

# AHC LIMITED

ABN 73 010 544 699

## Appendix 4E

### Preliminary final report for the year ended 30 June 2004 Results for announcement to the market

\$A'000

					\$1,000
Revenues from ordinary activities	Up	54%	to	12,374	
Profit from ordinary activities after tax attributable to members	Up	251%	to	1,808	
Net profit for the period attributable to members	Up	251%	to	1,808	
<b>Dividends (distributions)</b>		Amount per security		Franked amount per security	
Final dividend		2.5 Cents		2.5 Cents	
Previous corresponding period		2.5 Cents		2.5 Cents	
+Record date for determining entitlement to the dividend		<div>29 October 2004</div>			
<b>Brief explanation of any of the figures reported above:</b>					
Increased revenue and profit for the year due to the building boom and the sale of RiverPark Commercial Complex and Trader Dukes Tavern.					
<b>Earnings per security (EPS)</b>		<b>2004</b>		<b>2003</b>	
Basic EPS		7.20		7.20	
Diluted EPS		7.20		7.20	
<b>NTA backing</b>		<b>2004</b> Current Period		<b>2003</b> Previous Period	
Net tangible asset backing per +ordinary security		\$2.43		\$1.92	

## Dividends Payable

Date the dividend is payable  
There is no dividend re-investment plan in operation

12 November 2004
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## Total dividend per security

		2004	2003
	<i>Ordinary securities</i>		
	<b>Final dividend:</b> Current year	2.5 cents	2.5 cents
	Previous year	2.5 cents	2.5 cents

## Final dividend on all securities

**Total**

2004 \$A'000	2003 \$A'000
<b>141,765</b>	<b>178,515</b>

**AHC Limited**  
**Statement of financial performance**  
**For the year ended 30 June 2004**

	2004 \$A'000	2003 \$A'000
Revenues from ordinary activities	12267	8046
Interest Received	107	3
<b>Total Revenue</b>	<b>12374</b>	<b>8049</b>
Changes in Inventories of WIP	642	(943)
Cost of Goods Sold	(8212)	(4945)
Borrowing costs expense	(437)	(292)
Depreciation	( 73)	(83)
Employee Benefits Expense	(743)	(432)
Other expenses from ordinary activities	(692)	(573)
<b>Profit from ordinary activities before tax</b>	<b>2859</b>	<b>781</b>
Income tax on ordinary activities	(1050)	(266)
<b>Net profit for the period attributable to the members of AHC Limited</b>	<b>1808</b>	<b>515</b>
Increase in asset revaluation reserve	-	4040
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>1808</b>	<b>4554</b>

**AHC LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2004**

	2004 \$A'000	2003 \$A'000
<b>Current assets</b>		
Cash	3636	2132
Receivables	204	135
Inventories	4459	4012
Other (provide details if material)	423	250
<b>Total current assets</b>	<b>8722</b>	<b>6580</b>
<b>Non-current assets</b>		
Property Plant & Equipment	692	701
Investments	16658	14440
Unexpired Borrowing Expenses	38	-
Tax assets deferred	58	58
<b>Total non-current assets</b>	<b>17446</b>	<b>15199</b>
<b>Total assets</b>	<b>26168</b>	<b>21779</b>
<b>Current liabilities</b>		
Payables	2671	717
Interest bearing liabilities	1464	1224
Tax liabilities	902	481
Provisions exc. tax liabilities	210	229
Other (provide details if material)	121	130
<b>Total current liabilities</b>	<b>5368</b>	<b>2781</b>
<b>Non-current liabilities</b>		
Interest bearing liabilities	7010	5243
Tax liabilities	8	6
<b>Total non-current liabilities</b>	<b>7018</b>	<b>5249</b>
<b>Total liabilities</b>	<b>12386</b>	<b>8080</b>
<b>Net assets</b>	<b>13782</b>	<b>13699</b>
<b>Equity</b>		
Contributed equity	1969	3589
Reserves	10053	10053
Retained profits (accumulated losses)	1760	57
<b>Total equity</b>	<b>13782</b>	<b>13699</b>

**AHC LIMITED**  
**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2004

	2004 \$A'000	2003 \$A'000
<b>Cash flows related to operating activities</b>		
Receipts from customers	9201	6783
Interest received	107	3
Other receipts	971	1062
Payments to suppliers and employees	(8137)	(10341)
Interest and other costs of finance paid	(437)	(292)
Income taxes paid/refunded	(418)	(27)
Other (provide details if material)		
<b>Net operating cash flows</b>	<b>(1287)</b>	<b>(2812)</b>
<b>Cash flows related to investing activities</b>		
Purchase of property, plant & equipment	(140)	
Proceeds from sale of plant and equipment	75	(51)
Proceeds from sale of rent roll	40	-
Proceeds from sale of property	5892	2174
Payment for investments	(5896)	(109)
<b>Net investing cash flows</b>	<b>(29)</b>	<b>2014</b>
<b>Cash flows related to financing activities</b>		
Proceeds from borrowings	5258	2750
Repayment of borrowings	(3303)	(14)
Dividends paid	(142)	-
Other (Share Buy Back)	(1619)	
<b>Net financing cash flows</b>	<b>194</b>	<b>2736</b>
<b>Net increase (decrease) in cash held</b>	<b>1451</b>	<b>1938</b>
Cash at beginning of period	1937	(1)
<b>Cash at end of period</b>	<b>3388</b>	<b>1937</b>

## AHC LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2004

#### 1. Basis in accounting policies

##### Change in Accounting Policy

There has been no change in accounting policy in the 2003/2004 financial year. The accounting policies adopted are consistent with those of the previous reporting period.

##### Adoption of Australian Equivalents to International Financial Reporting Standards.

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

AHC Limited management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

The directors are of the opinion that the key differences in the company's accounting policies which will arise from the adoption of IFRS are:

##### Non-current Investments

Under the pending AASB 139: Financial Instruments: Recognition and Measurement financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to revalue non-current investments on a regular basis, to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

##### Income Tax

Currently, the economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian equivalent to IAS 12, the company will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

##### Investments

Non-current investments carried at fair value. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments or the underlying net assets for other non-listed investments.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

	2004 \$	2003 \$
<b>2. REVENUE</b>		
Operating Activities		
Sales Revenue	9,003,709	6,558,650
Rent Received	963,881	1,006,986
Other Income	2,299,792	480,632
Interest Received	106,167	2,582
	<u>12,373,549</u>	<u>8,048,850</u>
 <b>3. PROFIT (LOSS) FROM ORDINARY ACTIVITIES</b>		
<b>Profit from ordinary activities before income tax has been determined after:</b>		
<b>a) Expenses:</b>		
<b>Borrowing costs:</b>		
Other persons / corporations	427,486	283,671
Finance charges relating to finance lease	9,117	7,811
Hire Purchase Charges	-	267
	<u>436,603</u>	<u>291,749</u>
 <b>Depreciation:</b>		
Property, plant and equipment	46,357	56,877
Leased assets	26,971	26,129
	<u>73,328</u>	<u>83,006</u>
 <b>Crediting as Income:</b>		
<b>Interest received or receivable from:</b>		
Other persons	106,784	2,582
	<u>106,784</u>	<u>2,582</u>
 <b>Total Interest Revenue</b>	<u>106,784</u>	<u>2,582</u>
 <b>Net gain on disposal of non-current assets:</b>		
Property, plant and equipment	<u>2,291,178</u>	<u>435,726</u>

	2004 \$	2003 \$
<b>4. INCOME TAX EXPENSE</b>		
<b>a) The prima facie tax on profit (loss) from ordinary activities before income tax is reconciled to the income tax as follows:</b>		
Prima facie tax payable on profit (loss) from ordinary activities before income tax at 30%	857,653	234,281
<b>ADD</b>		
<b>Tax effect of:</b>		
Non-deductible depreciation	8,091	7,839
Other non-allowable items	2,756	2,343
Profit adjustments calculated from cost rather than valuations	155,926	118,243
Other assessable items	61,244	-
	<u>1,085,670</u>	<u>362,706</u>
<b>LESS</b>		
<b>Tax effect of:</b>		
Depreciation on buildings	21,901	86,653
Other deductible items	10,422	9,621
Over provision for income tax in prior years	2,767	-
Income tax expense attributable to profit (loss) from ordinary activities before income tax	<u>1,050,580</u>	<u>266,432</u>
<b>b) Income tax expense attributable to profit (loss) from ordinary activities before income tax</b>	<u>1,050,580</u>	<u>266,432</u>



## 5. DIVIDENDS PAID OR PROPOSED

	2004 \$	2003 \$
Declared fully franked ordinary dividend of 2.5 (2003:2.5) cents per shared franked at the rate of 30% (2003:30%)	141,765	178,515
Less 2003 Dividend over provided for shares bought back	(36,279)	
	<u>105,486</u>	<u>178,515</u>
Balance of franking account at year end adjusted for franking Credits arising from payment of provision for income tax and payment of proposed dividends	1,232,120	228,929
Franking account has been restated to reflect tax paid as required per Tax legislation amendments		

## 6. STATEMENT OF OPERATIONS BY SEGMENTS

The Company operates predominantly in one business and geographical segment being the building of housing and commercial development in South East Queensland.

## 7. CASH FLOW INFORMATION

### Reconciliation of Cash Flow from Operations with profit (loss) from ordinary activities after Income Tax

Profit (loss) from ordinary activities after income tax	1,808,264	514,504
<b>Non-Cash Flows in Profit/(Loss) from ordinary activities:</b>		
(Profit) / Loss on sale of non-current assets	(2,291,178)	(435,726)
Depreciation	73,328	83,006
Costs transferred and offset against sale of non current assets	-	(786,520)
<b>Changes in Assets and Liabilities:</b>		
Decrease/(Increase) in current inventories	(447,103)	(2,779,857)
Decrease / (Increase) in current receivables	(201,989)	14,076
(Decrease)/Increase in accruals income	(8,816)	10,209
(Decrease)/Increase in trade and other accounts payable	1,953,555	109,926
Movement in taxes payable	630,998	237,998
Movement in deferred taxes payable	2,329	1,542
Movement in provisions	17,769	20,957
Movement in GST payable	(297,767)	197,843
Decrease/(Increase) in other assets	46,200	
Decrease/(Increase) in prepayments	1,611	
<b>Cash Flows From Operations</b>	<u>1,281,201</u>	<u>(2,812,042)</u>

	2004 \$	2003 \$
<b>8. CONTRIBUTED EQUITY</b>		
5,670,602 Ordinary Shares - fully paid	1,956,247	3,575,655
100 B Class Shares – fully paid	50	50
200 Founders Shares – fully paid	100	100
	<u>1,956,397</u>	<u>3,575,805</u>
Transferred from forfeited share reserve	13,000	13,000
	<u>1,969,397</u>	<u>3,588,805</u>

## Annual General meeting

The annual meeting will be held as follows:

Place

4 HELENSVALE ROAD HELENSVALE

Date

19 NOVEMBER 2004

Time

11.30 A.M.

Approximate date the <sup>+</sup>annual report will be available

30 SEPTEMBER 2004

## Compliance statement

- 1 This preliminary report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX
- 2 This preliminary report, and the accounts upon which the report is based (if separate) use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed
- 4 This report is based on accounts to which are in the process of being audited.
5. The audit report by the auditor is not attached, details of any qualifications will follow immediately they are available.
- 6 The entity has a formally constituted audit committee.

Sign here: ..... Date: 31 August 2004.....

Company Secretary

Print name: Sheryl MacLeod.....