



Wilson Investments Taurine Fund Limited

ABN 99 080 135 913

Registered in Queensland on 23 September 1997

**Board of Directors**

Steven Monteith Wilson  
*Chairman*

Emmanuel ('Manny') C Pohl  
*Managing Director*

George ('Deon') G  
Huysamer  
*Non-Executive Director*

Russell Bruce McCrory  
*Non-Executive Director*

Ignazia ('Grace') Grace  
*Non-Executive Director*

Henry Robert Smerdon  
*Non-Executive Director*

**Secretary**

Ian William Harrison

**Manager**

Hyperion Asset  
Management Limited  
(formerly WHTM Asset  
Management Limited)  
ABN 80 080 135 897  
Level 21

Riverside Centre  
123 Eagle Street  
Brisbane Qld 4000  
Tel: (07) 3212 1318  
Fax: (07) 3212 1060

**Solicitors**

McCullough Robertson  
Solicitors  
Level 12 Central Plaza Two  
66 Eagle Street  
Brisbane Qld 4000  
Tel: (07) 3233 8888  
Fax: (07) 3229 9949

**Auditors**

BDO Kendalls  
Chartered Accountants  
Level 18 300 Queen Street  
Brisbane Qld 4000  
Tel: (07) 3237 5999  
Fax: (07) 3221 9227

**Share Registry**

Computershare Investor  
Services Pty Ltd  
Level 27 Central Plaza One  
345 Queen Street  
Brisbane Qld 4000  
Tel: (07) 3237 2100  
Fax: (07) 3212 9860

**Registered Office**

Level 21  
Riverside Centre  
123 Eagle Street  
Brisbane Qld 4000  
GPO Box 240  
Brisbane Qld 4001  
Tel: (07) 3212 1318  
Fax: (07) 3212 1060

**Website**

[www.witfund.com.au](http://www.witfund.com.au)

Wilson Investments  
Taurine Fund Limited

# interim financial report

For the Half-Year  
ended 31 December  
**2004**



Wilson Investments Taurine Fund Limited

ABN 99 080 135 913

# Table of Contents

1

Highlights

2

Directors' Report

4

Auditor's Independence Declaration

5

Condensed Statement of Financial Performance for the half-year ended 31 December 2004

6

Condensed Statement of Financial Position as at 31 December 2004

7

Condensed Statement of Cash Flows for the half-year ended 31 December 2004

8

Notes to the Condensed Financial Statements for the half-year ended 31 December 2004

11

Directors' Declaration

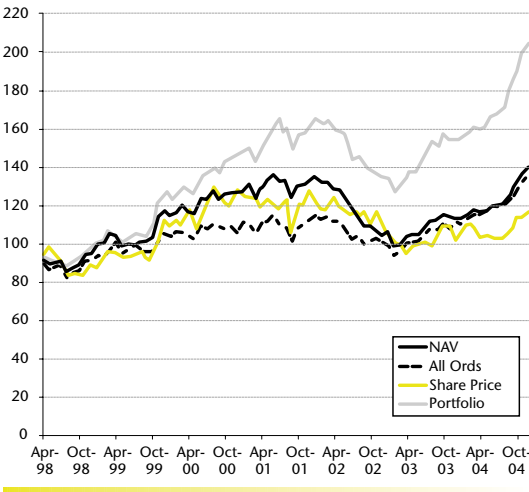
12

Independent Review Report to the members

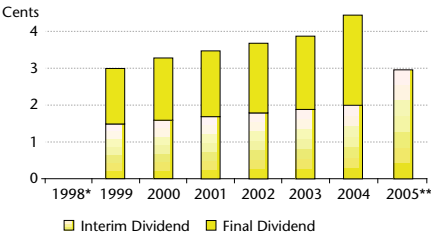
This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2004 and any public announcements made by Wilson Investments Taurine Fund Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

# Highlights

## Performance History (from April 1998)



## Dividends Per Share



\* From commencement on 10 March 1998 to 30 June 1998  
\*\* 2005 Interim Dividend only

**Wilson Investment Taurine Fund Limited**  
**Board of Directors (From left to right)**  
Deon Huysamer, Russell McCrory, Dr Manny Pohl, Grace Grace, Steven Wilson and Henry Smerdon.

Wilson Investments Taurine Fund Limited ABN 99 080 135 913  
Registered in Queensland 23 September 1997



# Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2004.

## Directors

The following persons were directors of Wilson Investments Taurine Fund Limited since 30 June 2004 and up to the date of this report:

Mr Steven M Wilson	Ms Ignazia Grace
Dr Emmanuel C Pohl	Mr George G Huysamer
Mr Russell B McCrory	Mr Henry R Smerdon

## Review of Operations

The investment climate over the past six months has been very positive. World equity markets in general have performed well during the first half of this financial year with the MSCI (as measured in US dollar terms) increasing by 10.1%. In Australian dollar terms the MSCI was down by 1.5% over the same six month period reflecting the strength of the Australian dollar. The US market did not perform as well as the other major markets with the S&P 500 increasing in US\$ by only 6.2% for the first six months of the financial year to the end of December 2004. This lift in world equity prices reflected both earnings growth and expansion of price earnings ratios but not to the same level as seen in 2003. In 2003, the MSCI (as measured in US dollar terms) increased 19.0% over the six month period to the end of December.

The portfolio investment return of 22.6% for the six months to the end of December 2004 exceeded the All Ordinaries Index increase of 14.8%. The after-tax NAV of the portfolio, which increased by 19.2% for the six months, also exceeded the market over the six month period.

As a result of the sound investment performance and continued growth in the dividend receipts from the companies in which we invest, the directors of Wilson Investments Taurine Fund Limited have pleasure in announcing an interim dividend of 3.0 cents per share fully franked (2004 Interim: 2.0 cents per share fully franked). The 3.0 cent interim dividend will be paid on 18 March 2005, with the books closing on 4 March 2005.

## Significant Changes in State of Affairs

The following significant changes to the investments were made during the period:

- The purchase of 50,000 BHP Billiton
- The purchase of 25,000 Babcock and Brown
- The purchase of 30,000 Blackmores
- The purchase of 70,507 Great Southern Plantations
- The purchase of 100,000 JB Hi-Fi
- The sale of 12,981 Cochlear
- The sale of 90,000 Telstra
- The sale of 75,000 Excel Coal and
- The sale of 180,000 Macquarie Goodman Management

## Dividend Declared

A fully franked interim dividend of 3.0 cents per share in respect to the half-year ended 31 December 2004 was announced on 9 February 2005.

A final dividend of 2.5 cents per share was declared in August 2004 in respect to the year ended 30 June 2004 and paid in September 2004.

Interim Dividend Amount	3.0 cents per share
Ex-dividend Date	28 February 2005
Books Close Date	4 March 2005
Payment Date	18 March 2005

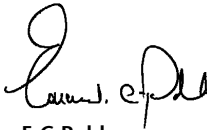
## Rounding of Accounts

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

## Auditor's Independence Declaration

The auditor's independence declaration is set out on page 4 and forms part of the directors' report for the half-year.

This report is made in accordance with a resolution of the Directors:



E C Pohl  
Director

BRISBANE 25 February 2005

17 February 2005

Mr Steven Wilson

Chairman  
Wilson Investments Taurine Fund Limited  
Level 21  
123 Eagle Street  
BRISBANE QLD 4000

Dear Steven

#### AUDITOR'S INDEPENDENCE DECLARATION

In relation to our review of the Interim Financial Report of Wilson Investments Taurine Fund Limited for the half-year ended 31 December 2004, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Yours sincerely

BDO Kendalls



T J Kendall  
Partner

BRISBANE 25 February 2005

## Condensed Statement of Financial Performance

For the half-year ended 31 December 2004

	Note	31 Dec 2004 \$'000	31 Dec 2003 \$'000
Revenue from ordinary activities		437	352
Cost of trading securities sold		–	–
Cost of long-term investment securities sold		–	–
Management Fees		(494)	(201)
Other expenses from ordinary activities		(111)	(86)
Profit/(Loss) from ordinary activities before income tax		(168)	65
Income tax expense/(benefit) relating to ordinary activities	4	(176)	(80)
Net profit from ordinary activities after income tax expense		8	145
Net increase (decrease) in Asset Realisation Reserve		105	93
Net increase (decrease) in Asset Revaluation Reserve		2,823	1,043
Total changes in equity other than those resulting from transactions with owners as owners		2,936	1,281
		Cents	Cents
Basic and diluted earnings per share based on net profit		0.06	1.08

The above Condensed Statement of Financial Performance should be read in conjunction with the accompanying notes.

# Condensed Statement of Financial Position

As at 31 December 2004

		31 Dec 2004 \$'000	30 June 2004 \$'000
<b>Assets</b>			
Cash Assets		940	754
Receivables		1	–
Other Assets		15	21
Other Financial Assets		19,458	16,103
Deferred Tax Assets	4	12	6
<b>Total Assets</b>		<b>20,426</b>	<b>16,884</b>
<b>Liabilities</b>			
Payables		535	75
Current Tax Liabilities	4	2	10
<b>Total Liabilities</b>		<b>537</b>	<b>85</b>
<b>Net Assets</b>		<b>19,889</b>	<b>16,799</b>
<b>Equity</b>			
Contributed Equity	6	14,899	14,746
Reserves		5,011	2,804
Retained profits		(21)	(31)
<b>Total Equity</b>		<b>19,889</b>	<b>16,799</b>
Net Tangible Assets per share (tax on realised gains only)		\$1.43	\$1.225
Net Tangible Assets per share (tax on realised and unrealised gains)		\$1.33	\$1.18

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

# Condensed Statement of Cash Flows

For the half-year ended 31 December 2004

	31 Dec 2004 \$'000	31 Dec 2003 \$'000
<b>Net cash flows provided by/(used in) operating activities</b>		
Income Tax paid	(4)	(1)
Interest received	16	4
Dividends received	471	527
Other receipts	–	1
Other payments	(140)	(190)
<b>Net cash flows provided by operating activities</b>	<b>343</b>	<b>341</b>
<b>Net cash flows provided by/(used in) investing activities</b>		
Payments for Bank Bills	–	(110)
Proceeds from sales of investment securities	2,372	2,073
Payments for investment securities	(2,339)	(2,181)
<b>Net cash flows used in long-term investing activities</b>	<b>33</b>	<b>(218)</b>
<b>Net cash flows provided by/(used in) financing activities</b>		
Dividend paid on ordinary shares	(190)	(156)
Proceeds from share issues	–	136
<b>Net cash flows used in financing activities</b>	<b>(190)</b>	<b>(20)</b>
<b>Net increase/(decrease) in cash held</b>	<b>186</b>	<b>103</b>
Cash at beginning of the financial period	754	415
<b>Cash at the end of the financial period</b>	<b>940</b>	<b>518</b>

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to the Condensed Financial Statements

For the half-year ended 31 December 2004

## NOTE 1 Basis of Preparation of Half-Year Financial Report

This general purpose financial report for the interim half-yearly reporting period ended 31 December 2004 has been prepared in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements, (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2004 and any public announcements made by Wilson Investments Taurine Fund Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

## NOTE 2 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets to report.

## NOTE 3 Events Occurring after Reporting Date

The directors are not aware of any matter or circumstance which has risen since balance date that has significantly or may significantly affect the operations of the company.

## NOTE 4 Income Tax

The company adopts the liabilities method of tax effect accounting. The circumstances in calculating the tax liability for the half-year may change during the half-year to 30 June 2005.

# Notes to the Condensed Financial Statements

For the half-year ended 31 December 2003

## NOTE 5 Dividends

	31 Dec 2004 \$'000	31 Dec 2003 \$'000
Dividends Provided for or paid during the half-year		
– final dividend of 2.5 cents per share paid September 2004	343	
– final dividend of 2.0 cents per share paid September 2003		267

## NOTE 6 Movements in Contributed Equity

	31 Dec 2004 \$'000	31 Dec 2003 \$'000
Dividends satisfied by the issue of ordinary shares under the Dividend Reinvestment Plan	153	111
Issue of shares in accordance with the Share Purchase Plan	–	135
	153	246

## NOTE 7 Segment Information

### Business Segment

The entity operates in the investment industry. It's core business focuses on investing in Australian equities to achieve medium to long-term capital growth and income.

The fund operates solely in one geographical segment being Australia, investing primarily in Australian equities.

## NOTE 8. Impact of Adopting International Financial Reporting Standards

The Australian Accounting Standards Board (AASB) is adopting Australian Equivalents to International Financial Reporting

Standards (AEIFRS) for application to reporting periods beginning on or after 1 January 2005. The adoption of AEIFRS 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 will oversee the transition process and report to the audit committee.

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

The significant accounting policies affected by AEIFRS are:

#### **Financial Assets**

Currently movements in traded investments are accounted for by charging income and expense to the Statement of Financial Performance. With respect to non-traded investments, unrealised gains and realised gains are recognised directly as an increase in the asset revaluation reserve and asset realisation reserve respectively, unless they reverse a prior unrealised loss, in which case they are reversed against the expense in the Statement of Financial Performance. For unrealised losses and realised losses, these are recognised as an expense in the Statement of Financial Performance, unless they reverse a prior unrealised gain, in which case they are reversed against the asset revaluation reserve in the Statement of Financial Position.

Under the new accounting standards, movements in both traded investments and non-traded investments designated at inception at fair value will be recognised as income and expense in the Income Statement.

#### **Taxation**

A "balance sheet" approach will be adopted under Australian equivalents to IFRSs, replacing the "statement of financial performance" approach currently used by Australian companies. The "balance sheet" method recognises deferred tax balances when there is a difference between the carrying value of an asset or liability, and its tax base. Any initial adjustments to calculate deferred tax assets and liability balances on transition using the new basis will be made through opening balances of retained earnings at 1 July 2004. Deferred tax asset and liability balances at 1 July 2004 can only be calculated once all other opening balance sheet amounts have been finalised at that date.

#### **First Time**

Any adjustments required as a result of first time adoption will be recognised directly in retained earnings.

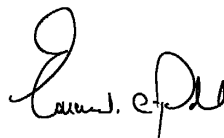
## Directors' Declaration

The directors declare that the interim financial statements and notes set out on pages 5 to 10:

- (a) comply with Accounting Standard AASB 1029 Interim Financial Reporting; the Corporations Regulations and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's financial position as at 31 December 2004 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Wilson Investments Taurine Fund Limited 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 directors.



**E C Pohl**  
Director

**BRISBANE 25 February 2005**



# Independent Review Report

To the Members of  
Wilson Investments Taurine Fund Limited

## Scope

We have reviewed the Interim Financial Report of Wilson Investments Taurine Fund Limited for the half-year ended 31 December 2004. The Interim Financial Report includes the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, accompanying notes and Directors' Declaration. The Directors are responsible for the Interim Financial Report. We have performed an independent review of the Interim 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 Interim Financial Report is not presented fairly in accordance with Australian Accounting Standard AASB1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, 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 Interim Financial Report with the Australian Securities and Investment Commission and Australian Stock Exchange.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of personnel from the responsible entity managing the company 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, we do not express an audit opinion.

## Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration stating this.

## 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 Interim Financial Report of Wilson Investments Taurine 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 2004 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB1029: Interim Financial Reporting and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements in Australia.



**BDO KENDALLS**  
Chartered Accountants



**T J KENDALL**  
Partner

**BRISBANE 25 February 2005.**