



# AHC Limited

## Preliminary Final Report for the financial year ended 30 June 2005

### Results for announcement to the market:

The Board of AHC Limited announce the following preliminary results for the year ended 30 June 2005, including comparisons to the prior corresponding period.

This report is based on Financial Statements currently undergoing independent audit review – extracts of these unaudited financial statements are attached.

Revenues from ordinary activities	Up 4.1% to	\$13,495,635
Profit (loss) from ordinary activities after tax attributable to members	Down 65.8% to	\$618,265
Net profit (loss) for the period attributable to Members	Down 65.8% to	\$618,265
<b>Dividends (distributions)</b>	Amount per security	Franked amount per security
Final dividend declared	2.5 cents	2.5 cents
Previous corresponding period	2.5 cents	2.5 cents
Record date for determining entitlement to the Dividend	28 October 2005	
Date dividend payable	11 November 2005	
	2004/05	2003/04
Earnings per security (EPS) for the period	10.91 cents	29.33 cents
Net Tangible Asset (NTA) backing per ordinary security as at 30 June 2005	\$4.05	\$2.43
Final dividend on all securities	\$141,673	\$141,765
<b>Brief explanation of the above figures:</b>		
<p>The 2004/05 year signified a period of consolidation for AHC Limited, in which resources were focussed on the non-current asset base of the company.</p> <p>An increase in operating revenue was offset by resources required to facilitate the introduction of new commercial assets to the market, the net result being a reduction in profit to the prior corresponding period.</p> <p>The recently constructed Worongary Village Shopping Centre began operation in November 2004. A revaluation of the Centre contributed to a year-on-year increase in net asset value, which is reflected in this year's <i>NTA backing</i> figure reported above.</p>		

# Appendix 4E

## Annual General Meeting

The annual meeting will be held as follows:

Place:	4 HELENSVALE ROAD, HELENSVALE. QLD
Date:	18 NOVEMBER 2005
Time:	11.30 A.M.
Approximate date the annual report will be available	16 OCTOBER 2005

## 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 the 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 as they are available
6. The entity has a formally constituted audit committee.

Sign here: ..... Date: 29 August 2005  
 Company Secretary

Print Name: Sheryl Macleod.

**Appendix 4E***EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED:***STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2005**

	NOTE	2005 \$	2004 \$
Revenues from ordinary activities	2	13,495,635	12,963,109
Changes in Inventories of WIP		(301,624)	642,017
Cost of Goods Sold		(9,631,116)	(8,801,497)
Borrowing costs expense	3	(582,426)	(436,603)
Depreciation	3	(252,617)	(73,328)
Employee benefits expense		(985,815)	(812,055)
Other Expenses		(969,151)	(622,799)
Profit (loss) from ordinary activities before income tax expense		772,886	2,858,844
Income tax expense relating to ordinary activities	4	(154,621)	(1,050,580)
Profit (loss) from ordinary activities after related income tax expense/(revenue)		618,265	1,808,264
Net profit (loss)		618,265	1,808,264
Net profit (loss) attributable to members of the entity		618,265	1,808,264
Increase (decrease) in asset revaluation reserve	22	8,682,468	-
Total changes in equity other than those resulting from transactions with owners as owners		9,300,733	1,808,264
		Cents per share	Cents per share
Basic earnings per share (cents per share)	8	10.91	29.33
Diluted earnings per share (cents per share)	8	10.91	29.33

*The accompanying notes form part of this financial report*

# Appendix 4E

EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED (Continued):

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	NOTE	2005 \$	2004 \$
<b>Current Assets:</b>			
Cash Assets	11	432,714	3,635,819
Receivables	12	1,217,369	204,574
Inventories	13	4,718,778	4,459,078
Other financial assets/other assets	14	81,962	422,831
<b>TOTAL CURRENT ASSETS</b>		<b>6,450,823</b>	<b>8,722,302</b>
<b>Non-Current Assets:</b>			
Property, plant and equipment	15	1,408,994	691,893
Investments	27	30,850,000	16,657,642
Deferred tax assets	28	86,679	57,957
Unexpired Borrowing Expense		-	38,410
<b>TOTAL NON-CURRENT ASSETS</b>		<b>32,345,673</b>	<b>17,445,902</b>
<b>TOTAL ASSETS</b>		<b>38,796,497</b>	<b>26,168,204</b>
<b>Current Liabilities:</b>			
Payables	16	1,293,707	2,670,287
Interest - bearing liabilities	17	2,009,833	1,464,278
Provisions	19	192,761	210,117
Current tax liabilities	29	(120,842)	902,074
Other	20	244,717	120,913
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,620,176</b>	<b>5,367,669</b>
<b>Non-Current Liabilities:</b>			
Interest - bearing liabilities	17	12,228,790	7,010,244
Deferred tax liabilities		13,276	7,907
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>12,242,066</b>	<b>7,018,151</b>
<b>TOTAL LIABILITIES</b>		<b>15,862,242</b>	<b>12,385,820</b>
<b>Net Assets (Liabilities)</b>		<b>22,934,255</b>	<b>13,782,384</b>
<b>Equity:</b>			
Contributed equity	21	1,962,183	1,969,397
Reserves	22	18,735,533	10,053,065
Retained profit (accumulated loss)	26	2,236,539	1,759,922
<b>Total Equity</b>		<b>22,934,255</b>	<b>13,782,384</b>

The accompanying notes form part of this financial report

# Appendix 4E

EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED (Continued):

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2005 \$	2004 \$
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers		10,650,343	9,200,862
Interest received		45,125	106,784
Other receipts		2,104,455	971,157
Payment to suppliers and employees		(13,369,309)	(8,137,068)
Borrowing costs		(544,015)	(436,603)
Income tax (paid)/refunded		(1,225,503)	(417,931)
		<hr/>	<hr/>
<b>Net Cash Provided by (Used in) Operating Activities</b>	10	<u>(2,338,903)</u>	<u>(1,287,201)</u>
<b>Cash Flows from Investing Activities:</b>			
Purchase of property, plant and equipment		(969,459)	(139,611)
Proceeds from sales of plant and equipment		-	74,697
Proceeds from sale of rent roll		-	39,888
Proceeds from sale of Property		-	5,891,937
Payment for investments		(5,517,104)	(5,896,052)
		<hr/>	<hr/>
<b>Net Cash Provided by (Used in) Investing Activities</b>		<u>(6,486,563)</u>	<u>(29,141)</u>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from borrowings		5,557,092	5,257,795
Repayment of borrowings		-	(3,302,680)
Dividend payment		(141,740)	(142,236)
Payment share buyback		-	(1,619,408)
		<hr/>	<hr/>
<b>Net Cash Provided by (Used in) Financing Activities</b>		<u>5,415,352</u>	<u>193,471</u>
		<hr/>	<hr/>
<b>Net Increase (Decrease) in Cash Held</b>		<u>(3,410,115)</u>	<u>1,451,532</u>
		<hr/>	<hr/>
Cash at beginning of financial year		3,388,305	1,936,773
		<hr/>	<hr/>
<b>CASH AT END OF FINANCIAL YEAR</b>	11	<u>21,810</u>	<u>3,388,305</u>

The accompanying notes form part of this financial report

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EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED (Continued):

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are a general purpose financial report prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

**Change in Accounting Policy**

There has been no change in accounting policy in the 2004/2005 financial year.

**Impact of Adoption of Australian Equivalents to International Financial Reporting Standards.**

The company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the company's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

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 AASB 112: *Income Taxes*, the entity 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.

The most significant impact will be the recognition of a deferred tax liability at 1 July 2004 of approximately \$4,725,684 in relation to the asset revaluation at 30 June 2005. This adjustment will have no effect on profit for the year ended 30 June 2005 and in both instances the deferred tax is recognised directly to equity being a reduction in the asset revaluation reserve.

	2005 \$
<u>Reconciliation of Equity:</u>	
Total equity reported under Australian Accounting Standards	22,934,255
Retrospective adjustments to equity at 1 July 2004:	
- Recognition of deferred tax on revalued assets	<u>(4,725,684)</u>
Total equity under AIFRS	<u>18,221,846</u>

# Appendix 4E

EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED (Continued):

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
<b>2. REVENUE</b>		
Operating Activities		
Sales Revenue	11,590,512	9,585,173
Rent Received	1,802,834	971,080
Other Income	57,164	2,300,072
Interest Received	45,125	106,784
	<u>13,495,635</u>	<u>12,963,109</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	569,616	427,486
Finance charges relating to finance lease	12,810	9,117
Hire Purchase Charges	-	-
Total borrowing costs	<u>582,426</u>	<u>436,603</u>
<b>Depreciation:</b>		
Property, plant and equipment	216,278	46,357
Leased assets	36,339	26,971
	<u>252,617</u>	<u>73,328</u>
<b>Crediting as Income:</b>		
<b>Interest received or receivable from:</b>		
Other persons	45,125	106,784
<b>Total Interest Revenue</b>	<u>45,125</u>	<u>106,784</u>
<b>Net gain on disposal of non-current assets:</b>		
Property, plant and equipment	259	2,291,178

## Appendix 4E

EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED (Continued):

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<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%	231,866	857,653
<b>ADD</b>		
<b>Tax effect of:</b>		
Non-deductible depreciation	12,898	8,091
Other non-allowable items	3,910	2,756
Profit adjustments calculated from cost rather than valuations	-	155,926
Other assessable items	-	61,244
	248,674	1,085,670
<b>LESS</b>		
<b>Tax effect of:</b>		
Depreciation on buildings	80,333	21,901
Other deductible items	13,720	10,422
Over provision for income tax in prior years	-	2,767
Income tax expense attributable to profit (loss) from ordinary activities before income tax	154,621	1,050,580
<b>b) Income tax expense attributable to profit (loss) from ordinary activities before income tax</b>	154,621	1,050,580

# Appendix 4E

EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED (Continued):

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

### 7. DIVIDENDS PAID OR PROPOSED

Declared fully franked ordinary dividend of 2.5 shared franked at the rate of 30%	141,673	141,765
Less 2004 Dividend over provided for shares bought back	(25)	(36,279)
	<u>141,648</u>	<u>105,486</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	1,349,427	1,232,120
Franking account has been restated to reflect tax paid as required per Tax legislation amendments		

### 8. EARNINGS PER SHARE

	Cents per share	Cents per share
Basic earnings per share	10.91	29.33
Diluted earnings per share	10.91	29.33
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS due to buy back arrangement.	5,668,106	6,165,227
Earnings used in the calculation of basic EPS and diluted EPS	618,265	1,808,264

### 9. STATEMENT OF OPERATIONS BY SEGMENTS

	<u>Total</u>	<u>Other</u>		<u>HOUSE &amp; LAND DEVELOPMENT</u>	
	2005	2005	2004	2005	2004
Sales	11,590,512	920,000	1,500,000	10,670,512	8,085,173
Unallocated revenue	1,905,123	1,803,093	3,377,936	102,030	-
Segment result	618,265	334,470	1,220,622	283,795	587,642
Segment assets	38,796,497	37,890,746	24,834,250	905,751	1,333,954

The Company operates predominantly in one geographic area, namely South East Queensland.

## Appendix 4E

EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED (Continued):

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
<b>10. CASH FLOW INFORMATION</b>		
<b>Reconciliation of Cash Flow from Operations with profit (loss) from ordinary activities after Income Tax</b>		
Profit (loss) from ordinary activities after income tax	618,265	1,808,264
<b>Non-Cash Flows in Profit/(Loss) from ordinary activities:</b>		
(Profit) / Loss on sale of non-current assets	259	(2,291,178)
Depreciation	252,617	73,328
Costs transferred and offset against sale of non current assets	-	-
<b>Changes in Assets and Liabilities:</b>		
Decrease/(Increase) in current inventories	(259,700)	(447,103)
Decrease / (Increase) in current receivables	(880,126)	(201,989)
(Decrease)/Increase in accruals income	123,804	(8,816)
(Decrease)/Increase in trade and other accounts payable	(1,376,580)	1,953,555
Movement in taxes payable	(1,047,670)	630,998
Movement in deferred taxes payable	5,369	2,329
Movement in provisions	(17,769)	17,769
Movement in GST payable	112,476	(297,767)
Decrease/(Increase) in other assets	175,365	46,200
Decrease/(Increase) in prepayments	(45,201)	1,611
<b>Cash Flows From Operations</b>	<b>(2,338,903)</b>	<b>1,287,201</b>
 <b>Credit Standby Arrangements with Banks:</b>		
Credit facility	3,509,643	550,000
Bank overdraft	400,000	400,000
Amount utilised	(1,957,993)	(246,986)
Amount unutilised	1,951,650	703,014
Lease Facility	200,000	200,000
Amount utilised	(164,630)	(161,667)
Amount unutilised	35,370	38,333
Guarantee Facility	100,000	100,000
Amount utilised	(46,000)	(96,400)
Amount unutilised	54,000	3,600
Bartercard - Trade Credit Limit (unutilised)	-	15,000

Bank overdraft facilities are arranged with the National Australia Bank with the general terms and conditions being set and agreed mutually.

## Appendix 4E

Finance will be provided under all facilities provided the Company has not breached any borrowing requirements and the required financial ratios are met.

*EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED (Continued):*

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<b>17. INTEREST BEARING LIABILITIES</b>		
<b>Current Secured:</b>		
Lease liability	51,840	34,447
Bank overdraft	454,524	247,514
Loans – other	1,503,469	1,182,317
Total current liabilities	<u>2,009,833</u>	<u>1,464,278</u>
<b>Non-Current Secured</b>		
Lease Liability	112,790	127,205
Loans – Bank Bills	12,116,000	6,883,039
Loans – Other	-	-
Total non-current liabilities	<u>12,228,790</u>	<u>7,010,244</u>

- a) The bank overdraft is secured by a floating charge over the Company assets. Bank bills are secured by first mortgages over certain freehold land, buildings and work in progress. National Australia Bank has a registered fixed and floating charge over the assets of the Company (No. 234580).  
Registered Mortgage Debenture over the whole of AHC Ltd assets including goodwill and uncalled capital and called but unpaid capital together with relative insurance policy assigned to the National Australia Bank Limited  
Registered Mortgage over property situate Hollywood Plaza Shopping Centre 34 Siganto Drive Helensvale more particularly described in Certificate of Title Reference 50034611.  
Registered Mortgage over property situate Ampol Service Station 2 Helensvale Drive Helensvale more particularly described in Certificate of Title Reference 18006231.  
Registered Mortgage over property situate 2 Helensvale Drive Helensvale more particularly described in Certificate of Title Reference 18006231.  
Registered Mortgage over property situate Worongary Village Shopping Centre 1 Mudgeeraba Road Worongary Qld more particularly described in Certificate of Title Reference 50310789.  
Term Deposit Letter of Offset given by AHC Limited.
- b) The bank bills are rolled over monthly and a variable rate of interest is payable on roll over. Bank bills payable have been drawn down as a source primarily, of long-term finance.
- c) Bank guarantees are in place with National Australia Bank amounting to \$100,000.

## Appendix 4E

EXTRACTS OF THE FINANCIAL STATEMENTS OF AHC LIMITED (Continued):

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<b>22. RESERVES</b>		
Asset revaluation reserve	18,735,533	10,053,065
	18,735,533	10,053,065
<b>Movements:</b>		
<b>Asset Revaluation Reserve</b>		
Opening balance for the year	10,053,065	10,053,065
Write back revaluation	-	-
Increase revaluation	8,682,468	-
	18,735,533	10,053,065
<b>26. RETAINED PROFIT (ACCUMULATED LOSS)</b>		
Retained profit (accumulated losses) at the beginning of the financial Year	1,759,922	57,144
Net profit/loss attributable to members of the entity	618,265	1,808,264
Declared fully franked dividends provided for or paid	(141,648)	(105,486)
	2,236,539	1,759,922
<b>27. INVESTMENTS</b>		
Non-Current Assets:		
Investments:		
Service Station - at valuation	4,150,000	4,150,000
Hollywood Plaza Shopping Centre - at valuation	2,150,000	2,150,000
Worongary District Shopping Centre - at valuation	24,550,000	10,357,642
	30,850,000	16,657,642
National Australia Bank has mortgages over the properties located at Helensvale and Oxenford except 134-150 Siganto Drive where Metway have mortgages noted.		
<b>29. TAX LIABILITIES</b>		
Current:		
GST	24,753	-
Income tax	(148,369)	899,159
FBT	2,774	2,915
	(120,842)	902,074