



AUGUST INVESTMENTS PTY LTD

ACN 002 106 603

ANNUAL REPORT

2008

AUGUST INVESTMENTS PTY LTD

ANNUAL REPORT - 2008

CONTENTS

	Page Number
Directory	
Managers Report	1
Net Assets (listing all investments)	3
Directors' Report	5
Profit and Loss Statement	8
Balance Sheet	9
Notes to Accounts	10
Directors' Declaration	15
Audit Committee Report	15

AUGUST INVESTMENTS PTY LTD

A.C.N. 002 106 603

DIRECTORY

Registered Office: Level 1
81 Henry St
Penrith NSW 2750

Business Address: 74 Northumberland Ave
Stanmore NSW

Postal Address: PO Box 179
Westgate NSW 2048

Phone: 0428 650 601

Email: office@augustinvestments.com.au

Web www.augustinvestments.com.au

Directors:

Damien Lynch
74 Northumberland Ave
Stanmore NSW

Victor Dolmark
1 Melody St
Coogee NSW

Elliot Hayman
2 John St
Glebe NSW

Thomas Goodman
7 Murchinson St
Mittagong NSW

Advising Accountant: Neil Cottle
Lower Russell & Farr
Level 1, 81 Henry Street
Penrith NSW 2750

AUGUST INVESTMENTS PTY LTD
A.C.N. 002 106 603
MANAGING DIRECTOR'S REPORT
2007/08

Like many investment funds, August Investments has experienced negative returns for the financial year under review. Net loss to shareholders was 10.05% for the year. This can be compared to the 25.21% net gain in 2006/07. The loss can be attributed solely to the fall in the value of our listed shares. This loss is included in our accounts. Some shares were sold down in late 2007 prior to the market decline, but still the overall value of our portfolio has declined.

The average return to shareholders over the last five years is 7.8% pa.

Based on cashflow the company continued to make an operational profit from our activities. Profit reserves carried forward are substantial – enough to cover dividends for the next 4½ years, not counting any further profits which may be earned in that time. As a result, directors have steadily increased dividends paid to shareholders. Again this year we have paid a record dividend. Dividends have increased from \$4.00 per share in the 2004 year to the current \$13.00 per share from this year's profits.

The Share Rights offer in June was taken up by 42% of shareholders - a record response from such an offer. This provides the company with an additional \$68,000 for future investment.

INVESTMENTS

The alternative energy sector has declined considerably over the last six months, which is reflected in our own share price. There was some enthusiasm that a new Government might provide more support to this industry. However, this has not been the case. A number of such companies that we invest in are moving their operations overseas to the USA, Europe or South-East Asia where there is a more helpful regulatory environment. If the Federal Government were to divert even a small percentage of the subsidies it provides to the coal industry to alternative energy development, there would be renewed vitality in this industry.

It is worthwhile to state our investment practice here. We invest as far as possible to support projects which will have a positive impact on society and/or the environment. We seek positive transformative projects which change the way that human activity is conducted. Obviously this is not always possible, so we keep as close to this ideal as we can, considering the local over international, innovative over well established and commitment to social and environmental improvement over just making a profit. We tend not to invest in projects which just clean up the mess left by human activity. Rather we seek to reduce the mess or recycle it. While doing this we also assess the economic sustainability of investments, ie, will they make a profit and thus remain in business.

Due to the current lack of government support and the unstable economic conditions, we expect to hold our cash reserves till the outlook for positive social and environmental investments improves.

Details of new investments can now be found on our website www.augustinvestments.com.au. A full list of our investments at 30 June starts on page 3.

Damien Lynch
26th September 2008

AUGUST INVESTMENTS PTY LTD
ANNUAL REPORT - 2006/07

FINANCIAL SUMMARY

The following table summarises financial results for August Investments over the last five years.

Year to 30 June	2008	2007	2006	2005	2004
	\$	\$	\$	\$	\$
Operating Profit	14,081	14,634	16,946	4,172	6,754
Gross Profit before Tax <i>(Note 1)</i>	77,836	152,645	43,363	52,636	87,264
Tax Paid	540	2,619	11,624	34,724	4,715
Profit after Tax	78,376	150,026	31,739	17,912	82,548
Net Asset Value	705,135	731,461	565,824	612,076	582,667

Notes

Note 1 Gross Profit before Tax includes realised capital gains and losses and other capital transactions.

AUGUST INVESTMENTS PTY LTD
INCREASES/DECREASE IN SHAREHOLDER VALUE

The following table shows changes to our share price and details of dividends paid. It summarises annual capital gains or losses and the dividend yields to shareholders over the last five years.

Year to 30 June	2008	2007	2006	2005	2004
Value per Share <i>(Note 1)</i>	253.37	\$296.13	\$243.68	\$239.56	\$237.59
Dividends per Ordinary Share <i>(Note 2)</i>	\$13.00	\$9.00	\$8.00	\$6.00	\$4.00
Capital Gain/(Loss) pa	(14.44%)	21.52%	1.72%	0.82%	13.69%
Dividend Yield pa <i>(note 3)</i>	4.39%	3.69%	3.34%	2.53%	1.91%
Net Profit/(Loss)	(10.05%)	25.21%	5.06%	3.35%	15.60%

Notes

Note 1 At 30 June, based on net assets as shown in the Accounts. Franking credits carried forward of \$40,330 and income tax benefits of \$9,353 are not included.

Note 2 Dividends paid or provided for during the year. Prior to 2005, "A" Preference shares received dividends at a 10% greater amount.

Note 3 The dividend rate is based on dividends paid and provided on Ordinary shares divided by the value of shares at the end of the previous year.

AUGUST INVESTMENTS PTY LTD

NET ASSETS, LISTING ALL INVESTMENTS As at 30th June 2008

	2008	2007
	\$	\$
CURRENT ASSETS		
<u>Bank Accounts</u>		
Maleny Credit Union	22,226	14,336
MLC Cash Management	43,751	26,869
Howard Mortgage Trust	<u>10,000</u>	<u>44,000</u>
	75,977	85,205
<u>Current Assets</u>		
Accrued Income	<u>1,279</u>	<u>1,448</u>
	1,279	86,653
PROPERTY PLANT & EQUIPMENT		
Plant and Equipment - Depreciated	580	-
INVESTMENTS		
<u>Unsecured Term Deposits</u>		
Australian Securities		50,000
Latrobe Term Mortgage Fund	50,000	50,000
Westlawn Finance	<u>50,000</u>	<u>40,000</u>
	100,000	140,000
<u>Listed Shares</u>		
Ammtec	22,884	15,600
Arrow Energy	11,040	-
Australian Ethical Investments	72,692	102,624
Bendigo Bank	23,500	28,120
Bendigo Bank Preference Shares	17,740	20,060
Ceramic Fuel Cells	10,780	15,360
CO2 Group	5,175	5,625
Eden Energy	6,200	9,600
Energy Developments	10,836	-
Enviromission	3,960	13,200
ERG Ltd	-	3,240
Geodynamics	46,700	56,494
Great Southern	4,515	-
Hydromet Corporation	20,600	5,400
Kuth Energy	6,080	-
Origin Energy	65,560	25,516
Petrotherm	16,412	36,360
Pure Energy Resources	6,810	-
Revetec	245	343
Solco	3,948	13,115
TFS Corp	<u>6,325</u>	<u>-</u>
	362,002	351,296

Continued over....

AUGUST INVESTMENTS PTY LTD
NET ASSETS (LISTING ALL INVESTMENTS) (CONTINUED)

	2008	2007
	\$	\$
INVESTMENTS <i>(continued)</i>		
<u>Unlisted Shares</u>		
CSV Sustainable Investments	19,047	19,964
Fodder King	800	8,200
Maleny Credit Union	30,000	10,000
Paritech	9,500	9,500
Permo-Drive	-	1,500
	59,347	49,200
<u>Trust Investments</u>		
Australian Ethical Investment Trust	2,275	2,741
Investa Diversified Office Fund	28,159	24,648
Westlawn Property Trust	51,520	49,920
	81,954	77,309
<u>Forestry Contracts</u>		
Great Southern Plantations	18,328	18,327
Macquarie Forestry	14,180	14,180
Timbercorp Eucalyptus	17,884	17,884
	50,392	50,391
TOTAL INVESTMENTS	653,695	668,194
TOTAL ASSETS	731,531	731,761

Further details are in the attached financial statements.

AUGUST INVESTMENTS PTY LTD
A.C.N. 002 106 603
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE, 2008

Your directors present their report on the company for the financial year ended 30 June 2008. The names of the directors in office at any time during or since the end of the year are:

Damien Lynch
Elliot Hayman
Victor Dolmark
Thomas Goodman

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

Activities

The profit/(loss) of the company for the financial year amounted to a loss of \$77,836 (2007: profit of \$152,645). The following financial statements have not been audited, in accordance with shareholder resolution of 19 December 2002. The company's Audit Committee has examined these accounts and has confirmed them to be true and fair.

The principal activity of the company during the financial year was the investment in environmentally positive shares and securities.

No significant changes in the company's state of affairs occurred during the financial year. 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 future financial years. No new developments have occurred in the affairs of the company which would have a significant impact on the company.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

An interim dividend for the year of \$15,181 (\$6.00 per Ordinary) was paid on 1 June 2008 (2007: \$4 per share - \$9,480) and a final dividend of \$19,481 (\$7.00 per Ordinary Share) was provided for to be paid on 1 December 2008 (2007: \$5 per share - \$12,350).

Details of options over issued shares or interests in the company granted during or since the end of the financial year and outstanding at the date of this report are set below.

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 auditors of the company.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. The company was not a party to such proceedings during the year.

AUGUST INVESTMENTS PTY LIMITED
ACN. 002 106 603
DIRECTORS REPORT - YEAR ENDED 30 JUNE, 2008

Directors Information

Directors' remuneration during the last two years were:

	2007/08		2006/08	
	Fees	Shares to Value of	Fees	Shares to Value of
	\$	\$	\$	\$
Damien Lynch (Managing Director)	5,600	1,555	3,400	-
Elliot Hayman	-	1,555		-
Victor Dolmark	-	1,555		-
Thomas Goodman	-	<u>1,555</u>	-	-
	<u>5,600</u>	<u>6,220</u>	<u>3,400</u>	-

Damien Lynch received fees as Manager of the company of \$3,400 (2006: \$1,980).

Directors of the company held the following shares and options (at current value to directors) to purchase shares in the company on 30th June:

	<u>No of Shares</u>	<u>Options*</u>	
		<u>Number</u>	<u>Value</u>
			\$
Damien Lynch	432	60	399
Elliot Hayman	10	30	199
Victor Dolmark	26	30	199
Thomas Goodman	<u>370</u>	<u>30</u>	<u>199</u>
	838	150	996

** The value of the above options is based on the value of current shares in the company (\$296.26 per share) derived from these accounts, less the exercise price of each option where the exercise price is less than that share value. Further details of these options are set out below.*

Directors of the company attended meetings of the company during the 2007/2008 year as follows:

<u>Name of Director</u>	<u>Meetings Entitled to Attend</u>	<u>Meetings Attended</u>
Damien Lynch	7	7
Elliot Hayman	6	3
Victor Dolmark	6	6
Thomas Goodman	7	7

AUGUST INVESTMENTS PTY LIMITED
ACN. 002 106 603
DIRECTORS REPORT - YEAR ENDED 30 JUNE, 2008

Options Information

There are 150 options unexpired at the end of the financial year. These options were issued to directors; 100 to purchase shares at \$260 expiring on 30/11/09 and 50 to purchase shares at \$280 expiring on 30/11/11.

Top 10 Shareholders

The ten shareholders having the largest number of shares in the company on 30th June are:

<u>Name</u>	<u>Total Shares Held</u>
D J Lynch	432
D W Pearson	385
T Goodman	310
Estate K Goodman	294
E & B Thompson	178
I R Hayman	176
O Santa Clause	108
V Hayman	103
N Iceton	100
S Fletcher	<u>91</u>
	<u>2,177</u>
Total Shares on issue:	<u>2,783</u>

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

Thomas Goodman (Chairman)

Victor Dolmark (Director)

Dated: 17th day of October 2008.

AUGUST INVESTMENTS PTY LTD
ACN. 002 106 603
STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Sales revenue	2	31,982	25,593
Profit from investments	2	<u>10,278</u>	<u>157,100</u>
Total Revenue		42,260	181,693
Administration expenses		4,022	6,799
Borrowing costs expense		321	262
Depreciation		48	498
Management costs		11,800	3,400
Forestry contract expenses		1,710	-
Losses on investments	3	<u>102,195</u>	<u>19,090</u>
Total Expenses		120,096	30,048
Profit (Loss) from ordinary activities before income tax expense		(77,836)	152,645
Income tax benefit / (expense) relating to ordinary activities	5	<u>(540)</u>	<u>(2,619)</u>
Net profit (Loss) from ordinary activities after income tax attributable to members of the company		(78,376)	<u>150,026</u>
Total revenues, expenses and valuation adjustments attributable to members of the company recognised directly in equity		-	-
Total changes in equity other than those resulting from transactions with owners as owners		<u>(78,376)</u>	<u>150,026</u>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LTD

ACN. 002 106 603

BALANCE SHEET**As at 30 June 2008**

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash assets		75,977	85,205
Other		<u>1,280</u>	<u>1,448</u>
TOTAL CURRENT ASSETS		<u>77,257</u>	<u>86,653</u>
INVESTMENTS		653,695	668,194
NON-CURRENT ASSETS			
Property, plant and equipment		580	-
Other		<u>-</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>580</u>	<u>-</u>
TOTAL ASSETS		<u>731,532</u>	<u>754,847</u>
CURRENT LIABILITIES			
Payables			217
Provision for dividend	6	19,481	12,350
Shareholder current accounts		5,006	10,491
Sundry creditors and accruals		3,589	
Tax liabilities	7	<u>(1,680)</u>	<u>328</u>
TOTAL CURRENT LIABILITIES		<u>26,396</u>	<u>23,386</u>
NON-CURRENT LIABILITIES		-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>26,396</u>	<u>23,386</u>
NET ASSETS		<u>705,135</u>	<u>731,461</u>
EQUITY			
Contributed Equity	8	493,600	406,890
Reserves	9	87,187	177,807
Retained profits	10	<u>124,346</u>	<u>146,764</u>
TOTAL EQUITY		<u>705,135</u>	<u>731,461</u>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LIMITED

ACN. 002 106 603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report as the directors have determined that the company is a reporting entity.

The financial report has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is that of August Investments Pty Limited as an Individual entity. August Investments Pty Limited is a company limited by shares, incorporated and domiciled in Australia.

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.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the company will derive sufficient future assessable income and comply with the conditions of deductibility imposed by the law.

b. Property, Plant and Equipment and Other Non Current Assets

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate
Plant and equipment	16% to 33%

AUGUST INVESTMENTS PTY LIMITED
ACN. 002 106 607
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

c. Investments

Investments are shown separately in the Statement of Financial Position on the basis they may be held either for the short or long term. Investments are measured on a market value basis, except for Woodlots that are valued at cost.

Unrealised capital profits (losses) on these investments are transferred to the Unrealised Profits Reserve. Tax effect accounting is not applied.

The carrying value of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments.

The recoverable amount is assessed from the quoted market value for shares in listed companies and for non-listed shares whichever is the most recent of either 90% of the most recent issue price of shares by the relevant company or the most recent price at which such shares were traded. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

d. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates would be accounted for in accordance with the equity method of accounting.

Fees for the rendering of a service are recognised upon the delivery of the service.

All revenue is stated net of the amount of goods and services tax (GST).

Capital gains on the sale of investments are recognised at the time of disposal.

Net gains from the revaluation of investments are recognised on the basis set out in note 1c above.

NOTE 2: REVENUE	Note	2008	2007
		\$	\$
Operating activities			
- fees and other income		2	34
- Dividends from other corporations - franked		11,998	7,199
- Interest from other persons		12,916	13,798
- Trust Distributions		7,066	4,562
Sales Revenue		<u>31,982</u>	<u>25,593</u>
- Capital gain/profit on the sale of investments		10,278	55,397
- Revaluation gains on investments		-	101,703
Total Revenue from ordinary activities		<u>10,278</u>	<u>157,100</u>

AUGUST INVESTMENTS PTY LIMITED
ACN. 002 106 607
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 3: EXPENSES

Profit from ordinary activities before income tax Expense has been determined after the following items are included, but not separately shown on the face of the Statement of Financial Performance:

	Note	2008 \$	2007 \$
Capital loss on disposal of investments		11,574	43,364
Revaluation/loss on investments		<u>90,621</u>	<u>(44,274)</u>
Total Other expenses from ordinary Activities		<u>102,195</u>	<u>19,090</u>

Employee Entitlements

The company had no permanent employees during the year

**NOTE 4: REMUNERATION AND
RETIREMENT BENEFITS**

	2008 \$	2007 \$
a. Remuneration of Directors		
Remuneration received or receivable by all directors of the company from the company or any related party in connection with the management of the company	11,800	3,400

The names of directors who have held office during the financial year:

Damien Lynch, Victor Dolmark, Elliot Hayman and Thomas Goodman

Number of directors whose income from the entity or any related parties was within the following bands:

\$0	-	3
\$1-\$9999	4	1

b. Retirement Benefits

Amounts paid to a superannuation plan for the provision of retirement benefits for any person:	-	-
--	---	---

AUGUST INVESTMENTS PTY LIMITED

ACN. 002 106 607

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 5: INCOME TAX EXPENSE		
The prima facie tax payable plus the deferred income tax liability on profit from ordinary activities is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30%	(23,351)	45,793
Add: Tax effect of:		
- capital Loss - accounting	388	(2390)
- interest accrued (net)	50	110
- imputation credits	1,542	926
- under/(over) provision for tax	-	188
Less: Tax effect of:		
revaluation of investments	(27,186)	43,793
- non-taxable income	<u>136</u>	<u>-</u>
Total income Tax Expenses	5,682	5,704
Less Imputation credits	<u>5,142</u>	<u>3,085</u>
Net Income Tax Expense 2006/07	<u>540</u>	<u>2,619</u>

NOTE 6: DIVIDENDS

Ordinary dividend paid or provided	34,661	21,350
Balance of franking account at year end	40,330	43,945

NOTE 7: TAX LIABILITIES**CURRENT**

Income tax - prior years		188
Income Tax - current year	<u>(1,680)</u>	<u>140</u>
Total current provision for income tax	(1,680)	328
Total Tax Liabilities (Benefit)	(1,680)	328

NOTE 8: CONTRIBUTED EQUITY

2,783 (2006: 2,470) fully paid ordinary shares	493,600	406,890
--	---------	---------

On 3/11/07 20 shares were allotted to Directors at a deemed value of \$310.00 per share, on 12/12/07 40 shares were allotted at \$305 and on 26/6/08 253 shares were allotted at \$270.

Unexercised Options

At 30 June 2007 there are 150 options unexpired.. These options were issued to directors; 100 to purchase shares at \$260 expiring on 30/11/09 and 50 to purchase shares at \$280 expiring on 30/11/11

AUGUST INVESTMENTS PTY LIMITED

ACN. 002 106 607

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 9: RESERVES		
Unrealised profits reserve		
Movements during the year		
Opening balance	185,773	31,830
Transfer to/(from) Statement of Financial Performance:	<u>(67,759)</u>	<u>153,943</u>
Closing Balance	118,014	185,773
Capital loss reserve		
Movements during the year		
Opening balance	(7,966)	-
Transfer to/(from) Statement of Financial Performance:	<u>(22,861)</u>	<u>(7,966)</u>
Closing Balance	(30,827)	(7,966)
Total Reserves	<u>87,186</u>	<u>177,807</u> 1

The unrealised gain on revaluing investments to market value in the Statement of Financial Performance is transferred to reserves for dividend quarantine purposes.

NOTE 10: RETAINED PROFITS

Retained profits (accumulated losses) at the beginning of the financial year	146,763	164,544
Net profit (loss) attributable to members of the Company	(78,376)	150,026
Transfer (to)/from unrealised profits reserve	9 67,759	(153,943)
Transfer (to)/from capital loss reserve	9 22,861	7,966
Dividends provided for or paid	6 (34,661)	(21,830)
Retained profits (accumulated losses) at the end of the financial year	<u>124,346</u>	<u>146,763</u>

NOTE 11: CAPITAL COMMITMENTS Nil

NOTE 12: CONTINGENT LIABILITIES Nil

NOTE 13: EVENTS SUBSEQUENT TO BALANCE DATE

No matters have occurred since balance date that would be required to be reflected in these financial statements. However, it should be noted that the market values of investments may have varied between the valance date and the date of signing this financial report. Such variances, positive and negative, will be booked to the Statement of Financial Performance for the year ended 30 June 2009.

NOTE 18: RELATED PARTY TRANSACTIONS

There were no related party transactions

NOTE 19: COMPANY DETAILS

The registered office of the company is: 81 Henry St, Penrith, NSW, 2750

The principal place of business is: 74 Northumberland Ave, Stanmore, NSW, 2048.

The principal activities of the company are investing in financial assets.

AUGUST INVESTMENTS PTY LTD

A.C.N. 002 106 603

DIRECTORS DECLARATION

The directors of August Investments Pty Limited have determined that the Company is a reporting entity and declare that:

1. the financial statements and notes, as set out on pages 8 to 14 are in accordance with the Corporations Act 2001,
 - comply with Accounting Standards and the Corporations Regulations 2001; and
 - give a true and fair view of the financial position of the Company at 30 June 2008 and of the performance for the year ended on that date.
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.

Thomas Goodman (Chairman)

Victor Dolmark (Director)

Dated: 17th day of October 2008.

AUGUST INVESTMENTS PTY LTD

A.C.N. 002 106 603

AUDIT COMMITTEE REPORT

We have examined the financial statements of August Investments Pty Ltd for the financial year ended 30 June 2007, questioned the company manager in relation to aspects of these statements and have examined documentation in relation to a selection of transactions underlying these statements.

Based on the above examinations, it is our opinion that the financial statements of August Investments Pty Ltd gives a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date.

This Report is signed in accordance with a resolution of the Audit Committee.

Thomas Goodman

Damien Lynch

Dated: 20th day of 17th October 2008.