

# **WILSON INVESTMENT FUND LIMITED**

**A.B.N. 15 100 504 541**

## **FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2003**

# 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: Lv 11, 131 Macquarie St Sydney NSW 2000  
Telephone: (02) 9247 6755  
Fax: (02) 9247 6855  
Email: [info@wami.com.au](mailto: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](http://www.asx.com.au) or call (02) 9247 6755

**SHARE REGISTRAR:**

Registries Limited  
Mail Address: PO Box R67 Royal Exchange  
Sydney NSW 1223  
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

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2003

The Directors present their report together with the financial report of Wilson Investment Fund Limited (the Company) for the half year ended 31 December 2003.

### 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 per share following the issue of a Prospectus on 16 June 2003. These shares were issued in August 2003 and were listed on the Australian Stock Exchange on the 19 August 2003.

In addition, on the 22 August 2003, the Company issued an additional 11,250,000 shares as \$1 per share.

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 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 have been off-set against contributed equity in the half year to 31 December 2003.

Investment operations over the half year resulted in an operating profit before tax of \$2,777,632 (2002: nil) and operating profit after tax of \$2,063,296 (2002: nil).

Investments are revalued continuously to market value. For the half year ended 31 December 2003, investments were revalued upwards by \$2,836,003 (2002: nil), after an adjustment for deferred tax on unrealised gains, a net increment of \$1,985,202 (2002: nil) was transferred to an Asset Revaluation Reserve.

Pre-tax asset backing at 31 December 2003 for each ordinary share was \$1.0164. Asset backing for each ordinary share at 31 December 2003, calculated on market value less realisation costs and all applicable taxes and before provision for dividend, amounted to \$1.0066 per share (2002: \$1.00). These figures are undiluted for the options on issue.

### DIRECTORS

The names of the Directors in office at any time during or since the end of the period:-

Geoffrey Wilson – Chairman

Matthew Kidman – Non-Executive Director

Julian Gosse – Non-Executive Director and Secretary

John Abernethy – Non-Executive Director

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

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



G.J. WILSON, Director

Dated at Sydney this 26 February 2004

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Notes	December 2003 \$	December 2002 \$
Revenue from ordinary activities	3	3,526,963	-
Management fee		(608,319)	-
Other expenses from ordinary activities		<u>(141,012)</u>	<u>-</u>
<b>Profit from ordinary activities before related income tax expense</b>		<b>2,777,632</b>	-
Income tax expense relating to ordinary activities		<u>(714,336)</u>	<u>-</u>
<b>Net profit from ordinary activities after related income tax expense</b>		<b><u>2,063,296</u></b>	<u>-</u>
Net increase in asset revaluation reserve		<u>1,985,202</u>	<u>-</u>
<b>Total valuation adjustments recognised directly in equity</b>		<b><u>1,985,202</u></b>	<u>-</u>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b><u>4,048,498</u></b>	<u>-</u>
<b>Basic earnings per share</b>		<b>1.68 cents</b>	-
<b>Diluted earnings per share</b>		<b>1.68 cents</b>	-

The accompanying notes form part of these financial statements.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2003

	December 2003 \$	June 2003 \$
<b>ASSETS</b>		
Cash assets	144,992,054	1
Receivables	32,482	-
Investments	19,451,066	-
Tax assets	59,747	-
<b>TOTAL ASSETS</b>	<b>164,535,349</b>	<b>1</b>
<b>LIABILITIES</b>		
Payables	511,015	-
Current tax liabilities	716,136	-
Deferred tax liabilities	850,801	-
<b>TOTAL LIABILITIES</b>	<b>2,077,952</b>	<b>-</b>
<b>NET ASSETS</b>	<b>162,457,397</b>	<b>1</b>
<b>EQUITY</b>		
Contributed equity	158,408,899	1
Reserves	1,985,202	-
Retained profits	2,063,296	-
<b>TOTAL EQUITY</b>	<b>162,457,397</b>	<b>1</b>

The accompanying notes form part of these financial statements.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	December 2003 \$	December 2002 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Dividends received	106,600	-
Interest received	3,177,352	-
Other receipts in the course of operations	211,565	-
Payments to suppliers	(298,980)	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,196,537</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for investments	(16,615,062)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(16,615,062)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share offer 150,000,000 shares & options at \$1.00	150,000,000	-
Placement of 11,250,000 shares & options at \$1.00	11,250,000	-
Cost of capital raising	(2,897,422)	-
Options exercised	58,000	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>158,410,578</b>	<b>-</b>
<b>NET INCREASE IN CASH HELD</b>	<b>144,992,053</b>	<b>-</b>
Cash at beginning of the half year	1	1
<b>CASH AT END OF HALF YEAR</b>	<b>144,992,054</b>	<b>1</b>

The accompanying notes form part of these financial statements.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2003

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The half year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and Appendix 4D to the Australian Stock Exchange listing rules.

It is recommended that the half year financial report be read in conjunction with the Prospectus dated 16 June 2003 and any public announcements made by Wilson Investment Fund Limited during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical cost. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies have been consistently applied by the Company and are consistent with those applied in the 30 June 2003 annual report.

The half year report does not include full disclosures of the type normally included in an annual financial report.

#### (b) Details of Reporting Period

The current reporting period is the half year ended 31 December 2003. For the Statement of Financial Performance and the Statement of Cash Flows, the previous corresponding period is the half year ended 31 December 2002. For the Statement of Financial Position, the previous corresponding date is 30 June 2003.

#### (c) Segment Reporting

The half year financial report is for the individual entity Wilson Investment Fund Limited. It is a publicly listed company limited by shares, incorporated and domiciled in Australia.

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

### 2. COMMENCEMENT OF OPERATIONS

Pursuant to a Prospectus dated 16 June 2003, the company issued 150,000,000 shares at \$1 per share. These shares were issued and listed on the Australian Stock Exchange in August 2003.

In addition, on the 22 August 2003, the Company issued an additional 11,250,000 shares at \$1 per share.

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 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 \$2,899,102 of which all have been off-set against contributed equity in the half year to 31 December 2003.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	<b>December 2003</b>	<b>December 2002</b>
<b>3. OTHER REVENUE FROM ORDINARY ACTIVITIES</b>	<b>\$</b>	<b>\$</b>
Dividends Received	106,600	-
Interest Received	3,198,931	-
Underwriting Fees Received	211,565	-
Trust Distributions Received	9,867	-
	<u><b>3,526,963</b></u>	<u><b>-</b></u>

### 4. DIVIDENDS

No dividends were paid or provided for by the Company for the half year to 31 December 2003 (2002: nil).

Since the end of the half year, the Directors have declared an interim dividend of 1.0 cent fully franked at 30% payable 27 April 2004.

The interim dividend has not been brought to account in the financial statements for the half year ended 31 December 2003 but will be recognised in subsequent financial reports.

### 5. EVENTS SUBSEQUENT TO REPORTING DATE

No matters have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial years.



# WILSON INVESTMENT FUND LIMITED

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## DIRCTORS' DECLARATION

The Directors of Wilson Investment Fund Limited declare that:

1. The financial statements and notes, as set out on pages 2 to 6, are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the financial position of the Company as at 31 December 2003 and of its performance for the half 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.

A handwritten signature in black ink, consisting of a large, stylized initial 'G' followed by a long horizontal line extending to the right.

G.J. WILSON, Director

Dated at Sydney this 26 February 2004

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

**Scope**

We have reviewed the financial report of Wilson Investment Fund Limited for the half year ended 31 December 2003 as set out on pages 2 to 7. The Company's Directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Stock Exchange.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to enquiries of Company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and accordingly do not express an audit opinion.

**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Wilson Investment Fund Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
  - i) giving a true and fair view of the Company's financial position as at 31 December 2003 and of its performance for the half year ended on that date; and
  - ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.



**S M WHIDDETT**  
Partner



**MOORE STEPHENS WI**  
Sydney

Dated: 26 February, 2004