

AHC Limited
73 010 544 699

Financial Statements

For the Half Year Ended 31 December 2022

AHC Limited

73 010 544 699

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For the Half Year Ended 31 December 2022

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AHC Limited

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Directors' Report

31 December 2022

The directors present their report on AHC Limited for the half year ended 31 December 2022.

1. General information

Information on directors

The names of each person who has been a director during the half year are:

Ian Roderick Macleod

Wayne Benson Lester

Rod Lindsay Macleod

Sheryl Anne Macleod

Julianne Mary Shearer

Katie Louise Hicks

Principal activities

The principal activity of AHC Limited is property development for long term asset portfolio creation and the subdivision of land for residential and commercial development and ownership.

No significant changes in the nature of the Company's activity occurred during the half year.

2. Operating results and review of operations for the half year

Operating results

The profit of the Company after providing for income tax amounted to \$342,024 (2021: \$437,194 profit).

Review of operations

Parkhurst Town Centre

As previously reported on 30 June 2022, the Company Undertook construction of a KFC Quick Service Restaurant after finalising the lease in early 2022. We are happy to report that the project was completed on time and on budget in November 2022. The KFC opened to the public and the lease to Collins Foods Limited commenced on 22 November 2022 on a 10-year lease. Further, lease agreements relocating Cignal and expanding Parkhurst Quality Meats were finalised in December 2022. These works will begin in early 2023 with Cignal on a new 7-year lease and Parkhurst Quality Meats on a new 10-year lease.

The addition of the operating KFC restaurant has seen renewed interest from new business. We hope to add new shops to the tenant mix in 2023 following appointment of RPP as exclusive leasing agents. The asset presents extremely well to the public and is well positioned for continued growth in the Parkhurst and Norman Gardens growth corridor.

Dundowran Industrial – Hervey Bay

Stage 3 - Commencement of Stage 3 began in early November 2022 consisting of five 4,000m2 lots. Two of the lots in Stage 3 are currently under offer and strong interest is being received for the remaining 3 lots. Remaining lots in stage 3 are currently being marketed at \$700,000 +GST/lot. Unfortunately, Stage 3 has been hampered by significant rainfall in the region, but the Company remains hopeful of completing the stage with registration of lots targeted for May 2023.

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Directors' Report
31 December 2022

2. Operating results and review of operations for the half year

Review of operations (continued)

Stage 4 – Commencement of Stage 4 will not commence until all lots in Stage 3 are sold and settled. Stage 4 will also consist of five lots and will be immediately north of Stage 3 on the eastern side of Drury Lane.

The Company submitted a material change of use and reconfiguration of lot application over its balance of land immediately west of Drury Lane late in 2022. The purpose of this application was to add another small lot to be marketed For Sale which already fronts Drury Lane. This addition is achievable with minimal works as all major services are readily available. The lot will be approximately 2,700m² fronting Drury Lane. The Company anticipates receiving an approval from Fraser Coast Regional Council in February 2023. The Company would undertake works to register the lot immediately with a view to register the lot by no later than June 2023.

19 lots have now been sold and settled at the Dundowran Industrial Estate

Good Life RV & Lifestyle Resorts Fraser Coast

At the end of 2022, Stage 1 of the Resort was nearing completion of civil works. Unfortunately, extreme wet weather has played havoc with the Resorts progress with approximately 4 months of productivity lost in 2022. We now anticipate by 31 March 2023 our first stage will be fully complete including significant landscaping and community facilities. (Park, RV Wash Bay, Dog off leash park).

Further community facilities including 5-star clubhouse facilities are planned to commence on or about May/June 2023. This will include Tennis court, Bocce court, Fire Pit, Swimming pool spa, and the Recreation Club House containing Gymnasium, Sauna, Changerooms and luxurious Recreation room.

The resort has 15 homes under construction ending 2022 with more to follow in 2023. Since home construction has advanced and physical site tours through designer homes increased our buyer satisfaction, further lot registrations have continued. We feel confident that Stage 1 of 43 lots will be occupied towards the end of 2023 and the commencement of Stage 2 works in the second half of 2023. The Resorts Sales and Information Centre recently became operational and is welcoming the public Tuesday through to Saturday.

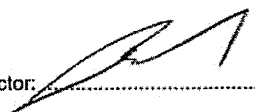
Indemnification and insurance of officers and auditors

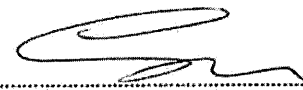
No indemnities have been given or insurance premiums paid, during or since the end of the half year, for any person who is or has been an officer or auditor of AHC Limited.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the period ended 31 December 2022 has been received and can be found on page 3 of the financial report.

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

Director: 

Director: 

Dated this 9th day of March 2023.



DICKFOS DUNN ADAM

22 Garden Street (PO Box 1669) Southport Queensland 4215
T (07) 5532 7855 E (name@dickfosdunnadam.com.au
www.dickfosdunnadam.com.au

AHC Limited

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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 half-year ended 31 December 2022, there have been no contraventions of:

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

DICKFOS DUNN ADAM
Audit & Assurance

.....DDA.....

.....1.3.2023.....

Date
Southport

.....
.....T.L. Adam.....

AHC Limited**73 010 544 699****Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 31 December 2022**

| | Half-year Ended 31 December 2022 | Half-year Ended 31 December 2021 |
|--|---|---|
| | \$ | \$ |
| Revenues | 2,362,216 | 1,989,478 |
| Other Income | - | 6,063 |
| Borrowing Costs Expense | (480,295) | (254,322) |
| Depreciation | (36,779) | (30,540) |
| Employee Benefits Expense | (663,839) | (472,152) |
| Rates and Taxes | (111,317) | (104,103) |
| Repairs and Maintenance | (39,581) | (73,657) |
| Other Expenses | (574,373) | (460,769) |
| Profit before income tax | 456,032 | 599,998 |
| Income tax (expense) / benefit | (114,008) | (162,804) |
| Profit for the period | 342,024 | 437,194 |
| Total comprehensive income for the period | 342,024 | 437,194 |
| | Cents per Share | Cents per Share |
| Earning (loss) per share | 6.65 | 8.50 |
| Basic earnings (loss) per share | 6.65 | 8.50 |
| Diluted earnings (loss) per share | - | - |

The accompanying notes form part of these financial statements.

AHC Limited**73 010 544 699****Statement of Financial Position
As At 31 December 2022**

| | As at 31 December 2022 | As at 30 June 2022 |
|--------------------------------------|------------------------------|--------------------------|
| Note | \$ | \$ |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 3,726,779 | 1,926,723 |
| Trade and other receivables | 55,922 | 672,278 |
| Other Current Assets | 245,984 | 2,400 |
| Inventories | 1,944,837 | 2,252,290 |
| TOTAL CURRENT ASSETS | 5,973,522 | 4,853,691 |
| NON-CURRENT ASSETS | | |
| Inventories | 23,264,027 | 20,985,541 |
| Right of use Assets | 207,991 | 182,659 |
| Property Plant and Equipment | 37,550 | 39,022 |
| Investment Property | 39,241,675 | 37,072,490 |
| Deferred Tax Asset | 1,004,133 | 1,003,036 |
| TOTAL NON-CURRENT ASSETS | 63,755,376 | 59,282,748 |
| TOTAL ASSETS | 69,728,898 | 64,136,439 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Trade payables | 787,835 | 1,380,601 |
| Lease Liabilities | 106,239 | 110,046 |
| Borrowings | 4,757,593 | - |
| Provisions | 369,719 | 231,328 |
| Other financial liabilities | 1,218,348 | - |
| TOTAL CURRENT LIABILITIES | 7,239,734 | 1,721,975 |
| NON-CURRENT LIABILITIES | | |
| Deferred Tax Liability | 2,225,332 | 2,110,227 |
| Lease Liabilities | 113,862 | 80,628 |
| Borrowings | 25,079,577 | 25,480,584 |
| Employee benefits | 24,060 | 38,717 |
| TOTAL NON-CURRENT LIABILITIES | 27,442,831 | 27,710,156 |
| TOTAL LIABILITIES | 34,682,565 | 29,432,131 |
| NET ASSETS | 35,046,333 | 34,704,308 |
| EQUITY | | |
| Issued capital | 831,681 | 831,681 |
| Retained earnings | 34,214,652 | 33,872,627 |
| TOTAL EQUITY | 35,046,333 | 34,704,308 |

The accompanying notes form part of these financial statements.

AHC Limited

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**Statement of Changes in Equity
For the Half Year Ended 31 December 2022**

| Ordinary Shares | Retained Earnings | Total |
|--------------------|----------------------|------------|
| \$ | \$ | \$ |
| 831,681 | 33,872,627 | 34,704,308 |
| - | 342,024 | 342,024 |
| 831,681 | 34,214,652 | 35,046,333 |

Balance at 1 July 2022
Profit for the period

Balance at 31 December 2022

| Ordinary Shares | Retained Earnings | Total |
|--------------------|----------------------|------------|
| \$ | \$ | \$ |
| 831,681 | 32,986,621 | 33,818,302 |
| - | 886,009 | 886,009 |
| 831,681 | 33,872,627 | 34,704,308 |

Balance at 1 July 2021
Profit for the period

Balance at 30 June 2022

The accompanying notes form part of these financial statements.

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**Statement of Cash Flows
For the Half Year Ended 31 December 2022**

| | Half-year ended December 2022 \$ | Half-year ended December 2021 \$ |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 2,893,267 | 2,780,727 |
| Payments to suppliers and employees | (2,779,941) | (695,534) |
| Interest received | 10,450 | - |
| Interest paid | (479,908) | (255,080) |
| Net cash provided by/(used in) operating activities | <u>(356,132)</u> | <u>1,830,113</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of plant and equipment | - | 6,063 |
| Purchase of property, plant and equipment | (2,730) | (4,956) |
| Payment for investments | (2,169,185) | (93,054) |
| Net cash provided by/(used in) investing activities | <u>(2,171,915)</u> | <u>(91,947)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from borrowings | 4,356,586 | - |
| Increase in finance lease commitments | - | 62,381 |
| Repayment of borrowings | - | (1,099,500) |
| Payment of lease liabilities | (28,483) | - |
| Net cash provided by/(used in) financing activities | <u>4,328,103</u> | <u>(1,037,119)</u> |
| Net increase/(decrease) in cash and cash equivalents held | 1,800,056 | 701,047 |
| Cash and cash equivalents at beginning of period | 1,926,723 | 1,506,280 |
| Cash and cash equivalents at end of period | <u>3,726,779</u> | <u>2,207,327</u> |

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Half Year Ended 31 December 2022

The half year financial report covers AHC Limited as an individual entity. AHC Limited is a public Company, incorporated and domiciled in Australia.

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

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

These general purpose interim financial statements for the half year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest financial statements of AHC Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2022, together with any public announcements made during the following half year.

The interim financial statements were authorised for issue on the date the Directors' Declaration was signed.

2 Summary of Significant Accounting Policies

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

(a) Adoption of new and revised accounting standards

New and amended Accounting Standards that are effective for the current period

In the current half-year, the Company has applied the below amendments to Australian Accounting Standards [and Interpretations] issued by the Australian Accounting Standards Board (the Board) that are effective for the Company's annual reporting period that began on 1 July 2022.

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (to the extent the editorial amendments are applicable to the current reporting period)

The impact of the above pronouncements is discussed below.

The Company has applied the amendments in AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and other amendments that are effective for annual periods beginning on or after 1 January 2022. These amendments are minor editorial corrections and did not have any impact on the Company's financial statements.

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2022**

(a) Adoption of new and revised accounting standards (continued)

Net realisable value of inventories AASB 134:16A(a) AASB 134:43 (AASB 108:28)

The IFRS Interpretations Committee (IFRIC) has issued an agenda decision related to the costs an entity includes as the 'estimated costs necessary to make the sale' when determining the net realisable value of inventories. When determining the net realisable value of inventories, AASB 102 Inventories requires an entity to estimate the costs necessary to make the sale. The IFRIC agenda decision states that this requirement does not allow an entity to limit such costs to only those that are incremental, thereby potentially excluding costs the entity must incur to sell its inventories, but which are not incremental to a particular sale. Including only incremental costs could fail to achieve the objective set out AASB 102:28. Therefore, when determining the net realisable value of inventories, an entity estimates the costs necessary to make the sale in the ordinary course of business. An entity uses its judgement to determine which costs are necessary to make the sale considering its specific facts and circumstances, including the nature of the inventories. The Company has assessed this guidance does not impact the inventory valuation or require any change in accounting policy.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements are consistent with those applied and disclosed in the 30 June 2022 annual report.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

4 Result for the Year

The Company reports an after tax operating profit of \$342,024 representing an decrease in profit by \$95,170 reported in the prior corresponding December period.

5 Borrowings

| | 2022 | 2021 |
|---------------------------------|------------------|----------|
| | \$ | \$ |
| CURRENT | | |
| NAB Drury Loan | 261,342 | - |
| NAB Howard Loan | 1,500,000 | - |
| Radway Vendor Finance | 450,000 | - |
| Bank Bill Parkhurst | 2,546,251 | - |
| Total current borrowings | 4,757,593 | - |

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Notes to the Financial Statements For the Half Year Ended 31 December 2022

5 Borrowings (continued)

| | 2022 | 2021 |
|-------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| NON-CURRENT | | |
| Radway Vendor Finance | - | 1,550,000 |
| NAB Howard Loan | 4,079,577 | 2,930,584 |
| Bank Bill Parkhurst | 21,000,000 | 21,000,000 |
| Total non-current borrowings | <u>25,079,577</u> | <u>25,480,584</u> |
| Total borrowings | <u>29,837,170</u> | <u>25,480,584</u> |

6 Dividends

No dividends have been declared or paid.

7 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

(a) Valuation techniques

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

The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

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

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

(b) Financial instruments

As the carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their fair values, they have not been separately disclosed.

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**Notes to the Financial Statements
For the Half Year Ended 31 December 2022**

7 Fair Value Measurement (continued)

(c) Investment Property

Recurring and non-recurring fair value measurement amounts and the level of the fair value hierarchy within which the fair value measurements are categorised; fair value measurements at 31 December 2022 using quoted prices in active markets for identical assets.

8 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (30 June 2022: None).

9 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the half 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.

10 Statutory Information

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

Suite 30202, Southport Central Tower 3
9 Lawson Street, Southport, Queensland
4215

AHC Limited

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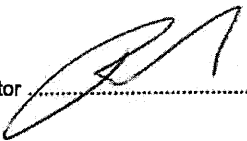
Directors' Declaration

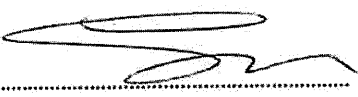
The directors have determined that the Company is not a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 11, are in accordance with the *Corporations Act 2001* and:
 - (a) In the Directors opinion, the attached financial statements, and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with the accounting standards and giving a true and fair view of the financial position and performance of the Company; and
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director 

Director 

Dated 9/3/2023



DICKFOS DUNN ADAM

22 Garden Street (PO Box 1669) Southport Queensland 4215
T (07) 5532 7855 E (name)dickfosdunnadam.com.au
www.dickfosdunnadam.com.au

AHC Limited

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Independent Auditor's Review Report to the Members of AHC Limited

Report on the Review of the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AHC Limited, which comprises the Statement of Financial Position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the director's declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AHC Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Audit and Assurance

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, previously provided to the directors of AHC Limited, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Conclusion

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

- giving a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DICKFOS DUNN ADAM
Audit & Assurance

..... DDA

..... I.L. Adam

..... 10.3.2023

Dated
SOUTHPORT