

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

ANNUAL REPORT FROM INCORPORATION TO 30 JUNE 2004

COMPANY PARTICULARS

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

Wilson Leaders 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)
J. Braitling
M. Kidman
J. Abernethy
J. Gosse

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: WLS Ordinary shares
WLSO Options Expiring 17 June 2005

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2004 KEY POINTS

- Profit before tax was \$1.754m
- Profit after tax was \$1.580m
- Pre tax net tangible assets was 101.9c* a share as at 30 June 2004
- After tax net tangible assets was 101.6c* a share as at 30 June 2004
- Fully franked final dividend of 1.5c a share

* Diluted for options exercised and undiluted for options on issue.

CHAIRMAN'S LETTER

Wilson Leaders Limited (WLS) has achieved a sound start since listing on the Australian Stock Exchange on 10 February 2004. The company has progressively invested the funds raised in accordance with the investment process outlined in the prospectus. As at the 30 June 2004, 61% of the gross value of the fund was invested in companies in the S&P/ASX 100, 18% in smaller emerging growth companies outside the S&P/ASX 100, and the balance held in cash and liquid securities.

The gross value of the portfolio (before all expenses and taxes) has appreciated by 4.6% since listing; a pleasing result given the portfolio for the most part has been invested in cash and liquid securities through the reporting period. The pre-tax net tangible asset (NTA) backing moved from 97.9 cents a share on listing to 101.9 cents a share at year end.

A final fully franked dividend of 1.5 cents a share was declared for the period.

We are very pleased with the progress made to date in building a portfolio of companies that comply with what we are looking for: well managed companies with strong business fundamentals that are attractively priced. These companies typically have a history of superior returns through the economic cycle; management with a track record of creating value for shareholders and a capacity to grow.

For the most part, the portfolio comprises the best investment ideas we can identify in the S&P/ASX 100 group of companies. In addition, a portion of the fund is invested in the best smaller companies identified by the Wilson Asset Management (International) Pty Ltd team, who visited over 870 companies last year.

The board is focused on maximising returns to shareholders and this will from time to time involve active capital management. On the 13 May 2004 the board announced an on market share buy back of up to 10% of issued capital. The introduction of an on market share buy back will add value to the remaining shares on issue and increase NTA per share. The buyback was initiated at 90 cents per share, this is an 11.7% discount to the current pre-tax NTA. As at close of the market on 30 June 2004, 520,000 shares had been bought back.

Turning to the outlook, while we expect to see a slow down in certain segments of the economy, growth should be sustained by improving rural conditions and a stronger external sector. Election spending and benign monetary conditions should provide further support.

Valuations in the S&P/ASX 100 companies are generally not demanding. The key issue is whether corporate profits can continue to grow at reasonable levels given profit growth in certain industry segments has been above trend. This is most evident in financial services and for domestic cyclical companies that have benefited from robust credit growth in recent years. Excluding these industries corporate profits should continue to grow modestly and with valuations at reasonable levels, equities should continue to deliver positive returns.

We look forward to identifying many opportunities over the next year.

Geoff Wilson
Chairman
22 September 2004

COMPANY PROFILE

Wilson Leaders Limited (WLS) is an investment Company providing investors with access to a diversified investment portfolio and the management expertise of KWB Capital Pty Limited (KWB).

INVESTMENT OBJECTIVES

The 3 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 a secure income stream in the form of fully franked dividends to investors; and
- Preserve the capital of the Company.

The Manager seeks to achieve this by actively managing a concentrated portfolio of listed companies. When opportunities to invest in suitable Securities cannot be found the Manager will retain a significant cash position. If the Manager is able to identify Securities that are materially overvalued “short selling” these Securities may be undertaken.

INVESTMENT PHILOSOPHY

The Manager believes the best investment opportunities are found in well managed companies with strong business fundamentals that can be purchased below the Manager’s “appraised value”.

In assessing a potential investment, the Manager seeks the following attributes:

- a history of superior returns on the capital employed in the business through the economic cycle;
- management with a track record of creating and distributing value to shareholders; and
- businesses with a capacity to grow.

INVESTMENT STRATEGY

The Manager will implement a disciplined investment process capable of identifying leading Australian public companies that are undervalued by the market.

While the market is generally proficient at valuing companies, it is by no means perfect. From time to time mis-pricing of shares does occur providing opportunities to acquire good companies below their appraised value.

The Manager’s proposed investment process looks to identify these undervalued Securities by taking advantage of what the Manager believes are some important shortcomings of the share market:

- The share market is driven by short term results - investors have a short term focus while a business should be valued on its longer term potential;
- Investors are unduly influenced by sentiment - investors tend to overreact to good and bad news, sometimes pushing share prices away from their appraised value;
- Share prices reflect conventional thinking - the key to identifying mispricing is to question the conventional wisdom because it is often wrong; and
- Investment markets struggle with change - the likelihood of mispricing is greatest during periods of significant change as investors are slow to interpret the full consequences of these events.

INVESTMENT PROCESS

The Manager’s proposed investment process is a fundamentals-based, stock selection process built around sound investment ideas taken from the investment universe of companies in the ASX All Ordinaries Accumulation Index.

INVESTMENT PROCESS (CONTINUED)

Investment ideas come from monitoring economic and industry trends as well as extensive contact with company management and industry sources.

Once identified, investment opportunities are screened to ensure they are of an investment grade suitable for the Company.

Investment grade companies must:

- be well funded with an acceptable level of gearing;
- be sufficiently liquid with an acceptable free float;
- have reported an acceptable return on shareholders funds through the business cycle.

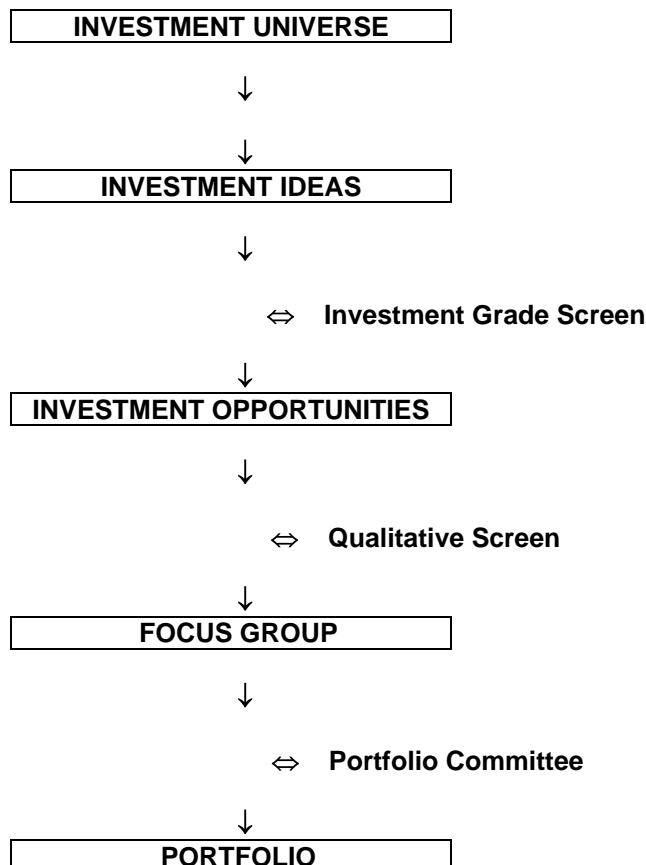
A full qualitative assessment of the proposed investment will then be completed to establish whether the business is of a suitable quality and attractively priced.

The Chief Investment Officer (CIO), Justin Braitling, will then consider investment proposals that pass the qualitative screen for a final investment decision.

The role of the Portfolio Committee is to provide a high level review of the composition of the investment portfolio on a weekly basis, having regard to market and sector trends and the risk profile of the Company. In addition, members of the Portfolio Committee will provide assistance to the CIO in selecting and assessing investments in Securities not included in the ASX 100.

This investment process is illustrated by the following diagram:

INVESTMENT PROCESS FLOW CHART



WILSON LEADERS LIMITED

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INVESTMENTS AT MARKET VALUE AS AT 30 JUNE 2004

	<u>Quantity</u>	<u>Market Value \$</u>		<u>Quantity</u>	<u>Market Value \$</u>
Energy			Retail		
Australia Worldwide Exploration Ltd	448,298	681,413	HomeLeisure Ltd	634,354	342,551
Woodside Petroleum Ltd	54,000	900,180	Signature Brands Ltd	450,000	180,000
		1,581,593			522,551
Materials			Food Beverage & Tobacco		
Amtcor Ltd	125,000	871,250	Fosters Group Ltd	90,000	424,800
Austral Coal Ltd	764,469	519,839			424,800
Pharmaceuticals & Biotechnology			Pharmaceuticals & Biotechnology		
BHP Billiton Ltd	180,000	2,255,400	Arrow Pharmaceuticals Ltd	60,000	468,600
Blina Diamond Company	17,500	5,250	CSL Ltd	27,000	602,100
James Hardie Industries	60,000	360,000	Cygenics Ltd	250,000	252,500
Kimberley Diamond Company	350,000	451,500			1,323,200
Minara Resources Ltd	161,750	380,113	Banks		
Onesteel Ltd	250,000	622,500	Bank of Queensland Ltd	68,000	658,920
Rio Tinto Ltd	43,650	1,569,218	NAB Ltd	75,000	2,238,000
Sons of Gwalia Ltd	106,800	294,768	St George Bank Ltd	50,000	1,101,000
WMC Resources Ltd	160,000	787,200	Westpac Banking Corporation	90,000	1,584,000
		8,117,038			5,581,920
Capital Goods			Diversified Financials		
Austin Engineering Ltd	360,500	104,545	Aberdeen Leaders Ltd	6,219,672	6,530,656
		104,545	Australian Stock Exchange	60,000	932,400
Commercial Services &			Insurance		
Penfold Buscombe Ltd	206,090	230,821	IIOF Holdings Ltd	16,993	81,566
		230,821	Record Investments Ltd	6,662	26,648
Media					7,571,270
APN News & Media Ltd	175,000	738,500	Telecommunication		
APN News & Media Ltd Conv.	105,370	479,434	Telstra Corporation Ltd	300,000	1,509,000
Infochoice Ltd	916,000	320,506			1,509,000
News Corp Ltd	125,000	1,585,000	Hotels, Restaurants &		
News Corp Ltd Prefs	50,000	587,500	Tabcorp Holdings Ltd	80,000	1,139,200
Photon Group Ltd	150,000	307,500			1,139,200
Southern Cross Broadcasting	45,000	531,000	Utilities		
		4,549,440	Alinta Ltd	100,000	607,000
Property Domestic			Australian Energy Ltd	258,592	240,491
Macquarie Goodman Industrial Trust	660,000	1,108,800			847,491
		1,108,800	TOTAL PORTFOLIO VALUE		
Software & Services					37,078,469
Reckon Ltd	440,000	484,000	Less Estimated Selling		
		484,000			(148,317)
Transportation			CARRYING VALUE		
Virgin Blue Holdings Ltd	230,000	462,300			36,930,152
		462,300			

WILSON LEADERS LIMITED

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CORPORATE GOVERNANCE STATEMENT FOR THE PERIOD ENDED 30 JUNE 2004

All the best practice recommendations of the Australian Stock Exchange Corporate Governance Council have been applied throughout the financial year, unless otherwise stated. These practices are dealt with under the following headings: Board of Directors and its Committees, 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 and its Committees

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

The Board is responsible for the overall Corporate Governance of the Company including the risk management, 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.

The Company formed an Audit Committee on 3 February 2004. The Audit Committee now consists of:

John Abernethy	Chairman
Justin Braithling	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.

Composition of the Board

The Board comprises the Chairman and four 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.

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 15 of the financial statements.

Justin Braithling of Wilson Leaders Limited is a Director of the investment management company, KWB Capital Pty Limited. Entities associated with Geoffrey Wilson, Justin Braithling and Matthew Kidman own 40%, 50% and 10%, respectively of KWB Capital Pty Ltd. 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 LEADERS LIMITED

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CORPORATE GOVERNANCE STATEMENT FOR THE PERIOD 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 Leaders 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 LEADERS LIMITED

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

The Directors present their report together with the financial report of Wilson Leaders Limited ("the Company") for the period ended 30 June 2004.

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 period or is likely in the future.

REVIEW OF OPERATIONS AND OPERATING RESULTS

During the period, the company issued 44,199,999 shares at \$1.00 per share following the issue of a Prospectus on 11 November 2003.

The Company commenced trading upon its official quotation on the Australian Stock Exchange on 10 February 2004, 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 June 2005.

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 2.1% 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 \$1,753,804 and operating profit after tax of \$1,580,255.

Investments are revalued continuously to market value. For the year ended 30 June 2004, investments were revalued upwards by \$863,217 after an adjustment for deferred tax on unrealised gains, a net increment of \$604,252 was transferred to an Unrealised Capital Profits Reserve.

Asset backing for each ordinary share at 30 June 2004 (calculated on market value less realisation costs and all applicable taxes and before provision for dividend) amounted to 101.6 cents per share. Asset backing after tax on realised gains but before tax on unrealised gains was 102.0 cents per share. The equivalent asset backing before tax was 101.9 cents per share. These figures are undiluted for options on issue.

DIVIDENDS

No dividends were paid during the financial period.

Since period end, the Directors have declared a fully franked final dividend of 1.5c, to be paid on 29 October 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 June 2005.

Subsequent to the issue of these options, 9,000 options were exercised to the period ended 30 June 2004, for a total consideration of \$9,000. At 30 June 2004, 44,190,999 options remain outstanding.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

SHARE BUY BACK

On 13 May 2004 the board of Wilson Leaders Limited announced an on market share buyback, equivalent to 4,420,900 shares or approximately 10% of issued capital. The buyback will be in place for a 12-month period, beginning from 27 May 2004.

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, 520,000 shares had been bought back, for a total consideration of \$468,515.

WILSON LEADERS LIMITED

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

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 29 October 2003

Geoffrey Wilson is the Chairman of WAM Capital Limited, Wilson Investment Fund 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

Justin B. Braittling – Non-Executive Director – Appointed 29 October 2003

Justin Braittling is the Chairman of the investment management company, KWB Capital Pty Limited. He has over 15 years experience in investing in Australian and international companies. Justin Braittling was an Investment Analyst and Portfolio Manager at Bankers Trust for 12 years from January 1991 to June 2002. He was a key member of the investment team at Bankers Trust that was consistently ranked in the top quartile of managers by InTech. In August 2003 Justin Braittling was engaged by the investment management company, Wilson Asset Management (International) Pty Limited, to manage larger company investments. Age 38

Matthew Kidman – Non-Executive Director – Appointed 29 October 2003

Matthew Kidman is a portfolio manager of Wilson Asset Management (International) Pty Ltd, and a Director of WAM Capital Ltd, Wilson Investment Fund Limited, JAM Development Capital Limited, and the investment management company MAM Pty Ltd. He has been instrumental in establishing Wilson Asset Management (International) Pty Ltd'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 has degrees in Economics and Law and a Graduate Diploma in Applied Finance. Age 35

John Abernethy – Non-Executive Director – Appointed 7 November 2003

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 Investment Fund 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 29 October 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 Investment Fund Limited, and JAM Development Capital Limited, and a Director of Clime Capital Limited. Age 54

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

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

DIRECTORS' RELEVANT INTERESTS

Director	Ordinary Share held at 30 June 2004	Options held at 30 June 2004
G.J. Wilson	2,950,489	1,000,489
J.B. Braitling	300,001	300,000
M.J. Kidman	40,000	40,000
J.J. Gosse	-	-
J.B. Abernethy	-	-

DIRECTORS' MEETINGS

Director	No. eligible to attend	Attended
G.J. Wilson	4	4
J.B. Braitling	4	4
M.J. Kidman	4	4
J.J. Gosse	4	3
J.B. Abernethy	4	4

AUDIT COMMITTEE

The Company formed an Audit Committee on 3 February 2004. The main responsibilities of the Audit Committee are set out in the Corporate Governance section of this Annual Report.

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.

Since the end of the previous financial period no Director 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 October 2004.

No other matters or circumstances have arisen since the end of the financial period 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 LEADERS LIMITED

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

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial period 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.



MR J. BRAITLING

Director

Dated at Sydney this 22nd day of September 2004

WILSON LEADERS LIMITED

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2004

	Notes	June 2004 \$
Proceeds from sale of investments		22,406,820
Cost of investments sold		(22,842,649)
Unrealised gain on investments		863,217
Other revenue from ordinary activities	2	1,598,950
Management fee		(184,999)
Directors fees		(28,879)
Other expenses from ordinary activities		<u>(58,657)</u>
Profit from ordinary activities before related income tax expense		1,753,804
Income tax expense relating to ordinary activities	3(a)	<u>173,549</u>
Profit from ordinary activities after related income tax expense		1,580,255
Changes in Equity other than those Resulting from Transactions with Owners as Owners		
Amount transferred to unrealised capital profits reserve	10	<u>604,252</u>
Total Changes in Equity other than those Resulting from Transactions with Owners as Owners	11	976,003
Basic earnings per share (cents)	13	6.1
Diluted earnings per share (cents)	13	6.1

The accompanying notes form part of these financial statements.

WILSON LEADERS LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Notes	June 2004 \$
ASSETS		
Cash assets	12(a)	9,325,889
Receivables	6	700,972
Prepayments		20,462
Investments	7	36,930,152
Tax assets	3(b)	<u>160,933</u>
TOTAL ASSETS		<u>47,138,408</u>
LIABILITIES		
Payables	8	2,565,491
Deferred tax liabilities	3(c)	<u>175,349</u>
TOTAL LIABILITIES		<u>2,740,840</u>
NET ASSETS		<u>44,397,568</u>
EQUITY		
Contributed equity	9	42,817,313
Reserve	10	604,252
Retained profits	11	<u>976,003</u>
TOTAL EQUITY		<u>44,397,568</u>

The accompanying notes form part of these financial statements.

WILSON LEADERS LIMITED

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STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2004

	Notes	June 2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received		664,420
Interest received		667,834
Other investment income received		38,146
Investment management fees		(144,007)
Payments for administration expenses		<u>(181,083)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	12(b)	<u>1,045,310</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments		21,934,398
Payments for purchase of investments		(56,501,401)
Income tax paid	3(b)	<u>(53,537)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(34,620,540)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from initial public offering		44,199,999
Share issue transaction costs		(899,732)
Proceeds from options exercised		9,000
Payments for shares bought back		<u>(408,149)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>42,901,118</u>
NET INCREASE IN CASH HELD		9,325,888
CASH ON INCORPORATION		<u>1</u>
CASH AT 30 JUNE 2004	12(a)	<u><u>9,325,889</u></u>

The accompanying notes form part of these financial statements.

WILSON LEADERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 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, during the period. The Directors revalue investments on a monthly 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 in the preparation of the financial report.

(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 changes 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 and adopting a liquidity method of classifying listed investments.

iii) Unrealised Gains and Losses

Unrealised gains and losses are included in operating profit for the year and are transferred to the unrealised capital profits reserve, net of the potential tax charges that may arise from the future sale of the investments.

iv) Investment income

Dividend and trust distribution income is 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 LEADERS LIMITED

A.B.N. 64 106 845 970

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 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) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received.

(e) 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.

(f) Comparative Figures

The financial statements for the Company cover the period from incorporation, being 29 October 2003, to 30 June 2004. As such, comparative information for 30 June 2003 has not been included.

(g) 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 \$
2. OTHER REVENUE FROM ORDINARY ACTIVITIES	
Dividends received	860,530
Interest received	700,274
Underwriting fees received	38,146
	<u><u>1,598,950</u></u>

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

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

June
2004
\$

3. TAXATION

(a) Income Tax Expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax accounts as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30%	526,141
Gross-up of franking credits	146,976
Permanent differences	48,150
Excess imputation credits carried forward	(489,919)
Timing differences	(57,799)
	<u>173,549</u>

Total income tax expense results in a:

Movement in Deferred Income Tax Provision	175,349
Movement in Future Income Tax Provision	(1,800)
	<u>173,549</u>

(b) Current Tax Assets

Estimated expense at expected future income tax rate of 30% on expense provisions currently not deductible	1,800
Income tax paid on investing activities - to be refunded	53,537
Goods and Services Tax receivable	105,596
	<u>160,933</u>

(c) Provision for Deferred Income Tax

Provision for deferred income tax comprises the estimated expense at the future income tax rate of 30%.

175,349

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

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

4. DIVIDENDS

(a) Ordinary dividends recognised in the current period

No dividends were paid or have been provided for, for the period ended 30 June 2004.

(b) Dividends not recognised at period end

Since the end of the period, 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	655,335	29 Oct 2004	30%	100%

The final dividend has not been brought to account in the financial statements for the period 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 \$
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.	489,019

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 \$175,349.

	June 2004 \$
--	-----------------------------

5. AUDITORS REMUNERATION

Remuneration of the auditor of the Company for:

Auditing or reviewing the financial report	6,000
Other services provided by a related practice of the auditor: Independent Accounts Report	<u>5,125</u>
	<u>11,125</u>

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.

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

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

	June 2004 \$
6. RECEIVABLES	
Trade debtors*	472,422
Income receivable	228,550
	<u>700,972</u>

* Trade debtors relate to outstanding settlements, and are on the terms operating in the securities industry. These require the settlement within three (3) days of the date of a transaction.

7. INVESTMENTS

Listed Investment Portfolio - at Market Value	<u>36,930,152</u>
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The market values of individual investments are disclosed on page 4 of this report.

8. PAYABLES

Trade creditors**	2,408,183
Sundry creditors	157,308
	<u>2,565,491</u>

** Trade creditors relate to outstanding settlements, and are on the terms operating in the securities industry. These require settlement within three (3) days of the date of the transaction.

9. CONTRIBUTED EQUITY

(a) Issued and Paid-up Capital

43,689,000 ordinary shares fully paid	<u>42,817,313</u>
---------------------------------------	-------------------

(b) Movement in Ordinary Share Capital

At the beginning of the reporting period	-
- 1 ordinary share issued on incorporation on 29 October 2003	1
- 44,199,999 ordinary shares issued on 10 February 2004 under a prospectus	44,199,999
- 9,000 ordinary shares issued from the exercise of options issued 10 February 2004, with an exercise price of \$1.00 per share	9,000
- 520,000 ordinary shares bought back under an on-market buy back commencing 27 May 2004.	(468,515)
- Transaction costs arising on share issues	(923,172)
At reporting date	<u>42,817,313</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 LEADERS LIMITED

A.B.N. 64 106 845 970

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

9. CONTRIBUTED EQUITY (CONTINUED)

(c) Options

On 10 February 2004, the Company issued 44,199,999 ordinary shares, through the initial public offering, at \$1.00 each, together with a free-attaching option for each ordinary share issued in the initial public offer. The options are exercisable on or before 17 June 2005 at an exercise price of \$1.00.

Subsequent to the issue of these options 9,000 options were exercised to the period ended 30 June 2004, for a total consideration of \$9,000. At 30 June 2004 44,190,999 options remain outstanding.

June
2004
\$

10. RESERVES

Unrealised Capital Profits Reserve 604,252

This reserve is used to record movements and decrements on the revaluation of the investments, net of potential tax as described in accounting policy Note 1(a) (iii).

Movement in Unrealised Capital Profits Reserve

Opening balance	-
Revaluation of the investments	<u>604,252</u>
	<u><u>604,252</u></u>

11. RETAINED PROFITS

Retained profits at the beginning of the period	-
Total change in equity recognised in the Statement of Financial Performance	<u>976,003</u>
	<u><u>976,003</u></u>

12. CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash as at the end of the financial period 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	5,259,014
Fixed interest securities	<u>4,066,875</u>
	<u><u>9,325,889</u></u>

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

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

	June 2004 \$
12. CASH FLOW INFORMATION (CONTINUED)	
(b) Reconciliation of Operating Profit after Income Tax	
Operating profit after income tax	1,580,255
Add/(less) items classified as Investing/Financing Activities:	
Realised loss on sale of investments	435,829
Income tax benefit on sale of investments	53,537
Add/(less) non cash items:	
Unrealised profits on investments	(863,217)
Net cash provided by Operating Activities before changes in assets and liabilities:	
Increase in receivables	(228,550)
Increase in prepayments	(20,462)
Increase in tax assets	(160,933)
Increase in deferred tax liability	175,349
Increase in payables	73,502
Net cash provided by operating activities	<u>1,045,310</u>
 13. EARNINGS PER SHARE	
Net Profit after Tax used in the calculation of basic and dilutive earnings per share:	<u>1,580,255</u>
	No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and dilutive earnings per share	<u>26,006,536</u>

WILSON LEADERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 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	5.08%	9,325,889	-	9,325,889
Receivables		-	700,972	700,972
Investments		-	36,930,152	36,930,152
		<u>9,325,889</u>	<u>37,631,124</u>	<u>46,957,010</u>
Financial Liabilities				
Payables		<u>2,565,491</u>	-	<u>2,565,491</u>
		<u>2,565,491</u>	-	<u>2,565,491</u>

(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 period are:

G.J. Wilson	- Chairman
M.J. Kidman	- Non-Executive Director
J.B. Braitling	- 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 LEADERS LIMITED

A.B.N. 64 106 845 970

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 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 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 since the Company gained Official Listing on the Australian Stock Exchange on 10 February 2004 until 30 June 2004:

Directors	Position	Salary and Fees \$	Post-employment Superannuation \$	Total \$
G.J. Wilson	Chairman	3,680	331	4,011
M.J. Kidman	Non-Executive Director	3,680	331	4,011
J.B. Braithling	Non-Executive Director	3,680	331	4,011
J. B. Abernethy	Non-Executive Director	8,824	-	8,824
J. J. Gosse	Non-Executive Director	7,360	662	8,021
		27,224	1,655	28,879

(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	-	2,950,489	-	2,950,489
M.J. Kidman	Non-Executive Director	-	40,000	-	40,000
J.B. Braithling	Non-Executive Director	-	300,001	-	300,001
J. B. Abernethy	Non-Executive Director	-	-	-	-
J. J. Gosse	Non-Executive Director	-	-	-	-
		-	1,340,490	-	1,340,490

Directors Options held

Directors	Position	Balance at 30 June 2003	Acquisitions	Disposals	Balance at 30 June 2004
G.J. Wilson	Chairman	-	1,000,489	-	1,000,489
M.J. Kidman	Non-Executive Director	-	40,000	-	40,000
J.B. Braithling	Non-Executive Director	-	300,000	-	300,000
J. B. Abernethy	Non-Executive Director	-	-	-	-
J.J. Gosse	Non-Executive Director	-	-	-	-
		-	1,340,489	-	1,340,489

WILSON LEADERS LIMITED

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

15. DIRECTORS AND EXECUTIVES DISCLOSURES (CONTINUED)

(c) Equity Instrument Disclosures Relating to Directors (continued)

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 of the financial period been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

June
2004
\$

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.

28,879

(b) Directors and Director-Related Entities

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

Geoffrey Wilson and Justin Braitling are directors of KWB Capital Pty Limited the entity appointed to manage the investment portfolio of Wilson Leaders Limited. Entities associated with Geoffrey Wilson, Justin Braitling, and Matthew Kidman own 40%, 50%, and 10%, respectively, of KWB Capital Pty Limited. In its capacity as manager, KWB Capital Pty Limited was paid a management fee of 1% of gross assets per annum, of \$182,291. As at 30 June 2004, the balance payable to the manager was \$40,993.

In addition, KWB Capital 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 KWB Capital Pty Limited.

These amounts are in addition to the above Directors remuneration, as detailed in Note 15(b).

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.

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

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

18. INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in securities during the financial period was 282. Each contract note would involve multiple transactions. The total brokerage paid on these contract notes was \$256,426.

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 LEADERS LIMITED

A.B.N. 64 106 845 970

DIRECTORS' DECLARATION

The Directors of Wilson Leaders Limited declare that:

1. The financial statements and notes, as set out on pages 11 to 24, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards 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 for the period 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.



J.B. BRAITLING
Director

Dated at Sydney this 22nd day of September 2004

**INDEPENDENT AUDIT REPORT
TO MEMBERS OF
WILSON LEADERS 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 Leaders Limited, for the period 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 judgment, 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 and the consolidated entity'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 Leaders Limited is in accordance with:

- a. the Corporations Act 2001, including:
 - i. giving a true and fair view of Wilson Leaders Limited's financial position as at 30 June 2004 and of their performance for the period 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: 22nd day of September 2004

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

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 Leaders 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	No. of shares	% of total
Mr Geoffrey Wilson and related entity	2,950,489	6.86

Distribution of shareholders (as at 31 August 2004)

Category	No. of shareholders	
	Ordinary Shares	Options
1 – 1,000	20	1
1,001 – 5,000	1,077	1,108
5,001 – 10,000	596	502
10,001 – 100,000	706	567
100,001 and over	36	60
	<hr/> 2,435	<hr/> 2,238

Number of ordinary holders holding less than a marketable parcel	7	-
--	---	---

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

Name	Number of ordinary shares held	Percentage of issued capital held
Mr Geoffrey Wilson	2,750,489	6.39
Mr Ron Martin-Weber	1,500,000	3.49
Ms Thelma Joan Martin-Weber	1,000,000	2.32
Tower Trust Limited	972,500	2.26
UBS Private Clients Australia Nominees Pty Limited	790,000	1.84
Mr Victor John Plummer	600,000	1.40
Halcyon Pty Limited	565,000	1.31
Ms Fay Cleo Martin-Weber	500,000	1.16
RBC Global Services Australia Nominees Pty Limited	430,000	1.00
Mr Justin Boyd Braitling	300,001	0.70
Dr Patricia Percival	300,000	0.70
VBS Investments Pty Limited	300,000	0.70
Arredo Pty Limited	250,000	0.58
Oakwork Pty Limited	250,000	0.58
Biloclan Pty Limited	250,000	0.58
Trophy Components Distributors Pty Limited	250,000	0.58
Dynasty Peak Pty Limited	200,000	0.47
Mrs Rosemary Ann Hecht	200,000	0.47
Rational Research Investments Pty Limited	200,000	0.47
Mr Nigel Selby Tulloch & Mrs Bonney Sau Ying Tulloch	200,000	0.47
Bond Street Custodians Limited	200,000	0.47
GWCB Superannuation Pty Limited	200,000	0.47
Rustica Pty Limited	200,000	0.47
Willjo Pty Limited	200,000	0.47
Maxgen Pty Limited	200,000	0.47
	<hr/> 12,807,990	<hr/> 29.82

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970

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
Mr Ron Martin-Weber	1,500,000	3.39
Tower Trust Limited	1,013,500	2.29
Mr Geoffrey Wilson	1,000,489	2.26
Ms Thelma Joan Martin-Weber	1,000,000	2.26
Fortis Clearing Nominees Pty Limited	840,000	1.90
Mr Geoffrey John Lauff & Mrs Susan Gay Lauff	688,500	1.56
UBS Private Clients Australia Nominees Pty Limited	640,000	1.45
Mrs Catherine Anne Richards	597,000	1.35
Mr Justin Alan Wallace	550,000	1.25
Biloclan Pty Limited	500,000	1.13
Ms Fay Cleo Martin-Weber	500,000	1.13
Halcyon Pty Limited	422,000	0.96
Dr Roger Owen Gurr	400,000	0.91
ANZ Nominees Limited	350,000	0.79
Ms Susan Joye Stewart	350,000	0.79
Mr Henrik Christiansen	325,000	0.74
Ottana Holdings Pty Limited	320,000	0.72
Mr Justin Boyd Braitling	300,000	0.68
Mrs Asha Gita Venugopalan	270,000	0.61
NGC Superannuation Pty Limited	250,000	0.57
Arredo Pty Limited	250,000	0.57
Oakwork Pty Limited	250,000	0.57
Brian Lovell Nominees Pty Limited	250,000	0.57
Trophy Components Distributors Pty Limited	250,000	0.57
Mr David William Adler	250,000	0.57
	13,066,489	29.59

On-market buy back

On 13 May 2004 the board of Wilson Leaders Limited announced an on market share buyback, equivalent to 4,420,900 shares or approximately 10% of issued capital. The buyback will be in place for a 12-month period, beginning from 27 May 2004.

As at close of the market on 30 June 2004, 520,000 shares had been bought back, for a total consideration of \$468,515.

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.