



***AUGUST INVESTMENTS PTY LTD***

ACN 002 106 603

***ANNUAL REPORT***

***2014***

# ***AUGUST INVESTMENTS PTY LTD***

## ***ANNUAL REPORT - 2014***

### ***CONTENTS***

	<b>Page Number</b>
<b>Manager's Report</b>	<b>3</b>
<b>Financial Summary</b>	<b>4</b>
<b>List of Investments</b>	<b>5</b>
<b>Directors' Report</b>	<b>6</b>
<b>Remuneration Report</b>	<b>8</b>
<b>Profit and Loss</b>	<b>9</b>
<b>Balance Sheet</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Cash Flow Statement</b>	<b>12</b>
<b>Notes to Accounts</b>	<b>13</b>
<b>Directors' Declaration</b>	<b>21</b>
<b>Audit Committee Report</b>	<b>21</b>
<b>Other Information - Shareholders</b>	<b>22</b>
<b>- Directory</b>	<b>23</b>

**AUGUST INVESTMENTS PTY LTD**  
A.C.N. 002 106 603  
**MANAGING DIRECTOR'S REPORT**  
**FINANCIAL YEAR 2013/14**

Our extraordinary financial outperformance which began last year has continued into the current year. Total Shareholder Return from increase in the value per share and from dividends was 16.3% pa. To compare this to a benchmark managed trust return we need to add franking credits received and adjust for the provision for tax. Thus adjusted our Shareholder Return was 20.1% pa. This is compared on a similar basis to the benchmark's return of 12.4% pa over the same period.

We achieve these results as we continue to specialize in green investments. There has been talk that the pro coal/anti renewable approach of the current Federal Government is negative for green investments. This would seem to be so, but our results do not reflect the general trend. Our two largest investments are **Tassal Ltd** (salmon farming in Tasmania- their shares increased in value by 58% during year) and **TFS Corp** (sandalwood plantations – our investment is up 89%).

Our other green equities on the whole gave good return. These include **Infigen** (wind farms), **Meridian Energy** and **Mighty River Power** (two profitable geothermal and hydro energy utilities in New Zealand) and **Energy Action** (energy trading and retrofitting). Light green investments include **Beacon Lighting** (they are promoting solar energy) and Hansen Technologies (smart metres).

All your equity investments which could be considered speculative are green. These are **Ceramic Fuel Cells** (transitional energy technology), **Dysol** (innovative solar polymers), **Geodynamics** (geothermal energy development) and **Vmoto** (electric scooter manufacture and sales). Apart from a solid result from Vmoto (up 21% since first purchase in Sept 2013) the results from these investments have been negative. However, such investments make up less than 5% of our portfolio.

In late June we purchased shares in **Redflow Ltd** (battery development to be used for energy smoothing and off grid purposes). Redflow's share price is up 32% in the two months since this purchase.

The environment for investing directly in grassroots community and green ventures remains difficult for a small company and we made no new investments in this area during the year.

Details of all our investments are listed on page 5 and are also available on our web site [www.augustinvestments.com.au](http://www.augustinvestments.com.au) at the [Valuations](#) page. Commentary on individual investments is provided at the [Latest News](#) page.

Damien Lynch  
Managing Director

**AUGUST INVESTMENTS PTY LTD**  
**ANNUAL REPORT - 2013/14**

**FINANCIAL SUMMARY**

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

<b>Year to 30 June</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	\$	\$	\$	\$	\$
Operating profit (before capital items)	13,076	11,185	9,475	8,449	12,652
Gross profit/(loss) before tax <i>(note 1)</i>	122,943	97,071	(52,922)	(31,870)	16,598
Less Tax paid	<u>(18,492)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,704)</u>
Profit/(loss) after tax	104,451	97,071	(52,922)	(31,870)	10,894
Net asset value	743,859	592,577	481,178	546,203	602,928

**Notes**

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

**AUGUST INVESTMENTS PTY LTD**  
**TOTAL SHAREHOLDER RETURN**

The following table shows results on a **per share** basis over the last five years.

<b>Year to 30 June</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Net profit/(loss) per share <i>(note 1)</i>	\$33.10	\$32.75	(\$18.27)	(\$11.31)	\$3.88
Dividends per share <i>(note 2)</i>	\$8.00	\$8.00	\$9.00	\$10.00	\$8.00
Value per share <i>(note 3)</i>	216.68	\$193.24	\$166.15	\$193.81	\$210.01
Capital gain/(loss) per share	12.13%	16.30%	(14.43%)	(7.71%)	(3.54%)
Dividend yield <i>(note 4)</i>	<u>4.14%</u>	<u>4.81%</u>	<u>4.64%</u>	<u>4.76%</u>	<u>3.67%</u>
Total benefit/(loss) per share	<u>16.27%</u>	<u>21.11%</u>	<u>(9.29%)</u>	<u>(2.95%)</u>	<u>0.13%</u>

**Notes**

*Note 1* Earnings per share are based on the average base 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 divided by the number of shares adjusted for the dilutive effect of Performance Rights (see Note 10 to the attached Annual Accounts).  
Franking credits 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****LIST OF INVESTMENTS  
AS AT 30 JUNE 2014**

<b>INTEREST BEARING DEPOSITS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Bendigo Bank	30,000	30,000
ING Bank	50,000	-
Maleny Credit Union	22,000	20,000
ME Bank	20,000	-
NAB Floating Preference Notes	33,285	-
Westlawn Finance	<u>10,000</u>	<u>40,000</u>
	165,285	90,000
<b>TRUST INVESTMENTS</b>		
Australian Unity Office Property Fund	14,859	16,326
La Trobe Term Mortgages	40,000	32,000
Trilogy Income Fund	20,000	-
Westlawn Property Trust	<u>23,680</u>	<u>29,120</u>
	98,539	77,446
<b>LISTED SHARES</b>		
Australian Ethical Investments	18,603	5,265
Amcom Telecommunications	17,028	14,355
Beacon Lighting	7,245	-
Carnegie Wave Energy	13,875	10,725
Capilano Honey	9,760	-
Energy Action	17,640	22,200
Geodynamics Ltd	3,230	9,257
Hansen Technologies	19,987	11,830
Infigen Energy Stapled	16,080	5,865
iiNet Ltd	11,696	7,440
My Net Fone	22,264	20,554
Mesoblast Ltd	4,470	5,300
Meridian Energy	25,300	-
Mighty River Power	16,432	7,500
Qube Holdings	9,576	-
Redflow Ltd	9,900	-
SMS Management & Technology	21,948	7,728
Tassal Group	54,812	39,200
Technology One	24,030	28,640
TFS Corporation	40,425	-
TPG Telecom	30,305	17,600
Vmoto Ltd	13,060	-
Other	<u>6,111</u>	<u>126,738</u>
	413,777	340,197
<b>UNLISTED SHARE</b>		
Hepburn Wind	10,100	10,010
Maleny Credit Union	30,000	30,000
Other	<u>1,861</u>	<u>3,6021</u>
	41,961	43,721
<b>FORESTRY CONTRACTS</b>		
Macquarie Forestry and Land	14,180	14,180
TFS Sandalwood	<u>11,750</u>	<u>11,750</u>
	25,930	25,930
Total Investments	<u>745,492</u>	<u>577,294</u>

**AUGUST INVESTMENTS PTY LTD**  
*A.C.N. 002 106 603*  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

Your directors present their report on the company for the financial year Ended 30 June 2014. The names of the directors in office at any time during or since the end of the year are:

Thomas Goodman  
Damien Lynch  
Elliot Hayman

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 profit of \$104,451 (2013: \$97,071). The Operating profit/loss of the company net of investment related and extraordinary items was a profit of \$13,076 (2013: profit of \$11,185). 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 21](#).

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 \$12,568 (\$4.00 per Ordinary Share) was paid on 3 June 2014 (2013: \$4 per share - \$12,104) and a final dividend of \$13,676 (\$4.00 per Ordinary Share) is provided for to be paid on 1 December 2014 (2013: \$4 per share - \$12,368).

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 2014**

**Directors' shareholdings**

Directors of the company and/or their immediate family held the following shares and options (at current value to directors) to purchase shares in the company on 30<sup>th</sup> June:

	Number of Shares	Number of Options	Value of Options	Number of Performance Rights	Estimated value of Performance Rights
	\$		\$		\$
Damien Lynch	612	10	0	8	1,010
Elliot Hayman	343	10	0	8	1,010
Thomas Goodman	<u>726</u>	<u>10</u>	<u>0</u>	<u>8</u>	<u>1,010</u>
	1,681	30	0	24	3,030

The value of the above options is based on the value of current shares in the company (\$216.68 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. These options have an exercise price of \$255 and expire on 30/11/2014. For further details of Performance Rights, see the following Remuneration Report.

**Directors' meetings**

Directors of the company attended meetings of the company during the 2013/14 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
Thomas Goodman	7	7

**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.

**AUGUST INVESTMENTS PTY LTD**  
A.C.N. 002 106 603  
**REMUNERATION REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

Directors do not receive cash payments. However, they are remunerated from time to time by the issue of shares of Options to purchase shares or Performance Rights to be granted shares at a future date as approved by shareholders.

The company's Managing Director is entitled to receive an annual fee of \$6,000, but may elect not to draw down the full amount.

Directors' remuneration paid or granted during the last two years were:

	2013/14		2012/13	
	Fees	Share Based Payments* (Estimated current Value)	Fees	Other
	\$	\$	\$	\$
Damien Lynch (Managing Director)	4,000	1,010	4,000	-
Elliot Hayman	-	1,010	-	-
Thomas Goodman	-	<u>1,010</u>	-	-
	<u>4,000</u>	<u>3,010</u>	<u>4,000</u>	-

\*The Share Based payments above relate to the issue of Performance Rights to Directors as set out in Note 6 of the attached accounts. During the current year each director was issued performance Rights as follows:

Vesting Date	Number Granted	Vesting Price	Estimated Probability of Vesting	Estimated Current Total Value
30/6/2015	4	215.00	66%	574.40
30/6/2017	<u>4</u>	215.00	50%	<u>435.12</u>
	<u>8</u>			<u>1,010.52</u>

No retirement benefits for directors were paid or provided for.

*Note: This Remuneration Report has not been examined by the Audit Committee*

The Director's Report and the Remuneration Report were signed in accordance with a resolution of the Board of Directors:

Thomas Goodman (Chairman)

Damien Lynch (Managing Director)

Dated: 31 August 2014



**AUGUST INVESTMENTS PTY LTD**  
ACN. 002 106 607  
**PROFIT & LOSS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Sales revenue	2	26,315	22,736
Profit from investments	2	<u>135,690</u>	<u>91,344</u>
<b>Total Revenue</b>		162,005	113,080
Administration expenses		5,679	6,239
Brokerage fees		1,777	1,406
Depreciation		68	187
Management fee		4,000	2,000
Forestry contract expenses		1,435	1,486
Interest paid		117	233
Losses on investments	3	<u>25,985</u>	<u>5,459</u>
<b>Total Expenses</b>		<u>39,062</u>	<u>17,010</u>
Profit (Loss) from ordinary activities before income tax expense		122,943	97,071
Income tax benefit / (expense) relating to ordinary activities	4	<u>(18,492)</u>	<u>-</u>
<b>Net profit (Loss) from ordinary activities after income tax attributable to members of the company</b>		<b>104,451</b>	<b>97,071</b>

The accompanying notes form part of these financial statements.

**AUGUST INVESTMENTS PTY LTD**

ACN. 002 106 607

**BALANCE SHEET****As at 30 June 2014**

	Note	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash assets	11	36,419	38,805
Accrued income		3,309	800
Other		<u>152</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>		<b>39,880</b>	<b>39,605</b>
<b>NON-CURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
		745,492	577,294
<b>OTHER NON-CURRENT ASSETS</b>			
Property, plant and equipment		-	68
Other		<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>577,362</b>
<b>TOTAL ASSETS</b>		<b><u>785,372</u></b>	<b><u>616,967</u></b>
<b>CURRENT LIABILITIES</b>			
Payables		(88)	(221)
Provision for dividend	8	13,676	12,243
Shareholder current accounts		9,478	12,368
Tax liabilities	5	<u>18,271</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>		<b>41,513</b>	<b>24,390</b>
<b>NON-CURRENT LIABILITIES</b>			
		<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b><u>41,179</u></b>	<b><u>24,390</u></b>
<b>NET ASSETS</b>		<b><u>743,859</u></b>	<b><u>592,577</u></b>
<b>EQUITY</b>			
Share Capital	6	631,920	558,845
Reserves	7	19,842	12,788
Retained profits		<u>92,097</u>	<u>20,944</u>
<b>TOTAL EQUITY</b>		<b><u>743,859</u></b>	<b><u>592,577</u></b>

The accompanying notes form part of these financial statements.

**AUGUST INVESTMENTS PTY LTD**  
**ACN. 002 106 607**  
**STATEMENT OF CHANGES IN EQUITY**  
**As at 30 JUNE 2014**

	Notes	Share Capital \$	Reserves \$	Retained Profits \$	Total \$
<b>Year 2012/2013</b>					
<b>Opening balances at 1 July 2012</b>		520,045	(92,141)	53,274	481,178
Shares issued	6	38,800			38,800
Profit/(loss) for year				97,071	97,071
Reserve transfers (unrealised profit/loss)	7		104,929	(104,929)	-
Dividends paid/provided for				(24,472)	(24,472)
<b>Closing balances 30 June 2013</b>		<b><u>558,845</u></b>	<b><u>12,788</u></b>	<b><u>20,944</u></b>	<b><u>592,577</u></b>
<b>Year 2013/14</b>					
<b>Opening balances at 1 July 2012</b>		558,845	12,788	20,944	592,577
Shares issued	6	73,075			73,075
Profit/(loss) for year				104,451	104,451
Reserve transfers (unrealised profit/loss)	7		7,054	(7,054)	-
Dividends paid/provided for				(26,244)	(26,244)
<b>Closing balances 30 June 2013</b>		<b><u>631,920</u></b>	<b><u>19,842</u></b>	<b><u>92,097</u></b>	<b><u>743,859</u></b>

The accompanying notes form part of these financial statements.

**AUGUST INVESTMENTS PTY LTD**

ACN. 002 106 603

**CASH FLOW STATEMENT****As at 30 June 2014**

	Note	2014 \$	2013 \$
<b>Cash Flows from Operating Activities</b>			
Dividends received		11,162	11,008
Distributions received		4,414	2,691
Interest received		8,009	9,082
Payments to suppliers		(10,714)	(9,645)
Income tax paid		<u>-</u>	<u>-</u>
Net cash provided by operating activities	11	<b>12,871</b>	<b>13,137</b>
<b>Cash Flows from Investing Activities</b>			
Decrease/I(Increase) in debtors		1,566	(74)
Decrease/I(Increase) in Creditors		88	
Payment for property, plant and equipment		-	-
Capital Gain on investments		162,748	45,145
Capital Loss on investments		(33,199)	(46,853)
Decrease/I(Increase) in Investments held		<u>(190,408)</u>	<u>3,978</u>
Net cash provided by/ (used in) investing activities		<b>(59,205)</b>	<b>2,196</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from share issues		61,363	18,436
Movements in borrowings		(92)	6,011
Dividends paid		<u>(17,323)</u>	<u>(14,466)</u>
Net cash used in financing activities		<b>43,948</b>	<b>9,981</b>
<b>Net Increase/(Decrease) In Cash Held</b>		<b>(2,386)</b>	<b>25,313</b>
<b>Cash at Beginning of the Financial Year</b>		<b><u>38,805</u></b>	<b><u>13,491</u></b>
<b>Cash at the End of the Financial Year</b>	11	<b><u>36,419</u></b>	<b><u>38,805</u></b>

The accompanying notes form part of these financial statements.

**AUGUST INVESTMENTS PTY LIMITED**

ACN. 002 106 607

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**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%

No value is attributed to the August Investments name or the August Investments business.

**AUGUST INVESTMENTS PTY LIMITED**

**ACN. 002 106 603**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**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 with 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.

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.

**e. Ordinary shares**

The company currently has only Ordinary shares on issue. These all rank equally, providing dividends to shareholders, one vote per share at shareholder meetings of the company and a equal right to the assets of the company in the event of winding up.

In arriving at an asset value for each Ordinary share in the company, the company provides a value based on the actual number of shares of issue (the Base Value) and an adjusted value based on the probable dilutive effect of Performance Rights to directors being exercised at future times (the Diluted Value). This adjustment takes into account the number of Performance Rights to be vested, the time to vesting and the probability that vesting will occur.

**f. Comparative figures**

When required, comparative figures have been adjusted to conform with changes in presentation for the current financial period.

**AUGUST INVESTMENTS PTY LIMITED**

ACN. 002 106 603

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 2: REVENUE**

	2014	2013
	\$	\$
Operating activities		
- Dividends received	11,382	11,008
- Interest received	9,474	8,973
- Trust Distributions	<u>5,459</u>	<u>2,755</u>
Operating income	26,315	22,736
- Capital gain/profit on the sale of investments	106,268	45,145
- Revaluation gains on investments	27,057	46,199
- Forestry Contract distributions	<u>1,435</u>	<u>-</u>
Capital items income	<u>135,690</u>	<u>91,344</u>
Total Revenue from ordinary activities	<u>162,005</u>	<u>113,080</u>

**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:

	2014	2013
	\$	\$
<b>Investment related expenses</b>		
Capital loss on disposal of investments	18,770	65,181
Revaluation loss on investments	<u>7,215</u>	<u>(59,722)</u>
	<u>25,985</u>	<u>5,459</u>

**Employee Entitlements**

The company had no permanent employees during the year

**AUGUST INVESTMENTS PTY LIMITED**

**ACN. 002 106 603**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 4: INCOME TAX EXPENSE**

Prima facie tax payable on profit from ordinary activities before income tax at 30%	36,882	29,121
Add Tax effect of:		
Capital losses – accounting	(8,153)	6,011
interest accrued (net)	(753)	14
Imputation credits	1,113	1,170
Revaluation of investments	(5,952)	(31,776)
Less: Tax effect of:		
forestry contracts	-	-
Tax deferred & other trust distributions	<u>935</u>	<u>826</u>
Total Income Tax expense	22,203	3,712
Less Imputation credits	3,713	3,899
<b>Net Income Tax Expense</b>	<b><u>18,492</u></b>	<b><u>(187)</u></b>

Tax related Capital losses of zero (2013: \$27,176) were carried forward to offset against future capital gains.

<b>Balance of imputation credits at 30 June</b>	<b>1,248</b>	<b>8,224</b>
Current Year provision for Income tax	18,271	-
<b>Total available imputation credits</b>	<b><u>19,520</u></b>	<b><u>8,224</u></b>

**NOTE 5: TAX LIABILITIES**

<b>Income Tax - current year</b>	<b>18,271</b>	<b>-</b>
----------------------------------	---------------	----------



**AUGUST INVESTMENTS PTY LIMITED**  
**ACN. 002 106 607**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 6: CONTRIBUTED EQUITY**

**Movements in share capital - fully paid ordinary shares**

	Number of Shares	Amount \$
Opening Balance @ 1/7/2012	2,896	520,045
Shares issued during year	<u>196</u>	<u>38,800</u>
Closing Balance @ 30/6/2013	3,092	558,845
Opening Balance @ 1/7/2013	3,092	558,845
Shares issued 5/12/2013 @ \$215	50	10,750
Shares issued 13/5/2014 @ \$225	<u>277</u>	<u>62,325</u>
Closing Balance @ 30/6/2014	3,419	631,920

**Options**

At 30 June 2014 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.

**Performance Rights**

Performance rights are issued to directors of the company in lieu of other payment. The following conditions must be met for performance rights to be exercised:

- a. The growth in the share price of August Investments, adjusted for dividend, franking and tax amounts paid, shall be greater than the growth in unitholder value for the IREES Wholesale Unit Trust Growth Index over a period the vesting date.
- b. A director must have been in such office for at least 12 months during the life of the Performance Right and must have attended at least 75% of the company meeting they are required to attend.

At 30 June 2014 the following performance Rights were authorised by shareholders:

	Vesting Price	Number Issued	Number outstanding
Rights with Vesting Date 30/6/2015	\$215	12	12
Rights with Vesting Date 30/6/2017	\$215	<u>12</u>	<u>12</u>
Total number		<u>24</u>	<u>24</u>

**NOTE 7: RESERVES**

	2014	2013
	\$	\$
<b>Unrealised profits reserve</b>		
Opening balance	46,199	-
Transfer to/(from) Profit & Loss:	<u>(19,143)</u>	<u>6,199</u>
Closing Balance	<u>27,056</u>	<u>46,199</u>
<b>Unrealised loss reserve</b>		
Opening balance	(33,411)	(92,141)
Transfer to/(from) Profit & Loss:	<u>26,197</u>	<u>58,730</u>
Closing Balance	<u>(7,214)</u>	<u>(33,411)</u>
<b>Total Reserves</b>	<u>19,842</u>	<u>12,788</u>

**AUGUST INVESTMENTS PTY LIMITED**

ACN. 002 106 603

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014****NOTE 8: DIVIDENDS**

	Dollars per share	Total amount \$	Date of payment
<b>2012/13</b>			
Interim 2013	4.00	12,104	1/6/2013
Final 2013 (provision)	4.00	<u>12,368</u>	2/12/2013
Total 2012/13		24,472	
<b>2013/14</b>			
Interim 2014	4.00	12,568	3/6/2014
Final 2014 (provision)	4.00	<u>13,676</u>	1/12/2014
Total 2013/14		26,244	

All dividends declared are fully franked. Franking Credit details are shown in Note 4. Shareholders may elect to have their dividends reinvested in new shares in the company.

**NOTE 9: EARNINGS PER SHARE**

	2014	2013
Profit attributed to shareholders	104,451	\$97,071
Weighted average number of shares on issue during the year (Number)	<u>3,155.80</u>	<u>2,964.15</u>
Earnings/(loss) per Ordinary share	<b>\$33.10</b>	<b>\$32.75</b>

**NOTE 10: NET TANGIBLE ASSETS PER SHARE**

Net Tangible Assets	\$743,859	\$592,577
Number of shares on issue @ 30/6/14	<u>3,419</u>	<u>3,092</u>
<b>Basic Net Tangible Assets per share</b>	<b>\$217.57</b>	<b>\$191.65</b>
Number of shares used to determine Diluted Net Tangible Assets after adjustment for the possible vesting of Performance Rights	<u>3,432.9</u>	N/A
<b>Diluted Net Tangible Assets per share</b>	<b>\$216.68</b>	N/A

The company has no intangible assets, therefore net assets and net tangible assets are the same.

**AUGUST INVESTMENTS PTY LIMITED**

ACN. 002 106 603

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014****NOTE 11: CASH FLOW INFORMATION****Reconciliation of net profit/(loss) after tax to the cash flows from operations**

	2014	2013
	\$	\$
<b>Net Profit/(Loss)</b>	104,451	97,071
<b>Non-cash items:</b>		
Dividends received	(221)	-
Distributions received	(1,044)	(64)
Interest received	(1,465)	110
Interest paid	117	233
Depreciation	68	187
Income tax paid	18,492	-
Other	2,177	-
<b>Changes in investments included in profit/loss:</b>		
Capital Gains/(Losses) on investments	(87,498)	20,035
Revaluation/(Write Down) of investments	(22,207)	(105,921)
Forestry investment treated as expense	<u>1,435</u>	<u>1,486</u>
<b>Net cash from operating activities</b>	<b><u>12,871</u></b>	<b><u>13,137</u></b>

**NOTE 12: CAPITAL COMMITMENTS**

Nil	Nil
-----	-----

**NOTE 13: CONTINGENT LIABILITIES**

Nil	Nil
-----	-----

**AUGUST INVESTMENTS PTY LIMITED**

ACN. 002 106 603

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**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 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 15: RELATED PARTY TRANSACTIONS**

Director Damien Lynch receives a fee as Managing Director. There were no other 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 20 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 2014 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: 31 August 2014

**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 2014, 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 give a true and fair view of the company's financial position as at 30 June 2014 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

Geraldine Savins

Dated: 26 August 2014

**AUGUST INVESTMENTS PTY LTD**  
*A.C.N. 002 106 603*  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**OTHER INFORMATION**

**Top 20 Shareholders**

The twenty shareholders having the largest number of shares in the company on 30<sup>th</sup> June are:

<u>Name</u>	<u>Total Shares Held</u>
D J Lynch	603
D W Pearson	424
T Goodman	390
S T & N Goodman	294
I R Hayman	222
O Santa Clause	203
N Icton	154
E & B Thompson, trustees	124
Estate V Hayman	111
Peter Anderson	88
Arnon Pty Ltd	70
D Lynch & M Gee	67
B&L McCallum	65
Brindle Grange Pty Ltd	52
S Amies	51
R Stephenson	40
A Gleeson	35
C Walker	32
S Fletcher	31
G Jordan, trustee	29
Shares held by top 20 shareholders:	<u>3,085</u>
Total Shares on issue:	<u>3,419</u>

**AUGUST INVESTMENTS PTY LTD**  
*A.C.N. 002 106 603*  
**ANNUAL REPORT**

***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](mailto:mail@augustinvestments.com.au)

Web: [www.augustinvestments.com.au](http://www.augustinvestments.com.au)

Directors: Thomas Goodman (Chairman)  
  
Damien Lynch  
  
Elliot Hayman

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