FORM: Half yearly/preliminary final report

Name of *issuer*

Illuminator Investment Company Limited'

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('Current period')
107 470 333		☑	30th June 2010

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

				$A
Operating Revenue (item 1.1)	Up	48%	To	68,210
Operating Profit (loss) before abnormal items and tax	Up	58%	To	(16,983)
Operating Profit (loss) before realised gains/(losses) on the investment portfolio	Up	104%	To	793
Profit (loss) for the period attributable to security holders *(item 1.11)*	Up	101%	To	1,772

Dividends: Franking Rate Applicable		30%		
Current Period Previous Corresponding Period				
Record date for determining entitlements to the dividend (in the case of a trust distribution) (see item 15.2)				

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Dividends

15.1 Date the dividend is payable

15.2 Record Date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00pm)

18.3 Amount per *security*

15.1	
15.2	
18.3	1.00 cents per share

			39%	30%	33%
	Franking rate applicable				
	(Preliminary final statement only)				
15.4	Final Dividend: Current year				
15.5	Previous year				
	Preliminary final statement only)				
15.6	Final Dividend: Current year				
15.7	Previous year				

Total Annual Dividend (distribution) per security

(Preliminary final statement only)

	Current Year	Previous Year
15.8 Ordinary Securities	0.75 cents per share fully franked dividend paid on 23 October 2009	0.75 cents per share fully franked dividend paid on 22 October 2008

The *dividend or distribution plans* shown below are in operation

Dividend Reinvestment Plan

Any other disclosures in relation to dividends (distribution)

Annual meeting
(Preliminary final statement only)

The annual meeting will be held as follows:

Place	TBA
Date	
Time	
Approximate date the annual report will be available	

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:

   - ☐ The financial statements have been audited.
   - ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
   - ☑ The financial statements are in the process of being audited or subject to review.
   - ☐ The financial statements have *not* yet been audited or reviewed.

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/does not have* (*delete one*) a formally constituted audit committee.

Sign here: .... Date: . 13 September 2010

....
(*Director*)

Print name: Steven Pritchard

ILLUMINATOR INVESTMENT COMPANY LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
Income from investment portfolio	2a	53,959	56,268
Income from trading portfolio	2b	12,667	(11,045)
Income from deposits	2c	1,584	1,009
Total income from ordinary activities		**68,210**	**46,232**
Administration expenses		(40,942)	(42,255)
Finance costs		(31,745)	(33,077)
Management fees		(12,506)	(11,109)
Operating loss before income tax and realised gains/(losses) on the investment portfolio	3	**(16,983)**	**(40,209)**
Income tax benefit relating to ordinary activities *	4b	17,776	20,594
Operating Profit/(loss) before realised gains/(losses) on the investment portfolio		**793**	**(19,615)**
Net gains/(losses) on equity securities sold from the investment portfolio before 31 December 2009/30 June 2009		1,398	(115,581)
Income tax (expense)/benefit thereon *	4	(419)	34,674
AASB 139 'impairment' revaluation charge on investment portfolio - sold from the investment portfolio before 31 December 2009		-	(36,122)
Tax credit on above*		-	10,834
		979	**(106,185)**
Profit/(loss) attributable to members of the company		**1,772**	**(125,800)**

Overall Operations

Basic earnings per share (cents per share)	7	0.07	(5.17)
Diluted earnings per share (cents per share)	7	0.07	(5.17)
* Total tax benefit		(17,357)	(66,102)

The accompanying notes form part of these financial statements.

Note that the comparative figures have been restated as a result of the early adoption of AASB 9 – See note 27.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	30 June 2010			30 June 2009		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Operating profit(loss) for the year	**793**	**-**	**793**	**(19,615)**	**-**	**(19,615)**
Other Comprehensive income						
Unrealised gains/(losses) for the period on securities in the portfolio at 30 June	-	174,613	174,613	-	(166,197)	(166,197)
Deferred tax expense on above	-	(52,384)	(52,384)	-	49,859	49,859
Cumulative gains for the period on securities realised after 31 December 2009	-	5,263	5,263	-	-	-
Tax (expense)/credit on above	-	(1,579)	(1,579)	-	-	-
Transfer to Income statement of cumulative losses/(gains) on investments realised prior to 31 December 2009	-	1,398	1,398	-	(115,581)	(115,582)
Tax (expense)/credit on above		(419)	(419)	-	34,674	34,674
Total other comprehensive income*#	**-**	**126,892**	**126,892**	**-**	**(197,245)**	**(197,245)**
Total comprehensive income^	**793**	**126,892**	**127,685**	**(19,615)**	**(197,245)**	**(216,860)**

*Net Capital gains/(losses) not recorded through the Income Statement.

^This is the Company's Net Return for the year, which includes the Net Operating Profit plus the net realised and unrealised gains or losses on the Company's investment portfolio.

#Total tax movement in other comprehensive income : 2010 - $(54,382); 2009 - $84,534

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 $	2009 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	76,733	14,696
Trade and other receivables	9	4,242	35,183
Trading portfolio	10	16,830	25,185
Other	11	660	660
TOTAL CURRENT ASSETS		**98,465**	**75,724**
NON-CURRENT ASSETS			
Investment portfolio	12	1,114,790	953,879
Deferred tax assets	13	226,941	232,786
TOTAL NON-CURRENT ASSETS		**1,341,731**	**1,186,665**
TOTAL ASSETS		**1,440,196**	**1,262,389**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	12,109	12,746
Borrowings	15	395,632	400,344
TOTAL CURRENT LIABILITIES		**407,741**	**413,090**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	16	46,608	16,217
TOTAL NON-CURRENT LIABILITIES		**46,608**	**16,217**
TOTAL LIABILITIES		**454,349**	**429,307**
NET ASSETS		**985,847**	**833,082**
EQUITY			
Issued capital	17	1,222,974	1,178,505
Reserves	18	(11,797)	(122,792)
(Accumulated losses)		(225,330)	(222,631)
TOTAL EQUITY		**985,847**	**833,082**

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 2010

	Note	Issued Capital	Accumulated Losses	Capital Profits Reserve	Investment Revaluation Reserve	Total
		$	$	$	$	$
Balance at 1 July 2008		**1,143,893**	**(27,619)**	**2,183**	**(85,111)**	**1,033,345**
Dividends paid and dividend reinvestment plan	17 & 18a	13,595	-	(18,016)	-	(4,421)
Issued capital	17a	27,995	-	-	-	27,995
Share issue costs	17a	(6,978)	-	-	-	(6,978)
Total transactions with the shareholders		34,613	-	(18,016)	-	16,597
Loss for the year		-	(19,615)	-	-	(19,615)
Other comprehensive income for the year (net of tax)						
Net capital losses for the year		-	(80,907)	-	-	(80,907)
Revaluation of investment portfolio (net of tax)	18b	-	-	-	(116,338)	(116,338)
Transfer to income statement for AASB 139 'impairment' revaluation charge (net of tax)-sold from the investment portfolio prior to 31 December 2009		-	(25,278)	-	25,278	-
Transfers to/(from) reserves	18a	-	(69,212)	69,212	-	-
Other comprehensive income for the year		-	(175,397)	69,212	(91,060)	(197,245)
Total comprehensive income		-	(195,012)	69,212	(91,060)	(216,860)
Balance at 30 June 2009		**1,178,505**	**(222,631)**	**53,379**	**(176,171)**	**833,082**
Balance at 1 July 2009 as reported		**1,178,505**	**(332,079)**	**53,379**	**(66,723)**	**833,082**
Adoption of AASB 9			109,448	-	(109,448)	-
Restated balance as at the beginning of the year		**1,178,505**	**(222,631)**	**53,379**	**(176,171)**	**833,082**
Dividends paid and dividend reinvestment plan	17 & 18a	14,316	-	(19,389)	-	(5,072)
Issued capital	17a	31,000	-	-	-	31,000
Share issue costs	17a	(847)	-	-	-	(847)
Total transactions with the shareholders		44,469	-	(19,389)	-	25,080
Profit for the year		-	793	-	-	793
Other comprehensive income for the year (net of tax)						
Net capital profits for the year		-	4,662	-	-	4,662
Revaluation of investment portfolio (net of tax)	18b	-	-	-	122,230	122,230
Transfers to/(from) reserves	18a		(8,154)	8,154	-	-
Other comprehensive income for the year		-	(3,492)	8,154	122,230	126,892
Total comprehensive income		-	(2,699)	8,154	122,230	127,685
Balance at 30 June 2010		**1,222,974**	**(225,330)**	**42,144**	**(53,941)**	**985,847**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from trading portfolio		30,077	8,673
Purchases for trading portfolio		(9,750)	(15,732)
Dividends received		53,268	57,957
Interest received		1,584	977
Trust distributions		1,079	3,513
Other receipts		1,418	2,729
		77,676	58,117
Administration expenses		(41,477)	(47,522)
Bank charges		(285)	(516)
Finance costs		(31,189)	(32,905)
Management fees		(13,230)	(14,546)
Net cash (used in) operating activities	**20**	**(8,505)**	**(37,372)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		159,623	260,512
Purchases for investment portfolio		(108,531)	(313,982)
Net cash provided by/(used in) investing activities		**51,092**	**(53,470)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		31,000	27,996
Share issuance costs		(1,210)	(11,764)
Proceeds from borrowings		83,889	290,630
Repayment of borrowings		(89,157)	(242,445)
Dividends paid		(5,071)	(4,421)
Net cash provided by financing activities		**19,451**	**59,996**
Net increase / (decrease) in cash held		62,037	(30,846)
Cash at beginning of financial year		14,696	45,542
Cash at end of financial year	**8**	**76,733**	**14,696**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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 statements comprise the consolidated financial statements of the Company

Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards('IFRS').

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 2010 ("the inoperative standards") with the exception of AASB 9, as noted below. 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 (with the exception of AASB 9) 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 13 September 2010.

Changes in Accounting Standards

AASB 101 (revised): Presentation of Financial Statements

With effect from 1 July 2009, the Company has adopted the revised AASB 101 - 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 recognised gains and losses, but changes the statement where certain gains and losses are presented. Previously, unrealised gains / (losses) on the investment portfolio and the associated deferred tax (charge) / credit were recorded in reserves 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 9: Financial Instruments

The Company has early adopted AASB 9 - Financial Instruments, with effect from 31 December 2009. The Company has voluntarily adopted this standard, as this is considered to result in a presentation that better reflects the performance and operations of the Company.

This standard changes the way in which the Company's investments, and their performance, are presented. Adoption of this standard has no impact on the way in which the Company's investments are measured and hence no impact on net assets or total comprehensive income.

(i) Old accounting treatment

Previously, the Company's investments were accounted for under AASB 139 – Financial Instruments: Recognition and Measurement. All investments were carried at fair value and classified as set out below:-

NOTES TO THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Portfolio	**AASB 139 Classification**
Investment portfolio	"Available for sale"
Trading portfolio	"Held for trading"

Unrealised gains and losses on investments held in the investment portfolio were taken to the investment revaluation reserve, through the statement of changes in equity (and under revised AASB 101 would have been reported as "Other Comprehensive Income" ("OCI") in the new Statement of Comprehensive Income).

On sale of investments in the investment portfolio, the cumulative gain or loss from purchase to sale of the investment was transferred from the investment revaluation reserve to the income statement, and reported as part of profit.

Where there was objective evidence of impairment of an investment in the investment portfolio, an impairment charge was required to be booked through the income statement (as a transfer from the investment revaluation reserve), even where no loss had been realised.

All gains and losses on the trading portfolio were recognised in the Company's profit through the income statement.

(ii) New accounting treatment

AASB 9 introduces new categories of classification for financial instruments. All the Company's investments continue to be carried at fair value and are now classified as follows:-

Portfolio	**AASB 9 Classification**
Investment portfolio	"Designated at fair value through other comprehensive income"
Trading portfolio	"Held for trading"

Equity Instruments in the Investment Portfolio

All gains and losses (realised and unrealised) on equity instruments held in the investment portfolio are reported as "Other Comprehensive Income" in the new Statement of Comprehensive Income and are accumulated in the investment revaluation reserve. Realised gains and losses, are no longer reclassified from other comprehensive income to the income statement, and do not form part of the Company's profits.

Cumulative gains and losses are transferred from the investment revaluation reserve to retained profits or the realised capital gains reserve when the investments are sold. The realised capital gains reserve is used primarily to record gains upon which Capital Gains Tax has been or will be paid, and which consequently are available for distribution to shareholders as Listed Investment Company Capital gains, which enable many shareholders to claim some of this as a tax deduction.

There are no impairment provisions in AASB 9 for investments designated at fair value through other comprehensive income.

The adoption of AASB 9 has no impact on the trading portfolio.

(iii) Transitional provisions

Comparatives have been restated, but AASB 9 can only be applied retrospectively to investments held at the date of adoption, being 31 December 2009.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Instruments in the Investment Portfolio

Investments sold prior to adoption date are accounted for under AASB 139 as described above. Therefore in the current and prior periods, the cumulative gains and losses on investments sold prior to 31 December 2009 are transferred out of the investment revaluation reserve to the income statement and continue to form part of profit.

Investments sold after this date are accounted for under AASB 9 and the cumulative gains and losses remain in other comprehensive income.

Impairment charges recognised in previous periods in profit or loss are reversed in the restatement of comparatives, except where the charge is in respect of investments sold prior to 31 December 2009.

Further details on the impact of restating comparatives have been set out in note 27.

AASB 8 Operating Segments

The Company has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segment information is therefore reported in a manner that is more consistent with the internal reporting provided to the Board. The adoption of the new standard has not affected the measurement of the Company's assets and liabilities or the way the assets, liabilities, income and expense items are presented in the financial statements.

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) Statement of Financial Position 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 ‘financial assets measured at fair value through other comprehensive income’, whilst securities within the trading portfolio are classified as ‘assets measured at fair value through the Income Statement’ in accordance with AASB 9.

(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 recognised as Comprehensive Income and 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 retained earnings. Subsequently, any revaluation or decrement to the extent of a capital profits reserve balance relating to the disposal of an investment is transferred to the Capital Profits Reserve.

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 to the Income Statement.

(iv) Determination of market value

Market value for the purposes of valuing holdings of the securities is determined by reference to market prices prevailing at balance date, predominantly the 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 holding 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.

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. Bank overdrafts are shown within borrowings in current liabilities and on the statement of financial position.

e. Public Offer Costs

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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 statement of financial position 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 statement of cash flows 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.

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 Excess of Current Liabilities over Current Assets

At 30 June 2010, the Company has current assets of $98,465 and current liabilities of $407,741, deficiency of $309,275. 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. Split between Revenue and Capital in Other Comprehensive Income

'Capital' relates to realised or unrealised gains (and the tax thereon) on securities within the Investment portfolio and excludes income in the form of distributions and dividends which are recorded as 'Revenue'. All other items, including expenses, are recorded as Net Operating profit, which is equivalent to 'Revenue'.

l. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

m. 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 AASB 112 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 16. 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 2: REVENUE

		2010 $	2009 $
a.	**Income from Investment Portfolio**		
—	dividends received	49,641	55,168
—	trust distributions received	4,318	1,100
Total Income from Investment Portfolio		**53,959**	**56,268**
b.	**Income from Trading Portfolio**		
—	sales revenue	30,077	8,673
—	cost of sales	(17,539)	(20,087)
—	net income/(losses) from trading portfolio sales	12,538	(11,414)
—	dividends received	129	369
Total Income from Trading Portfolio		**12,667**	**(11,045)**
c.	**Income from deposits**		
—	interest income	1,584	1,009
Total Income from deposits		**1,584**	**1,009**
Total revenue		**68,210**	**46,232**

NOTE 3: PROFIT /(LOSS) FOR THE YEAR

Operating loss before income tax has been determined after:

	2010	2009
Expenses		
Bank expenses	315	555
Finance costs	31,745	33,077
Listing fees	6,958	6,825
Management fees	12,506	11,109
Other expenses	33,669	34,875
Loss from operating activities before income tax and realised gains on the investment portfolio	**(16,983)**	**(40,209)**

		2010 $	2009 $
NOTE 4: INCOME TAX EXPENSE			
a.	**The components of tax expense comprise:**		
	(Decrease)/increase in deferred tax liabilities – other	(188)	(2,103)
	(Increase)/decrease in deferred tax assets – other	(17,588)	(18,491)
		(17,776)	(20,594)
	Decrease/(Increase) in deferred tax assets – investment portfolio	419	(34,674)
	Tax credit on AASB 139 'impairment' revaluation charge	-	(10,834)
		(17,357)	**(66,102)**
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	(16,983)	(40,209)
	Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2009: 30%)	(5,095)	(12,062)
	Add:		
	Tax effect of:		
	— Imputation gross-up on dividends received	5,434	6,299
	— Franking credits on dividends received	(18,115)	(20,997)
	Income tax benefit on operating loss before realised gains/(losses) on investment portfolio	(17,776)	(26,760)
	Under (Over) Provision in prior years	-	6,166
	Income tax benefit	**(17,776)**	**(20,594)**
	Realised gains /(losses) on investment portfolio	1,398	(115,581)
	Prima facie tax expense/(benefit) calculated at 30% (2009: 30%)	419	(34,674)
	Income tax expense/(benefit) on realised gains / (losses) on investment portfolio	**419**	**(34,674)**
	Tax credit on AASB 139 'impairment' revaluation charge	**-**	**(10,834)**
	Total income tax benefit	**(17,357)**	**(66,102)**

	2010 $	2009 $
NOTE 4: INCOME TAX EXPENSE (CONTINUED)		
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	30,204	(25,076)
(Increase) / decrease in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	(33,007)	24,782
(Increase) / decrease in deferred tax assets relating to capital raising costs	(2,951)	231
	(5,754)	**(63)**
d. Amounts recognised directly through Other comprehensive income		
Increase/(decrease) in deferred tax liabilities relating to capital gains/(losses) tax on the movement in unrealised gains in the investment portfolio	**52,384**	**(39,026)**

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for:

	2010 $	2009 $
Forsythes		
— auditing or reviewing the financial report	**15,532**	**16,045**

NOTE 6: DIVIDENDS

	2010 $	2009 $
a. Dividends Paid		
Final fully franked ordinary dividend for the year ended 30 June 2009 of 0.75 (2008: 0.75) cents per share paid on 23 October 2009	**19,388**	**18,016**
b. Dividends Declared		
Final fully franked ordinary dividend of 1.00 (2009: 0.75) cents per share payable on 27 October 2010. This dividend has not been brought to account in the financial statements for the year ended 30 June 2010 but will be recognised in subsequent financial reports.	**26,208**	**19,387**
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.	**48,993**	**39,187**
Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year	11,232	8,309
Net available	**37,761**	**30,878**

NOTE 7: EARNINGS PER SHARE

		2010 Number	2009 Number
	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	2,597,534	2,431,660
	Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	2,597,534	2,431,660
a.	**Basic and diluted earnings per share**	**$**	**$**
	Profit /(Loss) attributable to members of the company	1,772	(125,800)
		Cents	**Cents**
	Basic earnings per share including realised losses on the investment portfolio	0.07	(5.17)
	Diluted earnings per share including realised losses on the investment portfolio	0.07	(5.17)
b.	**Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio**	**$**	**$**
	Operating profit /(loss) before realised losses on the investment portfolio	793	(19,615)
		Cents	**Cents**
	Basic operating earnings per share excluding realised losses on the investment portfolio	0.03	(0.81)
	Diluted operating earnings per share excluding realised losses on the investment portfolio	0.03	(0.81)

NOTE 8: CASH AND CASH EQUIVALENTS

	2010 $	2009 $
Cash at bank and in hand	3,618	689
Deposits at call	73,115	14,007
	76,733	**14,696**

The effective interest rate on deposits at call was 4.50%(2009: 1.90%).

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 statement of financiall position as follows:

Cash and cash equivalents	76,733	14,696

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	2010 $	2009 $
NOTE 9: TRADE AND OTHER RECEIVABLES		
Dividends and trust distributions receivable	3,693	4,007
Other debtors	549	31,176
	4,242	**35,183**

Receivables are non-interest bearing and unsecured.

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

	2010 $	2009 $
NOTE 10: TRADING PORTFOLIO		
Listed investments, at market value		
- Shares	**16,830**	**25,185**
NOTE 11: OTHER ASSETS		
Prepayments	**660**	**660**
NOTE 12: INVESTMENT PORTFOLIO		
Listed Investments, at market value		
- Options	1,177	1,177
- Shares	1,067,722	897,245
- Trust units	45,891	55,457
	1,114,790	**953,879**

The below list are those securities held in the investment portfolio that are valued at fair value through Other Comprehensive Income.

	2010 $	2009 $
Australian Equities		
Alumina Limited	17,810	16,876
AMP Limited	15,630	14,640
ANZ Banking Group Limited	16,208	-
ARB Corporation Limited	62,062	42,600
Bendigo and Adelaide Bank Limited	32,720	25,138
BHP Billiton Limited	13,178	-
Blackmores Limited	31,242	21,264
Cabcharge Australia Limited	25,700	25,800
Cochlear Limited	74,320	57,700
Commonwealth Bank Of Australia Limited	20,088	15,366
CSL Limited	32,580	16,075
Equity Trustees Limited	22,800	29,000
Fairfax Media Limited	13,150	12,200
Flight Centre Limited	-	10,484
Florin Mining Investment Company Limited	41,952	27,968
Florin Mining Investment Company Limited Series C Options	1,115	1,115

	2010 $	2009 $
NOTE 12: INVESTMENT PORTFOLIO (CONTINUED)		
G.U.D. Holdings Limited	21,625	22,098
Graincorp Limited A Class	13,325	723
Hamilton Securities Limited A Class Non Voting	1,000	-
Hamilton Securities Limited B Class	8,000	-
Harvey Norman Holdings Limited	33,100	33000
Hills Industries Limited	17,660	23,351
Hunter Hall international Limited	17,407	15,891
IOOF Holdings Limited	17,970	8,340
Kingsgate Consolidated NL	9,470	-
Korvest Limited	27,900	25,900
Lycopodium Limited	31,400	5,480
Metcash Limited	46,090	47,410
National Australia Bank Limited	10,523	11,220
Peoplebank Australia Limited	-	21,000
Platinum Asset Management Limited	37,440	32,960
Prime Financial Group Limited	10,200	7,200
Pritchard Equity Limited – A Ordinary	22,500	22,000
Pritchard Equity Limited – B Ordinary	11,000	11,000
Pritchard Equity Limited – Series 2 Options	31	31
Pritchard Equity Limited – Series 3 Options	31	31
Pritchard Equity Limited – Preferred Income Equity Securities	3,000	3,000
Reece Australia Limited	48,400	36,000
Rio Tinto Limited	-	2,610
Rio Tinto Limited – rights	-	549
Telstra Corporation Limited	48,750	50,850
Transfield Services Infrastructure Fund	9,375	21,340
Treasury Group Limited	15,180	12,330
Trust Company Limited	16,560	15,750
Warrnambool Cheese & Butter Factory Company Holdings Limited	32,344	15,894
Westfield Group Stapled Securities	36,515	34,117
Westpac Banking Corporation	11,209	10,125
Woodside Petroleum Limited	9,079	8,642
Total Australian Equities	**987,639**	**815,068**

	2010 $	2009 $
NOTE 12: INVESTMENT PORTFOLIO (CONTINUED)		
International Equities		
Berkshire Hathaway Inc. Class B Common Stock	28,060	21,339
Cadbury Schweppes Plc	-	13,507
Conygar Investment Company PLC	7,488	8,312
Diageo PLC	8,696	17,754
Dr. Pepper Snapple Group Inc.	10,532	6,246
Fletcher Building Limited	19,140	15,810
McMullen & Sons Limited – Preferred Ordinary	16,517	19,099
NYSE Euronext Inc	6,486	6,694
Royal Dutch Shell PLC B Ordinary	14,367	15,542
Unilever PLC	15,865	14,510
Total International Equities	**127,151**	**138,811**
Total Investment Portfolio	**1,114,790**	**953,879**

NOTE 13: DEFERRED TAX ASSETS

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

	2010 $	2009 $
- Tax losses	150,068	119,531
- Temporary differences	76,873	113,255
	226,941	**232,786**

NOTE 14: TRADE AND OTHER PAYABLES

	2010 $	2009 $
Outstanding settlements – investment portfolio	-	566
Sundry payables and accrued expenses	12,109	12,180
	12,109	**12,746**

Payables are non-interest bearing and unsecured.

NOTE 15: BORROWINGS

	2010 $	2009 $
Short-term borrowings – secured	**395,632**	**400,344**

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 8.68% (2009: 9.09 %).

NOTE 16: DEFERRED TAX LIABILITIES

Deferred tax liabilities attributable to:

	2010 $	2009 $
- Temporary differences	928	740
- Deferred capital gains tax	45,680	15,477
	46,608	**16,217**

		2010 $	2009 $
Note 17: ISSUED CAPITAL			
2,620,822 (2009: 2,491,048) fully paid ordinary shares	17a	**1,222,974**	**1,178,505**

a. Ordinary shares		
At the beginning of reporting period	1,178,505	1,143,893
Shares issued during the year		
— 17,842 on 01 October 2008	-	8,745
— 31,668 on 27 October 2008	-	13,595
— 57,292 on 27 February 2009	-	19,250
— 93,943 on 17 August 2009	31,000	-
— 35,831 on 23 October 2009	14,316	-
		1,185,483
— Transaction costs relating to share issues	(847)	(6,978)
At the end of reporting period	**1,222,974**	**1,178,505**

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 18: RESERVES			
Capital profits	18a	42,144	53,379
Investment revaluation	18b	(53,941)	(176,171)
		(11,797)	**(122,792)**

18a. Capital Profits Reserve		
Movements During the Year		
Opening balance	53,379	2,183
Transfer (to)/from retained earnings	8,154	69,212
Dividend paid during the year	(19,389)	(18,016)
Closing Balance	**42,144**	**53,379**

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

	2010 $	2009 $
NOTE 18: RESERVES (CONTINUED)		
18b. Investment Revaluation Reserve		
Movements During the Year		
Opening balance	(176,171)	(85,111)
Revaluation of investment portfolio (net of tax)	122,230	(116,338)
	(53,941)	(201,449)
Transfer of AASB 139 'impairment' revaluation to Income Statement (net of tax)-sold from the investment portfolio before 31 December 2009	-	25,278
Closing Balance	**(53,941)**	**(176,171)**

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

NOTE 19: SEGMENT REPORTING

(a) Description of segments

The Board makes the strategic resource allocations for the Company. The Company has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions. The Board is responsible for the Company's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis. The Company invests in equity securities and other instruments to provide shareholders with attractive investment returns through access to a steady stream of fully franked dividends and enhancement of capital invested.

(b) Segment information provided to the Board

The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax on investments (as reported in the Company's Net Tangible Asset announcements to the NSX). The Board considers the Company's net operating profit after tax to be a key measure of the Company's performance. This amount excludes the impact of unrealised gains/losses on options and any gains or losses on the Company's investment portfolio and reconciles to the Company's profit before tax as follows:

	2010 $	2009 $
Net operating Profit/(loss) after income tax expense	793	(19,615)
Add back income tax expense	(17,776)	(20,594)
Net gains/(losses) on securities sold from the investment portfolio before 31 December 2009	979	(106,185)
Profit before tax	**(16,004)**	**(146,394)**

In addition, the Board regularly reviews the net asset value per share both before and after provision for deferred tax on the unrealised gains in the Company's long-term investment portfolio. Deferred tax is calculated as set out in notes 1(c) and 1 (m). The relevant amounts as at 30 June 2010 and 30 June 2009 were as follows:

	2010	2009
	$	$
NOTE 19: SEGMENT REPORTING (CONTINUED)		
Net tangible asset backing per share		
Before tax	0.38	0.33
After tax	0.37	0.34

(c) Other segment information

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:

2010	**Revenue $**	**Unrealised Losses $**	**Market Value $**	**Portfolio %**
Australia	63,200	(18,880)	987,639	81.73
Great Britain	2,413	(44,008)	62,933	5.21
New Zealand	619	(2,405)	19,140	1.58
United States of America	394	(21,781)	61,908	5.12
Sub Total	**44,715**	**(87,074)**	**1,131,620**	**93.64**
Investment portfolio cash and cash equivalents and receivables	1,584	-	76,798	6.36
Total	**68,210**	**(87,074)**	**1,208,418**	**100.00**

2009				
Australia	39,851	(230,568)	826,883	82.68
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**

	2010 $	2009 $
NOTE 20: CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit/(loss) after Income Tax		
Profit/(loss) after income tax	1,772	(125,800)
Cash flows excluded from profit attributable to operating activities:		
Net realised (gains)/losses on the investment portfolio	(979)	106,185
(Increase)/decrease in current receivables	195	(20,004)
(Increase)/decrease in the trading portfolio	8,355	8,476
Increase/(decrease) in current payables	(72)	(19,270)
Increase/(decrease) in income taxes balances	(17,776)	13,041
Cash flow from operations	**(8,505)**	**(37,372)**

NOTE 21: RELATED PARTY TRANSACTIONS

	2010 $	2009 $
Transactions with related parties:		
Expenses paid or payable by the company to:		
-Investment management fees paid to Pritchard & Partners Pty. Limited	12,507	11,109
- Brokerage paid to Pritchard & Partners Pty. Limited	2,604	4,082
Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Pritchard & Partners Pty. Limited.		
- Newcastle Capital Markets Registries Pty. Limited for share registry costs.	9,288	8,926
Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited		
The Company purchased 13,710 shares in Florin Mining Investment Company as part of Dividend Reinvestment Plan. Both Steven Pritchard and Daniel Di Stefano are directors and have a beneficial interest in the securities of Florin Mining investment Company Limited.	2,331	-
The Company purchased 2,000 A class and 8,000 B class ordinary shares in Hamilton Securities Limited.	10,000	-
Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Hamilton Securities Limited		

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

NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURE

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

NOTE 23: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 29 (2009 : 61). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was $2,604 (2009: $4,082).

NOTE 24: COMPANY DETAILS

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

10 Murray Street

HAMILTON NEW SOUTH WALES 2303

NOTE 25: FINANCIAL RISK MANAGEMENT

Accounting Standards identify 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 8.68% (2009: 9.09 %). A rise in interest rates of 1% will result in the company incurring additional finance costs of $3,956 (2009:$4,003), whilst a fall 1% will result in interest savings of $3,956 (2009: $4,003).

NOTE 25: FINANCIAL RISK MANAGEMENT (CONTINUED)

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 17 and 18.

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

e. Market Risk

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

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

A general fall in market prices of 5% and 10%, if spread equally over all assets in the total portfolio would lead to a reduction in the Company's equity of $39,607 and $79,213 (2009: $34,267 and $68,535) respectively, assuming a flat tax rate of 30%.

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	**2010**	**2009**
	%	**%**
Banks	7.51	6.19
Capital goods	10.37	9.08
Cash and equivalents	6.36	2.05
Commercial services and supplies	2.13	4.68
Consumer durables and apparel	1.79	2.21
Consumer services	-	1.05
Diversified financials	19.25	19.34
Energy	1.94	2.42
Food and staples retailing	3.81	4.74
Food beverage and tobacco	8.05	8.78
Health care equipment and services	8.74	7.90
Insurance	3.62	3.60
Materials	4.93	3.84
Media	2.48	3.44
Pharmaceuticals, biotech and life sciences	2.70	1.61

NOTE 25 : FINANCIAL RISK MANAGEMENT (CONTINUED)

	2010	2009
	%	%
Real Estate	3.64	4.29
Retailing	7.87	7.56
Telecommunication services	4.03	5.09
Utilities	0.78	2.13
	100.00	**100.00**

Securities representing over 5 per cent of the investment portfolio at 30 June were:	2010
	%
ARB Corporation Limited	5.14
Cochlear Limited	6.15
	11.29

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

f. Fair value measurements

As of 1 July 2009, the group has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

1. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
2. inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
3. inputs for the asset or liabilities that are not based on observable market data(unobservable inputs) (level 3).

30 June 2010	Level 1
	$
Financial assets at fair value through other comprehensive income	
Investment Portfolio (Equities)	1,114,790
Financial assets/(liabilities) at fair value through profit or loss	
Trading Portfolio	16,830
Total	**1,131,620**

The fair value of financial instruments traded in active markets (including publicly traded derivatives) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

There were no transfers between Level 1, 2 and 3 in the period.

g. Numerical disclosures - Investment Portfolio

The following disclosures result from the group's early adoption of AASB 9, and apply only to investments held by the group on 31 December 2009 and subsequent to this date.

The fair value of each investment held at fair value through other comprehensive income (investment portfolio) is disclosed in note 12.

NOTE 25 : FINANCIAL RISK MANAGEMENT (CONTINUED)

Dividend income for the period on those investments held at period end was $49,641 (2009: $55,168), and dividend income for those investments sold from 31 December 2009 to the period end was $810.

Certain securities within the investment portfolio were disposed of between 31 December and the period end, whether during the normal course of the Company's activities as a Listed Investment Company or as the result of take-overs or acquisitions. The fair value of the investments sold during this period was $46,705. The cumulative loss on these disposals was $481 for the period after tax, which has been transferred from the revaluation reserve to the income statement (refer to statement of changes in equity).

The Company has only one class of investments in the investment portfolio - assets that are able to be defined under AASB 9 as 'equity instruments', the fair value of which is valued through other comprehensive income and at 30 June 2010 was $1,114,790 (30 June 2009 : $953,879).

NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE

Since 30 June 2010 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.

NOTE 27: EFFECT OF CHANGES IN ACCOUNTING STANDARDS

The impact on comparative profit, other comprehensive income, the allocation of the Company's reserves and the classification of the Company's investments resulting from the adoption of AASB 9 is summarised below:-

		2009
(i)	**Loss**	**$**
	Net loss for the year (as reported last year)	(235,248)
	Add: Impairment Charge*	156,354
	Less: Tax credit on above	(46,906)
	Restated net loss	**(125,800)**
		Cents
	Earnings per share (as reported last year)	(9.67)
	Restated earnings per share	(5.17)

* Relates to the unsold securities (at the date of early adopting AASB 9) that were previously reported in the Income Statement as impaired under AASB 139.

(ii)	**Other Comprehensive Income**	**$**
	Net unrealised losses on investment portfolio (as reported last year)	18,388
	Less: Impairment Charge	(156,354)
	Add: Tax credit on above	46,906
	Net capital losses	(106,185)
	Restated other comprehensive income(expense)	**(197,245)**

NOTE 27: EFFECT OF CHANGES IN ACCOUNTING STANDARDS (CONTINUED)

(iii) Shareholder's equity

During the year ended 30 June 2009, under the old AASB 139, the Company was required to book an impairment charge. There are no provisions for impairment in the new standard, which is retrospectively applied to investments held at the date of adoption, 31 December 2009. The Company has sold some of the investments against which an impairment charge was taken at 30 June 2009, and therefore retrospectively applying AASB 9 at 30 June 2009 results in the reversal of the balance of this impairment charge (as this will be taken as an unrealised loss through other comprehensive income instead of an impairment loss through profit). This new accounting treatment does not apply to securities sold before 31 December 2009, which is accounted for under AASB 139.

This results in the following restatement of reserves on the 30 June 2009 statement of financial position:

	As previously reported	Reverse impairment charge	Restated
	$	$	$
Share capital	1,178,505	-	1,178,505
Revaluation reserve	(66,723)	(109,448)	(176,171)
Capital profits reserve	53,379	-	53,379
Retained profits	(332,079)	109,448	(222,631)
Total Equity	**833,082**	**-**	**833,082**

(iv) Classification of Investments

As described in note 1, the adoption of AASB 9 has resulted in change in the classification of the Company's investments, although this has not impacted the value of these investments.

	As previously reported	Restated
	$	$
AIFRS Classification		
Investment Portfolio		
Available for sale assets*	953,879	33,400
Assets at fair value through other comprehensive income	-	920,479
Trading Portfolio		
Assets held for trading-fair value through profit or loss	25,185	25,185

* Investments held in the investment portfolio at 30 June 2009, which were sold prior to the adoption of AASB 9 on 31 December 2009, have not been reclassified as assets at fair value through other comprehensive income, as the transitional provisions of AASB 9 only allow retrospective application of the new standard to investments held on the date of adoption of this standard.