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 2016

For announcement to the market

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

				$A
Operating Revenue (item 1.1)	Up	2%	To	35,380
Operating Profit (loss) before abnormal items and tax	Down	49%	To	(38,742)
Operating Profit (loss) before realised gains/(losses) on the investment portfolio	Up	89%	To	(18,327)
Profit (loss) for the period attributable to security holders *(item 1.11)*	Up	89%	To	(18,327)

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*

1.00 cents per share

	Franking rate applicable		39%	30%	33%
	(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	1.00 cents per share fully franked dividend payable on 7 November 2016	1.00 cents per share fully franked dividend paid on 5 November 2015

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: 8/9/2016

.....
(*Director*)

Print name: Steven Pritchard

ILLUMINATOR INVESTMENT COMPANY LIMITED

ILLUMINATOR INVESTMENT COMPANY LIMITED

ABN 48 107 470 333

2016 ANNUAL REPORT

10 Murray Street, Hamilton NSW 2303 • PO Box 413 Hamilton NSW 2303 • Phone (02) 4920 2877 • Fax (02) 4920 2878
Email mail@illuminator.com.au • Web www.illuminator.com.au
A.C.N. 107 470 333 A.B.N. 48 107 470 333

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ILLUMINATOR INVESTMENT COMPANY LIMITED

HIGHLIGHTS

Key Financial Statistics

	2016	2015	2014	2013	2012
Net loss after tax	$(18,327)	$(9,695)	$(8,027)	$(9,928)	$(12,117)
Earnings per Share (cents per share)	(0.60)	(0.34)	(0.28)	(0.36)	(0.44)
Dividends per Share (cents per share)	1.00	1.00	1.00	1.00	1.00
Total Assets	$1,823,597	$1,338,792	$1,205,651	$1,136,013	$1,240,404
Total Liabilities	$332,061	$194,248	$163,665	$137,675	$296,579
Shareholders Funds	$1,491,536	$1,144,544	$1,041,986	$998,338	$943,825
Total Shareholders Return*	2.56%	8.11%	5.56%	8.82%	(5.41%)
Return on Shareholders Funds	(1.23%)	(0.85%)	(0.77%)	(0.99%)	(1.23%)
Net Asset backing per share	$0.39	$0.39	$0.37	$0.36	$0.34
Shares on issue	3,831,512	2,898,210	2,846,746	2,802,299	2,756,372
Number of Shareholders	145	143	149	153	148

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

Benefits of Investing in Illuminator Shares

Illuminator Investment Company Limited was incorporated in 2003, and listed on the Stock Exchange of Newcastle Limited on 18 June 2004. Illuminator Investment Company Limited was the first Newcastle based company to list on the Stock Exchange of Newcastle Limited and the first Newcastle based listed institutional investor. Some of the benefits of investing in Illuminator Investment Company Limited shares include:

- **Diversification of Risk**

  In order to diversify the risk in its investment portfolio, Illuminator intends to manage its investment portfolio with a view to building the number of issuers in the Portfolio to a minimum of 20 and a maximum of 60.

- **Professional Management**

  The investment portfolio of Illuminator is managed by Pritchard & Partners Pty. Limited, which is a participant of the National Stock Exchange of Australia Limited (NSX), formerly the Stock Exchange of Newcastle Limited and licensed by the Australian Securities & Investments Commission.

- **Fixed Capital Base Not Affected by Unexpected Cash Inflows or Outflows**

  Illuminator is able to invest for the medium to long term, as it has a fixed capital base and does not need to manage constant inflows and outflows of additional capital.

- **Regular Reporting to the National Stock Exchange of Australia Limited**

  Illuminator reports its performance to the NSX and shareholders on a bi annual basis and it announces its net asset backing to the NSX monthly. In addition, as a listed company, Illuminator complies with the continuous disclosure requirements of the NSX. Copies of all announcements to the NSX are also posted on the Illuminator internet site www.illuminator.com.au.

ILLUMINATOR INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT

Investment Objectives

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

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

Investment Philosophy

The Manager, in order to achieve the Company's investment objectives, seeks to invest for the medium to long-term in companies and construct an investment portfolio for the Company which will:

- Focus on the investment merits of individual stocks rather than market and economic trends;
- Invest in shares which it expects to yield dividends;
- Invest in securities which it assesses to be undervalued relative to their long term potential; and
- Have the securities of between 20 and 60 issues represented in its portfolio.

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

Investment Manager's Comments

We continued to seek to buy shares in companies that we know and understand and which we believe have favourable long term prospects. We consider the quality and commitment of management to be particularly important and see the effective re-investment of free cash flow to be one of the key sources of increased value for our investments.

The major acquisitions in the investment portfolio during the year were shares in Bellamy's Australia Limited, Beacon Lighting Group Limited and Link Administration Holdings Limited.

We sold some of our holding in Blackmores Limited for a considerable amount of profit following a strong increase in price of the shares. We also sold our holding of shares in Medibank Private Limited, Hunter Hall International and the balance of our holding in Prime Financial Group Limited.

An opportunity arose during the year to acquire 9.06% of the issued capital of Winpar Holdings Limited in exchange for shares in Illuminator Investment Company Limited; this had the effect of increasing the issued capital of Illuminator Investment Company Limited by 30.17%. As at 30th June 2016 the company held 9.67% of the issued capital of Winpar Holdings Limited.

One of our major disadvantages is the size of our Company, relative to the fixed costs that we are currently incurring and which continue to increase. We continue to actively examine ways to increase our size in order to achieve greater economies of scale for the Company.

INVESTMENT MANAGER'S REPORT (CONTINUED)

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

Year	Dividends Cents Per Share	Net Profit /(loss) $	Issued Capital $	Issued Ordinary Shares	Net Assets $
2004	-	(528)	575,005	1,260,264	574,477
2005	0.50	18,601	596,809	1,273,189	608,839
2006	1.10	7,990	610,893	1,301,453	702,592
2007	1.35	49,632	1,053,631	2,214,261	1,325,173
2008	1.55	(20,794)	1,143,893	2,384,246	1,033,345
2009	0.75	(125,800)	1,178,505	2,491,048	833,082
2010	1.00	1,772	1,222,974	2,620,822	985,847
2011	1.00	(13,921)	1,229,554	2,682,953	984,912
2012	1.00	(12,117)	1,255,341	2,756,372	943,825
2013	1.00	(9,928)	1,271,400	2,802,299	998,338
2014	1.00	(8,027)	1,287,918	2,846,746	1,041,986
2015	1.00	(9,695)	1,304,798	2,898,210	1,144,544
2016	1.00	(18,327)	1,602,238	3,831,512	1,491,536

INVESTMENT MANAGER'S REPORT (CONTINUED)

Investment Portfolio
Details of Investments Held as at 30 June 2016

Name of Investment	Holding	Market Value $	Portfolio %
Investment Portfolio			
Australian Equities			
1st Available Limited	42,322	2,370	0.16
ARB Corporation Limited	5,000	83,700	5.58
Aspen Group	4,000	4,800	0.32
Beacon Lighting Group Limited	15,000	20,400	1.36
Bellamy's Limited	2,000	20,420	1.36
Bendigo and Adelaide Bank Limited	500	4,800	0.32
Bisalloy Steel Group Limited	15,000	5,700	0.38
Blackmores Limited	1,000	131,390	8.75
Capitol Health Limited	34,792	5,567	0.37
Cochlear Limited	1,000	121,250	8.08
CSL Limited	1,000	112,180	7.47
Fairfax Media Limited	10,000	9,300	0.62
Florin Mining Investment Company Limited	1,022,331	40,893	2.72
Graincorp Limited A Class	2,500	21,575	1.44
Hamilton Securities Limited	10,000	10,200	0.68
Hamilton Securities Limited B Class Options	13,158	263	0.01
Hills Limited	8,214	2,012	0.13
Ingenia Communities Group	8,889	25,512	1.70
IOOF Holdings Limited	3,000	23,490	1.56
Korvest Limited	5,000	10,950	0.73
Link Administration Holdings Limited	3,139	25,646	1.71
Lycopodium Limited	3,000	6,330	0.42
Mach7 Technologies Limited	200,000	7,400	0.49
Metcash Limited	6,000	11,400	0.76
Nanosonics Limited	10,000	21,900	1.46
Ozforex Group Limited	6,000	13,920	0.93
Pental Limited	16,667	10,500	0.70
Platinum Asset Management Limited	5,000	28,800	1.92
Pritchard Equity Limited – A Ordinary	39,960	11,988	0.80
Pritchard Equity Limited – B Ordinary	12,000	3,600	0.24
Pritchard Equity Limited – Series 3 Options	3,125	-	-
Reece Australia Limited	2,000	74,000	4.93
Ruralco Holdings Limited	3,000	10,200	0.68
Shriro Holdings Limited	5,000	4,200	0.28
Telstra Corporation Limited	10,000	55,600	3.70
Thorney Opportunities Limited	30,000	17,400	1.16
Winpar Holdings Limited	402,159	341,835	22.77
Total Australian Equities		**1,301,491**	**86.69**

INVESTMENT MANAGER'S REPORT (CONTINUED)

Name of Investment	Holding	Market Value $	Portfolio %
International Equities			
Berkshire Hathaway Inc. Class B Common Stock	300	58,348	3.89
Conygar Investment Company PLC	4,000	9,973	0.66
Diageo PLC	1,000	37,695	2.51
McMullen & Sons Limited – Preferred Ordinary	2,500	16,937	1.13
Rightmove PLC	400	26,362	1.76
Unilever PLC	500	32,330	2.15
Total International Equities		**181,645**	**12.10**
Total Investment Portfolio		**1,483,136**	**98.79**
Investment portfolio cash & cash equivalents			
Cash on Hand		1	0.00
Macquarie Bank Limited		1,613	0.11
National Australia Bank		4,670	0.31
Clydesdale Bank PLC		11,833	0.79
Total Cash & Equivalents		**18,117**	**1.21**
Total Portfolios		**1,501,253**	**100.00**

CORPORATE GOVERNANCE STATEMENT

The Board has the responsibility of ensuring the Company is properly managed so as to protect and enhance shareholders interests in a manner that is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarised below.

Appointment and Retirement of Non-Executive Directors

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case by case basis and on conformity with the requirements of the Listing Rules and the Corporations Act.

Director's Access to Independent Professional Advice

It is the Board's policy that any committees established by the Board should:

- Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- Be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require.
- Operate in accordance with the terms of reference established by the Board.

Audit Committee

The Audit Committee meets with the external auditors at least once a year. This committee addresses the financial and compliance oversight responsibilities of the Board. The specific activities include assessing and monitoring:

- The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations.
- The adequacy of the financial risk management processes.
- The appointment of the external auditor, any reports prepared by the external auditor and liaising with the external auditor.

Board Participation in Management

Under the Management Agreements, the Manager has discretion to acquire and dispose of investments on behalf of the Company. Investments consistent with the Investment Guidelines may be undertaken without consultation with the Board.

Any proposed investment that does not fall within this Investment Guidelines or any change in the Investment Guidelines proposed by the Manager requires the prior approval of the Board which may be withheld in its absolute discretion.

DIRECTORS' REPORT

Your directors present their report on the Company for the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

Steven Shane Pritchard

Daniel Di Stefano

Darval Warwick Thomas

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

Company Secretary

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

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

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

Principal Activities

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

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

Operating Results

The loss of the Company after providing for income tax amounted to $18,327 (2015: $9,695).

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

2015 Final ordinary dividend of 1.00 cents per share payable on 5 November 2015.	$28,982
2016 Final ordinary dividend of 1.00 cents per share payable on 7 November 2016.	$38,315

Listed Investment Company Capital Gains

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

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

Review of Operations

The Company incurred a loss of $18,327 for the year compared to a loss of $9,695 last year.

The amount of dividends and distributions received by the Company increased by 3.03% to $35,231 which was a increase of $1,036.

During the year, the Company exchanged 888,125 of its fully paid ordinary shares for 373,716 fully paid ordinary shares in Winpar Holdings Limited. This resulted in the Company acquiring 9.06% of the issued capital of Winpar Holdings Limited

The Shareholders equity increased during the year by $346,992 to $1,491,536 or 30.32%.

DIRECTORS' REPORT (CONTINUED)

Significant Changes in State of Affairs

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

After Balance Date Events

There have been no activities which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the Company in the future.

Future Developments, Prospects and Business Strategies

The Company will continue to pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place and may from time to time require some changes to that strategy.

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

Environmental Issues

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

Information on Directors

Steven Shane Pritchard	—	Chairman (Executive)
Qualifications	—	Bachelor of Commerce, Certified Practising Accountant, Registered Tax Agent, Fellow Taxation Institute of Australia, Graduate Diploma Applied Finance and Investment, and Fellow of Financial Services Institute of Australasia
Experience	—	Appointed Chairman 2003. Board member since 2003
Interest in Shares	—	1,985,128 Ordinary Shares in Illuminator Investment Company Limited
Special Responsibilities	—	Steven Pritchard is a Member of the Audit Committee
Directorships held in other listed entities	—	Current director of Florin Mining Investment Company Limited (since 29 September 2004), Hamilton Securities Limited (since 08 July 2009), Pritchard Equity Limited (since 10 May 2002) and Winpar Holdings Limited (since 4 July 2004)

Daniel Di Stefano	—	Director (Executive)
Qualifications	—	Bachelor of Commerce, Certified Practising Accountant, Graduate Diploma of Applied Finance and Investment, and Fellow of Financial Services Institute of Australasia
Experience	—	Board member and company secretary since 2003
Interest in Shares	—	893,066 Ordinary Shares of Illuminator Investment Company Limited
Special Responsibilities	—	Daniel Di Stefano is a Member of the Audit Committee
Directorships held in other listed entities		Current director of Florin Mining Investment Company Limited (since 29 September 2004)

Darval Warwick Thomas	—	Director (Non-Executive)
Qualifications	—	Fellow of CPA Australia, Registered Company Auditor, Registered Tax Agent
Experience	—	Board member since 2003
Interest in Shares	—	81,600 Ordinary Shares of Illuminator Investment Company Limited
Special Responsibilities	—	Darval Thomas is a Member of the Audit Committee

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT

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

Remuneration policy

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

The constitution of Illuminator Investment Company Limited requires approval by the shareholders in general meetings of a maximum amount of remuneration per year to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of $45,000 per annum.

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

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

Remuneration Report

Details of remuneration for year ended 30 June 2016

The Company has only two executives, Steven S Pritchard and Daniel Di Stefano (2015: two executives), both of whom are Directors of the Company.

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

2016	Salary & Fees	Superannuation Contributions	Other	Total
	$	$	$	$
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Darval Warwick Thomas	-	-	-	-
	-	-	-	-

2015	Salary & Fees	Superannuation Contributions	Other	Total
	$	$	$	$
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Darval Warwick Thomas	-	-	-	-
	-	-	-	-

Meetings of Directors

During the financial year, 5 meetings of directors (including committees) were held. Attendances were:

	DIRECTORS MEETINGS		AUDIT COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Steven Shane Pritchard	4	4	1	1
Daniel Di Stefano	4	4	1	1
Darval Warwick Thomas	4	4	1	1

ILLUMINATOR INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

Shareholdings

Number of Shares Held by Directors

	Balance 1.7.2015	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.2016
Steven Shane Pritchard	1,139,915	-	-	845,213	1,985,128
Daniel Di Stefano	181,745	-	-	711,321	893,066
Darval Warwick Thomas	81,600	-	-	-	81,600
Total	**1,403,260**	**-**	**-**	**1,556,534**	**2,959,794**

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

Options

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

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration is included on page 11 of the annual report.

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

Steven Shane Pritchard

Director

8 September 2016

PKF

8 September 2016

The Board of Directors
Illuminator Investment Company Limited
10 Murray Street
HAMILTON NSW 2303

Dear Board Members

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Illuminator Investment Company Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

(a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) No contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF
Chartered Accountants

Martin Matthews
Partner

Dated: 8 September 2016

Newcastle, NSW

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 550 861 839

Liability limited by a scheme approved under Professional Standards Legislation

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309
p +61 2 4962 2688
f +61 2 4962 3245

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ILLUMINATOR INVESTMENT COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Notes	2016 Revenue $	2016 Capital $	2016 Total $	2015 Revenue $	2015 Capital $	2015 Total $
Income from investment portfolio	2a	35,231	-	35,231	34,195	-	34,195
Income from deposits	2b	149	-	149	335	-	335
Total income from ordinary activities		**35,380**	**-**	**35,380**	**34,530**	**-**	**34,530**
Administration expenses		(53,861)	-	(53,861)	(44,908)	-	(44,908)
Finance costs		(7,650)	-	(7,650)	(6,622)	-	(6,622)
Management fees		(12,611)	-	(12,611)	(8,941)	-	(8,941)
Operating loss before income tax	3	**(38,742)**	**-**	**(38,742)**	**(25,941)**	**-**	**(25,941)**
Income tax benefit relating to ordinary activities *	4b	20,415	-	20,415	16,246	-	16,246
Operating loss attributable to members of the company		**(18,327)**	**-**	**(18,327)**	**(9,695)**	**-**	**(9,695)**
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss							
Unrealised gains for the period on securities in the portfolio at 30 June		-	123,230	123,230	-	137,071	137,071
Tax expense on above *	4	-	(36,969)	(36,969)	-	(41,121)	(41,121)
Cumulative realised gains for the period on securities		-	15,144	15,144	-	39,863	39,863
Tax expense on above *		-	(4,543)	(4,543)	-	(11,959)	(11,959)
Total other comprehensive income		**-**	**96,862**	**96,862**	**-**	**123,854**	**123,854**
Total net comprehensive income^		**(18,327)**	**96,862**	**78,535**	**(9,695)**	**123,854**	**114,159**

		2016	2015
* Total tax (expense)/ benefit		(21,097)	(36,834)
Overall Operations			
Basic earnings per share (cents per share)	7	(0.60)	(0.34)
Diluted earnings per share (cents per share)	7	(0.60)	(0.34)

^This is the Company's net return for the year, which includes the net operating profit/(loss) plus the net realised and unrealised gains or losses on the Company's investment portfolio.

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	18,117	15,671
Trade and other receivables	9	1,561	2,203
Other current assets	10	742	840
TOTAL CURRENT ASSETS		**20,420**	**18,714**
NON-CURRENT ASSETS			
Investment portfolio	11	1,483,136	1,027,108
Deferred tax assets	12	320,041	292,970
TOTAL NON-CURRENT ASSETS		**1,803,177**	**1,320,078**
TOTAL ASSETS		**1,823,597**	**1,338,792**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	19,812	19,413
Borrowings	14	140,678	51,432
TOTAL CURRENT LIABILITIES		**160,490**	**70,845**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	15	171,571	123,403
TOTAL NON-CURRENT LIABILITIES		**171,571**	**123,403**
TOTAL LIABILITIES		**332,061**	**194,248**
NET ASSETS		**1,491,536**	**1,144,544**
EQUITY			
Issued capital	16	1,602,238	1,304,798
Reserves	17	338,351	245,912
Accumulated losses		(449,053)	(406,166)
TOTAL EQUITY		**1,491,536**	**1,144,544**

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 2016

	Note	Issued Capital	Accumulated Losses	Capital Profits Reserve	Investment Revaluation Reserve	Total
		$	$	$	$	$
Balance at 1 July 2014 as reported		**1,287,918**	**(396,241)**	**65,755**	**84,554**	**1,041,986**
Dividends paid and dividend reinvestment plan	16 & 17a	16,880	-	(28,481)	-	(11,601)
Total transactions with the shareholders		16,880	-	(28,481)	-	(11,601)
Loss for the year		-	(9,695)	-	-	(9,695)
Other comprehensive income for the year (net of tax)						
Net capital losses for the year		-	27,904	-	-	27,904
Revaluation of investment portfolio (net of tax)	17b	-	-	-	95,950	95,950
Transfers to/(from) reserves	17a	-	(28,134)	28,134	-	-
Other comprehensive income for the year		-	(230)	28,134	95,950	123,854
Total comprehensive income		-	(9,925)	28,134	95,950	114,159
Balance at 30 June 2015		**1,304,798**	**(406,166)**	**65,408**	**180,504**	**1,144,544**
Balance at 1 July 2015 as reported		**1,304,798**	**(406,166)**	**65,408**	**180,504**	**1,144,544**
Dividends paid and dividend reinvestment plan	16 & 17a	17,153	-	(28,982)	-	(11,829)
Shares issued during the year		280,287	-	-	-	280,287
Total transactions with the shareholders		297,440	-	(28,982)	-	268,458
Loss for the year		-	(18,327)	-	-	(18,327)
Other comprehensive income for the year (net of tax)						
Net capital gain for the year (net of tax)		-	10,601	-	-	10,601
Revaluation of investment portfolio (net of tax)	17b	-	-	-	86,260	86,260
Transfers to/(from) reserves	17a	-	(35,161)	35,161	-	-
Other comprehensive income for the year		-	(24,560)	35,161	86,260	96,861
Total comprehensive income		-	(42,887)	35,161	86,260	78,534
Balance at 30 June 2016		**1,602,238**	**(449,053)**	**71,587**	**266,764**	**1,491,536**

The accompanying notes form part of these financial statements.

ILLUMINATOR INVESTMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		34,086	32,824
Interest received		149	335
Trust distributions		1,110	1,033
Other receipts		1,936	1,261
		37,281	35,453
Administration expenses		(55,560)	(40,829)
Bank charges		(402)	(309)
Finance costs		(7,650)	(6,622)
Management fees		(11,703)	(11,176)
Net cash used in operating activities	19	**(38,034)**	**(23,483)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		107,960	145,659
Purchases for investment portfolio		(425,183)	(113,546)
Net cash (used in)/ provided by investing activities		**(317,223)**	**32,113**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		280,287	-
Proceeds from borrowings		95,000	-
Repayment of borrowings		(5,754)	(20,710)
Dividends paid		(11,830)	(11,601)
Net cash provided by/ (used in) financing activities		**357,703**	**(32,311)**
Net increase/ (decrease) in cash held		2,446	(23,681)
Cash at beginning of financial year		15,671	39,352
Cash at end of financial year	8	**18,117**	**15,671**

The accompanying notes form part of these financial statements.

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, and 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.

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'). The Company is a 'for profit entity'.

The Company has not applied any Australian Accounting Standards or AASB interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2016 ("the inoperative standards"), except for AASB 9. 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 inoperative standards at the date at which their adoption becomes mandatory.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise noted.

The financial statements were authorised for issue by the directors on 8 September 2016.

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 Portfolio

(i) Statement of Financial Position classification

The Company has an investment portfolio.

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

The investment portfolio is classified as a 'non-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)

(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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2016, the Company has current assets of $20,420 and current liabilities of $160,490, deficiency of $140,070. 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 considered 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 15. In addition, the tax liability that arises on disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains at the time of disposal.

The Company has recognised deferred tax assets in relation to carried forward revenue and capital losses and deductible temporary differences as disclosed in Note 12. The Company recognises these assets only if the Company considers it is probable that future taxable amounts will be available to utilise these temporary differences and losses. The Company intends to not dispose of portfolio assets until there are gains on the investments which the Directors believe will be sufficient to recoup the deferred tax assets.

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 2016

	2016 $	2015 $
NOTE 2: REVENUE		
a. Income from Investment Portfolio		
— dividends received	34,116	33,142
— trust distributions received	1,115	1,053
Total Income from Investment Portfolio	**35,231**	**34,195**
b. Income from deposits		
— interest income	149	335
Total Income from deposits	**149**	**335**
Total revenue	**35,380**	**34,530**
NOTE 3: LOSS FOR THE YEAR		
Operating loss before income tax has been determined after:		
Expenses		
Bank expenses	402	309
Finance costs	7,650	6,622
Listing fees	11,261	10,584
Management fees	12,611	8,941
Other expenses	42,198	34,015
Loss from operating activities before income tax and realised gains on the investment portfolio	**(38,742)**	**(25,941)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		2016 $	2015 $
NOTE 4: INCOME TAX EXPENSE			
a.	**The components of tax expense comprise:**		
	Increase in deferred tax liabilities – other	-	54
	Increase in deferred tax assets – other	(20,415)	(16,300)
		(20,415)	**(16,246)**
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	(38,742)	(25,941)
	Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2015: 30%)	(11,623)	(7,782)
	Adjustment to previous year's income tax expense	-	(302)
	Add: Tax effect of		
	— Imputation gross-up on dividends received	3,768	3,498
	— Franking credits on dividends received	(12,560)	(11,660)
	Income tax benefit on operating loss before realised gains/(losses) on investment portfolio	**(20,415)**	**(16,246)**
c.	**Amounts recognised directly in equity**		
	Increase in deferred tax liabilities relating to capital gains on the increase in unrealised gains on securities in the investment portfolio	48,222	48,138
	(Increase)/ decrease in deferred tax assets relating to capital losses on the increase/ decrease in unrealised losses on securities in the investment portfolio	(11,253)	(7,017)
		(36,969)	**(41,121)**
d.	**Amounts recognised directly through Other comprehensive income**		
	Decrease in deferred tax assets relating to capital gains tax on the movement in realised gains in the investment portfolio	**4,543**	**11,959**

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for:

PKF Newcastle

—	auditing or reviewing the financial report	**16,894**	**16,775**

	2016 $	2015 $
NOTE 6: DIVIDENDS		
a. Dividends Paid		
Final fully franked ordinary dividend for the year ended 30 June 2015 of 1.00 (2014: 1.00) cents per share paid on 5 November 2015	**28,982**	**28,481**
b. Dividends Declared		
Final fully franked ordinary dividend of 1.00 (2015:1.00) cents per share payable on 7 November 2016. This dividend has not been brought to account in the financial statements for the year ended 30 June 2016 but will be recognised in subsequent financial reports.	**38,315**	**28,982**
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.	63,170	63,031
Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year	(16,421)	(12,421)
Net available	**46,749**	**50,610**

NOTE 7: EARNINGS PER SHARE

	2016 Number	2015 Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	3,063,928	2,880,867
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	3,063,928	2,880,867
a. Basic and diluted earnings per share	**$**	**$**
Loss attributable to members of the company	(18,327)	(9,695)
	Cents	**Cents**
Basic earnings per share including realised gains/ (losses) on the investment portfolio	(0.25)	0.63
Diluted earnings per share including realised gains/ (losses) on the investment portfolio	(0.25)	0.63

	2016 $	2015 $
NOTE 7: EARNINGS PER SHARE (CONTINUED)		
b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio		
Operating loss before realised losses on the investment portfolio	(18,327)	(9,695)
	Cents	**Cents**
Basic operating earnings per share excluding realised losses on the investment portfolio	(0.60)	(0.34)
Diluted operating earnings per share excluding realised losses on the investment portfolio	(0.60)	(0.34)

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	4,671	487
Deposits at call	13,446	15,184
	18,117	**15,671**

The effective interest rate on deposits at call was 1.40% (2015: 1.50%).

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 financial position as follows:

Cash and cash equivalents	18,117	15,671

NOTE 9: TRADE AND OTHER RECEIVABLES

Dividends and trust distributions receivable	1,188	1,657
Other debtors	373	546
	1,561	**2,203**

Receivables are non-interest bearing and unsecured.

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

NOTE 10: OTHER ASSETS

Prepayments	742	660
Accrued Income	-	180
	742	**840**

	2016 $	2015 $
NOTE 11: INVESTMENT PORTFOLIO		
Listed Investments, at market value		
- Options	263	263
- Shares and Trust units	1,482,873	1,026,845
	1,483,136	**1,027,108**

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

Australian Equities		
1st Available Limited	2,370	5,716
3D Medical Limited	-	23,000
ANZ Banking Group Limited	-	3,334
ARB Corporation Limited	83,700	65,150
Aspen Group	4,800	5,320
Beacon Lighting Group Limited	20,400	-
Bellamy's Limited	20,420	-
Bendigo and Adelaide Bank Limited	4,800	9,710
Bisalloy Steel Group Limited	5,700	-
Blackmores Limited	131,390	94,088
Capitol Health Limited	5,567	26,616
Cochlear Limited	121,250	80,150
CSL Limited	112,180	86,470
Fairfax Media Limited	9,300	8,150
Florin Mining Investment Company Limited	40,893	18,962
Graincorp Limited A Class	21,575	21,350
Hamilton Securities Limited	10,200	9,000
Hamilton Securities Limited B Class Options	263	263
Hills Limited	2,012	3,737
Hunter Hall International Limited	-	14,723
Ingenia Communities Group	25,512	22,934
IOOF Holdings Limited	23,490	26,970
Korvest Limited	10,950	17,750
Link Administration Holdings Limited	25,646	-
Lycopodium Limited	6,330	3,840
Mach7 Technologies Limited	7,400	-
Medibank Private Limited	-	24,120
Metcash Limited	11,400	6,630
Nanosonic Limited	21,900	17,000
Ozforex Group Limited	13,920	13,320
Pental Limited	10,500	7,500

	2016 $	2015 $
NOTE 11: INVESTMENT PORTFOLIO (CONTINUED)		
Platinum Asset Management Limited	28,800	37,400
Prime Financial Group Limited	-	5,700
Pritchard Equity Limited – A Ordinary	11,988	25,706
Pritchard Equity Limited – B Ordinary	3,600	11,000
Pritchard Equity Limited – Series 3 Options	-	-
Reece Australia Limited	74,000	69,420
Ruralco Holdings Limited	10,200	10,500
Shriro Holdings Limited	4,200	-
Telstra Corporation Limited	55,600	61,400
Thorney Opportunities Limited	17,400	13,950
Winpar Holdings Limited	341,835	-
Total Australian Equities	**1,301,491**	**847,542**
International Equities		
Berkshire Hathaway Inc. Class B Common Stock	58,348	53,203
Conygar Investment Company PLC	9,973	14,591
Diageo PLC	37,695	37,727
McMullen & Sons Limited – Preferred Ordinary	16,937	19,212
Rightmove PLC	26,362	26,861
Unilever PLC	32,330	27,972
Total International Equities	**181,645**	**179,566**
Total Investment Portfolio	**1,483,136**	**1,027,108**

NOTE 12: DEFERRED TAX ASSETS

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

- Tax losses	232,007	211,852
- Capital losses	84,198	77,488
- Temporary differences	3,836	3,630
	320,041	**292,970**

NOTE 13: TRADE AND OTHER PAYABLES

Sundry payables and accrued expenses	19,812	19,413
	19,812	**19,413**

Payables are non-interest bearing and unsecured.

		2016 $	2015 $
NOTE 14: BORROWINGS			
Short-term borrowings – secured		**140,678**	**51,432**

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 6.87% (2015: 6.87%). The amount of the facility unused at year end is $371,701 (2015: $383,651).

NOTE 15: DEFERRED TAX LIABILITIES			
Deferred tax liabilities attributable to:			
- Temporary differences		-	53
- Deferred capital gains tax		171,571	123,350
		171,571	**123,403**
NOTE 16: ISSUED CAPITAL			
3,831,512 (2015: 2,898,210) fully paid ordinary shares	16a	**1,602,238**	**1,304,798**
a. Ordinary shares			
At the beginning of reporting period		1,304,798	1,287,918
Shares issued during the year			
— 51,464 on 15 October 2014		-	16,880
— 45,177 on 5 November 2015		17,153	-
— 888,125 on 5 May 2016		280,287	-
		1,602,238	1,304,798
At the end of reporting period		**1,602,238**	**1,304,798**

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.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and does not calculate a par value for issued shares.

NOTE 17: RESERVES			
Capital profits	17a	71,587	65,408
Investment revaluation	17b	266,764	180,504
		338,351	**245,912**

	2016 $	2015 $

NOTE 17: RESERVES (CONTINUED)

17a. Capital Profits Reserve

Movements During the Year		
Opening balance	65,408	65,755
Transfer from retained earnings	35,161	28,134
Dividend paid during the year	(28,982)	(28,481)
Closing balance	**71,587**	**65,408**

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

17b. Investment Revaluation Reserve

Movements During the Year		
Opening balance	180,504	84,554
Transfer from retained earnings	86,260	95,950
Closing balance	**266,764**	**180,504**

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

NOTE 18: 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:

Net operating loss after income tax benefit	(18,327)	(9,695)
Add back income tax benefit	(20,415)	(16,246)
Loss before tax	**(38,742)**	**(25,941)**

NOTE 18: SEGMENT REPORTING (CONTINUED)

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 2016 and 30 June 2015 were as follows:

	2016	2015
	$	$
Net tangible asset backing per share		
Before tax	0.35	0.34
After tax	0.39	0.40

(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:

2016	Revenue $	Unrealised gains/(losses) $	Market value $	Portfolio %
Australia	31,964	328,197	1,301,491	86.69
Great Britain	2,864	18,508	123,297	8.21
United States of America	-	34,385	58,348	3.89
Sub Total	**34,828**	**381,090**	**1,483,136**	**98.79**
Investment portfolio cash and cash equivalents and receivables	149	311	18,117	1.21
Total	**34,977**	**383,819**	**1,501,253**	**100.00**

2015	Revenue $	Unrealised gains/(losses) $	Market value $	Portfolio %
Australia	31,303	209,188	847,542	81.28
Great Britain	2,524	21,573	126,363	12.12
United States of America	22	29,240	53,203	5.10
Sub Total	**33,849**	**260,001**	**1,027,108**	**98.50**
Investment portfolio cash and cash equivalents and receivables	335	-	15,671	1.50
Total	**34,184**	**260,001**	**1,042,779**	**100.00**

	2016 $	2015 $
NOTE 19: CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(18,327)	(9,695)
Cash flows excluded from loss attributable to operating activities:		
Dividends reinvested	(682)	-
Decrease/ (increase) in current receivables	991	(645)
Increase in current payables	399	3,103
Decrease in income tax balances	(20,415)	(16,246)
Cash flow from operations	**(38,034)**	**(23,483)**

NOTE 20: RELATED PARTY TRANSACTIONS

Transactions with related parties:

Expenses paid or payable by the company to:		
Investment management fees paid to Pritchard & Partners Pty. Limited	12,611	8,941
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.	9,853	9,874
Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited		
Rees Pritchard Pty. Limited for accounting services.	10,085	4,669
Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Rees Pritchard Pty. 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 21: DIRECTORS AND EXECUTIVES DISCLOSURE

In accordance with the Corporations Amendments Regulation 2005 (No.4) the Company has transferred the disclosure required by AASB 124 from the notes to the Financial Statements to the Directors' Report under the heading of Remuneration Report.

NOTE 22: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 32 (2015: 9). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was $3,284 (2015: $968).

NOTE 23: 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 24: 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 6.87% (2015: 6.87%). A rise in interest rates of 1% will result in the company incurring additional finance costs of $1,407 (2015: $514), whilst a fall 1% will result in interest savings of $1,407 (2015: $514).

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 16 and 17.

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.

NOTE 24: FINANCIAL RISK MANAGEMENT (CONTINUED)

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 $74,157 and $148,314 (2015: $52,139 and $104,278) 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	**2016 %**	**2015 %**
Automobiles & Components	5.58	6.25
Banks	0.32	0.93
Capital goods	6.08	8.73
Cash and equivalents	1.21	1.50
Diversified financials	32.80	16.97
Food beverage and tobacco	6.44	7.51
Food and staples retailing	0.76	0.64
Health care equipment and services	10.56	14.62
Household and personal products	11.60	12.42
Insurance	3.89	7.42
Materials	0.38	-
Media	0.62	0.78
Pharmaceuticals, biotech and life sciences	7.47	8.29
Real estate	4.44	6.68
Retailing	2.32	1.01
Software and services	1.70	-
Technology hardware and equipment	0.13	0.36
Telecommunication services	3.70	5.89
	100.00	**100.00**

Securities representing over 5 per cent of the investment portfolio at 30 June were:	**2016 %**
ARB Limited	5.58
Blackmores Limited	8.75
Cochlear Limited	8.08
CSL Limited	7.47
Winpar Holdings Limited	22.77
	52.65

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

NOTE 24: FINANCIAL RISK MANAGEMENT (CONTINUED)

f. Fair value measurements

The following table provides the fair values of the Company's asset and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value 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 2016	Note	Level 1	Level 2	Level 3	Total
		$	$	$	$
Financial assets at fair value through other comprehensive income					
Investment Portfolio (Equities)	11	1,483,136	-	-	1,483,136
Total		**1,483,136**	**-**	**-**	**1,483,136**

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 year. These instruments are included in level 1.

There were no transfers between Level 1, 2 and 3 for assets measured at fair value on a recurring basis during the reporting period (2015: no transfers).

NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no activities which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the Company in the future.

ILLUMINATOR INVESTMENT COMPANY LIMITED

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Illuminator Investment Company Limited:

   a. The financial statements and notes as set out on pages 2 to 31 are in accordance with the Corporations Act 2001, including:

      (i) Giving a true and fair view of its financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

      (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   b. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. The financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Steven Shane Pritchard

Director

8 September 2016

PKF

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

Report on the Financial Report

We have audited the accompanying financial report of Illuminator Investment Company Limited, which comprises the statement of financial position as at 30 June 2016, and statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved under Professional Standards Legislation

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309
p +61 2 4962 2688
f +61 2 4962 3245

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Independence

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

Auditor's Opinion

In our opinion:

(a) the financial report of Illuminator Investment Company Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 10 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Illuminator Investment Company Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

PKF

PKF
Chartered Accountants

MARTIN MATTHEWS
Partner

Dated: 8 September 2016

Newcastle, NSW

STOCK EXCHANGE INFORMATION

Top 20 Shareholders as at 5 August 2016

Shareholder	No. of Shares	% of Issued
Hamilton Asset Management Limited	642,845	16.78
Pritchard Equity Limited	427,380	11.15
The Pritchard Family Company Pty Limited	349,232	9.11
Henley Underwriting & Investment Company Pty Ltd	167,288	4.37
Rosemary Isabel Elkington	154,451	4.03
Hall Nominee Company Pty Ltd	112,495	2.94
Pirenz Nominees Pty Limited	107,574	2.81
Newcastle Capital Markets Registries Pty Ltd	99,725	2.60
Pritchard & Partners Pty Limited	93,273	2.43
Hafoba Pty Ltd	81,600	2.13
Kerteh Holdings Pty Limited	79,596	2.08
Richardson Investment Holdings Pty Limited	60,000	1.57
Community & Regional Investment Company Pty Ltd	58,747	1.53
Superannuation Nominees Pty Ltd	53,162	1.39
Mrs Lola Bernice Heddles & Mr Murray Allan Heddles	52,121	1.36
Dr Gordon Bradley Elkington	48,436	1.26
Bond Street Custodians Limited	43,654	1.14
Mr Steven Shane Pritchard	41,824	1.09
Cumarax Pty Ltd	39,377	1.03
Mrs Pamela June Spears	37,620	0.98
	2,750,400	71.78

Number of ordinary shares held	**Number of Shareholders**
1 – 1,000	18
1,001 – 5,000	35
5,001 – 10,000	29
10,001 – 100,000	56
100,001 and over	7
Total	145

Substantial Shareholders

As at 5 August 2016 the names and holdings of substantial shareholders as disclosed in notices received by the Company are as follows:-

Substantial Shareholder	**No. of shares**	**% of total**
Steven Pritchard	1,985,128	51.81
Pritchard Equity Limited	1,301,205	33.96
Daniel Di Stefano	893,066	23.31
Margaret Pritchard	558,923	14.59

ILLUMINATOR INVESTMENT COMPANY LIMITED

CORPORATE DIRECTORY

Directors	Steven Pritchard Daniel Di Stefano Darval Thomas
Company Secretaries	Enzo Pirillo Daniel Di Stefano
Registered Office	10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878 Email: mail@illuminator.com.au Web: www.illuminator.com.au
Manager	Pritchard & Partners Pty Limited 10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878
Share Registry	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878
Auditors	PKF 755 Hunter Street Newcastle West NSW 2302 Telephone 02 4962 2688 Facsimile 02 4962 3245
Solicitors	Baker & McKenzie Level 27, AMP Centre 50 Bridge Street Sydney NSW 1223 Telephone 02 9225 0200 Facsimile 02 9225 1595
Bankers	National Australia Bank Limited 31 Beaumont Street Hamilton NSW 2303