



AUGUST INVESTMENTS PTY LTD

ACN 002 106 603

ANNUAL REPORT

2012

AUGUST INVESTMENTS PTY LTD

ANNUAL REPORT - 2012

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AUGUST INVESTMENTS PTY LTD

A. C. N. 002 106 6036

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

Thomas Goodman

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
FINANCIAL YEAR 2011/12

The year under review has been the worst year for some time for both the August Investment portfolio and for green and sustainable investments in general.

Sustainable investments are at multi year lows. The American Cleantech index is at a 15 year low. August Investments share value is now back down to where it was in 2001, although we have also consistently paid dividends in that time. August Investments shares declined in value by 14.4% pa during 2011/12, which was partially offset by dividends paid out equal to 4.1% pa. It is of little consolation, but we are not alone.

Many investors are waiting for an anticipated boom in sustainable investments based on the accelerating effects of climate change. It is not as though there is not value to be had in such investments even at the present time. There is, but investors generally are weary and hold these investments at a discount. Perhaps the projected melting of the full Arctic ice sheet for the first time in the 2015 summer will spur some action in this sector. Once this sector does pick up, for whatever reason, August Investments will be well positioned to contribute and to take advantage of the benefits.

There has been a small improvement in the situation. If the mining sector is excluded, there has actually been a pick-up in Australian equity markets generally since 30 June 2012 and this is especially so for green and sustainable investments. The value of each August Investments share has increased by over 4.2% in the two months since 30 June. Our most profitable investment has been Energy Action Ltd, which has increased by 27%, plus they have paid a dividend equal to 1.5%. However, there is no guarantee that his early trend will continue.

We are continually reassessing our investments and looking for appropriate new investments for our portfolio. (Energy Action is an example of one such new investment.) Full details of all our investments are listed on our web site www.augustinvestments.com.au at the *Valuations* page and a commentary is provided at the *Latest News* page.

As recorded in the accounts, from the dividend payable in December 2012 the dividend per share will be reduced from \$5.00 to \$4.00 per share. We have always paid fully franked dividends (effectively providing tax free dividends for many shareholders). Our store of Franking Credits is slowly reducing and we have reduced the amount per share to maintain the payment of such dividends. To allow us to increase the dividend, it will be necessary for the company to start paying tax again to build up the store of Franking Credits.

Most shareholders will not be aware that we have had a busy year working on business development for the August Investments brand. Within the ethical investment industry August Investments has a good reputation and is seen to be managed in a professional manner. During the year we were approached to be one of the fund managers for a new retail sustainable investment platform. Eventually we decided that the expense and time involved did not justify the risks and the potential rewards. This is just one of the avenues we considered to extend our influence. We continue to examine other opportunities as they are presented.

Damien Lynch
Managing Director

AUGUST INVESTMENTS PTY LTD
ANNUAL REPORT - 2011/12

FINANCIAL SUMMARY

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

Year to 30 June	2012	2011	2010	2009	2008
	\$	\$	\$	\$	\$
Operating profit (before capital items)	9,475	8,449	12,652	16,441	14,081
Gross profit/(loss) before tax (Note 1)	(52,922)	(31,870)	16,598	(69,124)	(77,836)
Tax paid	-	-	5,704	2,280	540
Profit/(loss) after tax	(52,922)	(31,870)	10,894	(71,404)	(78,376)
Net asset value	481,178	546,203	602,928	605,900	705,135

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 results on a **per share** basis over the last five years.

Year to 30 June	2012	2011	2010	2009	2008
Net profit/(loss) per share (note 1)	(\$18.27)	(\$11.31)	\$3.88	(\$25.65)	(\$29.94)
Dividends per share (note 2)	\$10.00	\$10.00	\$8.00	\$12.00	\$13.00
Value per share (note 3)	\$166.15	\$193.81	\$210.01	\$217.71	\$253.37
Capital gain/(loss) per share	(14.43%)	(7.71%)	(3.54%)	(14.07%)	(14.44%)
Dividend yield (note 4)	<u>5.16 %</u>	<u>4.76 %</u>	<u>3.67 %</u>	<u>4.74 %</u>	<u>4.39 %</u>
Combined benefit/(loss) per share	<u>(9.27 %)</u>	<u>(2.95 %)</u>	<u>0.13 %</u>	<u>(9.33%)</u>	<u>(10.05%)</u>

Notes

Note 1 Earnings per share are based on the average number of shares on issue during the period.

Note 2 Dividends paid or provided for during the year

Note 3 At 30 June, based on net assets as shown in the Accounts. Franking credits carried forward (2012: \$14,521) and income tax benefits are not included.

Note 4 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
A.C.N. 002 106 603
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2012

Your directors present their report on the company for the financial year Ended 30 June 2012. The names of the directors in office at any time during or since the end of the year are:

Damien Lynch
Victor Dolmark (Resigned on 3 November 2011)
Thomas Goodman

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

Activities

The profit/loss of the company for the financial year was a loss of \$52,922 (2011: loss of \$31,870). The Operating profit/loss of the company net of investment related and extraordinary Items was a profit of \$9,475 (2011: profit of \$8,449). 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 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 \$14,480 (\$5.00 per Ordinary Share) was paid on 1 June 2012 (2011: \$5 per share - \$14,085) and a final dividend of \$11,688 (\$4.00 per Ordinary Share) is provided for to be paid on 1 December 2011 (2011: \$5 per share - \$14,480).

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 2012

Directors Information

Directors' remuneration during the last two years were:

	2011/12		2010/11	
	Fees	Shares to Value of	Fees	Shares to Value of
	\$	\$	\$	\$
Damien Lynch (Managing Director)	5,000	-	4,980	-
Victor Dolmark	-	-	-	-
Thomas Goodman	-	-	-	-
	<u>5,000</u>	<u>-</u>	<u>4,980</u>	<u>-</u>

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

	No of Shares	Options Number	Options* Value
Damien Lynch	442	10	0
Victor Dolmark	5	10	0
Thomas Goodman	<u>468</u>	<u>10</u>	<u>0</u>
	916	30	0

** The value of the above options is based on the value of current shares in the company (\$166.15 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 2010/2011 year as follows:

<u>Name of Director</u>	<u>Meetings Entitled to Attend</u>	<u>Meetings Attended</u>
Damien Lynch	6	6
Victor Dolmark	2	1
Thomas Goodman	6	6

AUGUST INVESTMENTS PTY LIMITED
ACN. 002 106 603
DIRECTORS REPORT - YEAR ENDED 30 JUNE 2012

Options Information

There are 60 options unexpired at the end of the financial year. These options were issued to directors and contractors of the company (40 to directors and former directors and 20 to contractors) to purchase shares at \$255 expiring on 30/11/14. No options were issued during the year.

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	442
D W Pearson	385
T Goodman	370
S T & N Goodman	294
I R Hayman	199
E & B Thompson, trustees	178
N Icton	113
Estate V Hayman	111
O Santa Clause	108
S Fletcher	<u>91</u>
	<u>2,291</u>
Total Shares on issue:	<u>2,896</u>

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

Thomas Goodman (Chairman)

Damien Lynch (Managing Director)

Dated: 28 August 2012

AUGUST INVESTMENTS PTY LTD
ACN. 002 106 603
PROFIT & LOSS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Sales revenue	2	22,975	22,626
Profit from investments	2	<u>41,232</u>	<u>39,151</u>
Total Revenue		64,207	61,777
Administration expenses		5,321	6,718
Brokerage fees		1,197	1,471
Depreciation		420	637
Management costs	4	5,000	4,980
Forestry contract expenses		1,402	162
Interest paid		160	209
Losses on investments	3	<u>103,629</u>	<u>79,470</u>
Total Expenses		<u>117,129</u>	<u>93,647</u>
Profit (Loss) from ordinary activities before income tax expense		(52,922)	(31,870)
Income tax benefit / (expense) relating to ordinary activities	5	—	—
Net profit (Loss) from ordinary activities after income tax attributable to members of the company		(52,922)	(31,870)

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LTD

ACN. 002 106 603

BALANCE SHEET**As at 30 June 2012**

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash assets		13,491	8,470
Accrued income		<u>846</u>	<u>1,232</u>
TOTAL CURRENT ASSETS		14,337	9,702
NON-CURRENT ASSETS			
INVESTMENTS			
		495,164	558,768
OTHER NON-CURRENT ASSETS			
Property, plant and equipment		255	675
Other		<u>-</u>	<u>100</u>
TOTAL NON-CURRENT ASSETS		495,419	775
TOTAL ASSETS		<u>509,756</u>	<u>569,245</u>
CURRENT LIABILITIES			
Payables		(147)	(286)
Provision for dividend	6	11,688	17,070
Shareholder current accounts		17,037	6,258
Tax liabilities	7	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		28,578	23,042
NON-CURRENT LIABILITIES			
		<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		<u>28,578</u>	<u>23,042</u>
NET ASSETS		<u>481,178</u>	<u>546,203</u>
EQUITY			
Share Equity	8	520,045	508,570
Reserves	9	(92,141)	(59,114)
Retained profits	10	<u>53,274</u>	<u>96,747</u>
TOTAL EQUITY		<u>481,178</u>	<u>546,203</u>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LTD
ACN. 002 106 603
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2012

	Notes	Share Capital \$	Reserves \$	Retained Profits \$	Total \$
Year 2010/2011					
Opening balances at 1 July 2010		502,270	(25,575)	126,233	602,928
Shares issued	8	6,300			6,300
Profit/(loss) for year				(31,870)	(31,870)
Reserve transfers (unrealised profit/loss)	9		(33,539)	33,539	-
Dividends paid/provided for				(31,155)	(31,155)
Closing balances 30 June 2011		<u>508,570</u>	<u>(59,114)</u>	<u>96,747</u>	<u>546,203</u>
Year 2011/2012					
Opening balances at 1 July 2011		508,570	(59,114)	96,747	546,203
Shares issued	8	11,475			11,475
Profit/(loss) for year				(52,922)	(52,922)
Reserve transfers (unrealised profits)	9		(33,027)	33,027	-
Dividends paid/provided for				(23,578)	(23,578)
Closing balances 30 June 2012		<u>520,045</u>	<u>(92,141)</u>	<u>53,274</u>	<u>481,178</u>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LTD

ACN. 002 106 603

CASH FLOW STATEMENT**AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
Cash Flows from Operating Activities			
Dividends received		9,227	8,364
Interest received		11,546	11,984
Distributions received		2,588	2,276
Payments to suppliers		(11,509)	(13,330)
Income tax paid		<u>-</u>	<u>(5,704)</u>
Net cash provided by operating activities	12	11,852	3,590
Cash Flows from Investing Activities			
Decrease/I(Increase) in debtors		239	413
Payment for property, plant and equipment		-	(295)
Gain/(Loss) on investments		(62,316)	(6,779)
Decrease/I(Increase) in Investments		63,593	(11,725)
Forestry Investment treated as expense		<u>(1,402)</u>	<u>-</u>
Net cash provided by/ (used in) investing activities		34	(23,386)
Cash Flows from Financing Activities			
Proceeds from share issues		11,475	-
Movements in borrowings		(3,730)	(11,821)
Dividends paid		<u>(14,610)</u>	<u>(16,623)</u>
Net cash used in financing activities		(6,865)	(28,444)
Net Increase/(Decrease) In Cash Held		5,021	(48,241)
Cash at Beginning of the Financial Year		<u>8,470</u>	<u>56,711</u>
Cash at the End of the Financial Year	12	<u>13,491</u>	<u>8,470</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 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special 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 Ltd 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 Great Southern Plantations are valued at 25 % of the most recent valuation received from the managers and Macquarie Eucalypt and TFS Sandalwood Projects are valued at initial cost. It is noted that there is some risk to the value of forestry assets based upon the current state of the market for woodchip, ongoing housing markets and the high Australian dollar. It is noted that new units in the Woodlawn Property Trust are being offered to unitholders under their dividend reinvestment scheme at \$0.80 per unit. A revaluation of these units is expected and the future August Investments valuation will be revised accordingly.

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.

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

	2012	2011
	\$	\$
Operating activities		
- Dividends received – franked	7,907	7,869
- Dividends received – unfranked	1,320	475
- Interest received	11,159	12,182
- Trust Distributions	<u>2,589</u>	<u>2180</u>
Operating income	22,975	22,626
- Capital gain/profit on the sale of investments	41,232	64,050
- Revaluation gains on investments	-	(24,899)
- Forestry Contract distributions	<u>-</u>	<u>-</u>
Capital items income	64,207	39,151
Total Revenue from ordinary activities	<u>64,207</u>	<u>61,777</u>

AUGUST INVESTMENTS PTY LIMITED
ACN. 002 106 603
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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:

	2012	2011
	\$	\$
Investment related expenses		
Capital loss on disposal of investments	41,782	70,829
Revaluation loss on investments	<u>61,847</u>	<u>8,641</u>
	<u>103,629</u>	<u>79,470</u>

Employee Entitlements

The company had no permanent employees during the year

NOTE 4: REMUNERATION AND RETIREMENT BENEFITS

	2012	2011
	\$	\$

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	4,980
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The names of directors who have held office during the financial year:

Damien Lynch, Victor Dolmark and Thomas Goodman

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

\$0	1	2
\$1-\$9999	1	1

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. 002 106 603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 5: INCOME TAX EXPENSE		
Prima facie tax payable on profit from ordinary activities before income tax at 30%	(15,876)	(9,560)
Add: Non Taxable items:		
Capital losses – accounting	165	2,034
interest accrued (net)	87	29
Imputation credits	1,016	1,014
capital losses carried forward	18,554	10,062
Less: Tax effect of:		
forestry contracts	-	-
Tax deferred & other trust distributions	<u>654</u>	<u>861</u>
Total Income Tax Expenses	3,292	2,716
Less Imputation credits	3,389	3,381
Tax credits from trusts	-	7
Excess franking credits converted to losses	<u>96</u>	<u>(671)</u>
Net Income Tax Expense	<u>-</u>	<u>-</u>

Tax related Capital losses of \$6,778 were carried forward to offset against future capital gains.

Balance of franking account at year end	14,521	23,544
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NOTE 6: DIVIDENDS

Ordinary dividend paid and/or provided	23,578	31,155
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NOTE 7: TAX LIABILITIES

Income Tax - current year	-	-
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NOTE 8: CONTRIBUTED EQUITY

Movements in share capital - fully paid ordinary shares

	Number of Shares	Amount \$
Opening Balance @ 1/7/2010	2,817	502,270
14 June 2010 – shares issued @ \$225	<u>28</u>	<u>6,300</u>
Closing Balance @ 30/6/2011	2,845	508,570
Opening Balance @ 1/7/2011	2,845	508,570
8 Sept 2011 – shares issued @ \$225	<u>51</u>	<u>11,475</u>
Closing Balance @ 30/6/2010	2,896	520,045

Average Capital for period: 2,886.2 shares (2010/11: 2,818.2).

AUGUST INVESTMENTS PTY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 8: CONTRIBUTED EQUITY (Continued)

Options

At 30 June 2012 there are 60 options unexpired. These options were issued to directors and contractors of the company to purchase shares @255 expiring on 30/11/2014.

NOTE 9: RESERVES

	2012	2011
	\$	\$
Unrealised profits reserve		
Movements during the year		
Opening balance	37,563	62,461
Transfer to/(from) Profit & Loss:	<u>(37,563)</u>	<u>(24,898)</u>
Closing Balance	<u>-</u>	<u>37,563</u>
Unrealised loss reserve		
Movements during the year		
Opening balance	(96,677)	(88,036)
Transfer to/(from) Profit & Loss:	<u>4,536</u>	<u>(8,641)</u>
Closing Balance	<u>(92,141)</u>	<u>(96,677)</u>
Total Reserves	(92,141)	(59,114)

NOTE 10: RETAINED PROFITS

Retained profits (accumulated losses) at the beginning of the financial year	96,747	126,233
Net profit (loss) attributable to members of the Company	(52,922)	(31,870)
Transfer (to)/from unrealised profits reserve	9 37,563	24,898
Transfer (to)/from capital loss reserve	9 (4,536)	8,641
Dividends provided for and/or paid	6 <u>(23,578)</u>	<u>(31,155)</u>
Retained profits (accumulated losses) at the end of the financial year	53,274	96,747

NOTE 11: DIVIDENDS PAID

Final dividend 2010/11 of \$5.00 per share paid on 1/12/2011 (2009/10: \$5.00 ps paid 1/12/2010)	14,480	14,085
Interim dividend 2011/12 of \$5.00 per share paid on 1/6/2012 (2010/11: \$4.00 per share paid 1/6/2011)	14,480	14,480

There was a variance in the final dividend provided for in 2010/11 and the amount paid. The amount provided for was \$17,070 and the amount paid was \$14,480. The difference of \$2,590 is reflected in the dividend payment amount shown in the 2011/12 accounts. See Note 6.

A final dividend for 2011/12 of \$4.00 per share has been provided for payment on 1/12/2012.

Franking Credit details are shown in Note 5.

AUGUST INVESTMENTS PTY LIMITED

ACN. 002 106 607

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12: CASH FLOW INFORMATION

Reconciliation of net profit/(loss) after tax to the cash flows from operations

	2012	2011
	\$	\$
Net Profit/(Loss)	(52,922)	(31,870)
Non-cash items:		
Interest received	386	(97)
Interest paid	159	209
Distributions received	-	96
Depreciation	420	637
Income tax paid	-	(5704)
Other	10	-
Changes in investments included and profit/loss:		
Capital Gains/(Losses) on investments	(550)	(6779)
Revaluation/(Write Down) of investments	61,847	33,539
Forestry investment treated as expense	<u>1,402</u>	<u>-</u>
Net cash from operating activities	<u>11,852</u>	<u>3,590</u>

NOTE 13: CAPITAL COMMITMENTS

Nil Nil

NOTE 14: CONTINGENT LIABILITIES

Nil Nil

NOTE 15: 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 balance 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 next year.

NOTE 16: RELATED PARTY TRANSACTIONS

There were no related party transactions

NOTE 17: 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 6 to 19 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 2012 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)

Damien Lynch (Managing Director)

Dated: 28 August 2012

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 2012, 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 2012 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 Barry Thompson

Dated: 28 August 2012

