



ILLUMINATOR INVESTMENT COMPANY | ANNUAL REPORT 2008



ILLUMINATOR
INVESTMENT
COMPANY LIMITED

CONTENTS

	Page No.
Highlights	2
Investment Managers Report	3
Corporate Governance Statement	8
Directors' Report	9
Auditor's Independence Declaration	14
Income Statement	15
Balance Sheet	16
Statement of Changes in Equity	17
Cash Flow Statement	18
Notes to the Financial Statements	19
Directors Declaration	33
Independent Audit Report	34
Stock Exchange Information	36
Corporate Directory	38

HIGHLIGHTS

Achievements

- Fourth consecutive year of increased dividends

Key Financial Statistics

	2008	2007	2006	2005	2004
Net profit (loss) after tax	\$(20,794)	\$49,632	\$7,990	\$18,601	\$(528)
Earnings per Share (cents per share)	(0.90)	2.87	0.62	1.47	-0.04
Dividends per Share (cents per share)	1.45	1.35	1.1	0.5	–
Total Assets	\$1,460,900	\$1,687,925	\$826,651	\$632,502	\$595,074
Total Liabilities	\$427,555	\$362,752	\$124,059	\$23,663	\$20,552
Shareholders Funds	\$1,033,345	\$1,325,173	\$702,592	\$608,839	\$574,477
Total Shareholders Return*	(25.83)%	15.75%	12.71%	5.43%	-%
Return on Shareholders Funds	(1.5)%	7.06%	1.31%	3.24%	-0.09%
Net Asset backing per share	\$0.43	\$0.60	\$0.53	\$0.48	\$0.46
Shares on issue	2,384,246	2,214,261	1,301,453	1,273,189	1,260,264
Number of Shareholders	152	145	116	116	115
Options on issue	–	827,472	1,260,262	1,260,262	1,260,262
Number of Option holders	–	138	115	115	115

* Total shareholders return consists of the dividends paid together with the change in net asset backing per share.

Benefits of Investing in Illuminator Shares

Illuminator Investment Company Limited was incorporated in 2003, and listed on the Stock Exchange of Newcastle Limited on 18 June 2004. Illuminator Investment Company Limited was the first Newcastle based company to list on the Stock Exchange of Newcastle Limited and the first Newcastle based listed institutional investor. 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 50.
- **Professional Management**
The investment portfolio of Illuminator is managed by Pritchard & Partners Pty. Limited, which is a participant of the National Stock Exchange of Australia Limited (NSX), formerly 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 National Stock Exchange of Australia 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 disclosure requirements of the NSX. Copies of all announcements to the NSX are also posted on the Illuminator internet site www.illuminator.com.au.

INVESTMENT MANAGER'S REPORT

The last year, has certainly been an interesting one for investors. The Australian equity market along with the other major equity markets around the world has been extremely volatile. Investors have had to deal with the global credit crisis, a possible recession in the developed world and the ongoing growth in China and other emerging markets.

After reaching record highs in November 2007, the share prices of industrial and financial stocks have declined significantly during the second half of the financial year. Companies with high levels of debt, and those relying upon financial engineering have been particular hard hit.

Resource and energy stocks however, have continued to remain relatively strong, and in some instances have risen to all time highs. This has presented a very difficult market environment for a company such as ours.

Whilst in the past we have not invested any significant sums in the resources sector, we now believe that going forward, it will be prudent to acquire some of the major resource and energy stocks for our portfolio, as buying opportunities emerge.

We have for some time been concerned about those companies with high levels of debt, and who rely upon financial engineering for their returns and have deliberately avoided investing in them. As a result of this, we have been in the fortunate position of having avoided all of the major disasters.

Early this month your directors have announced the payment of a final dividend in respect of the 2008 financial year at the rate of 0.75 cents per share fully franked. This makes the fourth consecutive year that your company has increased its dividends. As the final dividend is sourced from Listed Investment Company capital gains most shareholders will be able to benefit by claiming some of this amount as a tax deduction.

The following table shows the progress of Illuminator Investment Company Limited since incorporation:

Year	Dividends Cents Per Share	Net Profit /(loss) \$	Contributed Capital \$	Issued Ordinary Shares	Net Assets \$
2004	–	(528)	575,005	1,260,264	574,477
2005	0.50	18,601	596,809	1,273,189	608,839
2006	1.10	7,990	610,893	1,301,453	702,592
2007	1.35	49,632	1,053,631	2,214,261	1,325,173
2008	1.55	(20,794)	1,143,893	2,384,246	1,033,345

Trading Portfolio

The performance of the trading portfolio can only be described as disappointing, but given current market conditions, not unexpected. A loss of \$ 37,209 was incurred compared to its profit last year of \$82,807.

It remains the general policy of the Company's that the trading portfolio will not exceed 10% of the Company's total portfolio. At year end the total value of the Company's trading portfolio was \$33,661 or 2.6% of the Company's total portfolio.

Investment Portfolio

The value of the Company's investment portfolio stood at \$1,209,179 on the 30 June 2008, compared to \$1,451,109, as at 30 June 2007. The portfolio consisted of \$1,027,158 in Australian equities (2007: \$1,158,669), and \$182,021 (2007: \$292,440) in international equities.

The Company will add to the investment portfolio as further investments are identified which we believe provide opportunities for sustainable long term returns for the Company.

Investment Objectives

The investment objectives of Illuminator Investment Company Limited, are to:

- Preserve 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 50 issues represented in its portfolio.

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

INVESTMENT MANAGER'S REPORT (CONTINUED)

Details of Investments Held as at 30 June 2008

Name of Investment	Holding	Market Value \$	Portfolio %
Investment Portfolio			
Australian Equities			
Australian & New Zealand Banking Group Limited	1,048	19,619	1.54
Alumina Limited	7,148	33,882	2.65
AMP Limited	3,000	20,070	1.57
ARB Corporation Limited	12,000	46,200	3.62
Bendigo Bank Limited	2,617	28,604	2.24
Blackmores Limited	1,000	16,400	1.28
Cabcharge Australia Limited	6,000	49,200	3.85
Cochlear Limited	1,000	43,650	3.42
Equity Trustees Limited	2,196	47,873	3.75
Fairfax Media Limited	10,477	30,698	2.40
Flight Centre Limited	1,212	20,204	1.58
Florin Mining Investment Company Limited	233,064	44,282	3.47
Florin Mining Investment Company Limited Series B Options	75,000	750	0.06
Florin Mining Investment Company Limited Series C Options	111,465	1,115	0.09
G.U.D. Holdings Limited	3,500	26,495	2.07
Harvey Norman Holdings Limited	10,000	30,900	2.42
Hills Industries Limited	12,725	40,593	3.18
Korvest Limited	7,000	35,000	2.74
Lycopodium Limited	10,000	47,500	3.72
Metcash Limited	11,000	40,700	3.19
National Australia Bank Limited	1,500	39,750	3.11
Peoplebank Australia Limited	50,000	32,500	2.54
Platinum Asset Management Limited	7,000	21,770	1.70
Prime Financial Group Limited	60,000	21,600	1.69
Pritchard Equity Limited – A Ordinary	10,000	11,000	0.86
Pritchard Equity Limited – B Ordinary	10,000	11,000	0.86
Pritchard Equity Limited – Series 1 Options	6,250	63	0.00
Pritchard Equity Limited – Series 2 Options	3,125	31	0.00
Pritchard Equity Limited – Series 3 Options	3,125	31	0.00
Queensland Ores Limited	3,500	403	0.03
Reece Australia Limited	1,000	21,000	1.64
Telstra Corporation Limited	15,600	66,144	5.18
Transfield Services Limited	3,614	26,816	2.10
Transfield Services Infrastructure Fund	22,000	27,280	2.14
Treasury Group Limited	1,000	9,210	0.72
Trust Company Limited	3,000	25,500	2.00
Warrnambool Cheese & Butter Factory Company Holdings Limited	9,241	38,627	3.02
Westfield Group Stapled Securities	2,500	40,700	3.19
Westpac Banking Corporation	500	10,000	0.78
Total Australian Equities		1,027,158	80.43

INVESTMENT MANAGER'S REPORT (CONTINUED)

Details of Investments Held as at 30 June 2008 (continued)

Name of Investment	Holding	Market Value \$	Portfolio %
International Equities			
Berkshire Hathaway Inc. Class B Common Stock	6	25,175	1.97
Cadbury Schweppes PLC	1,280	16,854	1.32
Conygar Investment Company PLC	4,000	12,283	0.96
Diageo PLC	1,000	19,236	1.51
Dr. Pepper Snapple Group Inc.	240	5,266	0.41
Fisher & Paykel Appliances Holdings Limited	10,000	15,250	1.19
Fletcher Building Limited	3,000	15,210	1.19
Foster's Group Pacific Limited	750	6,734	0.53
McMullen & Sons Limited – Preferred Ordinary	2,500	19,517	1.53
NYSE Euronext Inc	200	10,596	0.83
Royal Dutch Shell PLC B Ordinary	500	21,026	1.65
Unilever PLC	500	14,874	1.16
Total International Equities		182,021	14.09
Total Investment Portfolio		1,209,179	93.57
Trading Portfolio			
Australian Equities			
KCN Macquarie 300 KCN instalment 25-09-08 Deferred settlement	2,000	4,400	0.34
King Solomon Mines Limited	50,000	7,000	0.54
Mermaid Marine Australia Limited	3,749	5,811	0.45
White Energy Company Limited – Unlisted August 2009 Options	2,632	0	0.00
Total Australian Equities		17,211	1.33
International Equities			
News Corporation Inc	1,000	16,450	1.27
Total International Equities		16,450	1.27
Total Trading Portfolio		33,661	2.60
Cash & Equivalents			
National Australia Trustees Limited Common Fund Account		41,818	3.24
Income Accrued but not Paid		8,879	0.69
Unsettled Transactions		-1,262	-0.10
Total Cash & Equivalents		49,434	3.83
Total Portfolios		1,292,274	100.00

INVESTMENT MANAGER'S REPORT (CONTINUED)

Comments on Selected Investments

Blackmores Limited

Blackmores Limited (BKL) is a distributor of branded vitamin and herbal supplements to the Australasian and Southeast Asian markets. Products are distributed primarily through retail pharmacies, supermarkets, and to a lesser extent health food shops and professional outlets.

Blackmores was established in the 1930's by an Australian naturopath pioneer, Mr Maurice Blackmore. Mr Blackmore was also responsible for establishing Australia's first health food store in Brisbane, in 1938. Over the last 70 years, Blackmores has become the market leader in the natural remedies and general health wellbeing market.

As part of the Blackmores commitment to its values, of a more natural approach to health, the company established a free advisory service over 15 years ago. This service allows customers to obtain advice on natural healthcare, the latest research findings, issues, news and information. The service is provided by fully qualified naturopaths.

Blackmores 2008 net profit grew by 15% to \$19.1m, an excellent result. The company is seeing a slowing in sales in the current year due to economic contraction, particularly in Asia. Blackmores expects to continue to grow market share through the delivery of new products, five were released in April of this year, and to continue to grow the business in overseas markets, including Europe and the Americas.

Cadbury plc & Dr Pepper Snapple Group Inc.

Following the separation of the Americas beverages business of the former Cadbury Schweppes group, we now hold an interest in Cadbury plc, the integrated global confectionary business and Australian non-alcoholic beverage business and Dr Pepper Snapple Group Inc, the third largest beverage company in the Americas.

The Cadbury confectionary business produces and markets all three kinds of confectionary being; chocolate, gum and candy. Cadbury is the largest confectionary company in the world, operating in 60 countries worldwide. The company has a long heritage, being started by John Cadbury in 1824 when he opened a store in Birmingham, England, selling cocoa and chocolate.

Cadbury operates over 100 brands, with the most notable being Cadbury Dairy Milk chocolate and Trident gum. Cadbury has recently announced a 7% increase in revenues for the first half of 2008, and a 36% increase in net profit for the same period. This improvement in results was generated by double digit sales growth in the emerging markets of India, South Africa and South America and the benefits of managements Vision into Action (VIA) cost reduction programme instigated in June 2007.

Cadbury plc is listed on the London Stock Exchange.

Dr Pepper Snapple group manufactures, markets and distributes more than 50 brands of carbonated soft drinks, juices, ready to drink teas, and other premium beverages across America, Canada, Mexico and the Caribbean. It was established in May 2008 as a result of the spin off and consolidation of the four North American beverage businesses of the former Cadbury Schweppes. The major brands include 7UP, Dr Pepper, Snapple and Schweppes.

Management are now focused on realizing the benefits of operating as an independent consolidated group. Forecast sales for the year ended December 2008 are expected to increase 3-5%, with efficiency benefits to be realised over the remainder of 2008 and into 2009.

Dr Pepper Snapple Group Inc is listed on the New York Stock Exchange.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Cochlear Limited

Cochlear Limited (COH) is a manufacturer and marketer of hearing implants which are used to stimulate impaired hearing. Cochlear has been one of your company's core holdings for in excess of three years (and continues to be).

We thought we would take this opportunity to update you on the impressive performance of Cochlear over this time.

We acquired our investment in Cochlear in a year of turnaround for the company. Management has delivered a profit of \$115.2m in 2008, up from \$58.3 in 2005. Cochlear has continued to grow market share in the US, though Europe has overtaken the US as the largest contributor to sales at 44% vs 40%. In the last year alone revenues have increased 30% in Europe ignoring currency movements, and the company expects sales to continue to grow in excess of 10% per annum on the back of demand from Eastern Europe.

Management is not resting on its laurels and are implementing operational efficiencies in the form of reducing inventory turnover and debtor days. This will result in a reduction in working capital required in the day to day operations of the business, freeing up cash to be reinvested into generating further returns for shareholders. Cochlear's 2008 return on equity was an exceptional 36%.

Despite the current global financial market crisis, the Cochlear share price has increased 31% since 30 June 2008 (as at 22 September 2008) and we look forward to continuing to share in the success of Cochlear.

Platinum Asset Management Limited

Platinum Asset Management Limited (PTM) is an Australian based fund manager specialising in international equities. Platinum was founded by its managing director, Kerr Neilson, in 1993. Mr Neilson continues today in his role as managing director and holds approximately 60% of the shares in Platinum.

Platinum has an impressive long term track record of out performance and this resulted in a significant increase in funds under management in recent years, peaking at almost \$23b in August 2007. As a result of the recent downturn in global financial markets, funds under management now stand at \$15.4b (as at 31 August 2008).

Platinum currently manages 12 funds, these diversified across geographical regions, well recognised consumer brand names, health care companies from around the world and opportunities created by developments in information technologies and telecommunications.

Platinum has maintained conservative cash holdings within its funds and along with their contrarian investment style will enable platinum's funds to outperform in the medium to long term.

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 once 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.

DIRECTORS' REPORT

Your directors present their report on the Company for the financial year ended 30 June 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

Steven Shane Pritchard
Daniel Di Stefano
Darval Warwick Thomas

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretaries

The following persons held the position of company secretary at the end of the financial year:

Daniel Di Stefano held the position of as joint company secretary at the end of the financial year. Further details in respect of the qualifications of the Company Secretary are contained in the Information on Directors.

Enzo Pirillo held the position of joint company secretary at the end of the financial year. Enzo has a Bachelor of Commerce degree from the University of Newcastle and is a Certified Practising Accountant.

Principal Activities

The principal activity of the Company during the financial year was making medium to long term investments in securities.

There were no significant changes in the nature of the Company's principal activities during the financial year.

Operating Results

The profit/(loss) of the Company after providing for income tax amounted to \$(20,794) (2007:\$49,632).

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

2007 Final ordinary dividend of 0.75 cents per share paid on 22 October 2007.	\$17,101
2008 Interim ordinary dividend of 0.80 cents per share paid on 30 April 2008.	\$18,773
2008 Final ordinary dividend of 0.75 cents per share recommended by the Directors payable on 22 October 2008.	\$17,881

Listed Investment Company Capital Gains

In 2001 the Government made changes to Capital Gains Tax relating to Listed Investment Companies ("LICs"). The changes affect the company in situations where the Company makes a taxable capital gain on the sale of equity securities from its investment portfolio which have been held for longer than one year. This means that Illuminator is able to pass on to certain classes of shareholders a special tax deduction which is attached to its dividend. Its purpose is to put shareholders into a similar after-tax position to that which would apply if the capital gain had been made by them directly.

Arising from the sale of some of our holdings, the company has made some taxed LIC capital gains this year. This year's final dividend will be sourced from these gains. The amount which shareholders may be able to claim as a tax deduction depends upon their individual situation.

Review of Operations

Whilst your company incurred a loss of \$20,794 for the year compared to a profit of \$49,632 last year, your directors none the less believe that, given current market conditions, it is a reasonable result for the year.

The amount of dividends and distributions received by the Company increased by 16.55% to \$62,938 which was an increase of \$ 8,937.

Shareholders equity fell during the year by \$291,828 to \$1,033,345 as a result of the operating loss and the fall in the value of the investment portfolio.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year.

DIRECTORS' REPORT (CONTINUED)

After Balance Date Events

There have been no other activities 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 the future. However, the Directors note that there has been a substantial correction in the markets in which the company invests between the balance date and the date of this report. Changes in the company's investments are reflected in the Company's Net Asset Backing per share which is reported to the NSX monthly.

Future Developments, Prospects and Business Strategies

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 from time to time require some changes to that strategy.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments. Accordingly, we do not provide a forecast of the likely results of our activities.

Environmental Issues

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

INFORMATION ON DIRECTORS

Steven Shane Pritchard – Chairman (Executive)

Qualifications

Bachelor of Commerce, Certified Practising Accountant, Registered Tax Agent, Fellow Taxation Institute of Australia, Graduate Diploma Applied Finance and Investment, and Fellow of Financial Services Institute of Australasia

Experience

Appointed Chairman 2003. Board member since 2003

Interest in Shares and Options

904,577 Ordinary Shares in Illuminator Investment Company Limited

Special Responsibilities

Steven Pritchard is a Member of the Audit Committee

Directorships held in other listed entities

Current director of Florin Mining Investment Company Limited (since 29 September 2004), Pritchard Equity Limited (since 10 May 2002) and Winpar Holdings Limited (since 4 July 2004)

Daniel DiStefano – Director (Executive)

Qualifications

Bachelor of Commerce; Certified Practising Accountant, Graduate Diploma of Applied Finance and Investment, and Fellow of Financial Services Institute of Australasia

Experience

Board member and company secretary since 2003

Interest in Shares and Options

152,652 Ordinary Shares of Illuminator Investment Company Limited

Special Responsibilities

Daniel Di Stefano is a Member of the Audit Committee

Directorships held in other listed entities

Current director of Florin Mining Investment Company Limited (since 29 September 2004)

Darval Warwick Thomas – Director (Non-Executive)

Qualifications

Fellow of CPA Australia, Registered Company Auditor, Registered Tax Agent

Experience

Board member since 2003

Interest in Shares and Options

81,600 Ordinary Shares of Illuminator Investment Company Limited

Special Responsibilities

Darval Thomas is a Member of the Audit Committee

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Illuminator Investment Company Limited, and for the executives receiving the highest remuneration.

Remuneration policy

All issues in relation to remuneration of both Executive Directors and Non-Executive Directors are dealt with by the board of the Company.

The constitution of Illuminator Investment Company Limited requires approval by the shareholders in general meetings of a maximum amount of remuneration per year to be allocated between Non-Executive Directors as they determine.

In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of \$45,000 per annum.

Non-Executive Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

Non-Executive Directors do not receive any performance based remuneration.

Remuneration Report

Details of remuneration for year ended 30 June 2008

The Company has only two executives, Steven S Pritchard and Daniel Di Stefano (2007: two executives), both of whom are Directors of the Company. Details of the remuneration for each Director of the Company was as follows:

2008	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Steven Shane Pritchard	–	–	–	–
Daniel Di Stefano	–	–	–	–
Darval Warwick Thomas	–	–	–	–

2007	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Steven Shane Pritchard	–	–	–	–
Daniel Di Stefano	–	–	–	–
Darval Warwick Thomas	–	–	–	–

DIRECTORS' REPORT (CONTINUED)

Meetings of Directors

During the financial year, 4 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	4	4	1	1
Daniel Di Stefano	4	4	1	1
Darval Warwick Thomas	4	4	1	1

Shareholdings

Number of Shares Held by Directors

	Balance 1.7.2007	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.2008
Steven Shane Pritchard	868,494	–	–	36,083	904,577
Daniel Di Stefano	148,328	–	–	4,324	152,652
Darval Warwick Thomas	81,600	–	–	–	81,600
Total	1,098,422	–	–	40,407	1,138,829

* Net change other refers to shares purchased or sold during the financial year.

Optionsholdings

Number of Options Held by Directors

	Balance 1.7.2007	Granted as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.2008	Total Exercisable 30.6.2008
Steven Shane Pritchard	239,308	–	–	(239,308)	–	–
Daniel Di Stefano	70,913	–	–	(70,913)	–	–
Darval Warwick Thomas	20,400	–	–	(20,400)	–	–
Total	330,621	–	–	(330,621)	–	–

* Net change other refers to options purchased or sold during the financial year.

DIRECTORS' REPORT (CONTINUED)

Options

At the date of this report, no options were outstanding.

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.

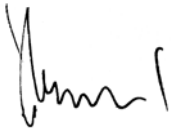
Proceedings on Behalf of Company

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.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 14 of the directors' report.

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



Steven Shane Pritchard

Director

Dated this 29th day of September 2008.

**AUDITORS INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ILLUMINATOR INVESTMENT COMPANY LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Illuminator Investment Company Limited.

As lead audit partner for the audit of Illuminator Investment Company Limited financial statements for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the independence requirements of the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



FORSYTHES



MJ Matthews
Partner
Chartered Accountants

NEWCASTLE
29 September 2008

Accounting - Audit - Financial Planning - Forensic Accounting - Insolvency - IT & Training - Recruitment

Levels 4/5, Hunter Mall Chambers, 175 Scott Street (PO Box 705) DX 7919 Newcastle NSW 2300 Australia

Telephone 02 4926 2699 Facsimile (02) 4929 1435 Website www.forsythes.com.au Email forsythes@forsythes.com.au

Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licencees

MEMBER OF NEXIA INTERNATIONAL - A WORLDWIDE NETWORK OF INDEPENDENT ACCOUNTING AND CONSULTING FIRMS



INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Income from investment portfolio	2a	62,938	54,001
Income from trading portfolio	2b	(37,209)	82,807
Income from deposits	2c	3,457	2,572
Other income	2d	–	300
Total income from ordinary activities		29,187	139,680
Administration expenses		(47,681)	(33,733)
Finance costs		(15,602)	(6,342)
Management fees		(14,949)	(11,942)
Performance fees		–	(67,309)
Operating profit/(loss) before income tax and realised gains/(losses) on the investment portfolio	3	(49,045)	20,354
Income tax (expense)/credit relating to ordinary activities *	4	33,635	10,873
Operating profit/(loss) before realised gains/(losses) on the investment portfolio		(15,411)	31,227
Realised gains/(losses) on the investment portfolio		(7,691)	27,343
Income tax (expense)/credit thereon *	4	2,307	(8,938)
Net realised gains/(losses) on investment portfolio		(5,384)	18,405
(Loss)/Profit attributable to members of the company		(20,794)	49,632
Overall Operations			
Basic earnings per share (cents per share)	7	(0.90)	2.87
Diluted earnings per share (cents per share)	7	(0.90)	2.87
* Total tax expense/(benefit)		(35,942)	(1,935)

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	45,542	67,473
Trade and other receivables	9	15,119	43,654
Trading portfolio	10	33,661	78,175
Other	11	600	600
TOTAL CURRENT ASSETS		94,922	189,902
NON-CURRENT ASSETS			
Investment portfolio	12	1,209,178	1,451,109
Deferred tax assets	13	156,800	46,914
TOTAL NON-CURRENT ASSETS		1,365,978	1,498,023
TOTAL ASSETS		1,460,900	1,687,925
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	32,170	89,820
Borrowings	15	351,988	156,357
TOTAL CURRENT LIABILITIES		384,158	246,177
NON-CURRENT LIABILITIES			
Deferred tax liabilities	16	43,397	116,575
TOTAL NON-CURRENT LIABILITIES		43,397	116,575
TOTAL LIABILITIES		427,555	362,752
NET ASSETS		1,033,345	1,325,173
EQUITY			
Issued capital	17	1,143,893	1,053,631
Reserves	18	(82,929)	264,976
(Accumulated Losses)/Retained earnings		(27,619)	6,566
TOTAL EQUITY		1,033,345	1,325,173

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	Issued Capital \$	Retained Earnings \$	Capital Profits Reserve \$	Investment Revaluation Reserve \$	Total \$
Balance at 1 July 2006		610,893	(584)	6,262	86,021	702,592
Dividends paid and dividend reinvestment plan	6 & 17	20,766	(24,077)	–	–	(3,311)
Profit for the year		–	49,632	–	–	49,632
Issued capital	17	446,505	–	–	–	446,505
Share issue costs	17	(24,533)	–	–	–	(24,533)
Revaluation of investment portfolio (net of tax)	18b	–	–	–	154,288	154,288
Transfers to/(from) reserves	18	–	(18,405)	18,405	–	–
Balance at 30 June 2007		1,053,631	6,566	24,667	240,309	1,325,173

Balance at 1 July 2007		1,053,631	6,566	24,667	240,309	1,325,173
Dividends paid and dividend reinvestment plan	6 & 17	35,874	(18,774)	(17,100)	–	–
Loss for the year		–	(20,794)	–	–	(20,794)
Issued capital	17	60,700	–	–	–	60,700
Share issue costs	17	(6,312)	–	–	–	(6,312)
Revaluation of investment portfolio (net of tax)	18b	–	–	–	(325,420)	(325,420)
Transfers to/(from) reserves	18	–	5,384	(5,384)	–	–
Balance at 30 June 2008		1,143,893	(27,619)	2,183	(85,111)	1,033,345

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from trading portfolio		154,001	101,824
Purchases for trading portfolio		(103,168)	(112,406)
Dividends received		55,163	62,808
Interest received		3,457	2,571
Sub underwriting fees		–	300
Trust distributions		1,140	4,356
Other receipts		–	678
		110,593	60,131
Administration expenses		(41,305)	(29,211)
Bank charges		(379)	(301)
Finance costs		(13,900)	(5,278)
Management fees		(21,024)	(5,431)
Performance fees		(67,314)	(20,654)
Other payments		(1,366)	–
Net cash (used in)/provided by operating activities	20	(34,695)	(744)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		266,044	285,363
Purchases for investment portfolio		(498,751)	(760,182)
Net cash (used in) investing activities		(232,707)	(474,819)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		68,219	447,952
Share issuance costs		(9,547)	(30,027)
Proceeds from borrowings		598,917	550,436
Repayment of borrowings		(404,600)	(431,029)
Dividends paid		(7,518)	(4,757)
Net cash provided by financing activities		245,472	532,575
Net increase / (decrease) in cash held		(21,931)	57,012
Cash at beginning of financial year		67,473	10,461
Cash at end of financial year	8	45,542	67,473

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations, 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 financial report of Illuminator Investment Company Limited as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Illuminator Investment Company Limited has not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the year ended 30 June 2008 ("the inoperative standards"). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. The Company only intends to adopt the inoperative standards at the date at which their adoption becomes mandatory.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements were authorised for issue by the directors on 29 September 2008.

Adoption of new and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The Company has also adopted the following Standards as listed below which only impacted on the Company's financial statements with respect to disclosure.

- AASB 101 'Presentation of financial Statements (revised October 2006)'
- AASB 7 'Financial Instruments: Disclosures'

Accounting Policies

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. Investment and Trading Portfolios

(i) *Balance Sheet classification*

The Company has two portfolios of securities, the investment portfolio and the trading portfolio.

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

The trading portfolio comprises securities held for short term trading purposes.

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

Ordinary securities within the investment portfolio are classified as 'assets available for sale', whilst securities within the trading portfolio are classified as 'assets measured at fair value through the Income Statement'.

(ii) *Valuation of investment portfolio*

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost, which is the cost of acquisition including transaction costs, and are revalued to market values continuously. Increments and decrements on Ordinary Securities are taken to the Investment Revaluation Reserve. Where disposal of an investment occurs any revaluation increment or decrement relating to it is transferred from the Investment Revaluation Reserve to the Income Statement. Subsequently, any revaluation increment or decrement relating to the disposal of an investment is transferred to the Capital Profits Reserve.

(iii) *Valuation of trading portfolio*

Securities, including listed and unlisted shares and notes, are initially brought to account at cost which is the cost of acquisition including transaction costs and are revalued to market values continuously.

Increments and decrements on the value of securities in the trading portfolio are taken directly through the Income Statement.

(iv) *Determination of market value*

Market value for the purposes of valuing holdings of the securities is determined by reference to market prices prevailing at balance date, predominantly last sale price, where the 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 and distributions relating to unlisted securities are recognised as income when received. If the distributions are capital returns on ordinary securities the amount of the distribution is treated as an adjustment to the carrying value of the securities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

b. Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the Company approximates their carrying value.

c. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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.

d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments.

e. 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 Tax 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

f. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

g. Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency using the exchange rates applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of foreign exchange ruling at that date.

All exchange gains and losses in the financial report are taken to the income statement with the exception of differences on assets in the investment portfolio, which are taken directly to equity until the disposal of the investment asset, at which time they are recognised in the income statement.

h. Borrowings

The Company is party to an agreement under which BT Securities Limited have agreed to accept listed securities beneficially held by the Company as security under the loan facility.

i. Going Concern

At 30 June 2008, the Company has current assets of \$94,922 and current liabilities of \$384,158, a deficiency of \$289,236. The financial report has been prepared on a going concern basis, which contemplates the realisation of assets and satisfaction of liabilities in the ordinary course of business. The Directors will realise a portion of the Company's investment portfolio to enable the Company to meet any debts as and when they fall due and payable if required. It is on this basis that the going concern assumption is appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 2: REVENUE

	2008 \$	2007 \$
a. Income from Investment Portfolio		
— dividends received	59,998	49,876
— trust distributions received	2,940	4,125
Total Income from Investment Portfolio	62,938	54,001
b. Income from Trading Portfolio		
— sales revenue	115,001	137,488
— cost of sales	(152,346)	(68,223)
— net gains/(losses) from trading portfolio sales	(37,345)	69,265
— dividends received	136	13,542
Total Income from Trading Portfolio	(37,209)	82,807
c. Income from deposits		
— interest income	3,457	2,572
Total income from deposits	3,457	2,572
d. Other income		
— sub-underwriting fees	–	300
Total other revenue	–	300
Total revenue	29,187	139,680

NOTE 3: PROFIT/(LOSS) FOR THE YEAR

Operating profit/(loss) before income tax has been determined after:

Expenses		
Bank expenses	388	301
Finance costs	15,214	6,041
	15,602	6,342
Listing fees	5,750	7,300
Management fees	14,949	11,942
Other expenses	41,931	26,433
Performance fees	–	67,309
Profit/(loss) from operating activities before income tax and realised gains on the investment portfolio	(49,045)	20,354

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 4: INCOME TAX EXPENSE

	2008 \$	2007 \$
a. The components of tax expense comprise:		
Increase / (decrease) in deferred tax liabilities – other	2,028	(107)
(Increase) / decrease in deferred tax assets – other	(35,663)	(10,766)
	(33,635)	(10,873)
(Increase) / decrease in deferred tax assets – investment portfolio	(2,307)	8,938
	(35,942)	(1,935)
b. The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Operating profit/(loss) before income tax expense and realised gains on investment portfolio	(49,045)	20,354
Prima facie tax payable/(credit) on profit/(loss) from ordinary activities before income tax at 30% (2007: 30%)	(14,714)	6,106
Add:		
Tax effect of:		
— Imputation gross-up on dividends received	5,645	7,607
— Franking credits on dividends received	(18,816)	(25,357)
— Capital raising costs	(5,750)	(5,203)
Income tax benefit on operating profit/(loss) before realised gains on investment portfolio	(33,635)	(16,847)
Under (Over) Provision in prior years	–	5,974
Income Tax Expense	(33,635)	(10,873)
Realised gains (losses) on investment portfolio	(7,691)	(27,343)
Prima facie tax payable (credit) calculated at 30% (2007: 30%)	(2,307)	8,203
Add:		
Tax effect of:		
— Deemed cost base	–	735
Income tax expense (credit) on realised gains (losses) on investment portfolio	(2,307)	8,938
Total income tax expense (credit)	(35,942)	(1,935)
c. Amounts recognised directly in equity		
Increase / (decrease) in deferred tax liabilities relating to capital gains on the increase in unrealised gains on securities in the investment portfolio	(75,206)	66,373
(Increase) / decrease in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	64,260	10,150
(Increase) / decrease in deferred tax assets relating to capital raising costs	(3,527)	(10,514)
	(14,472)	66,009

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 5: AUDITORS' REMUNERATION

	2008 \$	2007 \$
Remuneration of the auditor of the company for:		
Forsythes		
— auditing or reviewing the financial report	19,236	6,950

NOTE 6: DIVIDENDS

a. Dividends Paid		
Final fully franked ordinary dividend for the year ended 30 June 2007 of 0.75 (2006: 0.6) cents per share paid on 22 October 2007	17,101	8,439
Interim fully franked ordinary dividend for the year ended 30 June 2008 of 0.80 (2007: 0.75) cents per share paid on 24 April 2008	18,773	15,638
	35,874	24,077
b. Dividends Declared		
Final fully franked ordinary dividend of 0.75 (2007: 0.75) cents per share payable on 22 October 2008. This dividend has not been brought to account in the financial statements for the year ended 30 June 2008, but will be recognised in subsequent financial reports.	17,881	17,101
c. Franking Account		
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables and it does not reflect the impact of dividends declared after balance date.	25,912	29,759

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 7: EARNINGS PER SHARE

	2008 Number	2007 Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	2,320,723	1,727,619
Weighted average number of options outstanding	–	827,472
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	2,320,723	1,727,619
a. Basic and diluted earnings per share		
	\$	\$
Profit/(loss) attributable to members of the company	(20,794)	49,632
	\$	\$
Basic earnings per share including realised gains(losses) on the investment portfolio	(0.90)	2.87
Diluted earnings per share including realised gains(losses) on the investment portfolio	(0.90)	2.87
b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio		
	\$	\$
Operating profit/(loss) before realised gains/(losses) on the investment portfolio	(15,411)	31,227
	Cents	Cents
Basic operating earnings per share excluding realised gains/(losses) on the investment portfolio	(0.66)	1.81
Diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	(0.66)	1.81
c. Classification of securities		
	Number	Number
The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share:		
– Options outstanding	–	827,472

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 8: CASH AND CASH EQUIVALENTS

	2008 \$	2007 \$
Cash at bank and in hand	3,724	1,992
Deposits at call	41,818	65,481
	45,542	67,473

The effective interest rate on deposits at call was 6.73% (2007: 5.25%).

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 at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	45,542	67,473

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT		
Dividends and trust distributions receivable	8,879	2,120
Outstanding settlements – trading portfolio	–	39,000
Other debtors	6,240	2,534
	15,119	43,654

Receivables are non-interest bearing and unsecured.

The credit risk exposure of the Company in relation to receivables is the carrying amount.

NOTE 10: TRADING PORTFOLIO

CURRENT		
Listed investments, at market value		
– Shares	33,661	78,175

NOTE 11: OTHER ASSETS

CURRENT		
Prepayments	600	600

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 12: INVESTMENT PORTFOLIO

NON-CURRENT

Listed Investments, at market value	2008 \$	2007 \$
– Options	1,990	1 125
– Shares	1,139,209	1,381,139
– Trust units	67,980	68,845
	1,209,179	1,451,109

NOTE 13: DEFERRED TAX ASSETS

The deferred tax assets is made up of the following estimated tax benefits:		
– Tax losses	68,425	34,497
– Temporary differences	88,376	12,417
	156,801	46,914

NOTE 14: TRADE AND OTHER PAYABLES

CURRENT		
Trade payables	2,010	12,227
Outstanding settlements – investment portfolio	1,262	–
Outstanding settlements – trading portfolio	4,683	–
Provision for income tax	4,952	–
Sundry payables and accrued expenses	19,263	77,593
	32,170	89,820

NOTE 15: BORROWINGS

CURRENT		
Short-term borrowings – secured	351,988	156,357

The above short-term borrowings are secured by listed securities held in the Company's investment and trading portfolio's. Repayment of the facility is done either through the use of cash received from dividends and distributions or the sale of securities. The effective interest rate on short term borrowings – secured was 9.95% (2007: 9.05%).

NOTE 16: DEFERRED TAX LIABILITIES

NON-CURRENT		
Deferred tax liabilities attributable to:		
– Temporary differences	2,844	816
– Deferred capital gains tax	40,553	115,759
	43,397	116,575

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 17: ISSUED CAPITAL

	Note	2008 \$	2007 \$
2,384,246 (2007: 2,214,261) fully paid ordinary shares	17a	1,143,893	1,053,631
a. Ordinary shares			
At the beginning of reporting period		1,053,631	610,893
Shares issued during the year			
— 105,074 on 13 October 2006		—	52,537
— 15,958 on 19 October 2006		—	8,439
— 645,136 on 4 January 2007		—	322,568
— 17,369 on 15 March 2007		—	9,900
— 57,796 on 16 April 2007		—	33,000
— 22,451 on 20 April 2007		—	12,327
— 40,732 on 10 May 2007		—	23,500
— 8,292 on 15 June 2007		—	5,000
— 23,610 on 16 July 2007		14,000	—
— 42,226 on 30 August 2007		24,700	—
— 29,527 on 22 October 2007		17,101	—
— 37,031 on 15 November 2007		22,000	—
— 29,214 on 30 April 2008		14,585	—
— 8,377 on 24 June 2008		4,188	—
		1,150,205	1,078,164
Transaction costs relating to share issues		(6,312)	(24,533)
At reporting date		1,143,893	1,053,631

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

No options were exercised during the year and none were outstanding at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 18: RESERVES

	Note	2008 \$	2007 \$
Capital profits	18a	2,183	24,667
Investment revaluation	18b	(85,111)	240,309
		(82,929)	264,976

18a. Capital Profits Reserve			
Movements During the Year			
Opening balance		24,667	6,262
Transfer (to)/from retained earnings		(5,384)	18,405
Dividend paid during the year		(17,100)	–
Closing Balance		2,183	24,667

The capital profits reserve records capital profits made upon the sale of investments in the Company's investment portfolio.

18b. Investment Revaluation Reserve			
Movements During the Year			
Opening balance		240,309	86,021
Revaluation of investment portfolio (net of tax)		(325,420)	154,288
Closing Balance		(85,111)	240,309

The investment revaluation reserve records revaluations of the Company's investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 19: SEGMENT REPORTING

The Company operates in one business segment, being that of a listed investment company. The Company operates from Australia only and therefore has only one geographical segment. However the Company has investment exposures in different countries which are shown below. The Company invests in securities listed on overseas stock exchanges. Details of the geographical exposures are as follows:

2008	Revenue \$	Unrealised Losses \$	Market Value \$	Portfolio %
Australia	17,539	(57,033)	1,044,369	80.82
Fiji	156	(8,138)	6,734	0.52
Great Britain	5,953	(20,866)	103,790	8.03
New Zealand	1,868	(22,760)	30,460	2.36
United States of America	213	(26,190)	57,487	4.45
Sub Total	25,729	(134,987)	1,242,840	96.17
Investment portfolio cash and cash equivalents and receivables	3,457	–	49,434	3.83
Total	29,186	(134,987)	1,292,274	100.00

2007	Revenue \$	Unrealised Gains \$	Market Value \$	Portfolio %
Australia	133,219	385,794	1,236,845	75.84
Fiji	68	(5,138)	7,734	0.47
Great Britain	2,025	7,918	192,471	11.80
New Zealand	1,497	11,271	49,420	3.03
United States of America	–	(4,053)	42,814	2.63
Sub Total	136,809	395,792	1,529,284	93.77
Investment portfolio cash and cash equivalents and receivables	2,571	–	101,601	6.23
Total	139,380	395,792	1,630,885	100.00

NOTE 20: CASH FLOW INFORMATION

	2008 \$	2007 \$
Reconciliation of Cash Flow from Operations with Profit/(loss) after Income Tax		
(Loss)/Profit after income tax	(20,794)	49,632
Cash flows excluded from profit attributable to operating activities:		
Net realised (gains)/losses on the investment portfolio	5,384	(18,405)
Dividends received as securities under DRP investments	–	(11,198)
(Increase)/decrease in current receivables	32,229	(33,339)
(Increase)/decrease in the trading portfolio	44,514	(44,183)
Increase/(decrease) in current payables	(62,393)	58,684
Increase/(decrease) in income taxes balances	(33,635)	(1,935)
Cash flow from operations	(34,695)	(744)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 21: RELATED PARTY TRANSACTIONS

	2008 \$	2007 \$
Transactions with related parties:		
Expenses paid or payable by the company to:		
– Investment management fees paid to Pritchard & Partners Pty. Limited	17,085	11,942
– Investment performance fees paid to Pritchard & Partners Pty. Limited	–	67,309
– Brokerage paid to Pritchard & Partners Pty. Limited	8,533	6,731
– Accounting fees paid to Rees Pritchard Pty. Limited	1,052	559
Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Pritchard & Partners Pty. Limited and Rees Pritchard Pty. Limited.		
– Newcastle Capital Markets Registries Pty. Limited for share registry costs.	12,633	8,507
Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited		
The Company exercised its 75,000 A Series options in Florin Mining Investment Company Limited prior to their expiry. Both Steven Pritchard and Daniel Di Stefano are Directors and have a beneficial interest in the securities of Florin Mining Investment Company Limited	–	18,750
The Company purchased 3,750 A Ordinary shares, 3,750 B Ordinary Shares of Pritchard Equity Limited. Steven Pritchard is a director and has a beneficial interest in the securities of Pritchard Equity Limited.	7,500	–
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURE

In accordance with the Corporations Amendments Regulation 2005 (No.4) the Company has transferred the disclosure required by AASB 1046 from the notes to the Financial Statements to the Directors' Report under the heading of Remuneration Report.

NOTE 23: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 102 (2007 : 134). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$8,533 (2007: \$6,731).

NOTE 24: COMPANY DETAILS

The registered office and principal place of business of Illuminator Investment Company Limited is:

10 Murray Street
HAMILTON NEW SOUTH WALES 2303

NOTE 25: FINANCIAL RISK MANAGEMENT

Accounting Standards identify five types of risk associated with financial instruments (i.e. the Company's investments, receivables, payables and borrowings):

a. Credit Risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk is managed as noted in the Notes to the financial statements with respect to cash and trade and other receivables. None of these assets are over-due or considered to be impaired.

b. Liquidity Risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company monitors its cash-flow requirements and ensures that it has either cash or access to short term borrowing facilities sufficient to meet any payments.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 25: FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Interest Rate Risk

The Company is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The effective average of interest rates on short term borrowings was 9.95% (2007: 9.05%). A rise in interest rates of 1% will result in the company incurring additional finance costs of \$3,519, whilst a fall 1% will result in interest savings of \$3,519.

d. Capital Management

It is the Board's policy to maintain a strong capital base so as to maintain investors and market confidence.

To achieve this the Board monitors the company's net tangible assets, its levels of borrowings and its investment performance.

The company seeks to raise additional capital by way of

- a dividend reinvestment plan
- issue of new shares by way of a prospectus

The Company is not subject to any externally imposed capital requirements.

e. Market Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price.

By its nature as the Company invests a substantial proportion of its assets in tradeable securities the Company is always subject to market risk as it invests its capital in securities which are not risk free i.e. the market price of these securities can fluctuate.

A general fall in market prices of 5% and 10%, if spread equally over all assets in the total portfolio would lead to a reduction in the Company's equity of \$43,499 and \$86,998 respectively, assuming a flat tax rate of 30%.

The Investment Revaluation Reserve at 30th June 2008 had a debit balance of \$85,111. It would require an increase in the value of the investment portfolio of 7% to reverse this decrement. In accordance with Accounting standards, any further falls in value would continue to be recognised in the equity as unrealised losses, thereby impacting the shareholders' equity of the Company.

The Company seeks to minimise market risk by ensuring that it is not in the opinion of the Board, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and relevant market sectors are reviewed regularly and risk can be managed by reducing exposure where appropriate. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 25: FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's investment across industry sectors as at 30 June is as below	2008 %	2007 %
Banks	7.58	6.32
Capital Goods	11.15	8.49
Cash and equivalents	3.83	3.94
Commercial services and supplies	8.40	7.28
Consumer durables and apparel	3.23	5.33
Diversified financials	15.85	17.17
Energy	1.63	1.55
Food and staples retailing	3.15	–
Food beverage and tobacco	9.37	13.55
Health care equipment and services	4.65	5.80
Hotels restaurants and leisure	1.56	3.36
Insurance	3.50	1.60
Materials	4.71	8.86
Media	3.65	2.07
Real Estate	4.10	5.29
Retailing	5.97	5.29
Software and services	–	0.78
Telecommunication Services	5.12	2.93
Transportation	0.45	–
Utilities	2.10	0.39
	100.00	100.00

Securities representing over 5 per cent of the investment portfolio at 30 June were:	2008 %
Telstra Corporation Limited	5.18
	5.18

No other security represents over 5 per cent of the Company's investment and trading portfolios.

NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE

Since 30 June 2008 to the date of this report there has been no event specific to the Company of which the directors are aware which has had a material effect on the Company or its financial position.

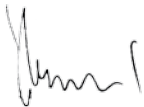
However, Directors note that there has been a substantial correction in the markets in which the Company invests between the balance sheet date and the date of this report. Changes in the value of the Company's investments are reflected in the Company's Net Asset Backing per share which is reported to the NSX monthly.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 15 to 33, are in accordance with the Corporations Act 2001 and:
 - 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 2008 and of the performance for the year ended on that date of the company;
2. the Directors have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view;
3. in the director's 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

Dated this 29th day of September 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ILLUMINATOR INVESTMENT COMPANY LIMITED

We have audited the accompanying financial report of Illuminator Investment Company Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Accounting Standard AASB 124 Related Party Disclosures, under the heading "remuneration report" on pages 11 and 14 of the directors' report and not in the financial report. |

Directors' responsibility for the financial report and the AASB 124 remuneration disclosure contained in the directors' report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' report.

Accounting - Audit - Financial Planning - Forensic Accounting - Insolvency - IT & Training - Recruitment

Levels 4/5, Hunter Mall Chambers, 175 Scott Street (PO Box 705) DX 7919 Newcastle NSW 2300 Australia

Telephone 02 4926 2699 Facsimile (02) 4929 1435 Website www.forsythes.com.au Email forsythes@forsythes.com.au

Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licencees
MEMBER OF NEXIA INTERNATIONAL - A WORLDWIDE NETWORK OF INDEPENDENT ACCOUNTING AND CONSULTING FIRMS



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's 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 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the remuneration disclosures that are contained on page 11 of the Director's Report comply with AASB 124.



FORSYTHES



MJ Matthews
Partner
Chartered Accountants

Newcastle, 29 September 2008

STOCK EXCHANGE INFORMATION

Top 20 Shareholders as at 24 September 2008

Shareholder	No. of Shares	% of Issued
The Pritchard Family Company Pty Limited	321,750	13.49
Pritchard Equity Limited	236,389	9.91
Henley Underwriting & Investment Company Pty Limited	136,909	5.74
Melville King Pty Ltd	84,862	3.56
Pritchard & Partners Pty Limited	84,333	3.54
Hafoba Pty Ltd	81,600	3.42
Kerteh Holdings Pty Limited	74,871	3.14
Richardson Investment Holdings Pty Ltd	60,000	2.52
Pirenz Nominees Pty Limited	50,001	2.10
Superannuation Nominees Pty Limited	43,506	1.82
Saxonit Pty Ltd	42,890	1.80
Newcastle Capital Markets Registries Pty Ltd	42,653	1.79
Mrs Lola Bernice Heddles & Mr Murray Allan Heddles	42,653	1.79
Mr Steven Shane Pritchard	33,719	1.41
Mr Laurence George Cable	32,683	1.37
Cumarax Pty Ltd	32,222	1.35
Bond Street Custodians Limited	30,897	1.30
Mr Selby Ernest Spears & Mrs Pamela June Spears	30,421	1.28
Beavis Nominees Pty Ltd	29,863	1.25
Equity Trustees Limited	28,039	1.18
	1,520,261	63.70

Number of ordinary shares held	Number of Shareholders
1 – 1,000	27
1,001 – 5,000	40
5,001 – 10,000	39
10,001 – 100,000	43
100,001 and over	3
Total	152

Substantial Shareholders

As at 24 September 2008 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	884,730	37.70
Margaret Pritchard	338,327	16.36
Daniel Di Stefano	150,247	6.40

CORPORATE DIRECTORY

Directors	Steven Pritchard Daniel Di Stefano Darval Thomas
Company Secretaries	Enzo Pirillo 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 31 Beaumont Street Hamilton NSW

NOTES

NOTES

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