

AHC Limited

Financial Statements

For the Year Ended 30 June 2023

AHC Limited

Contents

For the Year Ended 30 June 2023

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	35
Independent Audit Report	36

AHC Limited

Directors' Report

30 June 2023

The directors present their report on AHC Limited for the financial year ended 30 June 2023.

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	
Kathryn Macleod	Director (Executive)	
Sheryl Anne MacLeod	Director (Non - Executive)	
Katie Louise Hicks	Director (Executive)- Secretary and CFO	Resigned February 2023
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:

- Kathryn Macleod

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 advised in the information on directors to follow.

AHC Limited

Directors' Report

30 June 2023

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 Kathryn MacLeod

Kathryn Macleod

Experience: Associated with the company since July 1999

Shares Held: 2,691

Sheryl Anne MacLeod

Qualifications: Bachelor Business (Accounting) Griffith University

Experience: Associated with the company since incorporation

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

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

Katie Louise Hicks

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

Experience: CPA with 20 years accounting experience

Special responsibilities: Company Secretary and CFO

AHC Limited**Directors' Report****30 June 2023****1. General information**

Information on directors

Julanne Shearer

Qualifications

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

Experience

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

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

Company's Earnings

The table below sets out summary information about the Company's earnings and movement in shareholders wealth for the five years to 30 June 2023:

	June 2023	June 2022	June 2021	June 2020	June 2019
	\$	\$	\$	\$	\$
Net Profit/(Loss) before tax	1,194,125	1,316,634	2,659,836	54,622	(182,512)
Net Profit/(Loss) after Tax	1,444,553	886,009	2,095,980	55,012	(161,686)
Basic Earnings per share (cents per share)	17	17	41	1	(3)
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 \$1,194,125 (2022:\$886,009).

Dividends paid or recommended

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

AHC Limited

Directors' Report

30 June 2023

Review of operations

Parkhurst Town Centre

The Parkhurst Town Centre AHC Limited's major asset and main undertaking is continuing to perform well in the current economic climate and is evidenced by our leasing success outlined below.

During the period to 30 June 2023, we have obtained and completed.

Parkhurst Quality Meats – Shop expansion and new 10-year lease
Signal Tobacco – Shop relocation and new 7-year lease
The Reject Shop – Agreed terms on a 6-year lease August 2023 opening.
BWS – Agreed 5-year lease extension.
Pilates Studio – New 5-year lease
VaVoom Ladies Fashion – New 5-year lease to T30/31 previously vacant space.

As of 30 June 2023, the centre has only 5 vacant tenancies totalling 321m² our lowest vacancy since the centres opening in 2016. This is sure to be reflected in future valuations of the asset.

We are continuing to work closely with our leasing agents and remain confident in leasing balance vacancies within 6-12 months. This confidence comes off the back of recent additions such as KFC in late 2022, The Reject Shop in 2023 and the Caltex rebrand 2023 over the former Puma service station giving the centre significant national tenant covenants

Dundowran Industrial – Hervey Bay

The Dundowran Industrial Estate is developing into the premier industrial estate in Hervey Bay with unparalleled access via the Urraween Road, Boundary Road extension. This road network is the second major road corridor in Hervey Bay and is feeding directly into Dundowran Industrial and the western suburbs of Hervey Bay.

In addition, this precinct is maturing into an industrial, commercial, and retail hub which will only add to land values across the balance land.

19 lots have now been sold and settled on the estate across Stages 1 & 2. This represents an increase of 4 land sales on this time last year.

Stage 3 a 5-lot stage is nearing completion with 2 lots representing 8,000m² already under contract. 3 lots each 4,000m² remain For Sale.

There is no doubt 2023 has seen somewhat subdued inquiry in part to rising interest rates but also rising construction costs. Construction costs are having a significant impact right across the industry as developers, investors are trying to make projects stack up.

In a positive sign for the development, we now have 6 buildings either completed or under construction across the estate. This is a diverse range of uses including RPM mechanical workshop, Naturcom pool builders, Containers for Change Recyclers, Litzows Welding & Fabrication to name a few and provides confidence in others to follow

Good Life RV & Lifestyle Resorts Fraser Coast

Good Life RV & Lifestyle Resort Stage 1 was officially completed early 2023.

Stage 1 consisted of the construction of 43 lots including earthworks, roadworks and stormwater, sewer, water, underground electrical and communications and landscaping.

Stage 1 also consisted of a centre piece park and shade structure as well as a major 10 bay RV and overnight stay facility inclusive of water and power facilities and RV Wash Bay, Dog wash and Dog off-leash park.

AHC Limited

Directors' Report

30 June 2023

Review of operations

We now have 12 homes under occupation and site rent payments commenced and a further 12 under construction or under contract.

Lot reservations are continuing under an initial \$1,000 deposit and often are pending the sale of the purchaser's existing home. This process can take 3 – 6 months depending on the location of the existing home.

This is a significant and premium over 50's resort which we and shareholders can be very proud of for years to come and will provide an ongoing source of income from site rent and site resales. The Good Life Resort is extremely well placed and is now being acknowledged as one of the premium over 50's resorts in the wide bay region due to our larger lot sizes and our market leading 8- and 9-star energy efficient homes.

The project team is also currently working on a change of use over part of the site previously allocated for 43 ILU – Independent Living Units to be amended to standard Low Density residential house and land package lots.

The company believes that in this current housing supply crisis this would be very well supported.

This project would be delivered by AHC as House & Land packages and land settles by buyers before AHC commences construction of the contracted home

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.

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 2023/2024 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.

AHC Limited

Directors' Report

30 June 2023

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
Kathryn Macleod	4	4
Sheryl Anne MacLeod	4	4
Katie Louise Hicks	4	4
Julanne Shearer	4	4

AHC Limited

Directors' Report

30 June 2023

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.

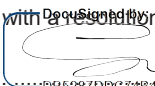
Non - Audit Service

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 2023 has been received and can be found on page 8 of the financial report.

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

Director:

.....DB5287DC74B4D.....
Sheryl Anne MacLeod

DocuSigned by:

Director:
.....GB42DA648B8C429.....
Rod Lindsay MacLeod

Dated 9/29/2023



DICKFOS DUNN ADAM

22 Garden Street (PO Box 1669) Southport Queensland 4215
T (07) 5532 7855 F (07) 5531 1194 E (name)@dickfosdunnadam.com.au
www.dickfosdunnadam.com.au

AHC Limited

73 010 544 699

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

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

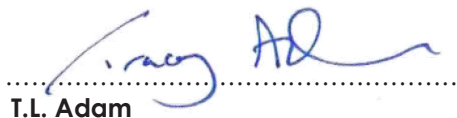
- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

DICKFOS DUNN ADAM
Audit & Assurance


.....

22 September 2023

.....
Date
Southport


.....
T.L. Adam

AHC Limited**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023**

		2023	2022
	Note	\$	\$
Revenue	5	13,437,058	3,993,353
Interest income		24,096	1,710
Other income	5	-	3,686
Total Income		<u>13,461,154</u>	<u>3,998,749</u>
Finance expenses	6	(1,351,305)	(535,260)
Cost of Sales - Construction contracts	6	(7,774,489)	-
Employee benefits expense		(1,359,431)	(957,422)
Depreciation expense	6	(84,207)	(67,159)
Rates		(222,954)	(175,478)
Repair and maintenances		(149,530)	(166,697)
Other expense	6	(1,325,113)	(780,099)
Profit before income tax		<u>1,194,125</u>	<u>1,316,634</u>
Income tax expense	7	250,428	(430,625)
Profit from continuing operations		<u>1,444,553</u>	<u>886,009</u>
Profit for the year		<u>1,444,553</u>	<u>886,009</u>
Total comprehensive income for the year		<u>1,444,553</u>	<u>886,009</u>

The accompanying notes form part of these financial statements.

AHC Limited**Statement of Financial Position****As At 30 June 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	5,410,480	1,926,723
Trade and other receivables	9	290,568	672,278
Inventories	10	3,144,697	2,252,290
Other assets	11	2,400	2,400
TOTAL CURRENT ASSETS		8,848,145	4,853,691
NON-CURRENT ASSETS			
Inventories	10	27,587,872	20,985,541
Property, plant and equipment	16	40,758	39,022
Investment properties	17	36,612,794	37,072,490
Deferred Tax Asset	20	933,969	1,003,036
Right-of-use assets	12	214,646	182,659
TOTAL NON-CURRENT ASSETS		65,390,039	59,282,748
TOTAL ASSETS		74,238,184	64,136,439
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,661,305	1,261,829
Borrowings	18	1,450,000	1,550,000
Lease liability	14	59,927	110,046
Employee benefits	15	335,279	231,328
Other financial liabilities	19	4,693,782	118,772
TOTAL CURRENT LIABILITIES		8,200,293	3,271,975
NON-CURRENT LIABILITIES			
Borrowings	18	27,920,000	23,930,584
Deferred tax liabilities	20	1,790,732	2,110,227
Lease liability	14	152,685	80,628
Employee benefits	15	25,613	38,717
TOTAL NON-CURRENT LIABILITIES		29,889,030	26,160,156
TOTAL LIABILITIES		38,089,323	29,432,131
NET ASSETS		36,148,861	34,704,308
EQUITY			
Issued capital	22	831,681	831,681
Retained earnings		35,317,180	33,872,627
TOTAL EQUITY		36,148,861	34,704,308

The accompanying notes form part of these financial statements.

AHC Limited**Statement of Changes in Equity
For the Year Ended 30 June 2023****2023**

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2022	831,681	33,872,627	34,704,308
Profit attributable to members of the entity	-	1,444,553	1,444,553
Balance at 30 June 2023	<u>831,681</u>	<u>35,317,180</u>	<u>36,148,861</u>

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	<u>831,681</u>	<u>33,872,627</u>	<u>34,704,308</u>

The accompanying notes form part of these financial statements.

AHC Limited**Statement of Cash Flows
For the Year Ended 30 June 2023**

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	15,641,255	3,487,002
Payments to suppliers and employees	(14,856,031)	(4,121,279)
Interest received	24,096	1,710
Interest paid	(1,351,305)	(535,260)
Net cash provided by/(used in) operating activities	<u>(541,985)</u>	<u>(1,167,827)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from investment property	3,895,000	3,686
Purchase of property, plant and equipment	(11,045)	(2,779)
Development expenditure	(3,144,697)	-
Additions to investment	(498,901)	(272,490)
Net cash provided by/(used in) investing activities	<u>240,357</u>	<u>(271,583)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	7,550,357	1,880,260
Payment of finance lease liabilities	(104,041)	(20,407)
Payment of borrowings	(3,660,931)	-
Net cash provided by/(used in) financing activities	<u>3,785,385</u>	<u>1,859,853</u>
Net increase/(decrease) in cash and cash equivalents held	3,483,757	420,443
Cash and cash equivalents at beginning of year	<u>1,926,723</u>	<u>1,506,280</u>
Cash and cash equivalents at end of financial year	8 <u><u>5,410,480</u></u>	<u><u>1,926,723</u></u>

The accompanying notes form part of these financial statements.

AHC Limited

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Introductions

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 Director's report.

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

AHC Limited

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 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.

(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).

AHC Limited

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Summary of Significant Accounting Policies

(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.

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****3 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.

AHC Limited

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 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.

AHC Limited

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Summary of Significant Accounting Policies

(l) Lease

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

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

- Fixed lease payments;
- 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.

AHC Limited

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 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.

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****4 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.

5 Revenue and Other Income

	2023	2022
	\$	\$
Operating Activity		
Parkhurst Promotion Levy	32,880	29,372
Parkhurst Rentals	2,448,527	2,268,504
Parkhurst Outgoings	297,682	259,745
Puma Parkhurst	312,292	285,673
Sale of lots - Drury Lane Dundowran	2,348,882	1,150,059
Sales - Parkhurst KFC	3,895,000	-
Sale of Lots - Goodlife	4,101,795	-
Total Operating Activity	13,437,058	3,993,353
Other Income		
Gain/loss on sale of plant & equipment	-	3,686

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****6 Expenses**

	2023	2022
	\$	\$
Finance Cost		
Suncorp Bank Bill	1,342,997	523,773
Finance charge relating to finance lease	8,308	11,487
Total Borrowing Costs	1,351,305	535,260
Depreciation		
Depreciation - plant	47,696	31,729
Depreciation - Right of Use Asset	36,511	35,430
Total Depreciation	84,207	67,159
Other Expense		
Rent on Land and Building	7,912	7,317
Cleaning Rubbish Consumables	352,855	286,771
Fringe Benefits Tax	1,965	7,930
Electricity	74,952	66,679
Insurance	132,919	93,826
Legal and Consulting Fee	300,146	41,830
Bank Fees	15,950	8,200
Admin Costs	245,453	172,141
Other expenses	192,961	95,405
Total Other Expense	1,325,113	780,099
Development costs - Goodlife	3,312,752	-
Development costs - Drury Lane Dundowran	1,441,510	-
Development costs - Parkhurst KFC	3,020,227	-
	7,774,489	-

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****7 Income Tax Expense**

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

	2023	2022
	\$	\$
Current tax expense		
Income tax expense	(250,428)	430,625
Deferred tax expense/(income)		
Income tax (expense)/benefit	-	(4,687)
Total deferred tax expense/(benefit)	<u>(250,428)</u>	<u>425,938</u>

(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:

	2023	2022
	\$	\$
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 25% (2022: 25%)	298,531	329,158
Add:		
Tax effect of: other items	(1,080,850)	(683,166)
Less:		
Tax effect of: revaluation of investment property	823,408	1,017,601
Adjustment to current year tax from 26%- 25%	-	(13,166)
Other net deductible items	36,834	5,002
Depreciation on investment property	(77,924)	(237,968)
Income tax expense/(income) attributed to company	<u>(250,428)</u>	<u>430,625</u>

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

AHC Limited

Notes to the Financial Statements

For the Year Ended 30 June 2023

8 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	219	200
Bank balances	4,410,261	1,926,523
Short-term deposits	1,000,000	-
Total cash and cash equivalents	<u>5,410,480</u>	<u>1,926,723</u>

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:

	2023	2022
	\$	\$
Cash and cash equivalents	<u>5,410,480</u>	<u>1,926,723</u>
Balance as per statement of cash flows	<u>5,410,480</u>	<u>1,926,723</u>

9 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	290,568	10,511
GST receivable	-	64,049
Accrued receivables	-	592,029
Other receivables	-	5,689
Total current trade and other receivables	<u>290,568</u>	<u>672,278</u>

10 Inventories

	2023	2022
	\$	\$
CURRENT		
Construction work in progress	<u>3,144,697</u>	<u>2,252,290</u>
Total current inventory	<u>3,144,697</u>	<u>2,252,290</u>
NON - CURRENT		
Inventories	<u>27,587,872</u>	<u>20,985,541</u>
Total non-current inventory	<u>27,587,872</u>	<u>20,985,541</u>
Total Inventory	<u>30,732,569</u>	<u>23,237,831</u>

11 Other financial assets

	2023	2022
	\$	\$
Deposit - Rental Property	2,400	2,400

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****12 Leases**

Right-of-use assets

	Motor Vehicles	Office Premises	Total
	\$	\$	\$
Year ended 30 June 2023			
Asset Balance	324,421	169,701	494,122
Accumulated depreciation charge	(125,048)	(154,428)	(279,476)
Balance at end of year	<u>199,373</u>	<u>15,273</u>	<u>214,646</u>

	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>

13 Trade and Other Payables

	Note	2023	2022
		\$	\$
CURRENT			
Trade payables		430,690	908,726
Deposits		158,253	167,608
GST payable		20,269	-
Accrued charges		882,298	59,021
FBT payable		-	4,687
Dividends		135,206	121,787
PAYG payable		34,589	-
Total trade and other payable		<u>1,661,305</u>	<u>1,261,829</u>

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****14 Lease Liability**

	2023	2022
	\$	\$
CURRENT		
Operating - lease of premises	22,105	33,908
Motor vehicles	37,822	76,138
Total Current lease	<u>59,927</u>	<u>110,046</u>
	2023	2022
	\$	\$
NON-CURRENT		
Operating - lease of premises	-	24,709
Motor vehicles	152,685	55,919
Total Non Current lease	<u>152,685</u>	<u>80,628</u>

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

15 Employee Benefits

	2023	2022
	\$	\$
Current liabilities		
Long service leave	107,821	68,820
Annual Leave	227,458	162,508
	<u>335,279</u>	<u>231,328</u>
	2023	2022
	\$	\$
Non-current liabilities		
Long service leave	25,613	38,717
	<u>25,613</u>	<u>38,717</u>

AHC Limited

Notes to the Financial Statements

For the Year Ended 30 June 2023

16 Property, plant and equipment

PLANT AND EQUIPMENT

	2023	2022
	\$	\$
General Plant and equipment		
At cost	17,120	13,176
Accumulated depreciation	(10,186)	(9,235)
Total plant and equipment	<u>6,934</u>	<u>3,941</u>
Office equipment		
At cost	54,478	47,378
Accumulated depreciation	(20,654)	(12,297)
Total office equipment	<u>33,824</u>	<u>35,081</u>
Total plant and equipment	<u><u>40,758</u></u>	<u><u>39,022</u></u>

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

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

	Plant and Equipment \$
Year ended 30 June 2023	
Balance at the beginning of the year	39,022
Additions	11,044
Depreciation expense	(11,182)
Balance at the end of the year	<u><u>38,884</u></u>

	Plant and Equipment \$
Year ended 30 June 2022	
Balance at the beginning of the year	25,323
Additions	24,138
Depreciation expense	(10,439)
Balance at the end of the year	<u><u>39,022</u></u>

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****17 Investment Properties**

	2023	2022
	\$	\$
At cost value		
Owned Property		
Balance at beginning of the period	37,072,490	36,800,000
Acquisitions	2,498,901	272,490
Disposals	(2,958,597)	-
	<u>36,612,794</u>	<u>37,072,490</u>
Balance at end of the period	<u>36,612,794</u>	<u>37,072,490</u>

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

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****18 Borrowings**

	2023	2022
	\$	\$
CURRENT		
NAB Drury Lane	1,000,000	-
Radway Vendor Finance	450,000	1,550,000
Total current borrowings	<u>1,450,000</u>	<u>1,550,000</u>
	2023	2022
	\$	\$
NON-CURRENT		
NAB - Howard	6,920,000	2,930,584
Bank loan - secured	21,000,000	21,000,000
Total non-current borrowings	<u>27,920,000</u>	<u>23,930,584</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 31 August 2028.

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****19 Other Liabilities**

	2023	2022
	\$	\$
CURRENT		
Rent in advance	150,705	118,772
Funds received for contracts under AASB 15	4,543,077	-
Total other liabilities	<u>4,693,782</u>	<u>118,772</u>

Funds received for contracts under AASB 15 primarily consist of amounts received from customers in advance of revenue recognition. These liabilities represent an obligation to perform under existing contracts, and they will be settled by delivering the related inventory when the performance obligations are satisfied. The Company recognizes revenue in advance for the development of inventories held for sale in accordance with Australian Accounting Standards Board (AASB) 15 - Revenue from Contracts with Customers

The amounts classified as other financial liabilities will be recognized as revenue in future periods as the Company fulfills its obligations to develop and deliver inventories held for sale under the contracts. This recognition will occur as and when the Company satisfies its performance obligations, and revenue is earned in accordance with AASB 15.

20 Tax assets and liabilities

	Opening Balance	Charged to Income
	\$	\$
Deferred tax assets		
Provision	57,752	10,931
Future income tax benefits attributed to tax losses	987,925	(101,294)
Other	62,508	(14,786)
Balance at 30 June 2022	<u>1,108,185</u>	<u>(105,149)</u>
Provision	68,683	23,165
Future income tax benefits attributed to tax losses	886,631	(87,712)
Other	47,722	(4,520)
Balance at 30 June 2023	<u>1,003,036</u>	<u>(69,067)</u>

AHC Limited

Notes to the Financial Statements

For the Year Ended 30 June 2023

20 Tax assets and liabilities

20 Tax assets and liabilities

	Closing Balance
	\$
Deferred tax assets	
Provision	68,683
Future income tax benefits attributed to tax losses	886,631
Other	47,722
	<u>1,003,036</u>
Balance at 30 June 2022	
Provision	91,848
Future income tax benefits attributed to tax losses	798,919
Other	43,202
	<u>933,969</u>
Balance at 30 June 2023	

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
Deferred tax liability			
Tangible asset revaluation	1,762,948	358,164	2,121,112
Other	21,804	(32,689)	(10,885)
	<u>1,784,752</u>	<u>325,475</u>	<u>2,110,227</u>
Balance at 30 June 2022			
Tangible asset revaluation	2,121,112	(334,198)	1,786,914
Other	(10,885)	14,703	3,818
	<u>2,110,227</u>	<u>(319,495)</u>	<u>1,790,732</u>
Balance at 30 June 2023			

Deferred Taxes

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

	2023	2022
	\$	\$
Tax losses	798,919	886,631
Temporary differences	135,050	116,405
	<u>933,969</u>	<u>1,003,036</u>
Current tax liabilities		

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****20 Tax assets and liabilities****20 Tax assets and liabilities****Current Tax Asset**

Deferred tax liabilities made up:

	2023	2022
	\$	\$
Income tax charged directly to retained earnings	(2,671,924)	(2,352,429)
Income tax charged directly to equity	4,462,656	4,462,656
	<u>1,790,732</u>	<u>2,110,227</u>

21 Dividends

No dividends were paid in 2023 financial year. (2022: None)

22 Issued Capital

	2023	2022
	\$	\$
Ordinary Shares - fully paid	831,531	831,531
100 B Class Shares - fully paid	50	50
200 Founders Shares - fully paid	100	100
	<u>831,681</u>	<u>831,681</u>
Breakdown by Number of shares (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	<u>5,143,360</u>	<u>5,143,360</u>

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

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

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****23 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
- Julianne Shearer - Director (Non- Executive)
- Kathryn Macleod - Director (Executive)

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

	2023	2022
	\$	\$
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	9,187			96,678
Wayne Benson Lester	20,000	2,100			22,100
Rod Lindsay MacLeod	232,346	24,157			256,503
Kathryn Macleod	136,781	14,362			151,143
Sheryl Anne MacLeod	20,000	2,100	12,387		34,487
Katie Louise Hicks	91,377	8,177	8,250		107,804

AHC Limited**Notes to the Financial Statements
For the Year Ended 30 June 2023****23 Key Management Personnel Disclosures****24 Auditors' Remuneration**

	2023	2022
	\$	\$
Auditing or reviewing the financial statements	21,000	20,000
Auditing the rental shop lease	2,200	2,200
Total	23,200	22,200

25 Contingencies

In the opinion of the Company, the Company have the following contingencies to disclose as at 30 June 2023:

- Fraser Coast Regional Council general performance bond \$10,000; and
- Fraser Coast Regional Council internal civil works performance bond \$25,000; and

2022 Contingencies are as follows:

- 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.

26 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.
B Class Shares	3,716,870	3,716,870

(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.

AHC Limited

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

27 Events Occurring After the Reporting Date

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

28 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

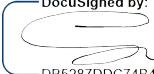
Directors' Declaration

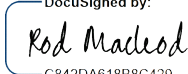
The directors of the Company declare that:

The financial statements and notes, as set out on pages 9 to 34, 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.

DocuSigned by:

DirectorDB5287DDC74B4DD.....
Sheryl Anne MacLeod

DocuSigned by:

DirectorC842DA618B8C429.....
Rod Lindsay MacLeod

Dated 9/29/2023



DICKFOS DUNN ADAM

22 Garden Street (PO Box 1669) Southport Queensland 4215
T (07) 5532 7855 F (07) 5531 1194 E (name)@dickfosdunnadam.com.au
www.dickfosdunnadam.com.au

AHC LIMITED
ABN 73 010 544 699

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

Opinion

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

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

- (a) Giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended.
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Other Information Other Than the Financial Report

The directors are responsible for the other information. The other information comprises the information contained in the company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters Relating to the Electronic Presentation of the Audited Financial Report

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



DICKFOS DUNN ADAM

22 Garden Street (PO Box 1669) Southport Queensland 4215
T (07) 5532 7855 F (07) 5531 1194 E (name)@dickfosdunnadam.com.au
www.dickfosdunnadam.com.au

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

Dated 29 September 2023

SOUTHPORT

T L Adam