

Illuminator Investment Company Limited

ABN 48 107 470 033



**ILLUMINATOR
INVESTMENT
COMPANY LIMITED**

2004 Annual Report

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ILLUMINATOR INVESTMENT COMPANY LIMITED

HIGHLIGHTS

Achievements

- Issued First Prospectus on 2nd April 2004.
- Initial Public Offer raised \$630,131 at 50 cents per Ordinary Share, with one free attached option.
- Listed on the Stock Exchange on 18th June 2004.
- First Newcastle based company to list on the revitalised Stock Exchange of Newcastle Limited.
- First Newcastle based listed institutional investor.

Key Financial Statistics

	2004
Net profit (loss) after tax	\$(528)
Earnings per Share (cents per share)	-0.04
Total Assets	\$595,074
Total Liabilities	\$20,552
Shareholders Funds	\$574,477
Return on Shareholders Funds	-0.09%
Net Asset backing per share	\$0.46
Shares on issue	1,260,264
Number of Shareholders	115
Options on issue	1,260,262
Number of Option holders	115

Benefits of Investing in Illuminator Shares

Illuminator Investment company Limited was incorporated in 2003, and listed on the Stock Exchange of Newcastle Limited in 2004. Some of the benefits of investing in Illuminator Investment Company Limited shares include:

- **Diversification of risk**
In order to diversify the risk in its investment portfolio, Illuminator intends to manage its investment portfolio with a view to building the number of issuers in the Portfolio to a minimum of 20 and a maximum of 40.
- **Professional Management**
The investment portfolio of Illuminator is managed by Pritchard & Partners Pty. Limited, which is a participant of the Stock Exchange of Newcastle Limited and licensed by the Australian Securities & Investments Commission.
- **Fixed Capital Base Not Affected by Unexpected Cash Inflows or Outflows**
Illuminator is able to invest for the medium to long term, as it has a fixed capital base and does not need to manage constant inflows and outflows of additional capital.
- **Regular Reporting to the Stock Exchange of Newcastle Limited**
Illuminator reports its performance to the NSX and shareholders on a bi annual basis and it announces its net asset backing to the NSX monthly. In addition, as a listed company, Illuminator complies with the continuous disclose requirements of the NSX. Copies of all announcements to the NSX are also posted on the Illuminator internet site www.illuminator.com.au.

ILLUMINATOR INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT

With the Company only completing its initial public offering on the 17th June 2004, the Investment Manager, has only had a short period of time in which to invest the Company's capital.

Accordingly, apart from the modest investments outlined below, at balance date the majority of the Company's capital is on deposit with the Company's bankers earning approximately 5.25% per annum.

Investment Objectives

The investment objectives of Illuminator Investment Company Limited, are;

- Preservation of the capital of the Company;
- Achieve a high real rate of return, comprising both income and capital growth; and
- Deliver investors a secure income stream in the form of fully franked dividends.

Investment Philosophy

The Manager, in order to achieve the Company's investment objectives, seeks to invest for the medium to long-term in companies and construct an investment portfolio for the Company which will;

- Focus on the investment merits of individual stocks rather than market and economic trends;
- Invest in shares which it expects to yield dividends;
- Invest in securities which it assesses to be undervalued relative to their long term potential;
- Have the securities of between 20 and 40 issues represented in its portfolio.

The Manager does not intend to follow the weightings of any index.

In accordance with its long-term investment philosophy, the Company does not intend to seek to increase profit for distribution to Shareholders by selling investments.

Portfolio Review

Name of Investment	Holding	Market Value \$	Portfolio %
Australian Equities			
Harvey Norman Holdings Limited	2,000	5,640	0.96
National Australia Bank Limited	340	10,146	1.72
The Maryborough Sugar Factory Ltd	1,000	5,010	0.85
Record Realty	5,000	5,250	0.89
Wadepack Limited	5,000	8,850	1.50
Total Australian Equities		34,896	5.92
Australian Fixed Interest			
Bonlac Foods Limited – Unsecured Notes	50	4,230	0.72
Total Australian Fixed Interest		4,230	0.72
Cash		550,498	93.36
Total		589,624	100.00

The market value in the table above does not allow for the provision of realisation costs.

ILLUMINATOR INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT

Bonlac Foods Limited – Unsecured Notes

The market has discounted these notes from their face value of \$100.00 due to the poor financial state of the underlying Bonlac Foods Limited (BLF) business, however, Fonterra (the major New Zealand dairy company) has over the last few years increased its stake in BLF to 50%. Given the size and financial strength of Fonterra, we believe that it is highly unlikely that Fonterra would allow BLF to collapse.

The tax treatment of these perpetual notes changed with effect from June 2004, so the interest payments are no longer tax deductible for the issuer. That means that this funding source has suddenly become considerably more expensive. It remains a distinct possibility that these notes will be redeemed and cheaper debt used to replace the notes.

The yield on the notes at face value is 350 basis points above the 180-day cash rate, or 9%. Based upon our acquisition price of \$85.00 we are currently receiving a running yield of approximately 11%, with the possibility that these notes could be redeemed in the near future.

Harvey Norman Holdings Limited

Harvey Norman (HVN) operates in the retailing sector principally as a franchiser. Revenue is derived from retailing, the provision of advisory and advertising services to franchisees, and property investment.

Our initial stake in HVN was acquired at around \$2.83 per share and since this time HVN has announced a sales increase of 15.9% for the full year to June 30, 2004, compared to the preceding year end. The sales growth has been achieved in the stores main products of electrical goods and computers, accounting for 45% and 28% of sales respectively. HVN intends to expand further into Eastern Europe and the UK in the future.

The Maryborough Sugar Factory Limited

The Maryborough Sugar Factory Limited (MSF) is a Queensland-based company that grows sugar cane and manufactures raw sugar and sugar can by-products. MSF harvests sugar cane from company-operated farms and from sugar grown under lease arrangements by tenant farmers. All of MSF raw sugar is sold through Queensland Sugar Limited and sold via a centralised marketing system in both domestic and overseas markets. As such MSF is exposed to world sugar prices and exchange rates.

We commenced to purchase MSF shares around the around the \$5.10 on the basis of the cyclical nature of the sugar industry, and the substantial land bank that MSF held in the form of the Company owned sugar farms. Prior to us achieving our desired holding of shares in MSF, the share price increased substantially.

Record Realty

Record Realty (RRT) is a property fund with equity investments in buildings, with long-term leases to premium tenants, such as governments and blue chip companies. RRT uses a leveraged investment approach where the funding arrangements for these investments will be provided by third-party investors.

We acquired our initial stake in RRT at around \$1.05 per unit. Subsequently RRT has announced that it expects to pay a distribution of 11.7cents per unit in September 2004.

Wadepack Limited

Wadepack Limited (WDP) specialises in printing and conversion of cardboard for packaging. The company's clients include household names from the pharmaceutical, cosmetic and food industries. Products include individual cartons, display cartons, blister card, beverage baskets and tissue boxes.

We acquired our initial stake in WDP at around \$1.80 per share. Subsequently WDP has announced that its profit after tax was up 3.19% to \$2.04 million for the year ended 30 June 2004.

Portfolio Transactions and Brokerage Paid

The total number of transactions in securities undertaken by Illuminator Investment Company Limited was 5 and the total brokerage paid or accrued was \$300.

ILLUMINATOR INVESTMENT COMPANY LIMITED

CORPORATE GOVERNANCE STATEMENT

The Board has the responsibility of ensuring the Company is properly managed so as to protect and enhance shareholders interests in a manner that is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarised below.

Appointment and Retirement of Non-Executive Directors

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case by case basis and on conformity with the requirements of the Listing Rules and the Corporations Act.

Director's Access to Independent Professional Advice

It is the Board's policy that any committees established by the Board should:

- Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- Be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require.
- Operate in accordance with the terms of reference established by the Board.

Audit Committee

The Audit Committee intends to meet with the external auditors at least twice a year. This committee addresses the financial and compliance oversight responsibilities of the Board. The specific activities include assessing and monitoring:

- The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations.
- The adequacy of the financial risk management processes.
- The appointment of the external auditor, any reports prepared by the external auditor and liaising with the external auditor.

Board Participation in Management

Under the Management Agreements, the Manager has discretion to acquire and dispose of investments on behalf of the Company. Investments consistent with the Investment Guidelines may be undertaken without consultation with the Board.

Any proposed investment that does not fall within this Investment Strategy or any change in the Investment Strategy proposed by the Manager requires the prior approval of the Board which may be withheld in its absolute discretion.

ILLUMINATOR INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

Your directors present the First Annual Report on the Company for the financial period ended 30 June 2004.

Directors

The names of directors in office at any time during or since the end of the period are:

Steven Shane Pritchard

Daniel Di Stefano

Darval Warwick Thomas

All directors have been in office since the incorporation, of the Company, 22nd December 2003, to the date of this report.

Principal Activities

The principal activity of the Company during the financial period was investing in securities.

There has been no significant change in the nature of the Company's activities during the financial year.

Operating Results

The net loss of the Company for the period attributable to members was \$528 after providing for income tax benefit of \$226.

Dividends Paid or Recommended

No dividends were paid or declared during the period. No dividend will be recommended by the directors for declaration at the forthcoming Annual General Meeting.

Review of Operations

Following the successful completion of the Company's capital raising and the listing of its securities on the Stock Exchange, the Company commenced to invest the monies it had raised in a portfolio of securities.

Significant Changes in State of Affairs

Illuminator Investment Company Limited was incorporated on 22nd December 2003 and issued a prospectus on 2nd April 2004 which raised \$626,681 through the issue of 1,260,262 fully paid ordinary shares at 50 cents each with one free attached option.

The Company applied to have its shares and options admitted to the Official List of the Stock Exchange of Newcastle Limited. Quotation of the Company's securities commenced on the Stock Exchange of Newcastle Limited on 18th June 2004.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial period 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.

Future Developments

The Company will continue to pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place and may require some changes to that strategy.

Further information on likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues

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

ILLUMINATOR INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

Information on Directors

Particulars of directors and their interests in shares in Illuminator Investment Company Limited for the whole of the financial period and up to the date of this report.

Director	Experience	Special responsibilities and Qualifications
Steven Shane Pritchard (Age 43)	Mr Pritchard has worked as an accountant in public practice for over 18 years & is the principal of his own accounting and stockbroking firm.	Executive chairman since 22 December 2003. He holds a Bachelor of Commerce from the University of Newcastle and is a member of CPA Australia and an associate of the Securities Institute of Australia.
Daniel Di Stefano (Age 26)	Mr Di Stefano has worked as an accountant in public practice for 5 years.	Executive Director since 22 December 2003. He holds a Bachelor of Commerce from the University of Newcastle and is a member of CPA Australia.
Darval Warwick Thomas (Age 61)	Mr Thomas has worked as an accountant in public practice for over 40 years.	Non Executive Director since 22 December 2003. He is a Fellow of CPA Australia, a registered tax agent and registered company auditor. He is chairman of the Company's audit committee.

Directors' and Executive Officers' Emoluments

Pursuant to Australian Securities and Investments Commission Class Order 98/2395 dated 24 December 1998 information required to be included in the Directors' Report may be transferred to the financial report. Accordingly the information required to be disclosed in relation to the Directors and Executive Officers Emoluments has been transferred to Note 5 to the financial statements which commences on page 14 of the 2004 Annual Report .

Meetings of Directors

During the financial year, 6 meetings of directors (including committees) were held. Attendances were:

	DIRECTORS MEETINGS		AUDIT COMMITTEE MEETINGS	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Steven Shane Pritchard	5	5	1	1
Daniel Di Stefano	5	5	1	1
Darval Warwick Thomas	5	5	1	1

Indemnifying Officers or Auditor

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 auditor of the Company.

Options

During the year the Company granted 1,260,262 options over 1,260,262 unissued shares in the capital of the Company, pursuant to its prospectus dated 4th April 2003. The options are exercisable by the holder at 50 cents per share at any time up until 5pm 15th December 2006.

Proceedings on Behalf of 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 any part of those proceedings.

The company was not a party to any such proceedings during the year.

ILLUMINATOR INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

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



Steven Shane Pritchard

Director



Daniel Di Stefano

Director

Dated this 29th day of September 2004.

ILLUMINATOR INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30TH JUNE 2004

	Note	2004 \$
Income from deposits and bank bills	2	3,246
Administration expenses		(3,411)
Borrowing expenses	3	(77)
Unrealised losses on investment portfolio		(512)
Loss from ordinary activities before income tax expense	3	(754)
Income tax benefit/(expense) relating to ordinary activities	4	226
Loss from ordinary activities after related income tax expense		(528)
Net loss attributable to company		(528)
Direct adjustments against equity		
Unrealised gains/(losses) on investment portfolio	17a	-
Realised gains/(losses) on investment portfolio (net of tax)	17b	-
Total valuation adjustments attributable to company and recognised directly in equity		-
Total changes in equity other than those resulting from transactions with owners as owners		(528)
Basic earnings per share (cents per share)	8	-0.04
Diluted earnings per share (cents per share)	8	-0.04

The Statement of Financial Performance should be read in conjunction with the accompanying notes

ILLUMINATOR INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2004

	Note	2004 \$
CURRENT ASSETS		
Cash assets	9	550,502
Receivables	10	3,788
Other	13	752
TOTAL CURRENT ASSETS		555,042
NON-CURRENT ASSETS		
Investment portfolio	11	38,930
Deferred tax assets	12	1,102
TOTAL NON-CURRENT ASSETS		40,032
TOTAL ASSETS		595,074
CURRENT LIABILITIES		
Payables	14	19,722
Current tax liabilities	15	830
TOTAL CURRENT LIABILITIES		20,552
NON-CURRENT LIABILITIES		
Deferred tax liabilities	15	45
TOTAL NON-CURRENT LIABILITIES		45
TOTAL LIABILITIES		20,597
NET ASSETS		574,477
EQUITY		
Contributed equity	16	575,005
Reserves	17	-
Retained profits	18	(528)
TOTAL EQUITY		574,477

The Statement of Financial Position should be read in conjunction with the accompanying notes

ILLUMINATOR INVESTMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2004

	Note	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends and distributions received		-
Interest received		3,246
Administration expenses		(274)
Borrowing expenses		(77)
Net cash provided by (used in) operating activities	20a	2,895
 CASH FLOWS FROM INVESTING ACTIVITIES		
Sales from investment portfolio		-
Purchase for investment portfolio		(39,483)
Net cash provided by (used in) investing activities		(39,483)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		626,682
Initial public offer costs		(39,592)
Net cash provided by (used in) financing activities		587,090
 Net increase in cash held		 550,502
Cash at 23 December 2003		-
Cash at 30 June 2004	9	550,502

The Statement of Cash Flows should be read in conjunction with the accompanying notes

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Illuminator Investment Company Limited as an individual entity. Illuminator Investment Company Limited is a listed public company, incorporated and domiciled in Australia.

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. Basis of Accounting

The financial report has been prepared on an accruals basis and using the valuation methods described below in relation to the Company's holdings of securities. All other items have been treated in accordance with the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

b. Holdings of Securities

(i) Statement of financial position classification

The Company has two portfolios of securities, the investment portfolio and the yet to be established trading portfolio.

The investment portfolio relates to holdings of securities which the directors intend to retain on a long-term basis.

The trading portfolio shall be established to comprise securities held for short term trading purposes, which can include exchange traded option contracts that are entered into. The Company intends to establish the trading portfolio once short term trading opportunities are identified.

The investment portfolio is classified as a 'non-current asset', whereas the trading portfolio is classified as a 'current asset'.

(ii) Valuation of investment portfolio

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost and are revalued to market values continuously. Increments and decrements are taken to the Asset Revaluation Reserve while it has a credit balance in total, otherwise they are included in Profit from ordinary activities before income tax expense. Where disposal of an investment occurs any revaluation increment or decrement relating to it is transferred from the Asset Revaluation Reserve while this reserve has a credit balance in total, otherwise they are included in Profit from ordinary activities before income tax expense.

(iii) Valuation of trading portfolio

Securities, including listed and unlisted shares and notes, are initially brought to account at cost. Options written against trading portfolio holdings are initially brought to account at the amount received upfront for entering the contract (the premium).

Each holding in the trading portfolio (which can include exchange-traded options) is reviewed regularly. If directors were to consider that a loss is almost certain on any holding then it would be written down to realisable value as estimated by directors. After any individual write-downs have been made, the portfolio is then valued at the lower of carrying value and market value in aggregate. Any write down is included in the Profit from ordinary activities before income tax expense of the Company.

Where disposals are made from the trading portfolio the gain or loss arising from the difference between the proceeds and the carrying value is included in the Profit from ordinary activities before income tax expense of the Company.

(iv) Determination of market value

Market value for the purposes of valuing holdings of securities is determined by reference to market prices prevailing at balance date less an allowance for realisation costs, where the

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

securities are traded on an organised market. Where a security is not so traded, its fair value is determined by the directors.

(v) **Income from holdings of securities**

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis. Distributions relating to unlisted securities are recognised as income when received.

The premium on options written against trading portfolio securities is offset against these securities until the option expires, is exercised or is repurchased from the holder. When one of these events occurs, the net gain or loss arising on the option contract is included in the Profit from ordinary activities before income tax expense.

c. Reporting Periods

The financial statements have been prepared for the period 23rd December 2003, being the date of incorporation of the Company until the 30th June 2004.

d. 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 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 taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

e. Cash

For the purpose of the statement of cash flows, cash includes:

— cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts

f. Goods and Services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

g. Initial Public Offer Costs

The costs incurred in the establishment of the Company and its subsequent initial public offer have been charged directly against contributed equity.

h. Comparative figures

The Company was incorporated on 23 December 2003 and accordingly only current period figures covering the financial period ended 30 June 2004 from incorporation are shown.

i. Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The Company's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established to oversee and manage the economic entity's transition to IFRS. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

The directors are currently of the opinion that the key difference in the Company's accounting policies which will arise from the adoption of with IFRS is:

Under IFRS, the realised gains of the investment portfolio (net of tax) will be included in the Profit from ordinary activities after related income tax expense rather than treated as a direct equity adjustment. Consequently, the Capital Profits Reserve will cease to exist. The realised gains are already disclosed in the Statement of Financial Performance as direct adjustments against equity.

NOTE 2: REVENUE

Income

— Interest from deposits

Total Revenue

2004
\$

3,246

3,246

NOTE 3: LOSS FROM ORDINARY ACTIVITIES

Loss from ordinary activities before income tax has been determined after the following items of expense:

a. **Expenses:**

Administration expenses

Bank expenses

Unrealised losses on investment portfolio

Profit from ordinary activities before income tax

2004
\$

3,411

77

512

4,000

(754)

NOTE 4: INCOME TAX EXPENSE

a. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30%

2004
\$

(226)

NOTE 5: DIRECTORS' AND EXECUTIVES' REMUNERATION

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

Steven Shane Pritchard (Appointed 23rd December 2003)

Daniel Di Stefano (Appointed 23rd December 2003)

Darval Warwick Thomas (Appointed 23rd December 2003)

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

NOTE 5: DIRECTORS' AND EXECUTIVES' REMUNERATION (CONT)

a. Directors' Remuneration

	Salary, Fees & Commissions	Superannuation Contribution	Cash Bonus	Non- Cash Benefits
	\$	\$	\$	\$
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Darval Warwick Thomas	-	-	-	-
	-	-	-	-

	Post Employment Superannuation	Equity Options	Other	Total
	\$	\$	\$	\$
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Darval Warwick Thomas	-	-	-	-
	-	-	-	-

b. Shareholdings

Number of Shares held, directly, indirectly or beneficially by Directors of the Company

	Balance 23.12.03	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.04
Steven Shane Pritchard	-	-	-	369,481	369,481
Daniel Di Stefano	-	-	-	108,041	108,041
Darval Warwick Thomas	-	-	-	40,800	40,800
				518,322	518,322

*Shares acquired by the directors and director related entities includes shares acquired under the initial public offer on the same basis as similar transactions with other shareholders.

c. Optionholdings

Number of Options held, directly, indirectly or beneficially by Directors of the Company

	Balance 23.12.03	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.04
Steven Shane Pritchard	-	-	-	371,480	371,480
Daniel Di Stefano	-	-	-	108,040	108,040
Darval Warwick Thomas	-	-	-	40,800	40,800
				520,320	520,320

*Options acquired by the directors and director related entities includes options acquired under the initial public offer on the same basis as similar transactions with other shareholders.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

NOTE 5: DIRECTORS' AND EXECUTIVES' REMUNERATION (CONT)

d. Remuneration Practices

The Company's policy for determining the nature and amount of emoluments of board members and senior executives of the Company is as follows: The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of services, particular experience of the individual concerned, and overall performance of the Company.

NOTE 6: AUDITORS' REMUNERATION

Remuneration of the auditor of the Company for

	2004
	\$
— Audit and review of the financial reports	3,000
— Other services	-
— Other services provided by related practice of auditor	-
	3,000

NOTE 7: DIVIDENDS

There were no dividends paid or declared in the financial period

	Note	2004
		\$
	18	-
		-

NOTE 8: EARNINGS PER SHARE

Earnings used in calculation of basic EPS

Earnings used in calculation of dilutive EPS

Weighted average number of ordinary shares outstanding during the year used as the denominator

	2004
	\$
	(528)
	(528)
	1,260,264
	1,260,264

NOTE 9: CASH ASSETS

Cash at bank

Deposits at call

	Note	2004
		\$
		4
		550,498
		550,502

Deposits at call yield an average floating interest rate of 5.21%.

The credit risk exposure of the Company in relation to cash and deposits is the carrying amount and any accrued unpaid interest.

Reconciliation of Cash

Cash is reconciled to items in the statement of financial position as follows:

Cash	550,502
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ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

NOTE 10: RECEIVABLES		2004
		\$
CURRENT		
Other debtors		3,788
		3,788
<p>Receivables are non-interest bearing and unsecured. The credit risk exposure of the company in relation to receivables is the carrying amount.</p>		
NOTE 11: OTHER FINANCIAL ASSETS		2004
		\$
NON-CURRENT	Notes	
Listed Securities		
– Shares at market value		38,930
	11a	38,930
a. Market Value of Listed Shares:		
Additions		39,442
Disposals		-
Revaluation increments / (decrements)		(512)
Carrying amount at the end of year		38,930
NOTE 12: DEFERRED TAX ASSETS		2004
		\$
Future income tax benefit		
a. The future income tax benefit is made up of the following estimated tax benefits:		
– Provisions and expenses charged to the accounting profit which are not yet tax deductible		1,102
		1,102
NOTE 13: OTHER ASSETS		2004
		\$
CURRENT		
Prepayments		752
NOTE 14: PAYABLES		2004
		\$
CURRENT		
Trade creditors		16,722
Sundry creditors and accrued expenses		3,000
		19,722
NOTE 15: TAX LIABILITIES		2004
		\$
CURRENT		
Income tax		830
NON-CURRENT		
Provision for deferred income tax		45

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

NOTE 16: CONTRIBUTED EQUITY

	Notes	2004 \$
1,260,264 fully paid ordinary shares	16a	575,005
		575,005
a. Ordinary shares		
At the beginning of the reporting period		-
Share issued during the year		
– 2 on 23 December 2003		1
1,260,264 on 17 June 2004		630,131
Initial public offer costs		(55,127)
		575,005

b. Options

On 17 June 2004, 1,260,262 options were granted to the holders of ordinary shares at an exercise price of \$0.50 each. The option is exercisable on or before 15 December 2006.

At 30 June 2004 there were 1,260,262 unissued ordinary shares for which options were outstanding.

NOTE 17: RESERVES

	Notes	2004 \$
Asset revaluation	17a	-
Capital profits	17b	-
		-

a. Asset Revaluation Reserve

Movements during the year:

Opening balance	-
Revaluation of the investment portfolio	-
Transfer to the capital profits reserve	-
Closing balance	-

The asset revaluation reserve records revaluations of non-current assets.

b. Capital Profits Reserve

Movements during the year:

Opening balance	-
Transfer to retained profits	-
Transfer from asset revaluation reserve	-
Closing balance	-

The capital profits reserve records realised gains on sale of non-current assets.

NOTE 18: RETAINED PROFITS

	Notes	2004 \$
Retained profits at the beginning of the financial year		-
Net profit/(loss) attributable to the members of the company		(528)
Dividends provided for or paid	7	-
Transfer to and from reserves		-
– Capital profits reserve	17b	-
Retained profits at the end of the financial year		(528)

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

NOTE 19: SEGMENT REPORTING

The Company operates as a Listed Investment Company in Australia. It has no reportable business or geographic segments.

NOTE 20: CASH FLOW INFORMATION

	2004 \$
a. Reconciliation of cash flow from operations with loss from ordinary activities after income tax	
Loss from ordinary activities after income tax	(528)
Cash flows excluded from profit from ordinary activities attributable to operating activities:	-
– (Increase)/decrease in unrealised losses	524
– Increase/(decrease) in current payables	3,125
– Increase/(decrease) in income tax balances	(226)
Cash flows from operations	2,895

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the period and the date of this report any transaction or event of a material and unusual nature likely, in the opinion of the directors to effect significantly the operations or the state of affairs of the operations of the Company, the results of these operations or state of affairs of the Company in the future.

NOTE 22: RELATED PARTY TRANSACTIONS

	2004 \$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated.	
Transactions with related parties:	
a. Expenses paid or payable by the company to:	
– Pritchard & Partners Pty. Limited for reimbursement of initial public offer costs.	4,578
– Pritchard & Partners Pty. Limited for handling fees on subscriptions made under the initial offer of shares in the Company.	8,799
– Pritchard & Partners Pty. Limited for brokerage.	300
Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Pritchard & Partners Pty. Limited.	
– Cameron Stockbrokers Limited for handling fees on subscriptions made under the initial offer of shares in the Company.	572
Steven Pritchard is interested in the above transaction as a director of Cameron Stockbrokers Limited and as a director and beneficial shareholder of Cameron Capital Limited.	
Daniel Di Stefano is interested in the above transaction as a director and beneficial shareholder of Cameron Capital Limited.	
Cameron Stockbrokers Limited is a wholly owned subsidiary of Cameron Capital Limited.	
– Newcastle Capital Markets Registries Pty. Limited for share registry costs	1,411
Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited.	
– Daniel Di Stefano for reimbursement of initial public offer costs.	488

NOTE 23: COMPANY DETAILS

The registered office of the company is:

10 Murray Street
HAMILTON NSW 2303

The principal place of business is:

10 Murray Street
HAMILTON NSW 2303

ILLUMINATOR INVESTMENT COMPANY LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 8 to 18 are in accordance with the *Corporations Act 2001*:
 - a. Comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2004 and of the performance for the period ended on that date of the company ;
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.



Steven Shane Pritchard

Director



Daniel Di Stefano

Director

Dated this 29th day of September 2004

ILLUMINATOR INVESTMENT COMPANY LIMITED

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ILLUMINATOR INVESTMENT COMPANY LIMITED

Scope

We have audited the financial report of Illuminator Investment Company Limited for the period ended 30 June 2004 as set out on pages 8 to 19.

The financial report includes the financial statements of the company at the period's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Illuminator Investment Company Limited is in accordance with:

- a. the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the company's financial position as at 30 June 2004 and of their performance for the period ended on that date; and
 - ii. Complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- b. other mandatory professional reporting requirements in Australia.



Name of Firm: Forsythes



Name of Partner: Vic Lewis

Dated this 30th day of September 2004

Address: Level 5, Hunter Mall Chambers
175 Scott Street
Newcastle NSW 2300.

ILLUMINATOR INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION

Top 20 Shareholders as at 29th day of September 2004.

Shareholder	No. of Shares	% of Issued
Steven Pritchard Investments Pty Limited	102,000	8.09
Mr Stephen Gaterell	60,000	4.76
Pritchard & Company Pty Limited	51,000	4.05
Trusts & Nominees Pty Limited <2004-002>	50,600	4.02
Henley Underwriting & Investment Company Pty Limited	50,000	3.97
Trusts & Nominees Pty Limited <2004-003>	50,000	3.97
Hafoba Pty Ltd <STDT Super Fund No1>	40,800	3.24
Kerteh Holdings Pty Limited <Super Fund Account>	40,000	3.17
Melville King Pty Ltd	40,000	3.17
Mrs Maree Wolthers	40,000	3.17
Richardson Investment Holdings Pty Ltd <Richardson Super Fund>	40,000	3.17
Mr Laurence George Cable	30,000	2.38
Superannuation Nominees Pty Limited	20,400	1.62
Cumarex Pty Limited <Tulips Superannuation Fund>	20,000	1.59
Mrs Ann Z Kisonas	20,000	1.59
Mrs Lola Bernice Heddles & Mr Murray Allan Heddles	20,000	1.59
Newcastle Capital Markets Registries Pty Limited	20,000	1.59
Donald Edward Campbell & Denise Margaret Campbell <Port Stephens Publishers S/F>	20,000	1.59
Saxonit Pty Ltd <Harrison Super Fund>	20,000	1.59
Mr Steven Shane Pritchard	16,300	1.29
	751,100	59.61

Number of ordinary shares held

Number of Shareholders

1 – 1,000	16
1,001 – 5,000	43
5,001 – 10,000	32
10,001 – 50,000	20
50,001 – 100,000	3
100,001 and over	1

ILLUMINATOR INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION

Top 20 Optionholders as at 29th day of September 2004.

Optionholder	No. of Options	% of Issued
Steven Pritchard Investments Pty Limited	102,000	8.09
Mr Stephen Gaterell	60,000	4.76
Pritchard & Company Pty Limited	51,000	4.05
Trusts & Nominees Pty Limited <2004-002>	51,000	4.05
Henley Underwriting & Investment Company Pty Limited	50,000	3.97
Trusts & Nominees Pty Limited <2004-003>	50,000	3.97
Hafoba Pty Ltd <STDT Super Fund No1>	40,800	3.24
Kerteh Holdings Pty Limited <Super Fund Account>	40,000	3.17
Melville King Pty Ltd	40,000	3.17
Mrs Maree Wolthers	40,000	3.17
Richardson Investment Holdings Pty Ltd <Richardson Super Fund>	40,000	3.17
Mr Laurence George Cable	30,000	2.38
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Mrs Ann Z Kisonas	20,000	1.59
Mrs Lola Bernice Heddles & Mr Murray Allan Heddles	20,000	1.59
Newcastle Capital Markets Registries Pty Limited	20,000	1.59
Donald Edward Campbell & Denise Margaret Campbell <Port Stephens Publishers S/F>	20,000	1.59
Saxonit Pty Ltd <Harrison Super Fund>	20,000	1.59
Mr Steven Shane Pritchard	15,300	1.21
	750,500	59.56

Number of options held

1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 50,000
 50,001 – 100,000
 100,001 and over

Number of Optionholders

15
 44
 33
 19
 3
 1

Substantial Shareholders

As at 29th day of Septemeber 2004 the names and holdings of substantial shareholders as disclosed in notices received by the Company are as follows:-

Substantial Shareholder	No. of shares	% of total
Steven Pritchard	369,481	29.31
Margaret Pritchard	183,080	14.52
Daniel Di Stefano	108,041	8.57

ILLUMINATOR INVESTMENT COMPANY LIMITED

CORPORATE DIRECTORY

Directors	Steven Pritchard Daniel Di Stefano Darval Thomas
Company Secretary	Daniel Di Stefano
Registered Office	10 Murray Street Hamilton. NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878 Email: mail@illuminator.com.au Web: www.illuminator.com.au
Manager	Pritchard & Partners Pty. Limited 10 Murray Street Hamilton. NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878
Share Registry	Newcastle Capital Markets Registry Pty Limited 10 Murray Street Hamilton. NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878
Auditors	Forsythes Level 5, Hunter Mall Chambers 175 Scott Street Newcastle NSW 2300 Telephone 02 4926 2699 Facsimile 02 4929 1435
Solicitors	Baker & McKenzie Level 27, AMP Centre 50 Bridge Street Sydney NSW 1223 Telephone 02 9225 0200 Facsimile 02 9225 1595
Bankers	National Australia Bank Limited Hamilton District Commercial Branch 31 Beaumont Street Hamilton NSW

