

ILLUMINATOR INVESTMENT COMPANY LIMITED

ABN 48 107 470 333

2009 ANNUAL REPORT

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ILLUMINATOR INVESTMENT COMPANY LIMITED

HIGHLIGHTS

Key Financial Statistics

	2009	2008	2007	2006	2005
Net profit (loss) after tax	\$(235,248)	\$(20,794)	\$49,632	\$7,990	\$18,601
Earnings per Share (cents per share)	(9.67)	(0.90)	2.87	0.62	1.47
Dividends per Share (cents per share)	0.75	1.55	1.35	1.10	0.50
Total Assets	\$1,262,389	\$1,460,900	\$1,687,925	\$826,651	\$632,502
Total Liabilities	\$429,307	\$427,555	\$362,752	\$124,059	\$23,663
Shareholders Funds	\$833,082	\$1,033,345	\$1,325,173	\$702,592	\$608,839
Total Shareholders Return*	(21.51)%	(25.83)%	15.75%	12.71%	5.43%
Return on Shareholders Funds	(2.35)%	(1.49)%	7.06%	1.31%	3.24%
Net Asset backing per share	\$0.33	\$0.43	\$0.60	\$0.53	\$0.48
Shares on issue	2,491,048	2,384,246	2,214,261	1,301,453	1,273,189
Number of Shareholders	153	152	145	116	116
Options on issue	-	-	827,472	1,260,262	1,260,262
Number of Option holders	-	-	138	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 60.

- **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 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

Once again the last year has been a difficult one for investors and our portfolio was not insulated from the severe downturn in the global financial markets.

Given the gains the market has now made since the very low levels experienced in March we remain relatively cautious in the current environment.

With global economic conditions likely to remain subdued for some time, the ability of companies to generate a reasonable return on their equity is likely to continue to be tested.

The ongoing level of income generated by the portfolio will be affected by the extent to which the companies in which Illuminator invests maintain or cut their dividends. The directors of Illuminator will need to take this into account, when determining the level of dividends which it will be paying, in future years.

We believe that Illuminator's portfolio is well positioned with a number of companies likely to emerge from this period with stronger operations and the underlying value of their businesses franchises intact.

Early this month your directors announced the payment of a final dividend in respect of the 2009 financial year at the rate of 0.75 cents per share fully franked. 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) \$	Issued Capital \$	Issued Ordinary Shares	Net Assets \$
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
2009	0.75	(235,248)	1,178,505	2,491,048	833,082

Trading Portfolio

The Company undertook significantly less activities in the trading portfolio this year. A loss of \$ 11,045 was incurred on the trading portfolio for the current year, compared to a loss last year of \$37,209.

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 \$25,185 or 2.5% of the Company's total portfolio.

Investment Portfolio

The value of the Company's investment portfolio stood at \$953,879 on the 30 June 2009, compared to \$1,209,179, as at 30 June 2008. The portfolio consisted of \$815,068 in Australian equities (2008: \$1,027,158), and \$138,811 (2008: \$182,021) 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.

ILLUMINATOR INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

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; and
- Have the securities of between 20 and 60 issues represented in its portfolio.

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

ILLUMINATOR INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Details of Investments Held as at 30 June 2009

Name of Investment	Holding	Market Value \$	Portfolio %
Investment Portfolio			
Australian Equities			
Alumina Limited	11,679	16,876.15	1.69
AMP Limited	3,000	14,640.00	1.46
ARB Corporation Limited	12,000	42,600.00	4.26
Bendigo and Adelaide Bank Limited	3,617	25,138.15	2.51
Blackmores Limited	1,329	21,264.00	2.13
Cabcharge Australia Limited	5,000	25,800.00	2.58
Cochlear Limited	1,000	57,700.00	5.77
Commonwealth Bank Of Australia Limited	394	15,366.00	1.54
CSL Limited	500	16,075.00	1.61
Equity Trustees Limited	2,000	29,000.00	2.90
Fairfax Media Limited	10,000	12,200.00	1.22
Flight Centre Limited	1,212	10,483.80	1.05
Florin Mining Investment Company Limited	233,064	27,967.68	2.80
Florin Mining Investment Company Limited Series C Options	111,465	1,114.65	0.11
G.U.D. Holdings Limited	3,442	22,097.64	2.21
Graincorp Limited A Class	100	723.00	0.07
Harvey Norman Holdings Limited	10,000	33,000.00	3.30
Hills Industries Limited	14,873	23,350.61	2.34
Hunter Hall international Limited	3,116	15,891.60	1.59
IOOF Holdings Limited	2,000	8,340.00	0.83
Korvest Limited	7,000	25,900.00	2.59
Lycopodium Limited	4,000	5,480.00	0.55
Metcash Limited	11,000	47,410.00	4.74
National Australia Bank Limited	500	11,220.00	1.12
Peoplebank Australia Limited	50,000	21,000.00	2.10
Platinum Asset Management Limited	8,000	32,960.00	3.30
Prime Financial Group Limited	60,000	7,200.00	0.72
Pritchard Equity Limited – A Ordinary	20,000	22,000.00	2.20
Pritchard Equity Limited – B Ordinary	10,000	11,000.00	1.10
Pritchard Equity Limited – Series 2 Options	3,125	31.25	0.00
Pritchard Equity Limited – Series 3 Options	3,125	31.25	0.00
Pritchard Equity Limited – Preferred income equity securities	30	3,000.00	0.30
Reece Australia Limited	2,000	36,000.00	3.60
Rio Tinto Limited	50	2,610.00	0.26
Rio Tinto Limited – Rights	26	548.60	0.05
Telstra Corporation Limited	15,000	50,850.00	5.09

ILLUMINATOR INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Details of Investments Held as at 30 June 2009 (continued)

Name of Investment	Holding	Market Value \$	Portfolio %
Transfield Services Infrastructure Fund	22,000	21,340.00	2.13
Treasury Group Limited	3,000	12,330.00	1.23
Trust Company Limited	3,000	15,750.00	1.58
Warrnambool Cheese & Butter Factory Company Holdings Limited	9,241	15,894.52	1.59
Westfield Group Stapled Securities	2,998	34,117.23	3.41
Westpac Banking Corporation	500	10,125.00	1.01
Woodside Petroleum Limited	200	8,642.00	0.86
Total Australian Equities		815,068.13	81.49
International Equities			
Berkshire Hathaway Inc. Class B Common Stock	6	21,338.70	2.13
Cadbury Schweppes PLC	1,280	13,506.66	1.35
Conygar Investment Company PLC	4,000	8,311.77	0.83
Diageo PLC	1,000	17,754.20	1.78
Dr. Pepper Snapple Group Inc.	240	6,245.99	0.62
Fletcher Building Limited	3,000	15,810.00	1.58
McMullen & Sons Limited – Preferred Ordinary	2,500	19,098.74	1.91
NYSE Euronext Inc	200	6,693.54	0.67
Royal Dutch Shell PLC B Ordinary	500	15,541.90	1.55
Unilever PLC	500	14,509.65	1.45
Total International Equities		138,811.15	13.89
Total Investment Portfolio		953,879.28	95.37
Trading Portfolio			
Australian Equities			
King Solomon Mines Limited	50,000	2,500.00	0.25
Macquarie Leisure Trust Group	350	495.25	0.05
Seven Network 6.5% Reset Preference	100	8,820.10	0.88
White Energy Company Limited – Unlisted August 2009 Options	2,632	0.00	0.00
Total Australian Equities		11,815.35	1.18
International Equities			
News Corporation Inc	1,000	13,370.00	1.34
Total International Equities		13,370.00	1.34
Total Trading Portfolio		25,185.35	2.52

ILLUMINATOR INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Details of Investments Held as at 30 June 2009 (continued)

Name of Investment	Holding	Market Value	Portfolio
		\$	%
Investment portfolio cash & cash equivalents & receivables			
Macquarie Bank Limited		15,377.75	1.54
National Australia Trustees Limited Common Fund Account		1,719.62	0.17
Income Accrued but not Paid		4,006.52	0.40
Total Cash & Equivalents		21,103.89	2.11
Total Portfolios		1,000,168.52	100.00

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 meets 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 Guidelines or any change in the Investment Guidelines 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 their report on the Company for the financial year ended 30 June 2009. 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 Secretary

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

Daniel Di Stefano held the position of 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 loss of the Company after providing for income tax amounted to \$(235,248) (2008:(\$20,794)).

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

2008 Final ordinary dividend of 0.75 cents per share paid on 22 October 2008.	\$18,016
2009 Final ordinary dividend of 0.75 cents per share recommended by the Directors payable on 27 October 2009.	\$19,387

Listed Investment Company Capital Gains

In 2001 the Government made changes to Capital Gains Tax relating to Listed Investment Companies ("LIC's"). The changes affect the company in situations where the Company makes a taxable capital gain on the sale of equity securities from their investment portfolios 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. The shareholders should also refer to the information provided on the dividend statement.

Review of Operations

The Company incurred a loss of \$235,248 for the year compared to a loss of \$20,794 last year.

The amount of dividends and distributions received by the Company decreased by 10.60% to \$56,268 which was a decrease of \$6,670.

Shareholders equity fell during the year by \$200,263 to \$833,082 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.

ILLUMINATOR INVESTMENT COMPANY LIMITED

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.

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	—	978,524 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), Hamilton Securities Limited (since 08 July 2009), NSX Limited (since 25 May 2009), Pritchard Equity Limited (since 10 May 2002) and Winpar Holdings Limited (since 4 July 2004)
Daniel Di Stefano	—	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	—	155,315 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)

ILLUMINATOR INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

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	—	81,600 Ordinary Shares of Illuminator Investment Company Limited
Special Responsibilities	—	Darval Thomas is a Member of the Audit Committee

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 2009

The Company has only two executives, Steven S Pritchard and Daniel Di Stefano (2008: two executives), both of whom are Directors of the Company.

Details of the remuneration for each Director of the Company was as follows:

2009	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Darval Warwick Thomas	-	-	-	-
	-	-	-	-

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

ILLUMINATOR INVESTMENT COMPANY LIMITED

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	3	3	1	1
Daniel Di Stefano	3	3	1	0
Darval Warwick Thomas	3	3	1	1

Shareholdings

Number of Shares Held by Directors

	Balance 1.7.2008	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.2009
Steven Shane Pritchard	904,577	-	-	73,947	978,524
Daniel Di Stefano	152,652	-	-	2,663	155,315
Darval Warwick Thomas	81,600	-	-	-	81,600
Total	1,138,829	-	-	76,610	1,215,439

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

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 2009 has been received and can be found on page 12 of the annual report.

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

Steven Shane Pritchard

Director

Dated this 28th day of September 2009.

**AUDITOR'S 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 the Illuminator Investment Company Limited financial report for the year ended 30 June 2009, 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



M J Matthews
Partner
Chartered Accountants
Newcastle, 28 September 2009

ILLUMINATOR INVESTMENT COMPANY LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Income from investment portfolio	3a	56,268	62,938
Income from trading portfolio	3b	(11,045)	(37,209)
Income from deposits	3c	1,009	3,457
Total income from ordinary activities		46,232	29,187
Administration expenses		(42,255)	(48,069)
Finance costs		(33,077)	(15,214)
Management fees		(11,109)	(14,949)
Operating loss before income tax and realised gains/(losses) on the investment portfolio	4	(40,209)	(49,045)
Income tax benefit relating to ordinary activities *	5b	20,594	33,635
Operating loss before realised gains/(losses) on the investment portfolio		(19,615)	(15,411)
Realised losses on the investment portfolio		(115,581)	(7,691)
Income tax benefit thereon *	5	34,674	2,307
AASB 139 'impairment' revaluation charge on investment portfolio	2	(192,466)	-
Tax credit on AASB 139 'impairment' revaluation charge*	2	57,740	-
		(215,633)	(5,384)
Loss attributable to members of the company		(235,248)	(20,794)
 Overall Operations			
Basic earnings per share (cents per share)	8	(9.67)	(0.90)
Diluted earnings per share (cents per share)	8	(9.67)	(0.90)
 * Total tax benefit		(113,008)	(35,942)

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	14,696	45,542
Trade and other receivables	10	35,183	15,119
Trading portfolio	11	25,185	33,661
Other	12	660	600
TOTAL CURRENT ASSETS		75,724	94,922
NON-CURRENT ASSETS			
Investment portfolio	13	953,879	1,209,179
Deferred tax assets	14	232,786	156,801
TOTAL NON-CURRENT ASSETS		1,186,665	1,365,978
TOTAL ASSETS		1,262,389	1,460,900
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	12,746	32,170
Borrowings	16	400,344	351,988
TOTAL CURRENT LIABILITIES		413,090	384,158
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	16,217	43,397
TOTAL NON-CURRENT LIABILITIES		16,217	43,397
TOTAL LIABILITIES		429,307	427,555
NET ASSETS		833,082	1,033,345
EQUITY			
Issued capital	18	1,178,505	1,143,893
Reserves	19	(13,344)	(82,929)
(Accumulated Losses)		(332,079)	(27,619)
TOTAL EQUITY		833,082	1,033,345

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	Issued Capital	Accumulated Losses	Capital Profits Reserve	Investment Revaluation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2007		1,053,631	6,566	24,667	240,309	1,325,173
Dividends paid and dividend reinvestment plan	7 & 18	35,874	(18,774)	(17,100)	-	-
Loss for the year		-	(20,794)	-	-	(20,794)
Issued capital	18a	60,700	-	-	-	60,700
Share issue costs	18a	(6,312)	-	-	-	(6,312)
Revaluation of investment portfolio (net of tax)	19b	-	-	-	(325,420)	(325,420)
Transfer to income statement for AASB 139 'impairment' revaluation charge (net of tax)	2	-	-	-	-	-
Transfers to/(from) reserves	19a	-	5,384	(5,384)	-	-
Balance at 30 June 2008		1,143,893	(27,619)	2,183	(85,111)	1,033,345
Balance at 1 July 2008		1,143,893	(27,619)	2,183	(85,111)	1,033,345
Dividends paid and dividend reinvestment plan	7 & 18	13,595	-	(18,016)	-	(4,421)
Loss for the year		-	(235,248)	-	-	(235,248)
Issued capital	18a	27,995	-	-	-	27,995
Share issue costs	18a	(6,978)	-	-	-	(6,978)
Revaluation of investment portfolio (net of tax)	19b	-	-	-	(116,338)	(116,338)
Transfer to income statement for AASB 139 'impairment' revaluation charge (net of tax)	2	-	-	-	134,726	134,726
Transfers to/(from) reserves	19a	-	(69,212)	69,212	-	-
Balance at 30 June 2009		1,178,505	(332,079)	53,379	(66,723)	833,082

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from trading portfolio		8,673	154,001
Purchases for trading portfolio		(15,732)	(103,168)
Dividends received		57,957	55,163
Interest received		977	3,457
Trust distributions		3,513	1,140
Other receipts		2,729	-
		<u>58,117</u>	<u>110,593</u>
Administration expenses		(47,522)	(41,305)
Bank charges		(516)	(379)
Finance costs		(32,905)	(13,900)
Management fees		(14,546)	(21,024)
Performance fees		-	(67,314)
Other payments		-	(1,366)
Net cash (used in) operating activities	21	<u>(37,372)</u>	<u>(34,695)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		260,512	266,044
Purchases for investment portfolio		(313,982)	(498,751)
Net cash (used in) investing activities		<u>(53,470)</u>	<u>(232,707)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		27,996	68,219
Share issuance costs		(11,764)	(9,547)
Proceeds from borrowings		290,630	598,917
Repayment of borrowings		(242,445)	(404,600)
Dividends paid		(4,421)	(7,518)
Net cash provided by financing activities		<u>59,996</u>	<u>245,472</u>
Net increase / (decrease) in cash held		(30,846)	(21,931)
Cash at beginning of financial year		45,542	67,473
Cash at end of financial year	9	<u>14,696</u>	<u>45,542</u>

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

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 2009 ("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. All amounts are presented in Australian dollars, unless otherwise noted.

The financial statements were authorised for issue by the directors on 28 September 2009.

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 trading.

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.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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, 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.

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 and other short-term highly liquid investments.

e. Initial Public Offer Costs

The costs incurred in the establishment of the Company and its subsequent public offerings have been charged directly against issued capital.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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.

g. Comparative Figures

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

h. 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.

i. 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.

j. Going Concern

At 30 June 2009, the Company has current assets of \$75,724 and current liabilities of \$413,090, a deficiency of \$337,366. 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.

k. Impairment of assets in the Investment Portfolio

When the market value of a stock that is held in the investment portfolio is below the cost, it is reviewed for impairment. *AASB 139 – Financial Instruments: Recognition and Measurement* states that impairment has occurred if there has been a loss event or events that have an impact on the future cash flows of the financial asset that can be reliably estimated.

When 'impairment' is held to have occurred, the amount of the loss that has been taken through the Investment Revaluation Reserve is reversed and instead is taken through the Income Statement. Any subsequent increase in the market value of a stock thus impaired does not go through the Income Statement, but will however be accounted for through the Investment Revaluation Reserve whilst any further decrease will continue to be accounted for through the Income Statement.

The Investment Manager regularly reviews the stocks in the Investment Portfolio, and where it believes that such an event has occurred or is likely to occur, will seek to exit the position. Should that position not be exited by the balance sheet date, an impairment charge may be taken to the Income Statement as described above.

The Company is a long-term investor, and does not regard short-term or cyclical movements in the share-price of its investments as evidence of impairment. However, the relevant Accounting Standard also states that a "significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment." The Company's approach to this and the resultant charge are set out in Note 2.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Critical Accounting Estimates and Judgements

The preparation of financial reports in conformity with AIFRS requires the use of certain critical accounting estimates. This requires the Board and management to exercise their judgement in the process of applying the Company's accounting policies.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB112 *Income Taxes*, deferred tax liabilities have been recognised for Capital Gains Tax (CGT) on the unrealised gain in the Investment Portfolio at current tax rates.

As the directors do not intend to dispose of the portfolio, this tax liability may not be crystallised at the amount disclosed in Note 17. In addition, the tax liability that arises on disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains at the time of disposal.

The issue of whether any of the Company's investments are impaired is also a matter requiring judgement. Refer to Note 2 for the Company's approach in relation to this and the resulting charge.

Apart from these, there are no key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

m. New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ending 30 June 2009. These are outlined in the table below.

Reference	Title	Summary	Application date of standard*	Impact on Company financial report	Application date for Company*
AASB 2007-3 and AASB 8	Operating Segments and consequential amendments to other Australian Accounting Standards	Amending standard issued as a consequence of AASB 8 Operating Segments	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Company financial statements	1 July 2009
AASB 101 (revised) and AASB 2007-8	Presentation of financial statements and consequential amendments to other Australian Accounting Standards	The amendments of AASB 101 changes the disclosure requirements of the financial statements and notes to accounts	1 January 2009	The amendments are expected to change the current disclosures and presentation of the financial statements and notes to accounts	1 July 2009

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 2008-5 and 2008-6	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Amendments to Australian Accounting Standards arising from the IASB's first Annual Improvements Project. The Improvements project is an annual project that provides a mechanism for making non-urgent, but necessary amendments to AASB	1 January 2009 except amendments to AASB 5 (1 July 2009)	The Company has not yet determined the extent of the impact of the amendments, if any.
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*Designates the beginning of the applicable annual reporting period.

NOTE 2: IMPAIRMENT CHARGE ON ACCOUNTS

The accounts include an impairment charge of \$134,726 for the year.

This charge is based on an interpretation of *AASB 39 – Financial Instruments : Recognition and Measurement* that, subject to other evidence to the contrary and judgement, an investment is impaired if it has been below its accounting cost for a minimum of 15 months or if the fair value of the investment is more than 35% below its accounting cost.

The Company takes a long term view of investments, and does not believe that share prices in a cyclical downturn necessarily reflect the long term fair value of the underlying businesses and assets that it invests in.

If, in the Directors' opinion, an investment has become impaired due to significant changes to that particular holding that investment is divested from the Portfolio. Any 'impairment' charge would therefore be reflected in the net gains or losses on investments sold from the investment portfolio.

The Directors believe that the interpretation of the standard used in the financial statements, and its application, does not reflect the long term nature of the Company's portfolio.

In addition, there is no current intention to sell any of the assets in the investment portfolio and the Directors do not consider that there is sufficient or reliable evidence to indicate that at some point in the medium to long term, any investments currently held will not recover their cost.

Therefore, in the Directors' view, to take a 'realised' loss on an investment that the Directors have no current intention of selling does not accurately reflect the performance of the Company during the financial year.

It should be noted that any impairment charge that is taken on equity investments held by the Company cannot, under Accounting Standards, be reversed back through the Income Statement when the market price recovers, but must be revalued through the Balance Sheet. The impairment charge is thus permanent until such time as the asset is sold.

Shareholders should note that all investments are continuously marked to market. Any impairment charge taken on investments that are not disposed of by the Company therefore has no impact on the Net Tangible Assets or shareholders' equity.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 3: REVENUE

	2009	2008
	\$	\$
a. Income from Investment Portfolio		
— dividends received	55,168	59,998
— trust distributions received	1,100	2,940
Total Income from Investment Portfolio	<u>56,268</u>	<u>62,938</u>
b. Income from Trading Portfolio		
— sales revenue	8,673	115,001
— cost of sales	(20,087)	(152,346)
— net losses from trading portfolio sales	(11,414)	(37,345)
— dividends received	369	136
Total Income from Trading Portfolio	<u>(11,045)</u>	<u>(37,209)</u>
c. Income from deposits		
— interest income	1,009	3,457
Total Income from deposits	<u>1,009</u>	<u>3,457</u>
Total revenue	<u>46,232</u>	<u>29,187</u>

Note 4: Loss for the Year

Operating loss before income tax has been determined after:

Expenses

Bank expenses	555	388
Finance costs	33,077	15,214
Listing fees	6,825	5,750
Management fees	11,109	14,949
Other expenses	34,875	41,931
Loss from operating activities before income tax and realised gains on the investment portfolio	<u>(40,209)</u>	<u>(49,045)</u>

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 5: INCOME TAX EXPENSE

	2009 \$	2008 \$
a. The components of tax expense comprise:		
Increase / (decrease) in deferred tax liabilities – other	(2,103)	2,028
(Increase) / decrease in deferred tax assets – other	(18,491)	(35,663)
	(20,594)	(33,635)
(Increase) / decrease in deferred tax assets – investment portfolio	(34,674)	(2,307)
Tax credit on AASB 139 ‘impairment’ revaluation charge	(57,740)	-
	(113,008)	(35,942)
b. The prima facie tax on pre-tax accounting loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Operating loss before income tax expense and realised gains on investment portfolio	(40,209)	(49,045)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2008: 30%)	(12,062)	(14,714)
Add:		
Tax effect of:		
— Imputation gross-up on dividends received	6,299	5,645
— Franking credits on dividends received	(20,997)	(18,816)
— Capital raising costs	-	(5,750)
	(26,760)	(33,635)
Income tax benefit on operating loss before realised gains on investment portfolio	(26,760)	(33,635)
Under (Over) Provision in prior years	6,166	-
Income tax benefit	(20,594)	(33,635)
Realised losses on investment portfolio	(115,581)	(7,691)
Prima facie tax benefit calculated at 30% (2008: 30%)	(34,674)	(2,307)
	(34,674)	(2,307)
Income tax benefit on realised gains / (losses) on investment portfolio	(34,674)	(2,307)
Tax credit on AASB 139 ‘impairment’ revaluation charge	(57,740)	-
Total income tax benefit	(113,008)	(35,942)

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 5: INCOME TAX EXPENSE (CONTINUED)

	2009	2008
	\$	\$
c. Amounts recognised directly in equity		
Increase / (decrease) in deferred tax liabilities relating to capital gains on the decrease in unrealised gains on securities in the investment portfolio	(25,076)	(75,206)
(Increase) / decrease in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	24,782	64,260
(Increase) / decrease in deferred tax assets relating to capital raising costs	231	(3,527)
	(63)	(14,472)

NOTE 6: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for:

Forsythes

— auditing or reviewing the financial report	16,045	19,236
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NOTE 7: DIVIDENDS

a. Dividends Paid

Final fully franked ordinary dividend for the year ended 30 June 2008 of 0.75 (2007: 0.75) cents per share paid on 22 October 2008

	18,016	17,101
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Interim fully franked ordinary dividend for the year ended 30 June 2009 of 0.00 (2008: 0.80) cents per share

	-	18,773
	18,016	35,874

b. Dividends Declared

Final fully franked ordinary dividend of 0.75 (2008: 0.75) cents per share payable on 27 October 2009. This dividend has not been brought to account in the financial statements for the year ended 30 June 2009, but will be recognised in subsequent financial reports.

	19,387	17,881
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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.

	39,187	25,912
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Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year

	8,309	7,663
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Net available

	30,878	18,249
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ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 8: EARNINGS PER SHARE

	2009	2008
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	2,431,660	2,320,723
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	2,431,660	2,320,723
a. Basic and diluted earnings per share	\$	\$
Loss attributable to members of the company	(235,248)	(20,794)
	Cents	Cents
Basic earnings per share including realised losses on the investment portfolio	(9.67)	(0.90)
Diluted earnings per share including realised losses on the investment portfolio	(9.67)	(0.90)
b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	\$	\$
Operating loss before realised losses on the investment portfolio	(19,615)	(15,411)
	Cents	Cents
Basic operating earnings per share excluding realised losses on the investment portfolio	(0.81)	(0.66)
Diluted operating earnings per share excluding realised losses on the investment portfolio	(0.81)	(0.66)
	2009	2008
	\$	\$

Note 9: Cash and Cash Equivalents

Cash at bank and in hand	689	3,724
Deposits at call	14,007	41,818
	14,696	45,542

The effective interest rate on deposits at call was 1.90% (2008: 6.73%).

The credit risk exposure of the Company in relation to cash and cash equivalents 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	14,696	45,542
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ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 10: TRADE AND OTHER RECEIVABLES		
CURRENT		
Dividends and trust distributions receivable	4,007	8,879
Other debtors	31,176	6,240
	35,183	15,119

Receivables are non-interest bearing and unsecured.

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

NOTE 11: TRADING PORTFOLIO

CURRENT

Listed investments, at market value

- Shares	25,185	33,661
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NOTE 12: OTHER ASSETS

CURRENT

Prepayments

	660	600
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NOTE 13: INVESTMENT PORTFOLIO

NON-CURRENT

Listed Investments, at market value

- Options	1,177	1,990
- Shares	897,245	1,139,209
- Trust units	55,457	67,980
	953,879	1,209,179

NOTE 14: DEFERRED TAX ASSETS

The deferred tax assets is made up of the following estimated tax benefits:

- Tax losses	119,531	68,425
- Temporary differences	113,255	88,376
	232,786	156,801

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 15: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	-	2,010
Outstanding settlements – investment portfolio	566	1,262
Outstanding settlements – trading portfolio	-	4,683
Provision for income tax	-	4,952
Sundry payables and accrued expenses	12,180	19,263
	12,746	32,170

NOTE 16: BORROWINGS

CURRENT

Short-term borrowings – secured	400,344	351,988
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The above short-term borrowings are secured by listed securities held in the Company's investment and trading portfolios. 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 9.09% (2008: 9.95 %).

NOTE 17: DEFERRED TAX LIABILITIES

NON-CURRENT

Deferred tax liabilities attributable to:

- Temporary differences	740	2,844
- Deferred capital gains tax	15,477	40,553
	16,217	43,397

NOTE 18: ISSUED CAPITAL

2,491,048 (2008: 2,384,246) fully paid ordinary shares	18a	1,178,505	1,143,893
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a. Ordinary shares

At the beginning of reporting period		1,143,893	1,053,631
Shares issued during the year			
— 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
— 17,842 on 01 October 2008		8,745	

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 18: ISSUED CAPITAL (CONTINUED)			
— 31,668 on 27 October 2008		13,595	
— 57,292 on 27 February 2009		19,250	
		1,185,483	1,150,205
— Transaction costs relating to share issues		(6,978)	(6,312)
At the end of reporting period		1,178,505	1,143,893

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.

NOTE 19: RESERVES

Capital profits	19a	53,379	2,183
Investment revaluation	19b	(66,723)	(85,111)
		(13,344)	(82,929)

19a. Capital Profits Reserve

Movements During the Year

Opening balance		2,183	24,667
Transfer (to)/from retained earnings		69,212	(5,384)
Dividend paid during the year		(18,016)	(17,100)
Closing Balance		53,379	2,183

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

19b. Investment Revaluation Reserve

Movements During the Year

Opening balance		(85,111)	240,309
Revaluation of investment portfolio (net of tax)		(116,338)	(325,420)
		(201,449)	(85,111)
Transfer of AASB 139 'impairment' revaluation to Income Statement (net of tax)		134,726	-
Closing Balance		(66,723)	(85,111)

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

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 20: 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:

2009	Revenue \$	Unrealised Losses \$	Market Value \$	Portfolio %
Australia	39,851	(230,568)	826,883	82.67
Fiji	208	-	-	-
Great Britain	3,008	(35,933)	88,723	8.87
New Zealand	1,885	(5,735)	15,810	1.58
United States of America	338	(36,029)	47,648	4.76
Sub Total	45,290	(308,265)	979,064	97.89
Investment portfolio cash and cash equivalents and receivables	1,009	-	21,104	2.11
Total	46,299	(308,265)	1,000,168	100.00

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

NOTE 21: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Loss after Income Tax

	2009 \$	2008 \$
Loss after income tax	(235,248)	(20,794)
Cash flows excluded from profit attributable to operating activities:		
Net realised (gains)/losses on the investment portfolio	80,907	5,384
Net AASB 139 'impairment' revaluation charge	134,726	-
(Increase)/decrease in current receivables	(20,004)	32,229
(Increase)/decrease in the trading portfolio	8,476	44,514
Increase/(decrease) in current payables	(19,270)	(62,393)

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 21: CASH FLOW INFORMATION (CONTINUED)

	2009	2008
	\$	\$
Increase/(decrease) in income taxes balances	13,041	(33,635)
Cash flow from operations	(37,372)	(34,695)

NOTE 22: RELATED PARTY TRANSACTIONS

Transactions with related parties:

Expenses paid or payable by the company to:

- Investment management fees paid to Pritchard & Partners Pty. Limited

11,109 17,085

- Brokerage paid to Pritchard & Partners Pty. Limited

4,082 8,533

- Accounting fees paid to Rees Pritchard Pty. Limited

- 1,052

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.

8,926 12,633

Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited

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 23: 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 24: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 61 (2008 : 102). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$4,082 (2008: \$8,533).

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 25: 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 26: FINANCIAL RISK MANAGEMENT

Accounting Standards identify three 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.

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 9.09% (2008: 9.95%). A rise in interest rates of 1% will result in the company incurring additional finance costs of \$4,003 (2008:\$3,519), whilst a fall 1% will result in interest savings of \$4,003 (2008: \$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; and
- issue of new shares by way of a prospectus.

The capital structure of the Company consists of Issued capital, reserves and retained earnings as disclosed in notes 18 and 19.

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

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 26 : FINANCIAL RISK MANAGEMENT (CONTINUED)

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 \$34,267 and \$68,535 (2008: \$43,499 and \$86,998) respectively, assuming a flat tax rate of 30%.

The Investment Revaluation Reserve at 30th June 2009 has a debit balance of \$66,723. It would require an increase in the value of the investment portfolio of 9.74% to reverse this decrement. In accordance with Accounting standards, any further falls in value would continue to be recognised in 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.

The Company's investments across industry sectors as at 30 June is as below	2009	2008
	%	%
Banks	6.19	7.58
Capital goods	9.08	11.15
Cash and equivalents	2.05	3.83
Commercial services and supplies	4.68	8.40
Consumer durables and apparel	2.21	3.23
Consumer services	1.05	1.56
Diversified financials	19.34	15.85
Energy	2.42	1.63
Food and staples retailing	4.74	3.15
Food beverage and tobacco	8.78	9.37
Health care equipment and services	7.90	4.65
Insurance	3.60	3.50
Materials	3.84	4.71
Media	3.44	3.65
Pharmaceuticals, biotech and life sciences	1.61	-
Real Estate	4.29	4.10
Retailing	7.56	5.97
Telecommunication services	5.09	5.12
Transportation	-	0.45
Utilities	2.13	2.10
	100.00	100.00

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 26 : FINANCIAL RISK MANAGEMENT (CONTINUED)

Securities representing over 5 per cent of the investment portfolio at 30 June were:	2009 %
Cochlear Limited	5.77
Telstra Corporation Limited	5.09
	<hr/>
	10.86

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

NOTE 27: EVENTS SUBSEQUENT TO REPORTING DATE

Since 30 June 2009 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.

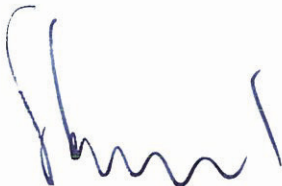
ILLUMINATOR INVESTMENT COMPANY LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 13 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 2009 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 Directors made pursuant to S.295(5) of the *Corporations Act 2001*.



Steven Shane Pritchard
Director

Dated this 28th day of September 2009

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS 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 2009, 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.

Directors' responsibility for the financial 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 the material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with the Accounting Standard AASB 101 "Presentation of Financial Statements", that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

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 judgement, 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 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.

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:

- (a) the financial report of Illuminator Investment Company Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 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

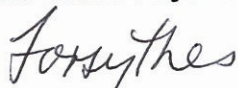
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Illuminator Investment Company Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.



FORSYTHES



M J Matthews
Partner
Chartered Accountants
Newcastle, 28 September 2009

ILLUMINATOR INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION

Top 20 Shareholders as at 30 June 2009

Shareholder	No. of Shares	% of Issued
The Pritchard Family Company Pty Limited	327,362	13.14
Pritchard Equity Limited	302,805	12.16
Henley Underwriting & Investment Company Pty Limited	139,297	5.59
Melville King Pty Ltd	86,343	3.47
Hafoba Pty Ltd <STDT Super Fund No 1>	81,600	3.28
Pritchard & Partners Pty Limited	77,665	3.12
Kerteh Holdings Pty Limited <Super Fund Account>	76,177	3.06
Richardson Investment Holdings<Richardsons Super Fund A/c>	60,000	2.41
Pirenz Nominees Pty Limited<The Pirenz Super Fund A/c>	52,415	2.10
Superannuation Nominees Pty Limited	44,265	1.78
Mrs Lola Bernice Heddles & Mr Murray Allan Heddles	43,397	1.74
Newcastle Capital Markets Proprietary Limited	43,397	1.74
Bond Street Custodians Limited <SP -109813 A/c>	42,890	1.72
Mr Steven Shane Pritchard	34,824	1.40
Mr Laurence George Cable	33,254	1.33
Cumarax Pty Ltd <Tulip Superannuation Fund A/c>	32,785	1.32
Mr Selby Ernest Spears & Mrs Pamela June Spears	30,952	1.24
Bond Street Custodians Limited <SP -187454 A/c>	30,897	1.24
Beavis Nominees Pty Ltd<Beavis Hire Super Fund>	30,384	1.22
Equity Trustees Limited<RF Cameron Super Fund>	28,039	1.13

Number of ordinary shares held

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

Number of Shareholders

23
44
39
44
3
153

Substantial Shareholders

As at 30 June 2009 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	978,524	39.28
Margaret Pritchard	471,477	18.93
Daniel Di Stefano	155,315	6.23

ILLUMINATOR INVESTMENT COMPANY LIMITED

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 Registries 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