opinion

We have audited the general purpose financial report of AHC Limited (the company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or Loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the company 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 2021 and of its financial performance for the year then ended.
- (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information Other Than the Financial Report

The directors are responsible for the other information. The other information comprises the information contained in the company's annual report for the year ended 30 June 2021 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 2021, intended to be included on the company's website. The company's directors are responsible for the integrity of the company's website. This auditor's report refers only to the statements named above, it does not provide any opinion on any other information which may have been hyperlinked or referenced on the company website. If users of the report are concerned with the inherent risks from electronic data communication they are advised to refer to the hard copy of the audited financial report to confirm the information included is consistent with the financial report presented electronically.

AHC LIMITED
ABN 73 010 544 699

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
AHC LIMITED**

Responsibilities 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 the 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 ability of the company 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 the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

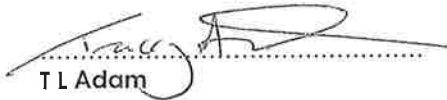
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 disclosures 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 transactions 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 the audit.

DICKFOS DUNN ADAM
Audit & Assurance

..... DDA

Dated 16th September 2021
SOUTHPORT


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T L Adam