

AHC Limited

ABN 73 010 544 699

Financial Statements

For the Year Ended 30 June 2022

AHC Limited

ABN 73 010 544 699

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For the Year Ended 30 June 2022

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AHC Limited

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Directors' Report

30 June 2022

The directors present their report on AHC Limited for the financial year ended 30 June 2022.

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
Ian Roderick MacLeod	Chairman (Executive)
Wayne Benson Lester	Director (Non-Executive)
Rod Lindsay MacLeod	Director (Executive) Managing Director
Sheryl Anne MacLeod	Director (Non - Executive)
Katie Louise Hicks	Director (Executive)- Secretary and CFO
Julanne Shearer	Director (Non - Executive)

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 for residential and 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 date of this report are as per note 21.

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Directors' Report 30 June 2022

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

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

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.

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Directors' Report

30 June 2022

1. General information

Information on directors

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 five years to 30 June 2022:

	June 2022	June 2021	June 2020	June 2019	June 2018
	\$	\$	\$	\$	\$
Net Profit/(Loss) before tax	1,316,634	2,659,836	54,622	(182,512)	559,154
Net Profit/(Loss) after Tax	886,009	2,095,980	55,012	(161,686)	460,914
Basic Earnings per share (cents per share)	17.23	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	5,143,360

Operating results

The profit of the Company after providing for income tax amounted to \$886,009 (2021: \$2,095,980).

Dividends paid or recommended

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

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Directors' Report

30 June 2022

Review of operations

Parkhurst Shopping Centre

The centre is continuing to perform strongly in a high growth area of Rockhampton. The centre is well placed as multiple new residential developments in the catchment are gaining approval as well as growing commercial business around the centre adding to trading performance.

AHC finalised a lease with Collins Foods Limited (KFC) in this first half of 2022 and construction has now commenced on this development with completion expected in early November 2022. This announcement has seen several other interested parties engage with us about taking up vacant space within the centre and we look forward to these additions very soon. Additionally, we are also currently working on a proposal for the expansion of our very successful butcher who is looking to increase his trading area and commit to a new 10-year lease.

The centre is performing well overall.

Dundowran Industrial – Hervey Bay

Strong interest in the Dundowran Industrial Estate has realised 15 lots go under contract or sold and settled as of 30 June 2022, with interest ongoing such is the growth across most of Hervey Bay. The Dundowran growth corridor is seeing significant growth with residential estates being approved and constructed all-round the industrial estate. Estates at Eli Waters, Dundowran, Craignish and Burrum Heads are all creating interest as they sit in close proximity to our industrial land.

Following from this enhanced interest, AHC has subsequently increased the sales rates as we do not see any reversal of this anytime soon. In fact, we are well placed for reasonable sales rate increases going forward. Currently we are planning the commencement of Stage 3 which will include release of a further 5 lots on the eastern side of Drury Lane.

Good Life RV & Lifestyle Resorts Fraser Coast

Good Life RV & Lifestyle Resort is well advanced even though the first half of 2022 has seen up to two and half months of delays due to significant wet weather. We have shifted approximately 105,000 m³ of earth around the site which will minimise costs in the future. As of 30th June, the Resort civil works consisting of sewer, water, stormwater, electrical, and roadworks was approximately 60% complete. Stage 1 works is scheduled for completion in early October 2022.

We have more than 20 lot reservations in the first stage of 43 lots and homes will commence construction in August 2022. Very strong interest is being received in this development with more than 1,000 people currently on our database of interested parties. Once homes can be inspected and visualised, we expect another wave of interest to occur. Weather permitting, we will welcome our first residents in December 2022.

The Resorts Sales and Information Centre recently became operational and is welcoming the public Tuesday through to Saturday.

General Business

Current conditions in the construction and development industry are considered challenging with unprecedented labour and material cost increases.

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.

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Directors' Report

30 June 2022

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 2022/2023 financial year towards:

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

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, 4 meetings of directors (including committees 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	4	4
Wayne Benson Lester	4	4
Rod Lindsay MacLeod	4	4
Sheryl Anne MacLeod	4	4
Katie Louise Hicks	4	4
Julanne Shearer	4	4

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**Directors' Report
30 June 2022**

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.

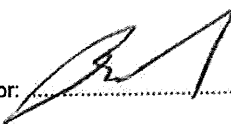
Non - Audit Service

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 2022 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 29th day of August 2022



DICKFOS DUNN ADAM

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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 2022, 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

..... 1.8.2022

Date
Southport

..... T.L. Adam

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022**

		2022	2021
	Note	\$	\$
Revenue	4	3,993,353	2,970,399
Interest income		1,710	12,630
Revaluation changes for land and building	4	-	2,168,656
Other income	4	3,686	48,119
Total Income		3,998,749	5,199,804
Finance expenses	5	(535,260)	(684,079)
Employee benefits expense		(957,422)	(801,432)
Depreciation expense	5	(67,159)	(68,979)
Rates		(175,478)	(192,290)
Repair and maintenances		(166,697)	(128,121)
Other expense	5	(780,099)	(665,066)
Profit before income tax		1,316,634	2,659,836
Income tax (expense)/benefit	6	(430,625)	(563,856)
Profit from continuing operations		886,009	2,095,980
Profit for the year		886,009	2,095,980
Total comprehensive income for the year		886,009	2,095,980

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2022

		2022	2021
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,926,723	1,506,280
Trade and other receivables	8	672,278	85,707
Inventories	9	2,252,290	1,896,876
Other assets	10	2,400	21,807
TOTAL CURRENT ASSETS		4,853,691	3,510,670
NON-CURRENT ASSETS			
Inventories	9	20,985,541	18,457,452
Property, plant and equipment	14	39,022	25,232
Deferred Tax Asset	18	1,003,036	1,108,186
Investment Property	13	37,072,490	36,800,000
Right-of-use assets	11	182,659	193,747
TOTAL NON-CURRENT ASSETS		59,282,748	56,584,617
TOTAL ASSETS		64,136,439	60,095,287
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	1,380,601	460,381
Lease liabilities	12	110,046	85,042
Short-term provisions	17	231,328	190,038
TOTAL CURRENT LIABILITIES		1,721,975	735,461
NON-CURRENT LIABILITIES			
Borrowings	16	25,480,584	23,600,324
Deferred tax liabilities	18	2,110,227	1,784,751
Lease liabilities	12	80,628	126,039
Long-term provisions	17	38,717	30,412
TOTAL NON-CURRENT LIABILITIES		27,710,156	25,541,524
TOTAL LIABILITIES		29,432,131	26,276,985
NET ASSETS		34,704,308	33,818,302
EQUITY			
Issued capital	20	831,681	831,681
Retained earnings		33,872,627	32,986,621
TOTAL EQUITY		34,704,308	33,818,302

The accompanying notes form part of these financial statements.

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**Statement of Changes in Equity
For the Year Ended 30 June 2022**

2022

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2021	831,681	32,986,621	33,818,302
Profit attributable to members of the entity	-	886,009	886,009
Balance at 30 June 2022	831,681	33,872,627	34,704,308

2021

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2020	831,681	30,890,641	31,722,322
Profit attributable to members of the entity	-	2,095,980	2,095,980
Balance at 30 June 2021	831,681	32,986,621	33,818,302

The accompanying notes form part of these financial statements.

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**Statement of Cash Flows
For the Year Ended 30 June 2022**

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,487,002	3,523,806
Payments to suppliers and employees	(4,121,279)	(3,201,330)
Interest received	1,710	12,630
Finance costs	(535,260)	(684,079)
Net cash provided by/(used in) operating activities	<u>(1,167,827)</u>	<u>(348,973)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from investment property	3,686	-
Purchase of property, plant and equipment	(2,779)	(5,670)
Additions to investments	(272,490)	-
Net cash provided by/(used in) investing activities	<u>(271,583)</u>	<u>(5,670)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	1,880,260	-
Repayment of borrowings	-	(639,641)
Payment of finance lease liabilities	(20,407)	(114,938)
Net cash provided by/(used in) financing activities	<u>1,859,853</u>	<u>(754,579)</u>
Net increase/(decrease) in cash and cash equivalents held	420,443	(1,109,222)
Cash and cash equivalents at beginning of year	1,506,280	2,615,502
Cash and cash equivalents at end of financial year	7 <u><u>1,926,723</u></u>	<u><u>1,506,280</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2022

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.

1 Basis of Preparation

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's statements have been rounded off to the nearest dollar unless stated otherwise.

New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the company has not applied the following new and revised accounting standards that have been issued but are not yet effective.

- AASB 2020-1 Amendments to Australian Accounting Standards -Disclosure of accounting policies;
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current;
- AASB 2021-2 Disclosure of Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates; and
- AASB 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods, except as noted below:

Amendments to AASB 2020-1 Presentation of Financial Statements and Making Materiality Judgements—Disclosure of Accounting Policies.

The amendments change the requirements with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in the standard are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Basis of Preparation

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board plans to develop guidance and examples to explain and demonstrate the application of the 'four-step materiality process'. The amendments to this standard are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively.

Amendments to AASB 2020-1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent.

The amendments 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.

Amendments to AASB 2021-2 Disclosure of Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates.

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. Directors will assess the impact of this amendment. The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Amendments to AASB 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying AASB 16 at the commencement date of a lease.

Following the amendments to AASB 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in the standard. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

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 utilised.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(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.

(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.

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(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.

(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 February 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.

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Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(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 2022

2 Summary of Significant Accounting Policies

(I) 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;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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 2022

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 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 case 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 2022

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 asses 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.

Key judgments

The Company financial statement does not provide any opinion on the outgoing transactions as these transactions are subject to a separate audit under the Retail Shop Leasing Act 1994. The outgoings income and expense reported in the financial statements is reported prior to the outgoings audit.

4 Revenue and Other Income

	2022	2021
	\$	\$
Operating Activity		
Parkhurst Promotion Levy	29,372	27,560
Parkhurst Rentals	2,268,504	2,210,580
Parkhurst Outgoings	259,745	227,467
Puma Parkhurst	285,673	279,983
Sale of Lots - Drury Lane Dundowran	1,150,059	224,809
Total Operating Activity	3,993,353	2,970,399
Other Income		
Covid 19 Assistance	-	50,000
Gain/loss on sale of plant & equipment	3,686	(1,881)
Total Other Income	3,686	48,119
Revaluation income		
Revaluation changes for land and building	-	2,168,656
Total Revaluation Income	-	2,168,656

AHC Limited

ABN 73 010 544 699

**Notes to the Financial Statements
For the Year Ended 30 June 2022****5 Expenses**

	2022	2021
	\$	\$
Finance Cost		
Suncorp Bank Bill	523,773	645,721
Finance charge relating to finance lease	11,487	6,858
Borrowing costs	-	31,500
Total Borrowing Costs	535,260	684,079
Depreciation		
Depreciation - plant	31,729	34,574
Depreciation - Right of Use Asset	35,430	34,405
Total Depreciation	67,159	68,979
Other Expense		
Rent on Land and Building	7,317	8,179
Cleaning Rubbish Consumables	286,771	274,736
Fringe Benefits Tax	7,930	6,997
Electricity	66,679	62,517
Insurance	93,826	93,009
Legal and Consulting Fee	41,830	39,646
Bank Fees	8,200	10,581
Admin Costs	172,141	120,274
Other expenses	95,405	100,666
WIP Allocation	-	(51,539)
Total Other Expense	780,099	665,066

AHC Limited

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Notes to the Financial Statements For the Year Ended 30 June 2022

6 Income Tax Expense

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

	2022	2021
	\$	\$
Current tax expense		
Deferred tax expense/(income)		
Income tax (expense)/benefit	430,625	563,856
Total deferred tax expense/(benefit)	430,625	563,856

(b) Reconciliation of income tax to accounting profit:

The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:

	2022	2021
	\$	\$
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 26% (2021: 26%)	342,324	691,557
Add:		
Tax effect of:		
non-deductible depreciation and amortisation	-	308
other items	(683,166)	43,147
Less:		
Tax effect of:		
revaluation of investment property	1,017,601	141,103
Adjustment to current year tax from 26%- 25%	(13,166)	(26,598)
Adjustment to current year tax from 30%- 25%	-	(18,785)
Other net deductible items	5,002	(20,129)
Depreciation on investment property	(237,968)	(246,745)
Income tax expense/(income) attributed to company	430,625	563,856

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.

AHC Limited

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**Notes to the Financial Statements
For the Year Ended 30 June 2022****7 Cash and Cash Equivalents**

	2022	2021
	\$	\$
Cash on hand	200	200
Bank balances	1,926,523	1,506,080
Total cash and cash equivalents	1,926,723	1,506,280

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:

	2022	2021
	\$	\$
Cash and cash equivalents	1,926,723	1,506,280
Balance as per statement of cash flows	1,926,723	1,506,280

8 Trade and Other Receivables

	2022	2021
	\$	\$
Trade receivables	10,511	17,130
GST receivable	64,049	-
Accrued receivables	592,029	68,577
Other receivables	5,689	-
Total current trade and other receivables	672,278	85,707

9 Inventories

	2022	2021
	\$	\$
CURRENT Inventory	2,252,290	1,896,876
Total current inventory	2,252,290	1,896,876
NON - CURRENT Inventory	20,985,541	18,457,452
Total non-current inventory	20,985,541	18,457,452
Total Inventory	23,237,831	20,354,328

AHC Limited

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**Notes to the Financial Statements
For the Year Ended 30 June 2022**

10 Other financial assets

	2022	2021
	\$	\$
Deposit - Rental Property	2,400	1,400
Lease Incentives	-	20,407
Total other financial assets	<u>2,400</u>	<u>21,807</u>

11 Leases

Right-of-use assets

	Motor Vehicles	Office Premises	Total
	\$	\$	\$
Year ended 30 June 2022			
Asset Balance	266,516	169,701	436,217
Accumulated depreciation charge	(135,641)	(117,917)	(253,558)
Balance at end of year	<u>130,875</u>	<u>51,784</u>	<u>182,659</u>

	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	<u>106,533</u>	<u>87,214</u>	<u>193,747</u>

12 Lease Liability

	2022	2021
	\$	\$
CURRENT		
Operating - lease of premises	33,908	33,908
Motor vehicles	76,138	51,134
Total Current lease	<u>110,046</u>	<u>85,042</u>
NON-CURRENT		
Operating - lease of premises	24,709	60,139
Motor vehicles	55,919	65,900
Total Non Current lease	<u>80,628</u>	<u>126,039</u>

AHC Limited

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**Notes to the Financial Statements
For the Year Ended 30 June 2022****12 Lease Liability****12 Lease Liability**

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

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 valuation.

	2022	2021
	\$	\$
Parkhurst Town Centre - at valuation	36,800,000	34,592,240
Balance at beginning of year	36,800,000	34,592,240
Acquisition/addition/transfer	272,490	2,207,760
Balance at end of year	37,072,490	36,800,000

14 Property, plant and equipment**PLANT AND EQUIPMENT**

	2022	2021
	\$	\$
General Plant and equipment		
At cost	13,176	13,176
Accumulated depreciation	(9,235)	(8,250)
Total plant and equipment	3,941	4,926
Office equipment		
At cost	47,378	44,599
Accumulated depreciation	(12,297)	(24,293)
Total office equipment	35,081	20,306
Formation Cost		
At cost	220,000	220,000
Accumulated depreciation	(220,000)	(220,000)
Total formation costs	-	-
Total plant and equipment	39,022	25,232

AHC Limited

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**Notes to the Financial Statements
For the Year Ended 30 June 2022****14 Property, plant and equipment****14 Property, plant and equipment continued****(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 \$
Year ended 30 June 2021	25,323
Additions	24,138
Depreciation expense	<u>(10,439)</u>
Balance at the end of the year	<u><u>39,022</u></u>

	Plant and Equipment \$
Year ended 30 June 2021	27,189
Additions	5,670
Depreciation expense	<u>(7,536)</u>
Balance at the end of the year	<u><u>25,323</u></u>

15 Trade and Other Payables

	2022 \$	2021 \$
Trade payables	908,726	21,019
Deposits	167,608	124,254
GST payable	-	9,893
Accrued charges	59,021	30,383
Other accounts payable	121,787	121,787
Rent in Advance	118,772	142,487
Fringe benefit tax	4,687	10,558
Trade and other payable	<u><u>1,380,601</u></u>	<u><u>460,381</u></u>

AHC Limited

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Notes to the Financial Statements For the Year Ended 30 June 2022

16 Borrowings

	2022	2021
	\$	\$
NON-CURRENT		
Unsecured liabilities:		
Radway Vendor Finance	1,550,000	1,550,000
Total Unsecured Liabilities	<u>1,550,000</u>	<u>1,550,000</u>
Secured liabilities:		
NAB - Howard	2,930,584	-
NAB Drury Lane	-	1,050,324
Bank loan - secured	21,000,000	21,000,000
Total Secured Liabilities	<u>21,000,000</u>	<u>22,050,324</u>
Total non-current borrowings	<u>25,480,584</u>	<u>23,600,324</u>

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 \$8,131,144 given by some Directors.

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

AHC Limited

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**Notes to the Financial Statements
For the Year Ended 30 June 2022**

17 Provisions

	2022	2021
	\$	\$
CURRENT		
Long Service Leave	68,820	60,116
Annual Leave	162,508	129,922
Total current provision	<u>231,328</u>	<u>190,038</u>
	2022	2021
	\$	\$
NON-CURRENT		
Long Service Leave	38,717	30,412
Total non-current provision	<u>38,717</u>	<u>30,412</u>

18 Tax assets and liabilities

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
Deferred tax assets			
Provision	69,091	(11,339)	57,752
Future income tax benefits attributed to tax losses	1,053,334	(65,409)	987,925
Other	94,698	(32,190)	62,508
Balance at 30 June 2021	<u>1,217,123</u>	<u>(108,938)</u>	<u>1,108,185</u>
Provision	57,752	10,931	68,683
Future income tax benefits attributed to tax losses	987,925	(101,294)	886,631
Other	62,508	(14,786)	47,722
Balance at 30 June 2022	<u>1,108,185</u>	<u>(105,149)</u>	<u>1,003,036</u>
	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
Deferred tax liability			
Tangible asset revaluation	1,295,616	467,332	1,762,948
Other	34,216	(12,412)	21,804
Balance at 30 June 2021	<u>1,329,832</u>	<u>454,920</u>	<u>1,784,752</u>
Tangible asset revaluation	1,762,948	358,164	2,121,112
Other	21,804	(32,689)	(10,885)
Balance at 30 June 2022	<u>1,784,752</u>	<u>325,475</u>	<u>2,110,227</u>

AHC Limited

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Notes to the Financial Statements For the Year Ended 30 June 2022

18 Tax assets and liabilities

18 Tax assets and liabilities

Deferred Taxes

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

	2022	2021
	\$	\$
Tax losses	886,631	987,925
Temporary differences	116,405	120,260
Current tax liabilities	<u>1,003,036</u>	<u>1,108,185</u>

Current Tax Asset

Deferred tax liabilities made up:

	2022	2021
	\$	\$
Income tax charged directly to retained earnings	(2,352,429)	(2,677,905)
Income tax charged directly to equity	<u>4,462,656</u>	<u>4,462,656</u>
	<u>2,110,227</u>	<u>1,784,751</u>

19 Dividends

No dividends were paid in 2022 financial year.

AHC Limited

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Notes to the Financial Statements For the Year Ended 30 June 2022

20 Issued Capital

	2022	2021
	\$	\$
Ordinary Shares - fully paid	831,531	831,531
100 B Class Shares - fully paid	50	50
200 Founders Shares - fully paid	100	100
	<hr/>	<hr/>
	831,681	831,681
Breakdown by Number of shares (No.):		
Ordinary Shares - fully paid	5,143,060	5,143,060
B Class Shares - fully paid	100	100
Founders Shares - fully paid	200	200
Movements in issues capital		
Fully paid shares:		
At the beginning of the reporting period	<hr/>	<hr/>
	5,143,360	5,143,360

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.

AHC Limited

ABN 73 010 544 699

Notes to the Financial Statements For the Year Ended 30 June 2022

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 (Managing Director)
- Sheryl Anne MacLeod - (Non - Executive)
- Katie Louise Hicks - Director (Executive) Secretary and CFO
- 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:

	2022	2021
	\$	\$
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

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

	Salary	Super	Salary Sacrifice	FBT	Total
	\$	\$	\$	\$	\$
Directors					
Ian Roderick MacLeod	87,491	8,749		9,598	105,838
Wayne Benson Lester	13,130	1,313			14,443
Rod Lindsay MacLeod	147,999	14,800			162,799
Sheryl Anne MacLeod	20,000	2,000		17,038	39,038
Katie Louise Hicks	110,011	11,001	6,292		127,304
Julanne Shearer	20,000				

AHC Limited

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Notes to the Financial Statements For the Year Ended 30 June 2022

21 Key Management Personnel Disclosures

22 Auditors' Remuneration

	2022	2021
	\$	\$
Auditing or reviewing the financial statements	20,000	20,000
Auditing the rental shop lease	2,200	2,200
Total	<u>22,200</u>	<u>22,200</u>

23 Contingencies

In the opinion of the Company, the Company have the following contingencies to disclose as at 30 June 2022:

- Fraser Coast Regional Council general performance bond \$10,000; and
- Fraser Coast Regional Council internal civil works performance bond \$25,000; and
- Fraser Coast Regional Council external civil works performance bond \$10,000; and
- Fraser Coast Regional Council maintenance bond for external civil works \$9,289.42.

2021 Contingencies are as follows:

Estimation 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)

AHC Limited

ABN 73 010 544 699

Notes to the Financial Statements

For the Year Ended 30 June 2022

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
	<u>3,717,158</u>	<u>3,717,158</u>

(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.

Sale of Lot 31 Drury Lane Dundowran to K K Mack Pty Ltd, of which Ian Macleod is a Director.

Kate MacLeod employment contract totalling \$136,800.

25 Events Occurring After the Reporting Date

The COVID 19 pandemic continues to affect businesses with the social impact on consumers and changes in visits to centres. 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.

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

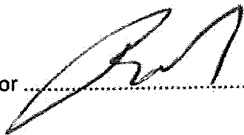
The directors of the Company declare that:

The financial statements and notes, as set out on pages 8 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

29th August 2022



DICKFOS DUNN ADAM

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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 2022, 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 2022 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 2022 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 2022, 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.

Audit and Assurance

Registered Company Auditors
Tracey Adam, Gavin Dunn.
Liability limited under a scheme
approved under Professional
Standards Legislation.

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

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DDA

Dated 29.8.2022

SOUTHPORT

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T L Adam