

AHC Limited

Financial Statements

For the Half Year Ended 31 December 2023

AHC Limited

Contents

For the Half Year Ended 31 December 2023

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AHC Limited

Directors' Report

31 December 2023

The directors present their report on AHC Limited for the financial half year ended 31 December 2023.

1. General information

Directors

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

Names	Position	Appointed/Resigned
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)	
Julianne Shearer	Director (Non-Executive)	

Principal activities

The principal activity of AHC Limited during the financial half year were:

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

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

2. Operating results and review of operations for the year

Operating results

The profit of the Company after providing for income tax amounted to \$ 4,919,857 (2022: \$ 342,024).

Review of operations

Parkhurst Town Centre

The Parkhurst Town Centre AHC Limited's major asset and main undertaking continued to benefit from the continued residential growth in the regional areas across Queensland post Covid. The centre is well positioned in the growth suburbs of Parkhurst and Norman Gardens and supported by continued residential development applications.

During the period to 31 December 2023, the company 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.

In late 2023 the company also agreed terms with National tenant Kaisercraft to occupy 150m2. Kaisercraft has in excess of 100 stores across Australia and supplies fashion, stationary, gifts, homewares and arts and crafts supplies.

The centre has a small vacancy of only 252m2 following the lease agreement with Kaisercraft.

Directors' Report

31 December 2023

2. Operating results and review of operations for the year

Review of operations

The strong leasing performance has been reflected in the centres July 2023 property valuation increasing to \$42,750,000 up from \$36,800,000 in 2021.

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.

21 lots have now been sold and settled on the estate across all stages of the development as a result of a further 2 lots being sold and settled in-one-line in October 2023.

Stage 3 a 5 lot stage completed in the second half of 2023 currently has only one remaining 4000m² lot as a result of a further 2 lots going under contract in late December 2023.

Stage 4 a 5-lot subdivision is proposed to commence works in approximately April 2024 subject to weather and final lot sales in stage 3. Stage 4 will consist of 5 lots ranging from 2538m² – 2866m².

Good Life RV & Lifestyle Resorts Fraser Coast

At the close of 2023 the resort now has 19 homes occupied with site rent payments commenced and a further 6 under construction or under contract.

The project is continuing to receive excellent feedback and further contracts are pending at the commencement of 2024.

The first stage of the resorts major community facilities being the Clubhouse commenced in late 2023 and the company is certain this will have a major positive impact on sales going forward. The Clubhouse facility will include – recreation room, gymnasium, sauna, pool and spa, tennis court, fire pit and bocce court. This precinct will be of luxury resort standard.

General Business

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

The company continues to face challenges employing construction industry staff which restricts the company's ability to achieve growth targets.

The current periods significant profit is largely due to the revaluation of Parkhurst investment property in July 2023.

Directors' Report
31 December 2023

3. Other items

Significant changes in state of affairs

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

Matters or circumstances arising after the end of the year

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

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 continued development of the Goodlife RV & Lifestyle Resort at Howard, including stage 2.
- To lease all remaining vacant space (252m²) at the Parkhurst Town Centre.
- Continuation of industrial development for resale at Drury Lane, Dundowran.(Dundowran Industrial Estate)

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2023 has been received and can be found on page 4 of the financial report.

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

Director: 

Director: 

Dated this 25th day of January 2024



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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 2023, 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

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.....
T.L. Adam

29th January 2024

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Dated
SOUTHPORT

AHC Limited

Statement of Profit or Loss and Other Comprehensive Income For the Half Year Ended 31 December 2023

		31 December 2023	31 December 2022
	Note	\$	\$
Revenue	3	10,160,243	2,351,765
Finance income		57,835	10,450
Revaluation to investment property	3	6,137,206	-
Construction Costs	4	(6,049,830)	-
Employee benefits expense	4	(725,872)	(667,953)
Depreciation and amortisation expense	4	(41,756)	(36,779)
Rates		(248,652)	(111,317)
Repairs and maintenance		(82,384)	(49,939)
Other expenses	4	(985,007)	(566,385)
Interest expense		(917,073)	(473,810)
Profit before income tax		7,304,710	456,032
Income tax expense		(2,384,853)	(114,008)
Profit from continuing operations		4,919,857	342,024
Profit for the half year		4,919,857	342,024

From continuing and discontinued operations:

The accompanying notes form part of these financial statements.

AHC Limited

Statement of Financial Position
As At 31 December 2023

		31 December 2023	30 June 2023
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	3,051,789	5,410,480
Trade and other receivables		47,856	290,569
Inventories	6	1,506,709	3,144,697
Other assets		1,701	2,400
TOTAL CURRENT ASSETS		4,608,055	8,848,146
NON-CURRENT ASSETS			
Inventories	6	27,511,514	27,587,872
Property, plant and equipment		47,267	40,758
Investment properties		43,259,464	36,612,794
Deferred tax assets		747,593	933,969
Right-of-use assets		177,999	214,646
TOTAL NON-CURRENT ASSETS		71,743,837	65,390,039
TOTAL ASSETS		76,351,892	74,238,185
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,314,841	1,661,306
Borrowings	7	1,325,000	1,450,000
Lease liabilities		28,648	59,927
Employee benefits		287,553	335,279
Other liabilities		2,003,307	4,693,782
TOTAL CURRENT LIABILITIES		4,959,349	8,200,294
NON-CURRENT LIABILITIES			
Borrowings	7	26,168,353	27,920,000
Deferred tax liabilities		3,989,209	1,790,732
Lease liabilities		138,949	152,685
Employee benefits		27,314	25,613
TOTAL NON-CURRENT LIABILITIES		30,323,825	29,889,030
TOTAL LIABILITIES		35,283,174	38,089,324
NET ASSETS		41,068,718	36,148,861
EQUITY			
Issued capital		831,681	831,681
Retained earnings		40,237,037	35,317,180
TOTAL EQUITY		41,068,718	36,148,861

The accompanying notes form part of these financial statements.

AHC Limited

Statement of Changes in Equity
For the Half Year Ended 31 December 2023

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2023	831,681	35,317,180	36,148,861
Profit attributable to members of the parent entity	-	4,919,857	4,919,857
Balance at 31 December 2023	831,681	40,237,037	41,068,718

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

The accompanying notes form part of these financial statements.

AHC Limited

Statement of Cash Flows
For the Half Year Ended 31 December 2023

	31 December	31 December
	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	8,454,198	2,893,267
Payments to suppliers and employees	(7,510,908)	(2,779,941)
Interest received	57,835	10,450
Interest paid	(917,072)	(479,908)
Net cash provided by/(used in) operating activities	<u>84,053</u>	<u>(356,132)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(11,617)	(2,730)
Purchase of other non current assets	(509,464)	(2,169,185)
Net cash provided by/(used in) investing activities	<u>(521,081)</u>	<u>(2,171,915)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	588,353	4,356,586
Repayment of borrowings	(2,465,000)	-
Repayment of lease liabilities	(45,015)	(28,483)
Net cash provided by/(used in) financing activities	<u>(1,921,662)</u>	<u>4,328,103</u>
Net increase/(decrease) in cash and cash equivalents held	(2,358,690)	1,800,056
Cash and cash equivalents at beginning of year	5,410,479	1,926,723
Cash and cash equivalents at end of the half year	5 <u><u>3,051,789</u></u>	<u><u>3,726,779</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Half Year Ended 31 December 2023

The financial report covers AHC Limited as an individual entity, AHC Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

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

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

Comparatives are consistent with prior periods, unless otherwise stated.

1 Basis of Preparation

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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.

2 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 made have been described below.

Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 13 July 2023. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

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

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

**Notes to the Financial Statements
For the Half Year Ended 31 December 2023**

2 Critical Accounting Estimates and Judgments

Key judgments - Outgoings

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

3 Other Revenue and Income

Revenue from continuing operations

	31 December 2023	31 December 2022
	\$	\$
Revenue from contracts with customers		
Sale of lots - Drury Lane Dundowran	1,214,921	907,372
Sale of Lots - Goodlife	7,214,151	-
	8,429,072	907,372
Revenue from other sources		
Parkhurst Promotion Levy	18,003	16,926
Parkhurst Outgoings	175,082	147,201
Caltex Parkhurst	157,530	146,744
Goodlife RV - Site fees	65,504	-
Parkhurst rentals	1,289,532	1,133,523
Commissions	25,520	-
	1,731,171	1,444,393
Total Revenue	10,160,243	2,351,765

	31 December 2023	31 December 2022
	\$	\$
Fair value adjustment to investment property	6,137,206	-
	6,137,206	-

Notes to the Financial Statements
For the Half Year Ended 31 December 2023

4 Result for the Year

The result for the year includes the following specific expenses:

	31 December 2023	31 December 2022
	\$	\$
Cost of sales	-	-
Construction contracts - Goodlife	6,049,830	-
	6,049,830	-
Employee benefits expense	725,872	667,953
Depreciation expense	41,756	36,779
<u>Other expenses</u>		
Administration expenses	89,509	75,744
Advertising	145,183	16,196
Bank feed and charges	9,742	6,485
Cleaning and consumables	195,449	171,136
Commission	27,599	-
Electricity	46,438	31,027
Insurance	150,918	132,919
Other expenses	68,447	80,320
Legal and consulting	251,722	52,558
	985,007	566,385

5 Cash and Cash Equivalents

	31 December 2023	30 June 2023
	\$	\$
Cash at bank and in hand	3,051,789	4,410,480
Short-term deposits	-	1,000,000
	3,051,789	5,410,480

Notes to the Financial Statements
For the Half Year Ended 31 December 2023

6 Inventories

	31 December	30 June
	2023	2023
	\$	\$
CURRENT		
Inventories held for sale - Goodlife	904,231	3,144,697
Inventories held for sale - Drury Lane	602,478	-
	<u>1,506,709</u>	<u>3,144,697</u>
NON-CURRENT		
Inventories held for sale - Goodlife	13,174,817	12,482,680
Inventories held for sale - Drury Lane	14,336,697	15,105,192
	<u>27,511,514</u>	<u>27,587,872</u>

7 Borrowings

	31 December	30 June
	2023	2023
	\$	\$
CURRENT		
Bank loan - Howard	800,000	-
NAB Drury Lane	300,000	1,000,000
Directors loan - Drury lane	225,000	450,000
Total current borrowings	<u>1,325,000</u>	<u>1,450,000</u>
	31 December	30 June
	2023	2023
	\$	\$
NON-CURRENT		
Bank loan - Howard	4,580,000	6,920,000
Bank loan - Parkhurst	21,588,353	21,000,000
Total non-current borrowings	<u>26,168,353</u>	<u>27,920,000</u>
Total borrowings	<u>27,493,353</u>	<u>29,370,000</u>

8 Contingencies

Contingent Liabilities

AHC Limited had the following contingent liabilities at the end of the reporting period:

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

Notes to the Financial Statements For the Half Year Ended 31 December 2023

9 Related Parties

(a) Transactions with 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.
A Class shares	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.

10 Events Occurring After the Reporting Date

The financial report was authorised for issue on the date of signing the directors declaration by the board of directors.

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

11 Statutory Information

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

AHC Limited
Suite 30202 Tower 3
9 Lawson Street
Southport QLD 4215

AHC Limited

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 13, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards AASB134 Interim Financial Reporting; and
 - b. give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director 

Director 

Dated 25/1/2024



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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 2023, 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 2023 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
Trocey 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 2023 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

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T.L. Adam

29th January 2024

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Dated
SOUTHPORT