



AUGUST INVESTMENTS PTY LTD

ACN 002 106 603

ANNUAL REPORT

2009

AUGUST INVESTMENTS PTY LTD

ANNUAL REPORT - 2009

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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: mail@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
“Coolamatong”
Portland 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. 002 106 607
MANAGING DIRECTOR'S REPORT
2008/09

The global financial crisis has again had an impact upon August Investments this year, together with all other similar balanced funds. However, as usual, August Investments has fared better than (or, more correctly, not fared as badly as) the average balanced fund. The average balanced managed fund in Australia for the 2008/09 financial year suffered a loss of 13% according to the Financial Review (20 October 2009, p49). In comparison August Investment's portfolio had a loss of 9.04% over the same period. There is a difference between the two types of reporting in that the balanced fund returns do not include tax and August Investments does pay some tax. If the August Investments loss is adjusted for tax paid during the period, the loss for the year becomes 8.2%.

In the four months from July to October 2009 the above trend was reversed, with an increase in August Investments' portfolio by 10.2% (adjusted for dividend provision).

On the positive side, the decline in market values has provided exceptional opportunities to invest in undervalued high quality securities. This applies to green investments as to any type of investment.

You will note that the Accounts this year contain a Cash flow Statement. We have not provided this for some years as the Profit and Loss basically provided the same information. This has changed somewhat, so we have again provided this information.

INVESTMENTS

Details of new and retired investments are now provided on an ongoing basis in the Latest News page of our website. (Any shareholder not able or not inclined to access our website can let me know and I will arrange for a summary to be sent by mail from time to time.)

Behind the scenes at August Investments there has been an intensification of investment research during the year, both in amount and in capability. The emphasis has been on value investing to take advantage of the exception opportunities what have emerged as security prices have declined. Despite recent market rises, such opportunities still abound. (Value investing concentrates on the underlying value in a company and its relation to the current security price. We have always taken this approach to some degree, but the emphasis has increased.)

TOP UP INVESTMENT

We will not have the opportunity to prepare a share issue for shareholders till early 2010. Just as exceptional value can be found in the securities we hold, so exceptional value must also reside in August Investments. I consider the company's investments to be the most solid they have been for some time, with high yields coupled with the possibility of higher yield and growth in asset value as the recession we are not having recedes. If individual shareholders wish to purchase new shares in August Investments on an individual basis, they are invited to contact us.

CONCLUSION

These are exciting times for investors and August Investments is taking full advantage of rare investment opportunities in the green investment area as they arise.

Damien Lynch
30 October 2009

AUGUST INVESTMENTS PTY LTD
ANNUAL REPORT - 2008/09

FINANCIAL SUMMARY

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

Year to 30 June	2009	2008	2007	2006	2005
	\$	\$	\$	\$	\$
Operating Profit	16,441	14,081	14,634	16,946	4,172
Gross Profit/(loss) before Tax (<i>Note 1</i>)	(69,124)	(77,836)	152,645	43,363	52,636
Tax Paid	2,280	540	2,619	11,624	34,724
Profit/(loss) after Tax	(71,404)	(78,376)	150,026	31,739	17,912
Net Asset Value	605,900	705,135	731,461	565,824	612,076

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	2009	2008	2007	2006	2005
Value per Share (<i>Note 1</i>)	217.71	\$253.37	\$296.13	\$243.68	\$239.56
Dividends per Ordinary Share (<i>Note 2</i>)	\$12.00	\$13.00	\$9.00	\$8.00	\$6.00
Capital Gain/(Loss) pa	(14.07%)	(14.44%)	21.52%	1.72%	0.82%
Dividend Yield pa (<i>note 3</i>)	4.74%	4.39%	3.69%	3.34%	2.53%
Net Profit/(Loss)	(9.33%)	(10.05%)	25.21%	5.06%	3.35%

Notes

Note 1 At 30 June, based on net assets as shown in the Accounts. Franking credits carried forward (2009: \$30,123) and income tax benefits are not included.

Note 2 Dividends paid or provided for during the year

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 2009

	2008	2008
	\$	\$
CURRENT ASSETS		
<u>Bank Accounts</u>		
Bendigo Bank	1,672	-
Maleny Credit Union	13,518	22,226
MLC Cash Management	346	43,751
Howard Mortgage Trust	-	<u>10,000</u>
	<u>15,536</u>	<u>75,977</u>
<u>Current Assets</u>		
Accrued Income	<u>968</u>	<u>1,279</u>
	968	1,279
PROPERTY PLANT & EQUIPMENT		
Plant and Equipment - Depreciated	684	580
INVESTMENTS		
<u>Unsecured Term Deposits</u>		
Latrobe Term Mortgage Fund	50,000	50,000
Maleny Credit Union	30,000	-
Westlawn Finance	<u>50,000</u>	<u>50,000</u>
	130,000	100,000
<u>Trust Investments</u>		
Australian Ethical Investment Trust	2,027	2,275
Investa Diversified Office Fund	17,287	28,159
Westlawn Property Trust	<u>44,160</u>	<u>51,520</u>
	63,519	81,954
<u>Unlisted Shares</u>		
CSV Sustainable Investments	13,784	19,047
Fodder King	800	800
Maleny Credit Union	30,000	30,000
Paritech	9,500	9,500
Permo-Drive	<u>1,500</u>	<u>-</u>
	55,584	59,347

Continued over....

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

INVESTMENTS *(continued)*

	2009	2008
	\$	\$
<u>Listed Shares</u>		
Ammtec	27,300	22,884
Arrow Energy	24,850	11,040
Australian Ethical Investments	39,336	72,692
Beach Petroleum	7,900	-
Bendigo Bank	23,978	23,500
Bendigo Bank Preference Shares	-	17,740
Ceramic Fuel Cells	44,200	10,780
CO2 Group	2,550	5,175
Dysol Ltd	19,913	-
Eastern Star Gas	7,200	-
Eden Energy	990	6,200
Energy Developments	8,400	10,836
Enviromission	-	3,960
Geodynamics	28,989	46,700
Great Southern	-	4,515
Hot Rocks	5,500	-
Hydromet Corporation	9,070	20,600
Infigen Energy	8,050	-
Kuth Energy	3,360	6,080
Origin Energy	38,796	65,560
Pannax Geothermal	5,600	-
Petrotherm	-	16,412
Pure Energy Resources	-	6,810
Revetec	140	245
Solco	-	3,948
TFS Corp	31,860	6,325
Trans-Pacific Industries	<u>12,600</u>	<u>-</u>
	350,551	362,002
<u>Forestry Contracts</u>		
Great Southern Plantations	2,640	18,328
Macquarie Forestry	14,150	14,180
Timbercorp Eucalyptus	<u>4,500</u>	<u>17,884</u>
	21,290	50,392
TOTAL INVESTMENTS	<u>620,944</u>	<u>653,695</u>
TOTAL ASSETS	<u>638,132</u>	<u>731,761</u>
	=====	=====

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 2009

Your directors present their report on the company for the financial year Ended 30 June 2009. 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 \$71,404 (2008: loss of \$78,376). The Operating profit/loss of the company net of Extraordinary Items was a profit of \$16,441 (2008: profit of \$14,082). 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, as outlined on page 16.

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 \$13,915 (\$5.00 per Ordinary) was paid on 1 June 2009 (2008: \$6 per share - \$15,181) and a final dividend of \$13,915 (\$5.00 per Ordinary Share) was provided for to be paid on 1 December 2009 (2008: \$7 per share - \$19,481).

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 2009

Directors Information

Directors' remuneration during the last two years were:

	2008/09		2008/09	
	Fees	Shares to Value of	Fees	Shares to Value of
	\$	\$	\$	\$
Damien Lynch (Managing Director)	5,000	-	5,600	1,555
Elliot Hayman	-	-	-	1,555
Victor Dolmark	-	-	-	1,555
Thomas Goodman	-	-	-	1,555
	<u>5,000</u>	<u>-</u>	<u>5,600</u>	<u>6,220</u>

Damien Lynch received fees as Manager of the company of \$5,000 (2008: \$5,600).

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	0
Elliot Hayman	10	30	0
Victor Dolmark	26	30	0
Thomas Goodman	<u>370</u>	<u>30</u>	<u>0</u>
	838	150	0

** The value of the above options is based on the value of current shares in the company (\$217.71 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	6
Victor Dolmark	6	6
Thomas Goodman	7	7

AUGUST INVESTMENTS PTY LIMITED
ACN. 002 106 603
DIRECTORS REPORT - YEAR ENDED 30 JUNE 2009

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	370
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: 22 October 2009

AUGUST INVESTMENTS PTY LTD
ACN. 002 106 603
STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Sales revenue	2	30,716	31,982
Profit from investments	2	<u>79,459</u>	<u>10,278</u>
Total Revenue		110,175	42,260
Administration expenses		7,004	4,022
Borrowing costs expense		198	321
Depreciation		381	48
Management costs		5,000	11,800
Forestry contract expenses		1,692	1,710
Losses on investments	3	<u>165,024</u>	<u>102,195</u>
Total Expenses		179,299	120,096
Profit (Loss) from ordinary activities before income tax expense		(69,124)	(77,836)
Income tax benefit / (expense) relating to ordinary activities	5	<u>(2,280)</u>	<u>(540)</u>
Net profit (Loss) from ordinary activities after income tax attributable to members of the company		(71,404)	(78,376)
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>(71,404)</u>	<u>(78,376)</u>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LTD

ACN. 002 106 603

BALANCE SHEET**As at 30 June 2009**

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash assets		15,536	75,977
Other		<u>968</u>	<u>1,280</u>
TOTAL CURRENT ASSETS		15,504	77,257
INVESTMENTS		620,944	653,695
NON-CURRENT ASSETS			
Property, plant and equipment		684	580
Other		<u>-</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		684	580
TOTAL ASSETS		<u>638,132</u>	<u>731,532</u>
CURRENT LIABILITIES			
Payables		-	-
Provision for dividend	6	13,915	19,481
Shareholder current accounts		16,808	5,006
Sundry creditors and accruals		(278)	3,589
Tax liabilities	7	<u>1,787</u>	<u>(1,680)</u>
TOTAL CURRENT LIABILITIES		32,232	26,396
NON-CURRENT LIABILITIES		-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>32,232</u>	<u>26,396</u>
NET ASSETS		<u>605,900</u>	<u>705,135</u>
EQUITY			
Contributed Equity	8	493,600	493,600
Reserves	9	(14,450)	87,187
Retained profits	10	<u>126,750</u>	<u>124,346</u>
TOTAL EQUITY		<u>605,900</u>	<u>705,135</u>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LTD

ACN. 002 106 603

CASHFLOW STATEMENT

As at 30 June 2009

	Note	2009
		\$
Cash Flows from Operating Activities		
Dividends received		12,795
Interest and bill discounts received		13,453
Distributions received		1,246
Gain/(loss) on investments		(22,119)
Payments to suppliers and employees		(12,549)
Income tax paid		<u>(1,187)</u>
Net cash provided by operating activities		(8,362)
Cash Flows from Investing Activities		
Payment for property, plant and equipment		(485)
Proceeds from sale of property, plant and equipment		-
Payment for intangible assets		-
Research and development costs paid		-
Proceeds from sale of business		<u>-</u>
Net cash provided by/(used in) investing activities		(485)
Cash Flows from Financing Activities		
Proceeds from share issues		-
Proceeds from borrowings		(11,957)
Repayment of borrowings		11,802
Dividends paid		<u>(21,439)</u>
Net cash used in financing activities		(21,594)
Net Increase/(Decrease) In Cash Held		(30,441)
Cash at Beginning of the Financial Year		175,977
Effects of exchange rate changes on the balance of cash held in foreign currencies		<u>-</u>
Cash at the End of the Financial Year		<u>145,536</u>

This Cashflow Statement was prepared by Lower Russell & Farr after the Audit Committee examined these accounts. No Cashflow Statement was prepared in 2007/08 and comparative figures have not been calculated. In future years comparative figures will be provided.

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 2009

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 2009

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 that woodlot contracts are valued as follows: contracts with Timbercorp are valued at 25% of the original cost, Great southern Plantations are valued at 25 % of the most recent valuation received from the company and Macquarie Eucalypt Projects are valued at initial 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	2009	2008
		\$	\$
Operating activities			
- fees and other income			2
- Dividends from other corporations – franked		12,794	11,998
- Interest from other persons		13,453	12,916
- Trust Distributions		<u>4,469</u>	<u>7,066</u>
- Sales Revenue		30,716	31,982
- Capital gain/profit on the sale of investments		79,459	10,278
- Revaluation gains on investments		<u>-</u>	<u>-</u>
Total Revenue from ordinary activities		110,175	42,260

AUGUST INVESTMENTS PTY LIMITED
ACN. 002 106 607
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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	2009 \$	2008 \$
Capital loss on disposal of investments		68,772	11,574
Revaluation loss on investments		<u>96,252</u>	<u>90,621</u>
Total Other expenses from ordinary Activities		<u>165,024</u>	<u>102,195</u>

Employee Entitlements

The company had no permanent employees during the year

NOTE 4: REMUNERATION AND RETIREMENT BENEFITS

	2009 \$	2008 \$
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	5,000	11,800

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	1	4

b. Retirement Benefits

Amounts paid to a superannuation plan for the provision of retirement benefits for any person:	-	-
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AUGUST INVESTMENTS PTY LIMITED
ACN. 002 106 607
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
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%	(21,704)	(23,351)
Add: Tax effect of:		
- capital loss – accounting		388
- interest accrued (net)	(2,805)	50
- imputation credits	95	1,542
- under/(over) provision for tax	-	-
Less: Tax effect of:		
revaluation of investments	(30,491)	(27,186)
- non-taxable income		136
- Tax deferred & other trust distributions	<u>(8)</u>	<u>-</u>
Total income Tax Expenses	7,669	5,682
Less Imputation credits	5,284	5,142
- Tax credits from trusts		<u>-</u>
Net Income Tax Expense 2006/07	<u>2,377</u>	<u>540</u>
Balance of franking account at year end	30,123	40,330
NOTE 6: DIVIDENDS		
Ordinary dividend paid or provided	27,830	34,661
NOTE 7: TAX LIABILITIES		
CURRENT		
Income tax - prior years		
Income Tax - current year	<u>(1,787)</u>	<u>(1,680)</u>
Total current provision for income tax	(1,787)	(1,680)
Total Tax Liabilities (Benefit)	(1,787)	(1,680)
NOTE 8: CONTRIBUTED EQUITY		
2,783 (2008: 2,783) fully paid ordinary shares	493,600	493,600

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 2009

	2009	2008
	\$	\$
NOTE 9: RESERVES		
Unrealised profits reserve		
Movements during the year		
Opening balance	118,014	185,773
Transfer to/(from) Profit & Loss:	<u>(68,772)</u>	<u>(67,759)</u>
Closing Balance	<u>49,242</u>	<u>118,014</u>
Capital loss reserve		
Movements during the year		
Opening balance	(30,827)	(7,966)
Transfer to/(from) Profit & Loss:	<u>(32,865)</u>	<u>(22,861)</u>
Closing Balance	<u>(63,692)</u>	<u>(30,827)</u>
Total Reserves	<u>(14,450)</u>	<u>87,186</u>

The unrealised gain on revaluing investments to market value in the Profit & Loss Statement is transferred to reserves for dividend quarantine purposes.

NOTE 10: RETAINED PROFITS

Retained profits (accumulated losses) at the beginning of the financial year	124,346	146,763
Net profit (loss) attributable to members of the Company	(71,404)	(78,376)
Transfer (to)/from unrealised profits reserve	9 68,772	67,759
Transfer (to)/from capital loss reserve	9 32,865	22,861
Dividends provided for and/or paid	6 <u>(27,830)</u>	<u>(34,661)</u>
Retained profits (accumulated losses) at the end of the financial year	<u>126,750</u>	<u>124,346</u>

NOTE 11: CAPITAL COMMITMENTS Nil Nil

NOTE 12: CONTINGENT LIABILITIES Nil Nil

NOTE 13: CASHFLOW STATEMENT

The Cashflow statement for 2008/09 was prepared by accountants Lower Russell and Farr. It is some years since the last Cashflow Statement was prepared and comparative figures for 2007/08 are not available.

NOTE 14: 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 15: RELATED PARTY TRANSACTIONS

There were no related party transactions

NOTE 16: 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 15 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: 22 October 2009

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 2009, 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. This examination is as authorised by the shareholders' resolution of 19 December 2002.

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 2009 and of its performance for the year ended on that date (except as noted below). The Cashflow Statement on page 11 was prepared after our examination of the financial statements and therefore was not part of the audit review.

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

Thomas Goodman

Barry Thompson

Dated: 22 October 2009