

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

COMPANY PARTICULARS

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

Wilson Investment Fund Limited is a Listed Investment Company. It is an investor in equities and similar securities on the stock market primarily in Australia.

DIRECTORS: G. Wilson (Chairman)
M. Kidman
J. Gosse
J. Abernethy

SECRETARY: J. Gosse

AUDITORS: Moore Stephens WI

COUNTRY OF INCORPORATION: Australia

REGISTERED OFFICE: Level 11, 131 Macquarie Street
Sydney NSW 2000

CONTACT DETAILS: Mail Address: Lvl 11, 131 Macquarie St
Sydney NSW 2000
Telephone: (02) 9247 6755
Fax: (02) 9247 6855
Email: info@wami.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Stock Exchange) refer to www.asx.com.au or call (02) 9247 6755

SHARE REGISTRAR: Registries Limited
Level 2, 28 Margaret St
Sydney NSW 2000
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

STOCK EXCHANGE: Australian Stock Exchange (ASX)
The home exchange is Sydney.
ASX code: WIL Ordinary shares
WILO Options Expiring 17 Dec 2004

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2004 KEY POINTS

- Gross portfolio increased by 7.1% for the period to 30 June 2004.
- Profit before tax was \$6.203m
- Profit after tax was \$4.508m
- Pre tax net tangible assets was 103.1c* a share
- After tax net tangible assets was 101.5c* a share
- Total dividend for 2003/04 - 2.5c a share fully franked

* After the payment of a 1.0 cent fully franked interim dividend, before the payment of a 1.5 cent fully franked final dividend, diluted for options exercised and undiluted for options on issue.

CHAIRMAN'S LETTER

The inaugural year for the Wilson Investment Fund Limited (WIL) saw the commencement of the laying of the foundations for the years ahead. WIL is a long term investor seeking out companies that have sound fundamentals and strong growth prospects that will continue for years to come. It is crucial, therefore, that the initial investments are made at the best possible price. The Company's maiden result was pleasing given the difficult environment in which to establish a long term investment portfolio. Successful long-term investing requires patience which comes from knowledge and discipline.

At the end of June 2004, more than \$33 million of the funds raised had been invested in 25 equities and listed debt securities. The remaining monies are in bank bills. Of the monies invested \$18.8 million had been invested in 16 companies, and \$14.6 million had been invested in 9 listed debt securities. In addition, as of 30 June 2004 \$3.9 million had been spent buying back shares in WIL at a discount of between 6% to 8% to the Company's pre tax asset backing.

The board is focused on maximising returns to shareholders. The buying back of shares at below pre tax asset backing will increase the asset backing for the remaining shareholders. This mechanism is providing liquidity for impatient investors while rewarding all other patient shareholders. For the period from listing on 19 August 2003 to 30 June 2004 the gross portfolio (before all expenses and taxes) increased by 7.1%. The pre-tax net tangible assets (NTA) backing, after the payment of a 1.0 cent interim fully franked dividend, moved from 98.2 cents a share to 103.1 cents a share.

Total dividends declared for the year were 2.5 cents a share fully franked, made up of a 1.0 cent interim and 1.5 cent final dividend. The Board is committed to increasing dividends over time, and paying out all franking credits when available.

In an endeavour to find suitable investment opportunities the manager is continually meeting with the management of investee companies. Since WIL listed on 19 August 2003 the manager has undertaken more than 800 company visits. Over time, and once the fund is fully invested, our goal is to deliver a total return of 15-20% per annum. Part of the return we would like to be in the form of an attractive fully franked yield to shareholders. We are looking for a combination of high growth stocks and established businesses that have strong cash flows and pay fully franked dividends.

To date we have looked to improve the yield of the Company by investing in several high yielding listed debt securities. These securities will enable the Company to reach a satisfactory yield at the quickest rate, while at the same time give the fund exposure to some outstanding companies.

The past year saw the Australian share market rally strongly after two lean years. The rally was based upon a strong increase in company earnings and a robust global economic growth. A repeat of this performance in the coming 12 months is unlikely. With rising interest rates and anticipation of a slowing domestic economy in 2005, returns from the stock market should moderate. We look forward to the current year with cautious optimism.

Geoff Wilson
Chairman
20 September 2004

COMPANY PROFILE

Wilson Investment Fund Limited (WIL) is an investment Company providing investors with access to a diversified investment portfolio and the management expertise of MAM Pty Ltd (MAM).

COMPETITIVE ADVANTAGE

What distinguishes the Investment manager MAM from others is:

- A unique research rating process
- a target of meeting with as many companies as possible
- a total focus on managing money

INVESTMENT OBJECTIVES

The three investment objectives of the Company are:

- achieve a high real rate of return, comprising both income and capital growth, within risk parameters acceptable to the Directors;
- deliver investors a secure income stream in the form of fully franked dividends; and
- preserve the capital of the Company.

INVESTMENT PROCESS

The Company has two investment approaches:

1. Research Driven - Buying shares in companies after extensive research. This may involve detailed discussion with management of the investee entity and its competitors.

This process requires each potential investment to be rated with respect to:

- (a) management;
- (b) projected earnings per share growth;
- (c) valuation - utilising a price for growth formula;
- (d) the industry and the investee's position in that industry; and
- (e) the generation of free cashflow.

The above rating system works as a filter identifying the most appropriate investments.

Before undertaking a research-driven investment, the Manager will identify a catalyst or event that it believes will lead to an increase in the market value of the investment.

2. Investment Driven - Buying securities in entities through initial public offerings, placements or the purchase of a block of stock below what the Manager believes is the entity's fair value. This requires close monitoring of market activity.

This process requires that each of the characteristics listed below are identified in the investee companies:

- (a) sustainable business model;
- (b) track record of dividends;
- (c) track record of profits and positive free cashflow;
- (d) acceptable financial strength; and
- (e) return on equity.

Once all of the above characteristics have been identified in a company, the timing of its purchase will require patience and a medium to long term investment horizon. Valuation will be a key element of any purchase.

INVESTMENTS AT MARKET VALUE

AS AT 30 JUNE 2004

	<u>Quantity</u>	<u>Market Value \$</u>
<u>Listed Debt Securities</u>		
ANZ 5.85% Conv. Prefs	15,000	1,524,000
Bank of Queensland Series 1 Reset Prefs	70,000	7,045,500
Brickworks Pref. Shares	8,000	858,000
Graincorp 6.5% Prefs	7,500	802,500
Great Southern Plantations Conv. Notes	8,000	1,246,000
Leighton Holdings Conv. Notes	8,000	831,200
Patrick Corp. CRANes	7,750	848,548
Sydney Gas 12% Conv. Notes	2,663,333	2,370,366
Toll Reset Pref. Shares	5,000	585,000
		16,111,114
<u>Equities</u>		
Materials		
Mark Sensing Ltd	9,000,000	1,035,000
		1,035,000
Capital Goods		
Nylex Ltd	3,200,000	848,000
		848,000
Hotels Restaurants & Leisure		
Harvey World Travel Ltd	530,000	763,200
Sydney Aquarium Ltd	110,000	583,000
Media		
Infochoice Ltd	2,142,560	749,896
Photon Group Ltd	818,000	1,676,900
		2,426,796
Retailing		
Signature Brands Ltd	2,000,000	800,000
		800,000
Food Beverage & Tobacco		
Cockatoo Ridge Ltd	2,701,185	1,485,652
		1,485,652
Banks		
Rock Building Society Ltd	54,895	190,486
		190,486
Diversified Financials		
Australian Stock Exchange Ltd	200,000	3,108,000
IOOF Holdings Ltd	327,000	1,569,600
Loftus Capital Partners Ltd	912,143	665,864
Mariner Financial Ltd	840,000	865,200
MMC Contrarian Ltd	3,743,305	3,631,006
Technology Investment Fund	140,727	61,920
		9,901,590
Real Estate		
Beston Wine Industry Trust	2,666,667	2,480,000
		2,480,000
TOTAL PORTFOLIO VALUE		36,624,838
Less Estimated Selling Costs		146,499
CARRYING VALUE		36,478,339

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, unless otherwise stated. These practices are dealt with under the following headings: Board of Directors, Composition of the Board, Remuneration of Directors and Executives, Ethical Standards, Role of Shareholders, the Board's Policy on Dealing in Shares, Independent Professional Advice and Access to Company Information, and Conflict of Interests.

Board of Directors

Subject at all times to any written guidelines issued by the Board of Directors of Wilson Investment Fund Limited, the day-to-day management and investment of funds is carried out by MAM Pty Limited pursuant to a management agreement.

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for the appointed Manager and monitoring the achievement of these goals. The Board reviews the reports of its Manager on the operational and financial performance of the Company.

Composition of the Board

The Board comprises the Chairman and three other non-executive Directors who consider the composition of the Board and appointment of new Directors. The Board identifies suitable candidates to fill vacancies as they arise. The performance of each Director is reviewed by the Chairman periodically. At every annual general meeting one third of the Directors must retire from office and be eligible for re-election. Shareholder approval is required on the composition of the Board.

The Company agreed to formed an Audit Committee consisting of:

John Abernethy	Chairman
Matthew Kidman	Director
Julian Gosse	Director and Secretary

The Committee's responsibilities are to:

- (a) oversee the existence and maintenance of internal controls and accounting systems;
- (b) oversee the financial reporting process;
- (c) review the annual and half-year financial reports and recommend them for approval by the Board of Directors;
- (d) nominate external auditors; and
- (e) review the existing external audit arrangements.

The first Audit Committee meeting was held on 19 February 2004.

Remuneration of Directors and Executives

The maximum total remuneration of the Directors of the Company has been set at \$80,000 per annum to be divided in such proportions as they agree. The scope of the Company's operations, and the frequency of Board meetings are principal determinants of the fee level. Refer to Note 16 of the financial statements.

Entities associated with the Chairman, Geoff Wilson, and Director, Matthew Kidman of Wilson Investment Fund Limited hold 80% and 20% respectively of the issued shares of the investment management company, MAM Pty Limited. Refer to Note 16 of the financial statements.

Ethical Standards

The Board aims to ensure that all Directors and its Manager act with the utmost integrity and objectivity and endeavour to enhance the reputation of the Company.

The Role of Shareholders

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders through the Annual Financial Report, monthly asset backing data and Half-Year Financial Report lodged with the Australian Stock Exchange.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

WILSON INVESTMENT FUND LIMITED

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CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

Board's Policy on Dealing in Shares

Subject to their not being in possession of undisclosed price sensitive information, Directors may deal in shares of the Company when appropriate. As Wilson Investment Fund Limited is an investment Company announcing its results monthly, the Board believes the shareholders are generally fully informed.

Independent Professional Advice and Access to Company Information

Each Director has the right to access all relevant information and subject to prior consultation with the Chairman, may seek independent professional advice at the entity's expense. A copy of advice received by the Director is made available to all other members of the Board.

Conflict of Interest

In accordance with the Corporations Act 2001, the Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2004

The Directors present their report together with the financial report of Wilson Investment Fund Limited (the Company) for the year ended 30 June 2004.

PRINCIPAL ACTIVITY

The principal activity of the Company is making medium to long term investments in listed and unlisted companies. No change in this activity took place during the period or is likely in the future.

REVIEW OF OPERATIONS AND OPERATING RESULTS

During the period, the company issued 150,000,000 shares at \$1.00 per share following the issue of a Prospectus on 16 June 2003.

In addition, on the 22 August 2003, the Company issued an additional 11,250,000 shares at \$1.00 per share. The Company commenced trading upon its official quotation on the Australian Stock Exchange on 19 August 2003, subsequent to the initial public offering.

The shareholders who subscribed for the shares under the prospectus and subsequent placement were also issued with one option for each share they acquired. The options are listed and are exercisable at \$1.00 to acquire an ordinary share at any time from the date of issue to 17 December 2004.

Costs associated with establishing the Company and the subsequent capital raising and placement, were incurred subsequent to 30 June 2003. Total costs incurred for the successful float were 1.8% of the capital raised of which all were off-set against contributed equity. Refer to Note 9 of the financial statements.

Investment operations over the year resulted in an operating profit before tax of \$6,203,342 (2003: nil) and operating profit after tax of \$4,507,588 (2003: nil).

Investments are revalued continuously to market value. For the year ended 30 June 2004, investments were revalued upwards by \$3,098,290 (2003: nil), after an adjustment for deferred tax on unrealised gains, a net increment of \$2,168,803 (2003: nil) was transferred to an Asset Revaluation Reserve.

Asset backing before tax for each ordinary share at 30 June 2004 (calculated on market value less realisation costs and all applicable taxes and before the provision for dividend) was \$1.03 per share. Asset backing after tax on realised gains but before tax on unrealised gains was \$1.02 per share. Asset backing after tax for each ordinary share at 30 June 2004 (calculated on market value less realisation costs and all applicable taxes and before the provision for dividend) amounted to \$1.015 per share. These figures are undiluted for the options on issue.

DIVIDENDS

Dividends paid or declared are as follows: \$

Fully franked interim dividend of 1c per share was paid on the 27 April 2004	1,616,624
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Since year end the Directors have declared a fully franked final dividend of 1.5c to be paid on 29 November 2004.

OPTIONS

As detailed above, the shareholders who subscribed for the shares under the prospectus and subsequent placement were also issued with one option for each share they acquired. The options are listed and are exercisable at \$1.00 to acquire an ordinary share at any time from the date of issue to 17 December 2004. Subsequent to the issue, 419,400 options were exercised to the year ended 30 June 2004, for a total consideration of \$419,400. At 30 June 2004, 160,830,600 options remain outstanding.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year ended 30 June 2004.

WILSON INVESTMENT FUND LIMITED

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2004

SHARE BUY BACK

On 26 March 2004 the board of Wilson Investment Fund Limited announced an on market share buyback, equivalent to 16,146,000 shares or approximately 10% of issued capital. The buyback will be in place for a 12-month period, beginning from 9 April 2004. The buyback was initiated at \$0.96 per share, approximately a 6.8% discount to the 30 June 2004 pre-tax NTA.

The board is focussed on maximising returns to shareholders and this will from time to time involve active capital management. The board views the introduction of an on market share buy back as being in line with this aim as it will add value to the remaining shares on issue and increase NTA per share.

As at close of the market on 30 June 2004, 4,068,254 shares had been bought back, for a total consideration of \$3,909,820.

DIRECTORS

The names of the Directors in office at any time during or since the end of the period, and, their qualifications and experience are as follows:-

Geoffrey Wilson – Chairman – Appointed 12 June 2003

Geoffrey Wilson is the Chairman of WAM Capital Limited, Wilson Leaders Limited, the investment management company, Wilson Asset Management (International) Pty Ltd (WAMI), and the Australian Stockbrokers Foundation Limited. He is a Director of the Sporting Chance Cancer Foundation, North Shore Heart Foundation, Clime Capital Limited, JAM Development Capital Limited, and the investment management company, MAM Pty Ltd (MAM). He has had 24 years experience in the Australian and International securities industry. He holds a Bachelor of Science Degree and a Graduate Management Qualification. He is also a Fellow of the Institute of Company Directors and a Fellow of the Securities Institute of Australia. Age 46

Matthew Kidman – Non-Executive Director – Appointed 10 May 2002

Matthew Kidman is a Director of MAM Pty Ltd, and a portfolio manager of Wilson Asset Management (International) Pty Ltd. He has been instrumental in establishing the Company's valuation methodology of rating companies. Matthew Kidman worked as a finance reporter for the Sydney Morning Herald between 1994 and 1998. In 1997 he was appointed Investment Editor of that newspaper and was charged with the responsibility of company coverage for the newspaper. He is a Director of Wilson Leaders Limited and JAM Development Capital Limited. He has degrees in Economics and Law and a Graduate Diploma in Applied Finance. Age 35

John Abernethy – Non-Executive Director – Appointed 23 May 2002

John Abernethy is the Joint Managing Director of Loftus Capital Partners Limited. He is a Director of HomeLeisure Limited and Jasco Holdings Limited which represent major investments of Loftus, and is a Director of Wilson Leaders Limited.

John Abernethy has approximately twenty years experience in funds management and corporate advisory. He spent ten years at NRMA Investments as Head of Equities managing portfolios of approximately \$2 billion. His career at NRMA culminated with the NRMA being awarded the accolade of Fund Manager of the year in 1992 by Money Management Magazine. In 1994 he joined Poynton Corporate Limited as an Executive Director before forming Loftus in 1996. Loftus is now a listed investment company with \$40 million in net assets. Age 45

Julian Gosse – Non-Executive Director and Secretary – Appointed 12 June 2003

Julian Gosse has extensive experience in banking and broking both in Australia and overseas having worked in London for Rowe and Pitman, in the United States for Janney Montgomery and Scott and in Canada for Wood Gundy. He has been involved in the establishment, operation and ownership of several small businesses and is currently working as an executive director of Advanced Management Planning Limited. He is a director and company secretary of Wilson Leaders Limited, JAM Development Capital Limited, and Clime Capital Limited. Age 54

WILSON INVESTMENT FUND LIMITED

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2004

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

DIRECTORS' RELEVANT INTERESTS

Director	Ordinary Share held at 30 June 2004	Options held at 30 June 2004
G.J. Wilson	2,796,173	2,000,000
M.J. Kidman	28,290	28,000
J.J. Gosse	-	-
J.B. Abernethy	60,000	-

DIRECTORS' MEETINGS

Director	No. eligible to attend	Attended
G.J. Wilson	6	6
M.J. Kidman	6	6
J.J. Gosse	6	6
J.B. Abernethy	6	6

AUDIT COMMITTEE

The Company agreed to form an Audit Committee. The main responsibilities of the Audit Committee are set out in the Corporate Governance section of this Annual Report.

The first Audit Committee meeting was held on 19 February 2004.

AUDIT COMMITTEE MEETINGS

Director	No. eligible to attend	Attended
J.B. Abernethy	1	1
M.J. Kidman	1	1
J.J. Gosse	1	1

DIRECTORS' EMOLUMENTS

Pursuant to Australian Securities and Investments Commission Class Order 98/2395 dated 24 December 1998 information required to be included in the Directors' report may be transferred to the financial report. Accordingly the information required to be disclosed in relation to Directors Emoluments has been transferred to Note 15 to the financial statements.

DIRECTORS' BENEFITS

Directors' benefits are set out in Note 15 and 16 to the financial statements.

No Director since the end of the previous financial year has received or become entitled to receive a benefit (other than emoluments shown in the annual financial report or notes thereto) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

AFTER BALANCE DATE EVENTS

The Directors have declared a fully franked final dividend of 1.5 cents to be paid on 29 November 2004.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

LIKELY DEVELOPMENTS

The entity will continue to pursue its policy of investment during the next financial year.

WILSON INVESTMENT FUND LIMITED

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2004

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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 period.

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



M.J. KIDMAN, Director

Dated at Sydney this 20th day of September 2004

WILSON INVESTMENT FUND LIMITED

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	Notes	June 2004 \$	June 2003 \$
Investment revenue	2(a)	7,744,810	-
Other revenue from ordinary activities	2(b)	218,829	-
Management fee		(1,458,704)	-
Directors fees		(54,587)	-
Other expenses from ordinary activities		<u>(247,006)</u>	<u>-</u>
Profit from ordinary activities before related income tax expense		6,203,342	-
Income tax expense relating to ordinary activities	3(a)	<u>1,695,754</u>	<u>-</u>
Net profit from ordinary activities after related income tax expense attributable to members of the Company	11	4,507,588	-
Changes in equity other than those resulting from transactions with owners as owners			
Increase in Asset Revaluation Reserve	10	<u>2,168,803</u>	<u>-</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>6,676,391</u>	<u>-</u>
Basic earnings per share (cents)	13	3.1	-
Diluted earnings per share (cents)	13	3.1	-

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Notes	June 2004 \$	June 2003 \$
CURRENT ASSETS			
Cash assets	12(a)	127,398,056	1
Receivables	6	132,887	-
Tax assets	3(b)	40,146	-
TOTAL CURRENT ASSETS		127,571,089	1
NON-CURRENT ASSETS			
Investments	7	36,478,339	-
TOTAL NON-CURRENT ASSETS		36,478,339	-
TOTAL ASSETS		164,049,428	1
CURRENT LIABILITIES			
Payables	8	1,487,446	-
Current tax liabilities	3(c)	1,659,499	-
TOTAL CURRENT LIABILITIES		3,146,945	-
NON-CURRENT LIABILITIES			
Deferred tax liabilities	3(d)	967,542	-
TOTAL NON-CURRENT LIABILITIES		967,542	-
TOTAL LIABILITIES		4,114,487	-
NET ASSETS		159,934,941	1
EQUITY			
Contributed equity	9	154,875,174	1
Reserve	10	2,168,803	-
Retained profits	11	2,890,964	-
TOTAL EQUITY		159,934,941	1

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

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STATEMENT OF CASH FLOWS FOR THE YEAR TO 30 JUNE 2004

	Notes	June 2004 \$	June 2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		486,381	-
Interest received		7,056,134	-
Other investment income received		280,908	-
Investment management fees		(129,291)	-
Payments for administration expenses		<u>(270,496)</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	12(b)	<u>7,423,636</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of investments		<u>(33,380,049)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(33,380,049)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from initial public offering		161,250,000	1
Share issue transaction costs		(2,883,225)	-
Dividends paid		(1,601,928)	-
Proceeds from options exercised		419,400	-
Payments for shares bought back		<u>(3,829,779)</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>153,354,468</u>	<u>1</u>
NET INCREASE IN CASH HELD		127,398,055	1
CASH AT 1 JULY 2003		<u>1</u>	<u>-</u>
CASH AT 30 JUNE 2004	12(a)	<u>127,398,056</u>	<u>1</u>

The accompanying notes form part of these financial statements.

WILSON INVESTMENT FUND LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The accounting policies have been consistently applied, and except where there is a change in accounting policy, are consistent with those of the previous year. The Directors revalue investments continuously. Apart from this policy, the accounts have been prepared on the basis of historical costs.

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

(a) Investments

i) Classification

Investments consist of shares in publicly listed and unlisted companies and investments in fixed interest securities.

ii) Valuation

Shareholdings in listed companies are brought to account at market value including the potential tax charges that may arise from the future sale of the investments, less selling costs.

Market values are calculated as the closing price traded on the balance date. If there have been no trades on the balance date, then the shares are valued at the last sale price.

Shareholdings in unlisted companies are valued at their estimated market value including the potential tax charges that may arise from the future sale of investments.

It is considered that the information needs of shareholders in a company of this type are better met by stating investments at current market value, rather than historical cost.

iii) Asset Revaluation Reserve and Capital Profits Reserve

Investments, including shares and securities, are valued continuously and for this reason, cost of sales will equal sales revenue when investments are sold. Revaluations are credited directly to the Asset Revaluation Reserve after deducting a provision for deferred capital gains tax.

When shares, securities and other investments are disposed of, the balance in the Asset Revaluation Reserve relating to the disposed share, security or other investment is transferred to the Capital Profits Reserve.

iv) Investment income

Dividend and trust distribution income are recognised in the Statement of Financial Performance on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(b) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

(b) Income Tax (CONTINUED)

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

(c) Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand, at call deposits with banks or financial institutions and fixed interest securities maturing within three months.

(d) Receivables

Trade debtors to be settled within 60 days are carried at amounts due.

(e) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(g) Comparative Figures

Comparative figures cover the 14-month period of the Company from incorporation to 30 June 2003, as the Company had not commenced operations until listing on the Australian Stock Exchange on 19 August 2003. Therefore the comparative amounts disclosed in the financial report and related notes are not comparable.

(h) Segment Reporting

The Company is engaged in investment activities conducted in Australia and derives revenue and investment income from listed, unlisted and fixed interest securities.

	June 2004 \$	June 2003 \$
2. REVENUE		
(a) Investment revenue		
Dividends received	550,510	-
Interest received	7,126,185	-
Trust distributions received	68,115	-
	<u>7,744,810</u>	<u>-</u>
(b) Other revenue		
Underwriting fees received	<u>218,829</u>	<u>-</u>

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	June 2004	June 2003
	\$	\$
3. TAXATION		
(a) Income Tax Expense		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30%	1,861,003	-
Gross-up franking credits	59,259	-
Rebatable fully franked dividends	(197,530)	-
Timing differences	(26,978)	-
	1,695,754	-
Total income tax expense results in a:		
Movement in Current Income Tax Provision	1,659,499	-
Movement in Deferred Income Tax Provision	38,055	-
Movement in Future Income Tax Provision	(1,800)	-
	1,695,754	-
(b) Current Tax Assets		
Estimated expense at expected future income tax rate of 30% on expense provisions currently not deductible	1,800	-
Goods and Services Tax receivable	38,346	-
	40,146	-
(c) Provision for Current Income Tax Expense		
Movements in the year were as follows:		
Opening balance	-	-
Current year income tax expense on operating profit	1,659,499	-
	1,659,499	-
(d) Provision for Deferred Income Tax		
Estimated expense at expected future income tax rate of 30% on accrued income currently not assessable	38,055	-
Unrealised gains on investment portfolio	929,487	-
	967,542	-

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	June 2004	June 2003
	\$	\$
4. DIVIDENDS		
(a) Ordinary dividends recognised in the current year		
Dividends paid by the Company	<u>1,616,624</u>	<u>-</u>

	Cents Per Share	Total amount \$	Date of payment	Tax Rate for Franking credit	Percentage franked
2004					
Interim - ordinary	<u>1.0</u>	<u>1,616,624</u>	27 Apr 2004	30%	100%
Total franked amount	<u>1.0</u>	<u>1,616,624</u>			

No dividends were paid for the year ended 30 June 2003, as the Company commenced trading upon its official quotation on the Australian Stock Exchange on 19 August 2003.

(b) Dividends not recognised at year end

In addition to the above dividends, since the end of the year, the Directors have recommended the payment of a final dividend of:

	Cents Per Share	Total amount \$	Date of payment	Tax Rate for Franking credit	Percentage franked
Final - ordinary	1.5	2,364,246	29 Nov 2004	30%	100%

The final dividend has not been brought to account in the financial statements for the year ended 30 June 2004 but will be recognised in subsequent financial reports.

(c) Dividend Franking Account

The franked portion of the final dividend recommended after 30 June 2004 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2005.

	June 2004	June 2003
	\$	\$
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 franking credits that may be prevented from distribution in subsequent financial years.	<u>1,164,190</u>	<u>-</u>

The franking credit balance does not include an allowance for the ordinary final dividend.

The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the investments and the Company paying tax.

The balance of the franking account does not include the tax to be paid on unrealised investment gains currently recognised as a deferred income tax liability of \$967,542.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	June 2004 \$	June 2003 \$
5. AUDITORS REMUNERATION		
Remuneration of the auditor of the Company for:		
Auditing or reviewing the financial report	13,650	-
Other services provided by a related practice of the auditor:		
Independent Accounts Report	<u>7,852</u>	<u>-</u>
	<u>21,502</u>	<u>-</u>
<p>The Company's Audit Committee oversees the relationship with the Company's External Auditors. The Audit Committee reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by the audit firm, to ensure that they do not compromise independence.</p>		
6. RECEIVABLES		
Income receivable	126,851	-
Sundry debtors	<u>6,036</u>	<u>-</u>
	<u>132,887</u>	<u>-</u>
7. INVESTMENTS		
Non-current		
Listed Investment Portfolio - at Market Value	<u>36,478,339</u>	<u>-</u>
8. PAYABLES		
Sundry creditors	<u>1,487,446</u>	<u>-</u>
9. CONTRIBUTED EQUITY		
(a) Issued and Paid-up Capital		
157,616,347 ordinary shares fully paid (2003: 1)	<u>154,875,174</u>	<u>1</u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	June 2004 \$	June 2003 \$
9. CONTRIBUTED EQUITY (CONTINUED)		
(b) Movement in Ordinary Share Capital		
At the beginning of the reporting period	1	-
- 1 ordinary share issued on incorporation	-	1
- 150,000,000 ordinary shares issued on 19 August 2003 under a prospectus	150,000,000	-
- 11,250,000 ordinary shares issued on 22 August 2003 under a supplementary prospectus	11,250,000	-
- 15,200 ordinary shares issued on 27 April 2004 under a dividend reinvestment plan	14,696	-
- 419,400 ordinary shares issues from the exercise of options issued with prospectus on 19 August 2004, with an exercise price of \$1.00 per share	419,400	-
- 4,068,254 ordinary shares bought back at \$0.96 under an on-market buy back commencing 9 April 2004	(3,909,820)	-
- Transaction costs arising from the Initial Public Offer	(2,899,103)	-
At reporting date	<u>154,875,174</u>	<u>1</u>

(c) Options

On the 19 August 2003, the Company has issued 150,000,000 ordinary shares through the initial public offering, at \$1.00 each. In addition, the Company issued an additional placement of 11,250,000 ordinary shares at \$1.00 on 22 August 2003.

The shareholders who subscribed for the shares under the prospectus and subsequent placement were also issued with one option for each share they acquired. The options are listed and are exercisable at \$1.00 to acquire an ordinary share at any time from the date of grant to 17 December 2004.

Subsequent to the issue of these options, 419,400 options were exercised to the year ended 30 June 2004, for a total consideration of \$419,400. At 30 June 2004, 160,830,600 options remain outstanding.

10. RESERVES

Asset Revaluation Reserve	<u>2,168,803</u>	<u>-</u>
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These reserves are used to record movements and decrements on the revaluation of the investments as described in accounting policy Note 1 (a) (iii).

Movement in Asset Revaluation Reserve

Opening balance	-	-
Revaluation of the investments	2,168,803	-
Closing balance	<u>2,168,803</u>	<u>-</u>

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	June 2004 \$	June 2003 \$
11. RETAINED PROFITS		
Retained profits at the beginning of the year	-	-
Total change in equity recognised in the Statement of Financial Performance	4,507,588	-
Dividends paid (refer Note 4)	(1,616,624)	-
	<u>2,890,964</u>	<u>-</u>

12. CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank and on hand	5,162,772	1
Fixed interest securities	122,235,284	-
	<u>127,398,056</u>	<u>1</u>

(b) Reconciliation of Operating Profit after Income Tax

Operating profit after income tax	4,507,588	-
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Net cash provided by Operating Activities before changes in assets and liabilities:

Decrease/(increase) in receivables	(132,887)	-
Decrease/(increase) in tax assets	(40,146)	-
Increase/(decrease) in deferred tax liability	38,055	-
Increase/(decrease) in payables	1,391,527	-
Increase/(decrease) in current tax liability	1,659,499	-
Net cash provided by Operating Activities	<u>7,423,636</u>	<u>-</u>

13. EARNINGS PER SHARE

Net Profit after Tax used in the calculation of basic earnings per share and diluted earnings per share

	<u>4,507,588</u>	<u>-</u>
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share and diluted earnings per share	<u>143,758,387</u>	<u>1</u>

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

14. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURE

(a) Interest Rate Risk

The Company's exposure 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, and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below.

	Weighted Average Interest Rate	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
2004				
Financial Assets				
Cash assets	5.69%	127,398,056	-	127,398,056
Receivables		-	132,887	132,887
Investments		-	36,624,838	36,624,838
		<u>127,398,056</u>	<u>36,757,725</u>	<u>164,155,781</u>
Financial Liabilities				
Payables		-	1,487,455	1,487,455
		<u>-</u>	<u>1,487,455</u>	<u>1,487,455</u>

30 June 2003 comparative information has not been included, as the Company's only assets and liabilities at 30 June 2003, consisted of \$1.00 held as Cash on hand.

(b) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the Company which have been recognised on the Statement of Financial Position, is the carrying amount. The Company is not materially exposed to any individual credit risk.

(c) Net Fair Values

The carrying amounts of financial instruments on the Statement of Financial Position approximate their net fair values.

15. DIRECTORS AND EXECUTIVES DISCLOSURES

(a) Directors

Names and positions held of the Company Directors in office at any time during the financial year are:

G.J. Wilson	- Chairman
M.J. Kidman	- Non-Executive Director
J.B. Abernethy	- Non-Executive Director
J.J. Gosse	- Non-Executive Director

Other than as noted above, there are no other specified executives involved in the strategic direction and operational management of the Company.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

15. DIRECTORS AND EXECUTIVES DISCLOSURES (CONTINUED)

(b) Remuneration of Directors

Non-executive directors

The board from time to time determines remuneration of Non-executive Directors within the maximum amount approved by the shareholders. Non-executive Directors are not entitled to any other remuneration.

Fees and payments to Non-executive Directors reflect the demands that are made on, and the responsibilities of, the Directors and are reviewed annually by the Board.

Directors' base fees are presently set at a maximum of \$80,000 per annum. Non-executive directors do not receive bonuses nor are they issued options on securities. Directors' fees cover all main board activities and membership of committees.

The following are the Directors' remuneration received for the period from listing on the Australian Stock Exchange on 19 August 2003, until 30 June 2004:

Directors	Position	Salary and Fees \$	Post-employment Superannuation \$	Total \$
G.J. Wilson	Chairman	8,077	727	8,804
M.J. Kidman	Non-Executive Director	8,077	727	8,804
J.B. Abernethy	Non-Executive Director	19,370	-	19,370
J.J. Gosse	Non-Executive Director	16,155	1,454	17,609
		51,679	2,908	54,587

(c) Equity Instrument Disclosures Relating to Directors

As at 30 June 2004 the Company's Directors held the following interests in the Company:

Directors Shareholdings

Directors	Position	Balance at 30 June 2003	Acquisitions / Options exercised	Disposals	Balance at 30 June 2004
G.J. Wilson	Chairman	-	2,796,173	-	2,796,173
M.J. Kidman	Non-Executive Director	1	28,289	-	28,290
J.B. Abernethy	Non-Executive Director	-	60,000	-	60,000
J.J. Gosse	Non-Executive Director	-	-	-	-
		1	2,884,462	-	2,884,463

Directors Options held

Directors	Position	Balance at 30 June 2003	Acquisitions	Disposals	Balance at 30 June 2004
G.J. Wilson	Chairman	-	2,000,000	-	2,000,000
M.J. Kidman	Non-Executive Director	-	28,000	-	28,000
J.B. Abernethy	Non-Executive Director	-	50,000	50,000	-
J.J. Gosse	Non-Executive Director	-	-	-	-
		-	2,078,000	50,000	2,028,000

Directors and director related entities disposed of and acquired ordinary shares and options over ordinary shares in the Company on the same terms and conditions available to other shareholders.

The Directors have not during or since the end financial year been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	June 2004 \$	June 2003 \$
16. RELATED PARTY DISCLOSURE		
(a) Directors' Remuneration		
Total remuneration consisting of income paid or payable, or otherwise made available to the Directors of the Company in connection with the management of the Company.	<u>54,587</u>	<u>-</u>

(b) Directors and Director-Related Entities

All transactions with related entities were made on normal commercial terms and conditions.

Matthew Kidman and Geoff Wilson are Directors of MAM Pty Limited, the entity appointed to manage the investment portfolio of Wilson Investment Fund Limited. Entities associated with Geoff Wilson and Matthew Kidman hold 80% and 20% respectively of the issued shares of MAM Pty Limited. In its capacity as manager, MAM Pty Limited was paid a management fee of 1% of gross assets per annum, of \$1,458,704 (2003: nil). As at 30 June 2004, the balance payable to the manager was \$1,360,430.

In addition, MAM Pty Limited is to be paid, annually in arrears, a performance fee being 20% of:

- where the level of the All Ordinaries Accumulation Index has increased over that period, the amount by which the Value of the Portfolio exceeds this increase; or
- where the All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the Value of the Portfolio.

No performance fee is payable in respect of any performance period where the Portfolio has decreased in value over that period.

As at 30 June 2004, no performance fee was paid or payable to MAM Pty Limited.

These amounts are in addition to the above Directors remuneration.

17. EVENTS SUBSEQUENT TO REPORTING DATE

The final dividend as recommended by the directors will be paid subsequent to balance date and is not provided for in the Statement of Financial Position. Refer to Note 4 of this report.

Other than the matter discussed above there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

18. INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in securities during the financial year was 24 (2003: nil). Each contract note would involve multiple transactions. The total brokerage paid on these contract notes was \$42,798 (2003: nil).

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

19. IMPACT OF ADOPTING INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Australian Accounting Standards Board (AASB) is adopting Australian equivalents to International Financial Reporting Standards (AIFRS) for application to reporting periods beginning on or after 1 January 2005. The adoption of AIFRS will be first reflected in the Company's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. Management are overseeing the transition process and reporting periodically to the Audit Committee.

The Company is in the process of analysing the full impact of AIFRS. The actual impacts will depend on the particular circumstances and conditions prevailing at any time of application of AIFRS. For these reasons it is not yet possible to fully quantify the impact of the transition to AIFRS on the Company.

The key differences in accounting policies by adopting IFRS as potentially having a significant effect on the accounts are:

- income tax will be calculated based on the "balance sheet" approach, which will result in more deferred tax assets and liabilities and as tax effects follow the underlying transactions, some tax effects will be recognised in equity.
- changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

WILSON INVESTMENT FUND LIMITED


A.B.N. 15 100 504 541

DIRECTORS' DECLARATION

The Directors of Wilson Investment Fund Limited declare that:

1. The financial statements and notes, as set out on pages 10 to 23, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position of the Company as at 30 June 2004 and of its performance, as represented by the results of the operations and the cashflows, for the year ended on that date; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



M.J. KIDMAN, Director

Dated at Sydney this 20th day of September 2004

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF WILSON INVESTMENT FUND LIMITED**

Scope

The financial report and directors' responsibility

The financial report comprises the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, accompanying notes to the financial statements, and the Directors' Declaration for Wilson Investment Fund Limited, for the year ended 30 June 2004.

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

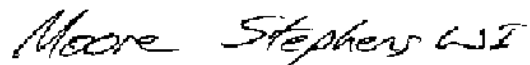
Audit opinion

In our opinion, the financial report of Wilson Investment Fund Limited is in accordance with:

- a. the Corporations Act 2001, including:
 - i. giving a true and fair view of Wilson Investment Fund's financial position as at 30 June 2004 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b. other mandatory financial reporting requirements in Australia.



S. M. WHIDDETT
Partner



MOORE STEPHENS WI
Sydney

Dated: 15th day of September 2004

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

Substantial shareholders (as at 31 August 2004)

The following have advised that they are a substantial shareholder of Wilson Investment Fund Limited. The holding of a relevant interest does not infer beneficial ownership. Where two or more parties have a relevant interest in the same shares, those shares have been included for each party.

Substantial ordinary shareholders as at ex-date	No. of shares	% of total
Tower Trust Limited	8,986,509	5.98

Distribution of shareholders (as at 31 August 2004)

Category	No. of holders	
	Ordinary Shares	Options
1 – 1,000	155	15
1,001 – 5,000	2,576	2,026
5,001 – 10,000	2,338	1,700
10,001 – 100,000	3,173	2,304
100,001 and over	72	203
	<hr/>	<hr/>
	8,314	6,248

Number of ordinary holders holding less than a marketable parcel

56

-

Twenty largest shareholders - Ordinary shares (as at 31 August 2004)

Name	Number of ordinary shares held	Percentage of issued capital held
Tower Trust Limited	8,986,509	5.98
Mr Geoffrey James Wilson	2,796,173	1.86
Halcyon Pty Ltd	2,500,000	1.66
Trust Company of Australia Ltd	1,050,000	0.70
Mrs Thelma Joan Martin-Weber	1,000,000	0.67
RBC Global Services Australia Nominees Pty Ltd	775,095	0.52
Mr Victor John Plummer	700,000	0.47
University of Sydney Union	520,000	0.35
The Uniting Church in Australia Property Trust (SA)	500,000	0.33
Australian International Insurance Ltd	500,000	0.33
Avanteos Investments Ltd	408,896	0.27
Mr Dennis John Banks	401,883	0.27
Mrs Susan Elizabeth Napper	303,000	0.20
Ms Linda Sue Barton	300,000	0.20
Willjo Pty Ltd	300,000	0.20
Invia Custodian Pty Ltd	285,000	0.19
UBS Private Clients Australia Nominees Pty Ltd	280,207	0.19
Stanley Boyd Investments Pty Ltd	260,000	0.17
Tasmelt Pty Ltd	250,000	0.17
Foldtag Pty Ltd	250,000	0.17
Mr Brian Regan	250,000	0.17
Page Girl Pty Ltd	250,000	0.17
Christopher H. Selby & Melinda N. Selby	250,000	0.17
	<hr/>	<hr/>
	23,116,763	15.41

WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Twenty largest shareholders - Options (as at 31 August 2004)

Name	Number of ordinary shares held	Percentage of issued capital held
Tower Trust Limited	6,937,000	4.31
Smew Pty Ltd	4,172,635	2.60
Mr Donald Christopher Hudson	2,288,650	1.42
Mr Geoffrey James Wilson	2,000,000	1.24
Mr Cristan Szmajda	1,125,500	0.70
Bantry Holdings Pty Ltd	1,100,000	0.68
Alafact Pty Ltd	1,000,000	0.62
Mrs Thelma Joan Martin-Weber	1,000,000	0.62
IDM Investments Pty Ltd	900,000	0.56
Mr William Gregory Egan & Mrs Janet Egan	800,000	0.50
Jais Pty Ltd	800,000	0.50
GWCB Superannuation Pty Ltd	720,000	0.45
RBC Global Services Nominees Pty Ltd	590,236	0.37
Confidential Investments Pty Ltd	550,000	0.34
Mr Vernon Richard Fletcher	550,000	0.34
ANZ Executors & Trustee Company Ltd	500,000	0.31
Mr Ian Colin Mulhauser	500,000	0.31
Mr Therese Mary Nichols	500,000	0.31
Miss Karen Ann Lee	490,000	0.31
Tony Benson Pty Ltd	480,000	0.30
	27,004,021	16.79

On-market buy back

On the 26 March 2004 the board of Wilson Investment Fund Limited announced an on market share buyback, equivalent to 16,146,000 shares or approximately 10% of issued capital. The buyback will be in place for a 12-month period, beginning from 9th April 2004. The buyback was initiated at 96 cents per share, approximately a 6.8% discount to the 30 June 2004 pre-tax NTA.

As at close of the market on 30 June 2004, 4,068,254 shares had been bought back.

STOCK EXCHANGE LISTING

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.