



**ILLUMINATOR
INVESTMENT
COMPANY LIMITED**

ILLUMINATOR INVESTMENT COMPANY LIMITED

ABN 48 107 470 333

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31ST DECEMBER, 2009

Illuminator Investment Company Limited

ABN 48 107 470 333

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2009.

Directors

The names of directors who held office during or since the end of the half-year:

Steven Pritchard

Daniel Di Stefano

Darval Warwick Thomas

Review of Operations

The Company's investment objectives are:

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

The Company aims to achieve these objectives by seeking to invest for the medium to long-term in companies and construct an investment portfolio 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 issuers represented in its portfolio.

The Directors have established a number of key performance indicators that they use in their assessment of the Company's performance, including, earnings per share, dividends paid to shareholders and asset backing per share.

The Company presently has short term debt of \$356,000. At the 31st December 2009, approximately 2.20% of the Company's assets was in Cash.

The net profit after tax for the half year ended 31st December 2009 was \$995.

The asset backing per share increased from \$0.33 as at 30 June 2009 to \$0.40 as at 31 December 2009

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 3 for the half-year ended 31 December 2009.

This report is signed in accordance with a resolution of the Board of Directors.



Director

Steven Pritchard

Dated this 9th day of March 2010

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 review of the financial statements of Illuminator Investment Company Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



FORSYTHES



Martin Matthews
Partner
Chartered Accountants
Newcastle, 9 March 2010

Illuminator Investment Company Limited

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CONDENSED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Note	31.12.2009	31.12.2008
		\$	\$
Income from investment portfolio		28,802	33,191
Income from trading portfolio		8,789	(11,923)
Income from deposits		313	767
Total income from ordinary activities	2	37,904	22,035
Administration expenses		27,390	27,637
Finance costs		15,228	17,688
Management fees		6,053	6,051
		<u>48,671</u>	<u>51,376</u>
Operating (loss) before income tax and realised gains on the investment portfolio		(10,767)	(29,341)
Income tax credit relating to ordinary activities*		10,784	943
Operating profit/(loss) before realised gains on the investment portfolio		17	(28,398)
Realised gains on the investment portfolio		1,397	8,996
Income tax (expense) thereon*		(419)	(2,699)
		<u>978</u>	<u>6,297</u>
Profit / (loss) attributable to members of the company		995	(22,101)
Overall Operations			
Basic earnings per share (cents per share)		0.04	(0.92)
Diluted earnings per share (cents per share)		0.04	(0.92)
* Total Tax (Benefit)		(10,365)	(1,756)

The accompanying notes form part of these condensed financial statements.

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**CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

	31.12.2009	31.12.2008
	\$	\$
Profit / loss for the half-year	995	(22,101)
Other comprehensive income		
Net revaluation / devaluation of long term investments	180,040	(169,590)
Net realised gains on sale of long-term investments transferred to the Income Statement from the investment revaluation reserve	(978)	(6,297)
Other comprehensive income for the half-year	179,062	(175,887)
Total comprehensive income for the half-year	180,057	(197,988)

The accompanying notes form part of these condensed financial statements.

Illuminator Investment Company Limited

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Interim Financial Report**CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009**

	Note	31.12.2009	30.06.2009
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		32,207	14,696
Trade and other receivables		2,736	35,183
Trading portfolio		32,826	25,185
Other		3,644	660
TOTAL CURRENT ASSETS		71,413	75,724
NON-CURRENT ASSETS			
Investment portfolio		1,189,951	953,879
Deferred tax assets		203,819	232,786
TOTAL NON-CURRENT ASSETS		1,393,770	1,186,665
TOTAL ASSETS		1,465,183	1,262,389
CURRENT LIABILITIES			
Trade and other payables		17,700	12,746
Borrowings		356,000	400,344
TOTAL CURRENT LIABILITIES		373,700	413,090
NON-CURRENT LIABILITIES			
Deferred tax liabilities		53,263	16,217
TOTAL NON-CURRENT LIABILITIES		53,263	16,217
TOTAL LIABILITIES		426,963	429,307
NET ASSETS		1,038,220	833,082
EQUITY			
Issued capital	4	1,222,974	1,178,505
Reserves		112,031	(13,344)
Accumulated losses		(306,785)	(332,079)
TOTAL EQUITY		1,038,220	833,082

The accompanying notes form part of these condensed financial statements.

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CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Note	Issued Capital \$	(Accumulated Losses) \$	Capital Profits Reserve \$	Investment Revaluation Reserve \$	Total \$
Balance at 1.7.2008		1,143,893	(27,619)	2,183	(85,111)	1,033,345
Loss for the period		-	(22,101)	-	-	(22,101)
Net revaluation / devaluation of long term investments		-	-	-	(169,590)	(169,590)
Net realised gains on sale of long-term investments transferred to the Income Statement		-	-	-	(6,297)	(6,297)
Total other comprehensive income for the period		-	-	-	(175,887)	(175,887)
Total comprehensive income for the period		-	(22,101)	-	(175,887)	(197,988)
Dividends paid	3	-	-	(18,016)	-	(18,016)
Dividend reinvestment plan		13,595	-	-	-	13,595
Shares issued (net of costs)		2,654	-	-	-	2,654
Net realised gains on sale of investments transferred to capital profits reserve		-	(30,240)	30,240	-	-
Balance at 31.12.2008		1,160,141	(79,960)	14,407	(260,998)	833,590
Balance at 1.7.2009		1,178,505	(332,079)	53,379	(66,723)	833,082
Profit for the period		-	995	-	-	995
Net revaluation / devaluation of long term investments		-	-	-	180,040	180,040
Net realised gains on sale of long-term investments transferred to the Income Statement		-	-	-	(978)	(978)
Total other comprehensive income for the period		-	-	-	179,062	179,062
Total comprehensive income for the period		-	995	-	179,062	180,057
Net unrealised impairment revaluation charge on long-term investments transferred to the Income Statement from the investment revaluation reserve		-	25,277	(25,277)	-	-
Net realised gains on sale of investments transferred to capital profits reserve		-	(978)	978	-	-
Dividends paid	3	-	-	(19,388)	-	(19,388)
Dividend reinvestment plan		14,316	-	-	-	14,316
Shares issued (net of costs)	4	30,153	-	-	-	30,153
Balance at 31.12.2009		1,222,974	(306,785)	9,692	112,339	1,038,220

The accompanying notes form part of these condensed financial statements.

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CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	31.12.2009	31.12.2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales from trading portfolio	10,274	8,673
Purchases for trading portfolio	(9,750)	(15,732)
Dividends received	30,746	38,977
Interest received	313	767
Other receipts	658	1,841
	<u>32,241</u>	<u>34,526</u>
Administration expenses	(26,583)	(36,840)
Bank charges	(217)	(292)
Finance costs	(14,875)	(16,580)
Management fees	(5,155)	(8,067)
Net cash (used in) operating activities	<u>(14,589)</u>	<u>(27,253)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales from investment portfolio	112,918	133,810
Purchases for investment portfolio	(61,055)	(210,034)
Net cash provided by / (used in) investing activities	<u>51,863</u>	<u>(76,224)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	31,000	8,745
Public offer costs	(1,210)	(10,499)
Proceeds from borrowings	41,137	221,877
Repayment of borrowings	(85,617)	(142,416)
Dividends paid	(5,071)	(4,421)
Net cash (used in) / provided by financing activities	<u>(19,762)</u>	<u>73,286</u>
Net increase / (decrease) in cash held	17,512	(30,191)
Cash at beginning of period	14,696	45,542
Cash at end of period	<u>32,207</u>	<u>15,351</u>

The accompanying notes form part of these condensed financial statements.

Illuminator Investment Company Limited

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Condensed Financial Statements

The half-year condensed financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2009 and any public announcements made by Illuminator Investment Company Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2009 annual financial report for the financial year ended 30 June 2009, except for the impact of the standards and Interpretations described below:

AASB 101 (revised): Presentation of Financial Statements

With effect from 1 July 2009, the Company has adopted the revised AASB101 – Presentation of Financial Statements. This standard requires the presentation of a new Statement of Comprehensive Income separate from changes in equity arising from transactions with shareholders.

The adoption of this new standard has no impact on the Company's net assets, net profit or total recognized gains and losses, but changes the statement where certain gains and losses are presented. Previously, unrealized gains/(losses) on the investment portfolio and the associated deferred tax (charge) / credit were presented in the Statement of Changes in Equity. These items are now presented as components of "other comprehensive income" in the new Statement of Comprehensive income.

AASB 8: Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and its performance. The Company has only one operating segment.

(a) Holdings of Securities

(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, and has been classified as a non-current asset.

The trading portfolio comprises securities held for short term trading purposes and is classified as a current asset.

(ii) Valuation of investments

Securities, including listed and unlisted shares, notes and options, are initially brought to account at cost (including any associated transaction costs) and are continuously carried at fair value.

Fair value for the purposes of valuing holdings of 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.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Holdings of Securities (cont'd)

(iii) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis. Distributions relating to unlisted securities are recognised as income when received unless the distributions are capital returns in which case the amount of the distribution is treated as an adjustment to the cost base of the securities.

(b) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

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 company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Comparative Figures

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

(d) Going Concern

At 31 December 2009, the Company has current assets of \$71,413 and current liabilities of \$373,700, a deficiency of \$302,287. 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.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

	31.12.2009	31.12.2008
NOTE 2: REVENUE	\$	\$
Income from investment portfolio		
Dividends received	27,902	31,189
Trust distributions received	900	2,002
Total Income from investment portfolio	28,802	33,191
Income from trading portfolio		
Sales revenue	10,274	8,673
Cost of sales	(1,544)	(20,660)
Net gains/(losses) from trading portfolio sales	8,730	(11,987)
Dividends received	59	64
Total income from trading portfolio	8,789	(11,923)
Income from deposits		
Deposit income	313	767
Total income from deposits	313	767
Total Revenue	37,904	22,035
 NOTE 3: DIVIDENDS		
Dividends Paid		
Final fully franked ordinary dividend of 0.75 (2008: 0.75) cents per share paid on 23 October 2009.	19,388	18,016

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 4: ISSUED CAPITAL

Movements in Issued Capital of the Company during the half-year were as follows:

Date	Details	Number of Shares	Issue Price \$	Issued Capital \$
01/07/2009	Opening balance	2491,048		1,178,505
17/08/2009	Allotment of shares	93,943	0.33	31,000
23/10/2009	Dividend Reinvestment Plan	35,831	0.40	14,316
Various	Transaction costs relating to share issues	-		(847)
31/12/2009	Balance	<u>2,620,822</u>		<u>1,222,974</u>

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the 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.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

NOTE 5: SEGMENT REPORTING

The Company operates in one business segment, being that of a listed investment company. The Company operates in 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:

31.12.2009	Revenue \$	Unrealised Gains / (Losses) \$	Market Value \$	Portfolio %
Australia	35,895	53,654	1,052,999	84.12
Great Britain	1,208	(27,454)	97,201	7.77
New Zealand	322	(2,225)	19,320	1.54
United States of America	166	(30,421)	53,257	4.25
Sub Total	37,591	(6,446)	1,222,777	97.69
Investment portfolio cash and cash equivalents and receivables	313	-	28,954	2.31
Total	37,904	(6,446)	1,251,731	100.00

30.06.2009	Revenue \$	Unrealised Gains / (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

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 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. 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.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 13:
 - a. comply with Accounting Standards and the Corporations Regulations; and
 - b. give a true and fair view of the entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s.303(5) of the Corporations Act 2001.



Steven Shane Pritchard

Dated this 9th day of March 2010

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

Report on the half year financial report

We have reviewed the accompanying half-year financial report of Illuminator Investment Company Limited, which comprises the condensed statement of financial performance as at 31 December 2009, and the condensed income statement, condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of accounting policies, other explanatory notes and the directors' declaration of the company.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Illuminator Investment Company Limited's financial position at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. As the auditor of Illuminator Investment Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we, would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Illuminator Investment Company Limited is not in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Illuminator Investment Company Limited's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



FORSYTHES



MJ Matthews
Partner
Chartered Accountants
Newcastle, 9 March 2010