



AUGUST INVESTMENTS PTY LTD

ACN 002 106 603

ANNUAL REPORT

2017

AUGUST INVESTMENTS PTY LTD

ANNUAL REPORT - 2017

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AUGUST INVESTMENTS PTY LTD
A.C.N. 002 106 603
MANAGING DIRECTOR'S REPORT
FINANCIAL YEAR 2016/17

After several good years our fund fell behind during 2016/17. For the four years to 2016 our shareholder value increased by an average 18% each year. However, for the current year the overall change in shareholder value was a negative 0.05%.

While the value per share was down (See tables on the next page), it is worth noting that the operating profit (ie, net income less capital items) was up by \$2.80 per share (or 0.6%) when compared with the previous year. This has encouraged directors to increase the dividends paid during the year from \$11 to \$13 per share – an increase of 18%. (The dividend to be paid in December 2017 has been increased again, making the total dividends for the calendar year \$14 per share.)

We can take some heart from the fact that for the three months to September 2017 there has been a dramatic increase in values across a large number of your investments. Over that period the value per share in August Investments has increased by 7.5%. This is outstanding, but there is no guarantee that such increases will continue as the financial year progresses.

INCREASE IN INVESTMENT

The year saw an increase in Investments received from new and existing investors. \$244,575 was received, resulting in the issue of 765 shares, an increase of 18% on the number of shares at the close of the previous year. We believe this increase is partly due to our review of our Share Redemption Policy.

COMMUNITY INVESTMENTS

AS well as our investment in Hepburn Wind, Repower Shoalhaven #3 and Lismore Community Solar Farm (see last year's Manager's Report), during the year we invested in **Sydney Renewable Power Company**. This community investment has installed a 520kW solar photovoltaic installation on the rooftop of the International Convention Centre at Darling Harbour, Sydney. The electricity generated is sold to the facility to supplement its energy needs.

A list of our portfolio investments can be found on page 5. Ongoing news about our investments is posted on [our website](#) and on Twitter at @augustinvest.

Damien Lynch
Managing Director

AUGUST INVESTMENTS PTY LTD
ANNUAL REPORT - 2016/17

FINANCIAL SUMMARY

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

Year to 30 June	2017	2016	2015	2014	2013
	\$	\$	\$	\$	
Operating profit (before capital items)	35,339	22,232	10,766	13,076	11,185
Capital Items (note 1)	<u>(24,570)</u>	<u>151,510</u>	<u>193,879</u>	<u>109,867</u>	<u>85,886</u>
Gross profit/(loss) before tax	(10,769)	173,742	204,645	122,943	97,071
Less Tax paid	<u>(17,007)</u>	<u>(65,896)</u>	<u>(29,890)</u>	<u>(18,492)</u>	<u>-</u>
Profit/(loss) after tax	(27,775)	107,846	174,755	104,451	97,071
Net asset value	1,365,047	1,209,709	955,153	743,859	592,577

Notes

Note 1 Capital items include 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.

Year to 30 June	2017	2016	2015	2014	2013
Net profit/(loss) per share (note 1)	(\$5.95)	\$28.70	\$49.94	\$33.10	\$32.75
Dividends per share (note 2)	\$13.00	\$11.00	\$4.00	\$8.00	\$8.00
Value per share (note 3)	\$273.88	\$286.73	\$263.71	\$216.68	\$193.24
Capital gain/(loss) per share	(4.48%)	8.72%	21.70%	12.13%	16.30%
Dividend yield (note 4)	<u>4.53%</u>	<u>4.17%</u>	<u>1.85%</u>	<u>4.14%</u>	<u>4.81%</u>
Total benefit/(loss) per share	<u>0.05%</u>	<u>12.89%</u>	<u>23.55%</u>	<u>16.27%</u>	<u>21.11%</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. In 2015 the practice of providing for the final dividend in the accounts was discontinued. The dividend declared was \$5.00 per share.

Note 3 At 30 June, based on net assets as shown in the Accounts divided by the number of shares (see Note 10 to the attached Annual Accounts). The Franking credits balance is 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 2017**

	2017	2016
	\$	\$
INTEREST BEARING DEPOSITS		
Bendigo Bank	15,000	15,000
ING Bank	81,200	80,000
ME Bank	146,000	125,000
Bendigo Bank Red. Pref. Notes	65,248	47,750
NAB Floating Preference Notes	48,259	81,953
RateSetter peer-to-peer lending	<u>42,000</u>	<u>30,020</u>
	397,707	379,723
TRUST INVESTMENTS		
La Trobe Term Mortgages	70,000	56,000
Westlawn Property Trust	26,240	26,240
Other	<u>-</u>	<u>44,226</u>
	96,240	126,466
LISTED SHARES		
Australian Ethical Investments	71,896	55,906
Aconex Ltd	24,245	17,175
Bendigo & Adelaide Bank	15,723	17,088
Blackmores	29,423	53,870
Buddy Platform	20,425	-
Carnegie Clean Energy	26,690	12,270
Dicker Data	41,475	-
Genex Power	28,831	18,135
Hansen Technologies	8,080	35,948
Infigen Energy Stapled	25,010	23,115
Ingenia Communities	4,940	17,220
Kathmandu Holdings	32,980	-
Mercury NZ	26,778	41,760
Meridian Energy	45,036	40,338
MNF Group	56,399	27,200
Pacific Energy	24,820	-
ReNu Energy	16,162	-
SimsMetal Management	23,377	-
Select Harvest	8,330	35,115
Touchcorp	22,545	33,486
Quintis	12,980	17,202
TPG Telecom	46,455	27,156
Tamawood Ltd	72,140	-
Vitaco Holdings	-	23,587
Vocus Communications	-	20,048
Xero Ltd	16,993	-
Other	<u>19,915</u>	<u>111,739</u>
	713,257	628,417
COMMUNITY INVESTMENTS		
Hepburn Wind	8,707	8,314
Lismore Community Solarfarm – Goonellabah	9,000	-
Maleny Credit Union (Investment Shares)	27,000	20,100
Repower Shoalhaven #3	7,175	7,175
Sydney Renewable Power	<u>19,250</u>	<u>-</u>
	71,132	35,589
FORESTRY CONTRACTS		
Macquarie Forestry and Land	70	5,717
TFS Sandalwood	<u>18,000</u>	<u>11,750</u>
	18,070	17,467
Total Investments	<u>1,296,406</u>	<u>1,187,662</u>

AUGUST INVESTMENTS PTY LTD
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Your directors present their report on the company for the financial year Ended 30 June 2017.
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 loss of \$27,775 (2016: profit of \$107,846). The Operating profit/loss of the company net of investment related and extraordinary items was a profit of \$35,339 (2015: profit of \$22,232). 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.

Dividends paid during the last two financial year are:

	Dollars per share	Total amount \$	Date of payment
2016/17			
Final dividend 2015/16	6.00	26,574	1/12/2016
Interim dividend 2016/17	7.00	34,888	1/06/2017
2015/16			
Final dividend 2014/15	5.00	18,765	1/12/2015
Interim dividend 2015/16	6.00	23,340	1/06/2016

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DIRECTORS REPORT - YEAR ENDED 30 JUNE 2017

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.

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 30th June:

	Number of Shares	Number of Performance Rights	Estimated value of Performance Rights
			\$
Damien Lynch	784	11	1,881
Elliot Hayman	18	11	1,881
Thomas Goodman	<u>1,195</u>	<u>11</u>	<u>1,881</u>
	1,997	33	5,643

For details of Performance Rights, see the following Remuneration Report.

Directors' meetings

Directors of the company attended meetings of the company during the 2016/17 year as follows:

<u>Name of Director</u>	<u>Meetings Entitled to Attend</u>	<u>Meetings Attended</u>
Damien Lynch	5	5
Elliot Hayman	4	4
Thomas Goodman	5	5

Options Information

No options were issued during the year and there are no outstanding options.

AUGUST INVESTMENTS PTY LTD
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REMUNERATION REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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. No retirement benefits for directors were paid or provided for.

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

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

	2016/17				2015/16		
	Wages & Super	Share Based Payments*	Total	Fees	Share Based Payments*	Total	
	\$	\$	\$	\$	\$	\$	
Damien Lynch (Managing Director)	4,650	(176)	4,474	5,475	957	6,432	
Elliot Hayman	-	(177)	(177)	-	957	957	
Thomas Goodman	-	(177)	(177)	-	957	957	
	4,650	(530)	4,120	5,475	2,871	8,346	

**The Share Based payments above relate to the issue of Performance Rights to Directors as set out below, including the estimated accrued future value of such Rights.*

Details of Performance Rights on issue to directors, including those issued during the current period, are as follows:

Vesting Date	Number Granted	Vesting Price	Estimated Probability of Vesting	Estimated Current Value \$	Current Accrual \$
31/07/2017	12	\$215	100%	3,506	305
01/08/2019	12	\$240	64%	2,138	(830)
30/06/2021	<u>9</u>	\$330	0%	<u>0</u>	<u>0</u>
	<u>33</u>			<u>5,644</u>	<u>(530)</u>

Nine Performance Rights were issued to directors during the year with a vesting price of \$330 vesting on 30/6/2021. No Performance Rights vested during the current period.

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

Thomas Goodman (Chairman) Elliot Hayman (Director)

12th October 2017

AUGUST INVESTMENTS PTY LTD

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PROFIT & LOSS**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Interest/dividend revenue	2	50,332	38,608
Gain from investments	2	<u>(24,220)</u>	<u>186,779</u>
Total Revenue		74,552	225,387
Administration expenses		6,765	4,191
Brokerage fees		2,343	2,157
Directors' fees and entitlements	6	(530)	2,872
Managers remuneration		4,650	5,475
Forestry contract expenses		1,718	1,605
Interest paid		47	77
Losses on investments	3	<u>70,327</u>	<u>35,268</u>
Total Expenses		85,320	51,645
Profit (Loss) from ordinary activities before income tax expense		(10,769)	173,742
Income tax benefit / (expense) relating to ordinary activities	4	<u>(17,007)</u>	<u>(65,896)</u>
Net profit (Loss) from ordinary activities after income tax attributable to members of the company	11	<u>(27,775)</u>	<u>107,846</u>
<i>Earnings/loss per shares</i>	9	<i>(\$5.95)</i>	<i>\$28.70</i>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LTD

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BALANCE SHEET**AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash assets	11	37,232	91,190
Accrued income		1,953	2,731
Mortgage Fund, Current		60,000	-
Other debtors		-	5,162
TOTAL CURRENT ASSETS		<u>99,185</u>	<u>99,083</u>
NON-CURRENT ASSETS			
INVESTMENTS		1,296,406	1,187,662
OTHER NON-CURRENT ASSETS			
Property, plant and equipment		-	-
Other		-	-
TOTAL NON-CURRENT ASSETS		<u>1,296,406</u>	<u>1,187,662</u>
TOTAL ASSETS		<u>1,395,591</u>	<u>1,286,745</u>
CURRENT LIABILITIES			
Payables		347	373
Shareholder current accounts		10,116	4,132
Provision for directors' entitlements	6	5,644	6,174
Tax liabilities	5	<u>14,437</u>	<u>65,061</u>
TOTAL CURRENT LIABILITIES		<u>30,544</u>	<u>75,740</u>
NON-CURRENT LIABILITIES			
Creditors		-	1,296
TOTAL NON-CURRENT LIABILITIES		-	<u>1,296</u>
TOTAL LIABILITIES		<u>30,544</u>	<u>77,035</u>
NET ASSETS		<u>1,365,047</u>	<u>1,209,709</u>
EQUITY			
Share Capital	6	1,116,185	871,610
Reserves	7	(3,785)	72,439
Retained profits		<u>243,647</u>	<u>265,660</u>
TOTAL EQUITY		<u>1,365,047</u>	<u>1,209,709</u>
<i>Net Tangible Assets per share</i>		<i>\$273.88</i>	<i>\$286.73</i>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LTD

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CASH FLOW STATEMENT**AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities			
Dividends received		28,640	20,656
Distributions received		2,436	12,981
Interest received		19,012	3,611
Payments to suppliers		(9,766)	(13,426)
Income tax paid		<u>(2,652)</u>	<u>1,599</u>
Net cash provided by operating activities	11	31,660	25,421
Cash Flows from Investing Activities			
Decrease/I(Increase) in debtors		4,795	(4,434)
Decrease/I(Increase) in Creditors		(1,296)	1,296
Payment for property, plant and equipment		-	-
Capital Gain/(Loss) on investments		(262,735)	85,825
Decrease/I(Increase) in Investments held		<u>15,431</u>	<u>(213,923)</u>
Net cash provided by/ (used in) investing activities		(274,667)	(131,236)
Cash Flows from Financing Activities			
Proceeds from share issues		268,533	176,796
Movements in borrowings		12,026	(6,981)
Dividends paid		<u>(61,509)</u>	<u>(26,084)</u>
Net cash used in financing activities		<u>189,050</u>	<u>143,730</u>
Net Increase/(Decrease) In Cash Held		(53,957)	37,916
Cash at Beginning of the Financial Year		<u>91,189</u>	<u>53,274</u>
Cash at the End of the Financial Year	11	<u>37,232</u>	<u>91,189</u>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LTD
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STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2017

	Notes	Share Capital \$	Reserves \$	Retained Profits \$	Total \$
<u>Year 2016/17</u>					
Opening balances at 1 July 2015		682,795	132,862	139,496	955,153
Shares issued	6	188,815			188,815
Profit/(loss) for year				107,846	107,846
Reserve transfers (unrealised profit/loss) 7			(60,423)	60,423	-
Dividends paid/provided for				(42,105)	(42,105)
Closing balances 30 June 2016		<u>871,610</u>	<u>72,439</u>	<u>265,660</u>	<u>1,209,709</u>
<u>Year 2016/17</u>					
Opening balances at 1 July 2016		871,610	72,439	265,660	1,209,709
Shares issued	6	244,575			244,575
Profit/(loss) for year					
Reserve transfers (unrealised profit/loss) 7			76,224	(76,224)	-
Dividends paid/provided for				(61,462)	(61,462)
Closing balances 30 June 2015		<u>1,116,185</u>	<u>(3,785)</u>	<u>252,647</u>	<u>1,365,047</u>

The accompanying notes form part of these financial statements.

AUGUST INVESTMENTS PTY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 investments and 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 as listed below. Unrealised capital profits (losses) on these investments are transferred to the Unrealised Profits Reserve. Tax effect accounting is not applied. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

The recoverable amount for shares in listed companies is assessed from the quoted market value. For non-listed shares the recoverable amount is assessed as whichever is the less of 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, except that Hepburn Community Wind Co-Op is valued at the most recent net tangible asset value per unit, Maleny Credit Union Investment Shares have been devalued by 10% to reflect the reduced income on these shares and Repower Shoalhaven #3 shares and loan are valued at cost. Sandalwood woodlot contracts with the 2002 TFS Sandalwood Project have been increased from cost by \$6,250 to reflect expected harvest income in the 2017/18 financial year.

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

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
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REVENUE

	2017 \$	2016 \$
Operating activities		
- Dividends received	29,662	20,372
- Interest received	18,684	13,532
- Trust Distributions	<u>1,986</u>	<u>3,604</u>
Operating income	50,332	38,608
- Capital gain/profit on the sale of investments	110,113	233,606
- Revaluation gains on investments	(95,915)	(47,707)
- Forestry Contract distributions	<u>10,023</u>	<u>880</u>
Capital items income	<u>24,220</u>	<u>186,779</u>
Total Revenue from ordinary activities	<u>74,552</u>	<u>225,387</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:

	2017 \$	2016 \$
Investment related expenses		
Capital loss on disposal of investments	75,846	22,551
Revaluation loss on investments	<u>(5,519)</u>	<u>12,716</u>
	<u>70,327</u>	<u>36,267</u>

Employee Entitlements

The company had no permanent employees during the year.

Details of directors' entitlements are shown in Note 6.

AUGUST INVESTMENTS PTY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**NOTE 4: INCOME TAX EXPENSE**

	2017	2016
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30%	(3,230)	52,123
Add Tax effect of:		
Capital losses – accounting	-	-
interest accrued (net)	233	(162)
Imputation credits	2567	1,612
Revaluation of investments	27,119	18,127)
Less: Tax effect of:		
forestry contracts	-	-
Tax deferred & other trust distributions	<u>812</u>	<u>429</u>
Total Income Tax expense	25,877	71,269
Less PAYG instalments	1,548	-
Imputation credits	8556	5,372
Tax Credits distrusted from trusts	314	-
Foreign Tax offsets	1,022	-
Net Income Tax Expense	<u>14,437</u>	<u>65,897</u>

There were no tax related Capital losses to be carried forward (2016: Nil)

Balance of imputation credits at 30 June	77,773	29,021
Current Year provision for Income tax	14,437	65,061
Total available imputation credits	<u>92,210</u>	<u>94,082</u>

NOTE 5: TAX LIABILITIES

Income Tax - current year	17,007	25,897
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AUGUST INVESTMENTS PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6: CONTRIBUTED EQUITY

Movements in share capital - fully paid ordinary shares

	Number of Shares	Amount \$
Opening Balance @ 1/7/2015	3,622	682,795
Shares issued during year at average of \$316.27 p.s.	<u>597</u>	<u>188,815</u>
Closing Balance @ 30/6/2016	4,219	871,610
Opening Balance @ 1/7/2016	4,219	871,610
Shares issued during year at average of \$319.71 p.s.	<u>765</u>	<u>244,575</u>
Closing Balance @ 30/6/2017	4,984	1,116,185

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:

- 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.
- 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.

During the year no performance rights were vested or expired.

At 30 June 2017 the following Performance Right authorised by shareholders are yet to be vested:

Vesting Date	Number Granted	Vesting Price	Estimated Probability of Vesting	Estimated Current Value
30/06/2017	12	\$215	100%	\$3,506
01/08/2019	12	\$240	64%	\$2,138
30/06/2021	<u>9</u>	\$330	0%	<u>\$0</u>
	<u>33</u>			<u>\$5,644</u>

NOTE 7: RESERVES

	2017 \$	2016 \$
Unrealised profits reserve		
Opening balance	110,983	158,690
Transfer to/(from) Profit & Loss:	<u>(95,915)</u>	<u>(47,707)</u>
Closing Balance	<u>15,068</u>	<u>110,983</u>
Unrealised loss reserve		
Opening balance	(38,544)	(25,828)
Transfer to/(from) Profit & Loss:	<u>19,961</u>	<u>(12,716)</u>
Closing Balance	<u>(18,558)</u>	<u>(38,544)</u>
Total Reserves	<u>3,785</u>	<u>72,439</u>

AUGUST INVESTMENTS PTY LIMITED

ACN. 002 106 603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**NOTE 8: DIVIDENDS**

	Dollars per share	Total amount \$	Date of payment
2016/17			
Final dividend 2015/16	6.00	26,574	1/12/2016
Interim dividend 2016/17	7.00	<u>34,888</u>	1/06/2017
Total paid 2016/17		61,462	
2015/16			
Final dividend 2014/15	5.00	18,765	1/12/2015
Interim dividend 2015/16	6.00	<u>23,340</u>	1/06/2016
Total 2016/17		41,105	

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

	2017	2016
Profit/(Loss) attributed to shareholders	(\$27,775)	\$107,846
Weighted average number of shares on issue during the year (Number)	<u>4,668.8</u>	<u>3,757.8</u>
Earnings/(loss per Ordinary share	(\$5.94)	\$28.70

NOTE 10: NET TANGIBLE ASSETS PER SHARE

Net Tangible Assets	\$1,395,591	\$1,209,709
Number of shares on issue @ 30/6/17	4,984	4,219
Basic Net Tangible Assets per share	\$280.01	\$286.73
Diluted Net Tangible Assets per share	\$280.01	\$286.73

AUGUST INVESTMENTS PTY LIMITED

ACN. 002 106 603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**NOTE 11: CASH FLOW INFORMATION****Reconciliation of net profit/(loss) after tax to the cash flows from operations**

	2017 \$	2016 \$
Net Profit/(Loss)	(27,774)	107,846
Non-cash items:		
Dividends received	(1,022)	(815)
Distributions received	450	7
Interest received	328	(552)
Interest paid	47	-
Directors' remuneration	(830)	-
Depreciation	-	-
Income tax paid	14,355	67,496
Other		
Changes in investments included in profit/loss:		
Capital Gains/(Losses) on investments	(32,267)	(211,054)
Revaluation/(Write Down) of investments	90,396	60,424
Forestry investment treated as expense/(income)	<u>(10,023)</u>	<u>(880)</u>
Net cash from operating activities	<u>31,660</u>	<u>25,421</u>

NOTE 12: CAPITAL COMMITMENTS

	Nil	Nil
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NOTE 13: CONTINGENT LIABILITIES

	Nil	Nil
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AUGUST INVESTMENTS PTY LIMITED

ACN. 002 106 603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14: EVENTS SUBSEQUENT TO BALANCE DATE

A final dividend of \$7.00 per share (estimated total amount: \$35,140) to be paid on 1 December 2017 was declared by directors after the balance date.

Apart from the above, 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 remuneration 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: 51 Blaxland Rd, Wentworth Falls, 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 9 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 2017 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) Elliot Hayman (Director)

12th October 2017

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 2016, 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 2017 and of its performance for the year ended on that date.

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

Geraldine Savins Elliot Hayman

11th September 2017

AUGUST INVESTMENTS PTY LTD
A.C.N. 002 106 603
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

OTHER INFORMATION

Top 20 Shareholders

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

<u>Name</u>	<u>Total Shares Held</u>
Arnon Pty Ltd	703
D J Lynch	631
I R Hayman	472
T Goodman	394
Nurturing Evolutionary Dev. Pty Ltd	310
S T & N Goodman	294
Ferguson Retirement Fund Pty Ltd	287
E & B Thompson, trustees	238
O Santa Clause	203
Middleton Woodward Pty Ltd	160
H Creamer	150
D Lynch & M Gee	133
E Kubo	123
B Woodward & S Middleton	88
H Thompson & M Kenny trustees	82
B&L McCallum	72
Brindle Grange Pty Ltd trustee	57
S Amies	54
R Dawson	50
A Gleeson	<u>47</u>
Shares held by top 20 shareholders:	<u>4,548</u>
Total Shares on issue:	4,984
Total number of shareholders	41

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:	51 Blaxland Road Wentworth Falls NSW 2782
Postal Address:	PO Box 144 Wentworth Falls NSW 2782
Phone:	0428 650 601
Email:	mail@augustinvestments.com.au
Web:	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