



AUSTRALIAN LEADERS FUND LIMITED

A.B.N. 64 106 845 970

(Formerly Known as WILSON LEADERS LIMITED)

**FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2007**

COMPANY PARTICULARS

AUSTRALIAN LEADERS FUND LIMITED (Formerly Known as Wilson Leaders Limited)

A.B.N. 64 106 845 970

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

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

SECRETARY: N. Cuffe

AUDITORS: Grosvenor Schiliro

COUNTRY OF INCORPORATION: Australia

REGISTERED OFFICE: Level 11, 139 Macquarie Street
Sydney NSW 2000

CONTACT DETAILS: Mail Address: Lv 11, 139 Macquarie St Sydney NSW 2000
Telephone: (02) 9247 6755
Fax: (02) 9247 6855
Email: braitling@braitlinginvestments.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to 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 Securities Exchange (ASX)
The home exchange is Sydney.
ASX code: ALF Ordinary shares

AUSTRALIAN LEADERS FUND LIMITED (Formerly Known as Wilson Leaders Limited)

A.B.N. 64 106 845 970

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2007

The Directors present their report together with the financial report of Australian Leaders Fund Limited (the Company) for the half year ended 31 December 2007.

PRINCIPAL ACTIVITY

The principal activity of the Company is making investments in listed and unlisted companies. No change in this activity took place during the half year or is likely in the future.

DIRECTORS

The names of the Directors who held office during or since the end of the half year are as follows:-

Justin B. Braitling – Chairman

Geoffrey J. Wilson – Non-Executive Director

Matthew J. Kidman – Non-Executive Director

Julian J. Gosse – Non-Executive Director

John B. Abernethy – Non-Executive Director

REVIEW OF OPERATIONS AND OPERATING RESULTS

Investment operations over the half year resulted in an operating profit before tax of \$4,022,351 (2006: \$11,540,788) and an operating profit after tax of \$3,079,860 (2006: \$8,662,526).

Investments are revalued monthly to market value. For the half year ended 31 December 2007, investments were revalued downwards after an adjustment for deferred tax on unrealised gains by a net decrement of \$8,377,071 (2006: increment \$5,537,083) was transferred to an Asset Revaluation Reserve.

Asset backing for each ordinary share at 31 December 2007 (calculated on market value less realisation costs and all applicable taxes and before provision for dividend) amounted to \$1.266 per share (2006: \$1.289). Asset backing after tax on realised gains but before tax on unrealised gains was \$1.296 per share (2006: \$1.354). The equivalent asset backing before tax was \$1.330 per share (2006: \$1.385).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 23 November 2007, the company changed its name from Wilson Leaders Limited to Australian Leaders Fund Limited. There were no other significant changes in the state of affairs of the company during the half year ended 31 December 2007.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 2 for the half year ended 31 December 2007.

This report is signed in accordance with a resolution of the Board of Directors.



J.B. BRAITLING, Chairman
Dated at Sydney this 27 February 2008

INSERT AUDITORS INDEPENDENCE DECLARATION

AUSTRALIAN LEADERS FUND LIMITED
(FORMERLY KNOWN AS WILSON LEADERS LIMITED)
A.B.N 64 106 845 970

INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Notes	December 2007 \$	December 2006 \$
Investment Revenue from ordinary activities			
Proceeds from sale of investments		348,027,655	127,430,816
Cost of investments sold		(333,392,497)	(120,550,247)
Unrealised gain on investments		(10,097,585)	4,258,951
Other revenue from ordinary activities	2	2,187,875	2,058,739
Management and performance fees		(853,144)	(749,054)
Directors fees		(40,000)	(38,295)
Brokerage expense on share purchases		(1,527,568)	(427,656)
Stock lending interest expense		(80,159)	(273,082)
Other expenses from ordinary activities		(202,226)	(169,384)
		4,022,351	11,540,788
Operating Profit before income tax (expense)/benefit		4,022,351	11,540,788
Income tax (expense)/benefit thereon		(942,491)	(2,878,262)
		3,079,860	8,662,526
		3,079,860	8,662,526
		2007	2006
		cents	cents
Basic operating earnings per share		4.5	15.9
(including realised gains on investments)		4.5	15.9
Diluted earnings per share		4.5	15.6
(including realised gains on investments)		4.5	15.6

The Income Statement should be read in conjunction with the accompanying Notes to the Financial Statements.

AUSTRALIAN LEADERS FUND LIMITED
(FORMERLY KNOWN AS WILSON LEADERS LIMITED)

A.B.N 64 106 845 970

BALANCE SHEET
AS AT 31 DECEMBER 2007

	Notes	December 2007 \$	June 2007 \$
ASSETS			
Cash and cash equivalents		513,230	7,012,761
Trade and other receivables		3,217,055	1,602,308
Financial assets		136,301,368	115,210,373
Deferred tax assets		31,500	162,027
TOTAL ASSETS		140,063,153	123,987,469
LIABILITIES			
Trade and other payables		34,914,845	34,604,130
Current tax liabilities		2,643,631	2,083,921
Deferred tax liabilities		2,361,647	4,321,860
TOTAL LIABILITIES		39,920,123	41,009,911
NET ASSETS		100,143,030	82,977,558
EQUITY			
Issued Capital	3	80,484,103	61,730,530
Reserve		359,947	8,737,018
Retained earnings		19,298,980	12,510,010
TOTAL EQUITY		100,143,030	82,977,558

The Balance Sheet should be read in conjunction with the accompanying Notes to the Financial Statements.

AUSTRALIAN LEADERS FUND LIMITED
(FORMERLY KNOWN AS WILSON LEADERS LIMITED)
A.B.N 64 106 845 970

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Issued Capital \$	Reserves \$	Retained earnings \$	Total \$
Total equity as at 1 July 2006	52,021,587	5,088,610	6,036,809	63,147,006
Direct equity adjustments				
<i>Investment portfolio</i>				
Net unrealised gains on investment securities	-	7,910,119	-	7,910,119
Tax on unrealised gains on investment securities	-	(2,373,036)	-	(2,373,036)
Total direct equity adjustments	-	5,537,083	-	5,537,083
Profit for the period attributable to members of the Company	-	-	8,662,526	8,662,526
Transfer to asset revaluation reserve			(5,537,083)	(5,537,083)
Transactions with shareholders				
Options exercised at \$1.08 for one ordinary share	4,256,028	-	-	4,256,028
Shares issued under dividend reinvestment plan	561,502	-	-	561,502
Dividends paid or provided for	-	-	(2,809,885)	(2,809,885)
Total equity as at 31 December 2006 attributable to members of the Company	56,839,117	10,625,693	6,352,367	73,817,177
Total equity as at 1 January 2007	56,839,117	10,625,693	6,352,367	73,817,177
Direct equity adjustments				
<i>Investment portfolio</i>				
Net unrealised gains/(losses) on investment securities	-	(2,987,085)	-	(2,987,085)
Tax on unrealised (gains)/losses on investment securities	-	1,098,410	-	1,098,410
Total direct equity adjustments	-	(1,888,675)	-	(1,888,675)
Profit for the period attributable to members of the Company	-	-	6,699,775	6,699,775
Transfer to asset revaluation reserve			1,888,675	1,888,675
Transactions with shareholders				
Options exercised at \$1.08 for one ordinary share	4,375,592	-	-	4,375,592
Shares issued under dividend reinvestment plan	515,821	-	-	515,821
Dividends paid or provided for	-	-	(2,430,807)	(2,430,807)
Total equity as at 30 June 2007 attributable to members of the Company	61,730,530	8,737,018	12,510,010	82,977,558
Total equity as at 1 July 2007	61,730,530	8,737,018	12,510,010	82,977,558
Direct equity adjustments				
<i>Investment portfolio</i>				
Net unrealised gains/(losses) on investment securities	-	(11,967,244)	-	(11,967,244)
Tax on unrealised (gains)/losses on investment securities	-	3,590,173	-	3,590,173
Total direct equity adjustments	-	(8,377,071)	-	(8,377,071)
Profit for the period attributable to members of the Company	-	-	3,079,860	3,079,860
Transfer to asset revaluation reserve			8,377,071	8,377,071
Transactions with shareholders				
Options exercised at \$1.08 for one ordinary share	17,862,352	-	-	17,862,352
Shares issued under dividend reinvestment plan	891,221	-	-	891,221
Dividends paid or provided for	-	-	(4,667,961)	(4,667,961)
Total equity as at 31 December 2007 attributable to members of the Company	80,484,103	359,947	19,298,980	100,143,030

This Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

AUSTRALIAN LEADERS FUND LIMITED
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CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	December 2007	December 2006
	\$	\$
Cash flows from operating activities		
Dividends Received	2,149,769	2,259,023
Interest received	248,967	108,256
Investment management fees	(438,402)	(313,854)
Investment performance fees	-	(489,208)
Brokerage expense on share purchases	(1,527,568)	(427,656)
Payment to suppliers	(334,898)	(165,593)
Income tax paid	(2,212,464)	(1,093,270)
	<hr/>	<hr/>
Net cash used in operating activities	(2,114,596)	(122,302)
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from sale of investments	356,424,307	128,512,644
Payments for purchase of investments	(374,894,851)	(129,175,134)
	<hr/>	<hr/>
Net cash used in investing activities	(18,470,544)	(662,490)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from options exercised	17,862,352	4,256,028
Dividends paid	(3,776,743)	(2,248,383)
	<hr/>	<hr/>
Net cash provided by financing activities	14,085,609	2,007,645
	<hr/>	<hr/>
Net increase/ (decrease) in cash and cash equivalents held	(6,499,531)	1,222,853
Cash at 1 July 2007	7,012,761	715,627
	<hr/>	<hr/>
Cash at 31 December 2007	513,230	1,938,480
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The Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

AUSTRALIAN LEADERS FUND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1(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, Australian Accounting Standards AASB134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by the company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001. The accounting policies have been consistently applied and are consistent with those in June 2007 financial report.

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

Reporting Basis & Conventions

The Statements are prepared from the records of the company on an accrual basis. The directors revalue the trading and investment portfolio on a daily basis. 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 by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

1(b) Investments

Classification

Securities are classified as "held for trading" at acquisition.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs on trade date, where the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

All securities in the trading portfolio are revalued to market values continuously.

Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period which they arise and are transferred to the asset revaluation reserve net of the potential tax charges that may arise from the future sale of the investments.

Determination of Fair Value

AIFRS defines fair value for the purpose of valuing holdings of securities that are listed or traded on an exchange to be based on quoted "bid" prices for securities prevailing at the close of business on the balance date.

AASB 139 and AG72 state that the current bid price is usually the appropriate price to be used in measuring the fair value of actively traded financial assets. Financial assets should be valued at their fair value without any deduction for transaction costs that may be incurred on sale or other disposal. Certain costs in acquiring investments, such as brokerage and stamp duty, are expensed in the Income Statement.

1(c) Taxation

Income tax expense is comprised of current and deferred tax. The charge for current income tax expense is based on the profit or loss for the period adjusted for any non-assessable or disallowed items except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised for using the balance sheet liability method, in respect of temporary differences arising between the tax base 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

1(c) Taxation (continued)

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. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary difference 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 the income tax 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 the law.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

A tax provision is made for the unrealised gain or loss on securities valued at fair value through the Income Statement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	December 2007	December 2006
	\$	\$
2. Other Revenue from Ordinary Activities		
Australian sourced dividends	1,107,763	1,713,474
Interest	229,411	85,538
Trust Distributions and Other Income	229,415	39,168
Foreign sourced dividends	621,286	220,559
	2,187,875	2,058,739

3. Issued Capital

(a) Paid-up Capital

	December 2007		June 2007	
	\$	No. of shares December 2007	\$	No. of shares December 2006
78,574,266 ordinary shares fully paid (2006: 56,766,200)	80,484,103		61,730,530	

(b) Movement in Ordinary Share Capital

	December 2007		June 2007	
	\$	No. of shares	\$	No. of shares
Balance at the beginning of the period	61,730,530	61,260,166	56,839,117	56,766,200
- 442,489 ordinary shares issued on 27 April 2007 under a dividend reinvestment plan			515,821	442,489
- 4,051,474 ordinary shares issued from the exercise of options with an exercise price of 1.08 per share			4,375,592	4,051,477
- 774,885 ordinary shares issued on 16 November 2007 under a dividend reinvestment plan	891,221	774,885		
- 16,539,215 ordinary shares issued from the exercise of options with an exercise price of 1.08 per share	17,862,352	16,539,215		
	80,484,103	78,574,266	61,730,530	61,260,166

4. Dividends paid or provided

Dividends paid on ordinary shares	4,667,961	2,809,885
Final	4,667,961	2,809,885

Dividend Rate	Total Amount \$	Date of Payment	% Franked
Dividends paid fully franked at 30% tax rate			
2006 Final dividend at 3.0 cents per ordinary share paid ans special dividend 2.0 cents	2,809,885	27/10/2006	100%
2007 Interim dividend at 4.0 cents per ordinary share paid	2,430,807	27/04/2007	100%
2007 Final dividend at 4.0 cents per ordinary share paid ans special dividend 2.0 cents	4,667,961	16/11/2007	100%

Subsequent Events

Since the end of the half year, the Directors have declared an interim dividend of 3.0 cents per share fully franked at 30% payable on 14 March 2008.

The interim dividend has not been brought to account in the financial statements for the half year ended 31 December 2007 but will be recognised in subsequent financial reports.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

5. Earnings per Share	Half-year ended December 2007	Half-year ended December 2006
Basis earnings per share (including Realised gains on investments)	4.5 Cents	15.9 Cents
Diluted earnings per share (including Realised gains on investments)	4.5 Cents	15.6 Cents
Weighted average number of ordinary shares used in the calculation of:		
Basic earnings per share:	68,339,758	54,389,220
Diluted earnings per share:	68,339,758	55,470,890

6. Events Subsequent to Balance Date

The final dividend as recommended by the directors will be paid subsequent to balance date and is not provided for in the financial statements for the half-year ended 31 December 2007 it will be recognised in the subsequent financial report.

Other than the matter discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the directors 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.

7. Segment Reporting

The Company is engaged in investment activities conducted in Australia and derives investment income from listed securities, short term interest bearing securities and cash holdings.

8. Contingent Liabilities

There has been no change in the contingent liabilities since the last annual reporting date.

**AUSTRALIAN LEADERS FUND LIMITED
(Formerly Known as Wilson Leaders Limited)**

A.B.N. 64 106 845 970

**DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

The Directors of Australian Leaders Fund Limited declare that:

1. The financial statements and notes, as set out on pages 3 to 10:

(a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and

(b) give a true and fair view of the financial position of the Company as at 31 December 2007 and of its performance for the half year ended on that date.

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.

This declaration is made in accordance with a resolution of the Board of Directors.



J.B. BRAITLING, Chairman

Dated at Sydney this 27 February 2008