

FORM: Half yearly/preliminary final report

Name of issuer

Illuminator Investment Company Limited

ACN or ARBN

107 470 333

Half yearly
(tick)Preliminary
final (tick)

✓

Half year/financial year ended
(Current period)30th June 2006

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A
Sales (or equivalent) operating revenue (item 1.1)	Up	22%	to	49,813
Operating profit (loss) before abnormal items and tax (item 1.4)	down	83%	to	1,753
Abnormal items before tax (item 1.5)		gain (loss) of	to	
Operating profit (loss) after tax but before outside equity interests (item 1.8)	down	57%	to	7,991
Extraordinary items after tax attributable to members (item 1.13)		gain (loss) of	to	
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	down	57%	to	7,991
Exploration and evaluation expenditure incurred (item 5.2)	up/down	%	to	
Exploration and evaluation expenditure written off (item 5.3)	up/down	%	to	
Dividends		Franking rate applicable		
		30%		
Current period	¢	N/A	0.6¢	N/A
Previous corresponding period	¢	¢	0.5¢	¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution) (see item 15.2)		30 th September 2006.		
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:				

Dividends

15.1 Date the dividend is payable

21st October 2006

15.2 Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

30th September 2006**18.3 Amount per security**

0.6 cents

		<i>Franking rate applicable</i>	39%	30%	33%
	<i>(Preliminary final statement only)</i>				
15.4	Final dividend: Current year	0.6¢	N/A	0.6¢	N/A
15.5	Previous year	0.5¢	¢	0.5¢	¢
	<i>(Half yearly and preliminary final statements)</i>				
15.6	Interim dividend: Current year	0.6¢	N/A	0.6¢	N/A
15.7	Previous year	0.5¢	¢	0.5¢	¢

Total annual dividend (distribution) per security*(Preliminary final statement only)*

	Current year	Previous year
15.8 Ordinary securities	1.2¢	1.0¢
15.9 Preference securities	¢	¢

The dividend or distribution plans shown below are in operation.

Dividend Reinvestment Plan

The last date(s) for receipt of election notices to the dividend or distribution plans
--

Any other disclosures in relation to dividends (distributions)

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- | | |
|--|---|
| <p>The financial statements have been audited.</p> <p><input checked="" type="checkbox"/> The financial statements are in the process of being audited or subject to review.</p> | <p>The financial statements have been subject to review by a registered auditor (or overseas equivalent).</p> <p>The financial statements have <i>not</i> yet been audited or reviewed.</p> |
|--|---|
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
6. The *issuer* has a formally constituted audit committee.

Sign here: 
(Director/Company secretary)

Date: 13/9/2006

Print name: Daniel Di Stefano

ILLUMINATOR INVESTMENT COMPANY LIMITED**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Income from investment portfolio	2a	24,929	19,458
Income from trading portfolio	2b	22,418	11,634
Income from deposits	2c	946	8,804
Other income	2d	1,520	955
Total income from ordinary activities		49,813	40,851
Administration expenses		(17,671)	(20,250)
Borrowing costs expense		(2,696)	(758)
Management fees		(7,040)	(5,864)
Performance fees		(20,653)	(2,638)
Other expenses from ordinary activities		—	(809)
Operating profit before income tax and realised gains/(losses) on the investment portfolio	3	1,753	10,532
Income tax (expense)/credit relating to ordinary activities *	4	7,342	702
Operating profit before realised gains/(losses) on the investment portfolio		9,095	11,234
Realised gains/(losses) on the investment portfolio		(1,578)	10,524
Income tax (expense)/credit thereon *	4	474	(3,157)
Profit attributable to members of the company		7,991	18,601
Overall Operations			
Basic earnings per share (cents per share)	7	0.62	1.47
Diluted earnings per share (cents per share)	7	0.62	1.47
* Total tax expense/(benefit)		(7,816)	2,455

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	10,461	18,022
Receivables	9	5,564	3,261
Trading Portfolio	10	33,992	38,975
Other	11	600	600
TOTAL CURRENT ASSETS		50,617	60,858
NON-CURRENT ASSETS			
Investment Portfolio	12	741,344	544,070
Deferred tax assets	13	34,690	27,574
TOTAL NON-CURRENT ASSETS		776,034	571,644
TOTAL ASSETS		826,651	632,502
LIABILITIES			
CURRENT LIABILITIES			
Payables	14	37,197	9,599
Borrowings	15	36,186	--
TOTAL CURRENT LIABILITIES		73,383	9,599
NON-CURRENT LIABILITIES			
Deferred tax liabilities	16	50,676	14,064
TOTAL NON-CURRENT LIABILITIES		50,676	14,064
TOTAL LIABILITIES		124,059	23,663
NET ASSETS		702,592	608,839
EQUITY			
Contributed equity	17	610,893	596,809
Reserves	18	92,283	7,625
Retained earnings		(584)	4,405
TOTAL EQUITY		702,592	608,839

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

		\$	\$	\$	\$	\$
	Note	Issued Capital	Retained Profits	Capital Profits Reserve	Investment Revaluation Reserve	Total
Balance at 1 July 2004		575,005	(528)	--	--	574,477
Dividends paid and dividend reinvestment plan	6 & 17	6,301	(6,301)			--
Transactions with equity holders in their capacity as equity holders		6,301	(6,301)			--
Other issued capital adjustments		15,503				15,503
Profit for the year			18,601			18,601
Revaluation of investment portfolio (net of tax)	18b				258	258
Total direct equity adjustments					258	258
Total income for the year			18,601		258	18,859
Transfers between reserves	18		(7,367)	7,367		--
Balance at 30 June 2005		596,809	4,405	7,367	258	608,839
Balance at 1 July 2005		596,809	4,405	7,367	258	608,839
Dividends paid and dividend reinvestment plan	6 & 17	14,084	(14,084)			--
Transactions with equity holders in their capacity as equity holders		14,084	(14,084)			--
Profit for the year			7,991			7,991
Revaluation of investment portfolio (net of tax)	18b				85,763	85,763
Total direct equity adjustments					85,763	85,763
Total income for the year			7,991		85,763	93,754
Transfers between reserves	18		1,106	(1,106)		--
Balance at 30 June 2006		610,893	(584)	6,261	86,021	702,592

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from trading portfolio		122,346	138,127
Purchases for trading portfolio		(104,271)	(168,055)
Dividends received		25,676	13,658
Interest received		946	8,804
Sub underwriting fees		672	580
Trust distributions		1,047	575
Other receipts		750	5,810
		<u>47,166</u>	<u>(501)</u>
Administration expenses		(19,271)	(17,492)
Bank charges		(222)	(216)
Borrowing costs		(2,244)	—
Management fees		(6,894)	(5,363)
Performance fees		<u>(2,398)</u>	<u>—</u>
Net cash provided by / (used in) operating activities	20	<u>16,137</u>	<u>(23,572)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		194,172	146,405
Purchases for investment portfolio		<u>(253,826)</u>	<u>(641,216)</u>
Net cash provided by / (used in) investing activities		<u>(59,654)</u>	<u>(494,811)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,026	1,154
Initial public offer costs		—	(14,097)
Proceeds from borrowings		197,937	—
Repayment of borrowings		(161,981)	—
Dividends paid		<u>(2,026)</u>	<u>(1,154)</u>
Net cash provided by / (used in) financing activities		<u>35,956</u>	<u>(14,097)</u>
Net increase / (decrease) in cash held		<u>(7,561)</u>	<u>(532,480)</u>
Cash at beginning of financial year		<u>18,022</u>	<u>550,502</u>
Cash at end of financial year	8	<u>10,461</u>	<u>18,022</u>

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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, Urgent Issues Group 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 comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Illuminator Investment Company Limited as an individual entity has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

Judgements made by management in the application of AIFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Illuminator Investment Company Limited to be prepared in accordance with Australian equivalents to IFRS.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 26 to this report.

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.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

Accounting Policies

a. Investment and Trading Portfolios

(i) Balance Sheet classification

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

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

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

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

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

(ii) Valuation of investment portfolio

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost, which is the cost of acquisition including transaction costs, and are revalued to market values continuously. Increments and decrements on Ordinary Securities are taken to the Investment Revaluation Reserve while it has a credit balance in total, otherwise they are included in Profit from ordinary activities before income tax expense.

Where disposal of an investment occurs any revaluation increment or decrement relating to it is transferred from the Investment Revaluation Reserve to the Income Statement. Subsequently, any revaluation or decrement relating to the disposal of an investment is transferred to the Capital Profits Reserve.

(iii) Valuation of trading portfolio

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

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

(iv) Determination of market value

Market value for the purposes of valuing holdings of securities is determined by reference to market prices prevailing at balance date, predominantly last sale price, where the securities are traded on an organised market. Where a security is not so traded, its fair value is determined by the Directors.

(v) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis and distributions relating to unlisted securities are recognised as income when received. If the distributions are capital returns on ordinary securities the amount of the distribution is treated as an adjustment to the carry 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.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

ILLUMINATOR INVESTMENT COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006****c. Income Tax**

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

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

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

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

d. Cash and Cash Equivalents

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

e. Goods and Services Tax (GST)

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

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

f. Comparative Figures

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

g. Foreign Currency Transactions and Balances**Transaction 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.

h. Borrowings

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

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: REVENUE

	2006 \$	2005 \$
a. Income from Investment Portfolio		
— dividends received	23,868	17,678
— trust distributions received	1,061	1,780
Total Income from Investment Portfolio	24,929	19,458
b. Income from Trading Portfolio		
— sales revenue	125,667	138,127
— cost of sales	(109,249)	(129,080)
— net gains/(losses) from trading portfolio sales	16,418	9,047
— dividends received	6,000	2,587
Total Income from Trading Portfolio	22,418	11,634
c. Income from deposits		
— interest income	946	8,804
Total income from deposits	946	8,804
d. Other Income		
— foreign currency translation gain	1,223	—
— sub-underwriting fees	297	955
Total other revenue	1,520	955
Total revenue	49,812	40,851

NOTE 3: PROFIT FOR THE YEAR

Operating profit before income tax has been determined after:

Expenses

Administration expenses	12,170	14,750
Bank expenses	222	542
Borrowing costs	2,474	216
Foreign currency translation losses	—	809
Listing fees	5,500	5,500
Management fees	7,040	5,864
Performance fees	20,653	2,638
Profit/(loss) from operating activities before income tax and realised gains on the investment portfolio	1,753	10,532

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 4: INCOME TAX EXPENSE

	2006 \$	2005 \$
a. The components of tax expense comprise:		
Current taxation provision	--	291
Increase / (decrease) in deferred tax liabilities – other	495	750
(Increase) / decrease in deferred tax assets – investment portfolio	(474)	--
(Increase) / decrease in deferred tax assets - other	(7,837)	1,414
	<u>(7,816)</u>	<u>2,455</u>
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Operating profit before income tax expense and realised gains on investment portfolio	1,753	10,532
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2005: 30%)	526	3,160
Add:		
Tax effect of:		
— Imputation gross-up on dividends received	3,372	1,656
— Franking credits on dividends received	(11,240)	(5,516)
Income tax expense on operating profit before realised gains on investment portfolio	<u>(7,342)</u>	<u>(702)</u>
Realised gains (losses) on investment portfolio	(1,578)	10,524
Prima facie tax payable (credit) calculated at 30% (2005: 30%)	(474)	3,157
Income tax expense (credit) on realised gains (losses) on investment portfolio	<u>(474)</u>	<u>3,157</u>
Total income tax expense (credit)	<u>(7,816)</u>	<u>2,455</u>
c. Amounts recognised directly in equity		
Increase / (decrease) in deferred tax liabilities relating to capital gains on the increase in unrealised gains on securities in the investment portfolio	36,117	13,314
(Increase) / decrease in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	1,194	(13,505)
	<u>37,311</u>	<u>(191)</u>

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 5: AUDITORS' REMUNERATION

	2006 \$	2005 \$
Remuneration of the auditor of the company for:		
Forsythes		
-- auditing or reviewing the financial report	5,800	7,050
-- taxation services	—	—
-- due diligence services	—	—
— taxation services provided by related practice of auditor	—	—

NOTE 6: DIVIDENDS

a. Dividends Paid

Final fully franked ordinary dividend for the year ended 30 June 2005 of 0.5 (2005: Nil) cents per share paid on 21 October 2005

6,366 —

Interim fully franked ordinary dividend for the year ended 30 June 2006 of 0.6 (2005: 0.5) cents per share paid on 21 April 2006

7,718 6,301

14,084 6,301

b. Dividends Declared

Final fully franked ordinary dividend of 0.6 (2005: 0.5) cents per share payable on 21 October 2006. This dividend has not been brought to account in the financial statements for the year ended 30 June 2006 but will be recognised in subsequent financial reports.

7,809 —

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.

13,882 3,360

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 7: EARNINGS PER SHARE

	2006 Number	2005 Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	1,285,120	1,262,778
Weighted average number of options outstanding	1,260,262	1,260,262
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	1,285,120	1,262,778
a. Basic and diluted earnings per share	\$	\$
Profit attributable to members of the company	7,991	18,601
	Cents	Cents
Basic earnings per share including realised gains(losses) on the investment portfolio	0.62	1.47
Diluted earnings per share including realised gains(losses) on the investment portfolio	0.62	1.47
b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	\$	\$
Operating profit before realised gains/(losses) on the investment portfolio	9,095	11,234
	Cents	Cents
Basic operating earnings per share excluding realised gains/(losses) on the investment portfolio	0.71	0.89
Diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	0.71	0.89
c. Classification of securities	Number	Number
The following securities have been classified as potential ordinary shares and are included in determination of dilutive earnings per share:		
- Options outstanding	1,260,262	1,260,262

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 8: CASH AND CASH EQUIVALENTS

	2006	2005
	\$	\$
Cash at bank and in hand	416	1,369
Deposits at call	10,045	16,653
	<u>10,461</u>	<u>18,022</u>

The effective interest rate on deposits at call was 4.80% (2005: 4.7%).

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

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>10,461</u>	<u>18,022</u>
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NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

Dividends and trust distributions receivable

1,799	2,273
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Outstanding settlements – investment portfolio

–	–
---	---

Outstanding settlements – trading portfolio

3,336	–
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Other debtors

429	988
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<u>5,564</u>	<u>3,261</u>
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Receivables are non-interest bearing and unsecured.

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

NOTE 10: TRADING PORTFOLIO

CURRENT

Listed investments, at market value

- Shares

<u>33,992</u>	<u>38,975</u>
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ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 11: OTHER ASSETS

	2006 \$	2006 \$
CURRENT		
Prepayments	600	600

NOTE 12: INVESTMENT PORTFOLIO

NON-CURRENT

Listed Investments, at market value

- Fixed interest securities	-	84,258
- Options	2,750	6,050
- Shares	693,868	424,036
- Trust units	44,726	29,726
	<u>741,344</u>	<u>544,070</u>

NOTE 13: DEFERRED TAX ASSETS

Deferred tax assets

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

- Tax losses	7,987	-
- Timing differences	26,703	27,574
	<u>34,690</u>	<u>27,574</u>

NOTE 14: PAYABLES

CURRENT

Trade Creditors	-	1,210
Outstanding settlements – investment portfolio	11,132	-
Outstanding settlements – trading portfolio	-	-
Sundry creditors and accrued expenses	26,065	8,389
	<u>37,197</u>	<u>9,599</u>

NOTE 15: BORROWINGS

CURRENT

Short-term borrowings	<u>36,186</u>	-
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The above borrowings are secured. Repayment of the facility is done either through the use of cash received from dividends and distributions or the sale of securities.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 16: DEFERRED TAX LIABILITIES

	2006 \$	2005 \$
NON-CURRENT		
Provision for deferred income tax attributable to:		
- Timing differences	1,245	750
- Deferred capital gains tax	49,431	13,314
	<u>50,676</u>	<u>14,064</u>

NOTE 17: CONTRIBUTED EQUITY

	Note		
1,301,453 (2005: 1,273,189) fully paid ordinary shares	29a	610,893	596,809
a. Ordinary shares			
At the beginning of reporting period		596,809	590,508
Shares issued during the year			
— 12,925 on 21 April 2005		—	6,301
— 13,057 on 21 October 2005		6,366	—
— 15,207 on 21 April 2006		7,718	—
At reporting date		<u>610,893</u>	<u>596,809</u>

b. Options

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

At 30 June 2006 there were 1,260,262 (2005:1,260,262) unissued ordinary shares for which options were outstanding.

NOTE 18: RESERVES

	Note		
Capital profits	18a	6,261	7,367
Investment revaluation	18b	86,021	258
		<u>92,282</u>	<u>7,625</u>

18a. Capital Profits Reserve

Movements During the Year

Opening balance	7,367	—
Transfer (to)/from retained earnings	(1,106)	7,367
Closing Balance	<u>6,261</u>	<u>7,367</u>

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

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 18: RESERVES (CONTINUED)

	2006	2005
	\$	\$
18b. Investment Revaluation Reserve		
Movements During the Year		
Opening balance	258	—
Revaluation of the investment portfolio	84,657	7,625
Transfer (to) / from Income Statement	1,106	(7,367)
Closing balance	86,021	258

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

NOTE 19: SEGMENT REPORTING

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

2006	Revenue \$	Unrealised Gains	Market Value \$	Portfolio %
Australia	46,114	130,608	692,749	88.20
Fiji	—	(587)	10,545	1.34
Great Britain	1,232	3,847	48,104	6.12
New Zealand	—	16	7,540	0.96
United States of America	—	1,850	16,398	2.09
Sub Total	47,346	135,734	775,336	98.71
Cash	946	—	10,045	1.29
Total	48,292	135,734	785,381	100.00

2005	Revenue \$	Unrealised Gains	Market Value \$	Portfolio %
Australia	30,761	492	521,138	86.90
Great Britain	332	(1,880)	36,155	6.02
United States of America	—	702	25,752	4.30
Sub Total	31,093	(686)	583,045	97.22
Cash	8,804	—	16,653	2.78
Total	39,897	(686)	599,698	100.00

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 20: CASH FLOW INFORMATION

	2006 \$	2005 \$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	7,991	18,601
Cash flows excluded from profit attributable to operating activities		
Net realised (gains)/losses on the investment portfolio	1,104	(7,367)
Dividends received as securities under DRP investments	(3,777)	(595)
(Increase)/decrease in current receivables	1,033	(1,008)
(Increase)/decrease in the trading portfolio	4,983	(38,975)
Increase/(decrease) in current payables	12,145	6,474
Increase/(decrease) in income taxes balances	(7,342)	(702)
Cash flow from operations	<u>16,137</u>	<u>(23,572)</u>

NOTE 21: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Expenses paid or payable by the company to:

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

27,693 8,502

- Brokerage paid to Pritchard & Partners Pty. Limited

3,730 6,188

- Accounting fees paid to Rees Pritchard Pty. Limited

300 250

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.

2,429 2,544

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

The Company subscribed for 75,000 shares, 75,000 A Series options, and 75,000 B Series options in the initial public offer of Florin Mining Investment Company Limited. Both Steven Pritchard and Daniel Di Stefano are Directors and have a beneficial interest in the securities of Florin Mining & Investment Company Limited

15,000 -

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 21: RELATED PARTY TRANSACTIONS (CONTINUED)

	2006	2005
	\$	\$
The Company subscribed for 6,250 A Ordinary shares, 6,250 B Ordinary Shares, 6,250 Series 1 options, 3,125 Series 2 options and 3,125 series 3 options in the initial public offer of Pritchard Equity Limited. Steven Pritchard is a director and has a beneficial interest in the securities of Pritchard Equity Limited.	12,500	—

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURE

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

NOTE 23: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 82 (2005: 135). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$3,730 (2005: \$6,188).

NOTE 24: COMPANY DETAILS

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

10 Murray Street

HAMILTON NEW SOUTH WALES 2303

NOTE 25: FINANCIAL RISK MANAGEMENT

Accounting Standards identify 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. 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 where are not risk free i.e. the market price of these securities can fluctuate.

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 26: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

	Note	Previous GAAP at 1.7.2004	Adjustments on introduction of Australian equivalents to IFRS	Australian equivalents to IFRS at 1.7.2004
		\$	\$	\$
Reconciliation of Equity at 1 July 2004				
ASSETS				
CURRENT ASSETS				
Cash assets		550,502	--	550,502
Receivables		3,788	--	3,788
Trading Portfolio	26a	--	--	--
Other		752	--	752
TOTAL CURRENT ASSETS		555,042	--	555,042
NON-CURRENT ASSETS				
Investment Portfolio	26a	38,930	--	38,930
Deferred tax assets		1,102	--	1,102
TOTAL NON-CURRENT ASSETS		40,032	--	40,032
TOTAL ASSETS		595,074	--	595,074
CURRENT LIABILITIES				
Payables		19,722	--	19,722
Current tax liabilities		830	--	830
TOTAL CURRENT LIABILITIES		20,522	--	20,522
NON-CURRENT LIABILITIES				
Deferred tax liabilities	26c&d	45	--	45
TOTAL NON-CURRENT LIABILITIES		45	--	45
TOTAL LIABILITIES		20,597	--	20,597
NET ASSETS		574,477	--	574,477
EQUITY				
Issued capital		575,005	--	575,005
Reserves		--	--	--
Retained earnings	26e	(528)	--	(528)
TOTAL EQUITY		574,477	--	574,477

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 26: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

		Adjustments on introduction of Australian equivalents to IFRS at 30.6.2005		
	Note	Previous GAAP at 30.6.2005		
		\$	\$	\$
Reconciliation of Equity at 30 June 2005				
ASSETS				
CURRENT ASSETS				
Cash assets		18,022	—	18,022
Receivables		3,261	—	3,261
Trading portfolio	26a	38,975	—	38,975
Other		600	—	600
TOTAL CURRENT ASSETS		60,858	—	60,858
NON-CURRENT ASSETS				
Investment portfolio	26a	544,070	—	544,070
Deferred tax assets		27,574	—	27,574
TOTAL NON-CURRENT ASSETS		571,644	—	571,644
TOTAL ASSETS		632,502	—	632,502
CURRENT LIABILITIES				
Payables		9,599	—	9,599
Current tax liabilities		—	—	—
TOTAL CURRENT LIABILITIES		9,599	—	9,599
NON-CURRENT LIABILITIES				
Deferred tax liabilities	26c&d	14,064	—	14,064
TOTAL NON-CURRENT LIABILITIES		14,064	—	14,064
TOTAL LIABILITIES		23,663	—	23,663
NET ASSETS		608,839	—	608,839
EQUITY				
Issued capital	26f	581,306	15,503	596,809
Reserves		7,625	—	7,625
Retained earnings		19,908	(15,503)	4,405
TOTAL EQUITY		608,839	—	608,839

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 26: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

			Effect of transition to Australian equivalents to IFRS	Australian equivalents to IFRS
	Note	Previous GAAP		
Reconciliation of Profit or Loss for the year 30 June 2005		\$	\$	\$
Income from investment portfolio		19,458	--	19,458
Income from trading portfolio	26b	11,634	--	11,634
Income from deposits		8,804	--	8,804
Other income		955	--	955
Total income from ordinary activities		40,851	--	40,851
Administration expenses		20,792	--	20,792
Borrowing costs expense		216	--	216
Management fees		5,864	--	5,864
Performance fees		2,638	--	2,638
Other expenses from ordinary activities		809	--	809
Profit from ordinary activities before income tax expense		10,532	--	10,532
Income tax benefit/(expense) relating to ordinary activities	26c	16,205	(15,503)	702
Profit from ordinary operating activities after related income tax expense		26,737	(15,503)	11,234
Realised gains / (losses) on investment portfolio	26e	--	10,524	10,524
Income tax expense thereon	26e	--	(3,157)	(3,157)
Profit attributable to members of the company		26,737	(8,136)	18,601
Direct adjustments against equity				
Realised gains/(losses) on investment portfolio (net of tax)	26e	7,367	(7,367)	--
Unrealised gains/(losses) on investment portfolio (net of tax)	26d	258	--	258
Total valuation adjustments recognised directly in equity		7,625	(7,367)	258
Total changes in equity other than those resulting from transactions with owners as owners		34,362	(15,503)	18,859

ILLUMINATOR INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 26: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)

		Previous GAAP	Effect of transition to Australian equivalents to IFRS	Australian equivalents to IFRS
	Note	\$	\$	\$
Reconciliation of Profit or Loss for the year 30 June 2005				
Income from investment portfolio		19,458	--	19,458
Income from trading portfolio	26b	11,634	--	11,634
Income from deposits		8,804	--	8,804
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Total valuation adjustments recognised directly in equity		7,625	(7,367)	258
Total changes in equity other than those resulting from transactions with owners as owners		34,362	(15,503)	18,859