

GLOBAL MASTERS FUND LIMITED

ACN 109 047 618

**ANNUAL FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2010**

CONTENTS

	Page
Chairman's Letter	1
Directors' Report.....	2
Auditor's Independence Declaration.....	6
Corporate Governance Statement.....	7
Financial Report for the year ended 30 June 2010.....	
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements.....	16
Directors' Declaration	27
Independent Audit Report.....	28
ASX Additional Information.....	30
Corporate Information.....	33

Global Masters Fund Limited

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Dear Shareholder

On behalf of the Board, thank you for your continuing support in Global Masters Fund Limited.

Although financial markets around the world fell significantly in 2009 as a result of the global financial crisis (GFC) the major underlying investment of the Company – the value of the shareholding in Berkshire Hathaway recovered strongly in the year to 30 June 2010 with the A class shares rising in value from US\$90,490 to US\$120,000. An increase of around 33.3% for the year. Whilst still trading at a discount to net asset value (NAV), it is pleasing to note that for the past 12 months Global Masters Fund Limited has out performed the All Ordinaries Index.

One of the highlights of the year was the decision to take a position in the Athelney Trust PLC, a UK listed investment Company that concentrates on investing in smaller listed companies in the UK with a concentration on dividends and cash flow as well as growth. Athelney was selected as a result of the Board of Global Masters researching investment opportunities in order to diversify Global Masters' holdings. The recent strength of the Australian dollar vis à vis the UK pound increases the attractiveness of Athelney's shares and helped with the timing of the transaction. This purchase makes Global Masters Fund a truly global investment.

At 30 June 2010 87% of Global Masters' holding remains with Berkshire Hathaway Inc (BRK). In May (BRK) released its first quarter results posting profits of US\$3.63 billion (A\$4.12 billion), compared to last year's net loss of US\$1.5 billion (A\$1.7 billion) during the same quarter.

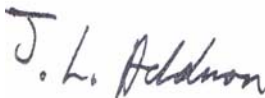
Operating earnings increased by 30 per cent over the quarter to US\$2.2 billion thanks to some improvement in the US economy during March and April but also by a large gain in investments and derivatives, which posted a US\$1.4 billion, rise this year, up from a US\$3.2 billion loss last year.

BRK's investment in rail company Burlington Northern Santa Fe is already paying dividends and helping BRK diversify beyond its dependency on insurance and mortgage-related businesses.

The utility and energy divisions of the company and the manufacturing, service, also recorded positive results and retail businesses surged by 85 percent.

Over the longer term, your Board remains confident that your investment in Global Masters Fund Limited will perform well. Investors should however be aware that this is a volatile investment, and the net asset value is dependent on the rise and fall of the underlying assets plus the fluctuations in the value of the Australian dollar. Your Board retains its confidence in Berkshire Hathaway's ability to manage money on our behalf; we are also confident that the other investments will enhance the asset over time. BRK will remain the backbone of the portfolio.

Yours sincerely,



Jonathan L Addison
Chairman

DIRECTORS' REPORT

The Directors present their report together with the financial report of Global Masters Fund Limited for the year ended 30 June 2010 and Independent Audit Report thereon. The financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards (A-IFRS).

Directors

The Directors of the Company during or since the end of the financial year to the date of this report are:

Name	Date of Appointment
Jonathan Lancelot Addison	19 April 2005
Emmanuel Clive Pohl	19 April 2005
Patrick Corrigan	29 November 2006

Details of the Directors in office during the year:

Name And Qualification	Experience and Special Responsibilities
Jonathan Lancelot Addison B Ec, ASIS, CFTP (Snr), MAICD	Non-executive Chairman Over 30 years experience in the investment management industry. Investment Manager and former CEO of the Meat Industry Employees Superannuation Fund. Previous experience includes Director and Asset Consultant with the Corporate Finance Section of PricewaterhouseCoopers and Manager at Sedgwick Noble Lowndes. Member of Audit Committee <u>Other current directorships</u> Director of Phosphagenics Limited African Enterprise Australia Ltd Hawkesbridge Private Equity Ltd Austcorp Funds Management Ltd TPCG Ltd Athelney Trust PLC (appointed 28 June 2010)
Emmanuel Clive Pohl Pr Eng. BSc (Eng), MBA, DBA, FAICD, MSDIA, SAFin	Non-executive Director 24 years experience in the investment industry. Has served on the Board of a number of major corporations in both South Africa and Australia. He was a member of the 1991 South African delegation to the Annual Meeting of the Board of Governors of the World Bank and the International Monetary Fund and was a member of the South African Accounting Practices Board. He is Managing Director of Hyperion Flagship Investments Limited, Hyperion Holdings Limited and Hyperion Asset Management Limited. Member of Audit Committee Directorships in the last 3 years <u>Other current directorships</u> Managing Director of Hyperion Asset Management Limited (appointed 1997) Managing Director of Hyperion Flagship Investments Limited (appointed 1997) Managing Director of Hyperion Holdings Limited (appointed 2004) Director of Huysamer International Holdings (Pty) Ltd (appointed 2002) Athelney Trust PLC (alternate director appointed 28 June 2010) <u>Former directorships</u> Alternate Director of The Great Barrier Reef Research Foundation from 2003 to 2004. Director of The Great Barrier Reef Research Foundation from 2004 to 2004 Non-executive director of Growth Equities Corporation Limited from 2003 to 2004 Board Member of La Boite Theatre Inc from 2002 to 2004 Non-executive director of Queensland Gas Company Ltd from 2004 to 2005 Managing Director of WHTM Capital Management Limited from 2002 to 2004

DIRECTORS' REPORT

Patrick Corrigan
AM

Non-executive Director

Chairman of an international freight forwarding company for numerous years. Experience in accounting, financial management and other commercial acumen including investments. One of Australia's leading contemporary art collectors. Member of the "Order of Australia". Recently awarded an honorary doctorate at Bond University.

Chairman of Audit Committee

Other current directorships

Chairman UBI Logistics (Australia) Pty Ltd

Chairman Gold Coast Regional Art Gallery

Director Gold Coast Art Centre

Director Hyperion Flagship Investments Limited

Directors' interests in securities of the Company are set out in Note 17 of the Notes to the Financial Statements.

Company Secretary

Mr Brian Jones (B.COM CA) was appointed company secretary on 1 March 2007. He has had many years of commercial and financial experience and has served as the company secretary and director of listed public companies in the past.

Directors' Meetings

The number of Board meetings and the number of meetings attended by each of the directors of the Company held during the time the directors held office during the year are:

Director	Meetings Held	Meetings Attended
Mr JL Addison	5	5
Dr EC Pohl	5	5
Mr P Corrigan	5	5

Note that in addition to the abovementioned board meetings, a circular resolution of directors was passed on 4 March 2010, approving the off-market buy back of shares.

Audit Committee Meetings

Audit Committee meetings take place before each directors meeting. The following are the number of Audit Committee meetings and the number of meetings attended by each member:

Director	Meetings Held	Meetings Attended
Mr JL Addison	4	4
Dr EC Pohl	4	4
Mr P Corrigan	4	4

The Audit Committee on 22 September 2010 resolved to recommend to the Board of Directors that the 2010 Financial Statements be adopted.

DIRECTORS' REPORT

Corporate Information

Corporate Structure

Global Masters Fund Limited is a company listed by shares that is incorporated and domiciled in Australia.

Principal Activity

The Company is an investment company seeking long term capital growth through principally investing in shares in Berkshire Hathaway Inc.

Review and Results of Operations

The Company made a loss after tax of \$169,046 (2009: Loss of \$115,248).

Dividends

No dividends have been declared or paid during or since the end of the financial period.

Financial Position

The net assets of the Company in dollar terms decreased during the year due to the buy back of shares. Berkshire Hathaway shares recovered by 30% during the 12 months ended 30 June 2010. The net asset value per share of the Company increased to \$1.06 at 30 June 2010.

Significant Changes in State of Affairs

The share capital of the Company decreased by \$3,521,410 due to shares bought back.

Future Developments, Prospects and Business Strategies

The company will maintain its exposure to global equity markets principally through investing the majority of its assets in Berkshire Hathaway shares together with a global bond fund or funds for yield and diversification. The Berkshire Hathaway investment will not be currency hedged as it is considered to provide currency diversification.

Environmental Legislation

The Company's operations are not subject to any environmental legislation under either Commonwealth or State Legislation.

Event Subsequent to the Reporting Date

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 a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Indemnification of Officers and Auditors

During the year, a Directors and Officers insurance policy was put in place indemnifying against any liability any person who is or has been an officer of the Company.

Proceedings of Behalf of the Company

The Company was not a party to any such proceedings during the year.

DIRECTORS' REPORT

Remuneration Report

Remuneration Policy

The full Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board.

Details of the nature and amount of each element of the emoluments of each director of the Company for the year ended 30 June 2010 are as follows:

Director	Base Fee \$	Total \$
Jon Addison	20,000	20,000
Emmanuel Pohl	12,500	12,500
Patrick Corrigan	12,500	12,500

Brian Jones, the Company Secretary, is paid fees through CalverJones, a Chartered Accountancy firm of which he is Principal.

Directors' Interest in Contracts

There are no Directors' interests in contracts other than as disclosed in this report.

Non-audit Services

No non-audit services were performed by the auditors during the year ended 30 June 2010.

Auditor's Independence Declaration

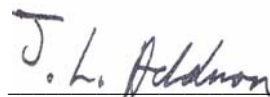
The Auditor's Independence Declaration as required by Section 307 of the Corporations Act 2001 is set out on page 6 and forms part of this Report for the year ended 30 June 2010.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors support the principles of corporate governance and have applied these principles where appropriate.

The Company's corporate governance statement is contained in the following section of this annual financial report.

Signed in accordance with a resolution of directors:



Jonathan L Addison
Chairman

Dated this 22nd September 2010.



Leslie Pines Pty Ltd

ABN 81 003 829 409

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and business adviser

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Liability limited by a Scheme, approved under the Professional Standards Legislation

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Global Masters Fund

In accordance with the requirement of Section 307 C of Corporations Act 2001, in relation to the independent audit for the year ended 30 June 2010, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the Corporations Act 2001.
- (ii) No contraventions of any applicable code of professional conduct.

Leslie Pines Pty Ltd

Leslie Pines
Principal

Dated at Sydney on 22nd September 2010.

CORPORATE GOVERNANCE STATEMENT

Core Business and Investment Strategy

The core business and investment strategy of the Company is to provide a vehicle for Australian investors seeking long term capital growth through principally investing in shares in Berkshire Hathaway Inc. The Company's policy is not to hedge the underlying currencies of its portfolio of investments.

Corporate Governance

The Directors support and are committed to the principles of best practice in corporate governance, applied in a manner that is suitable to the Company's particular circumstances.

The ultimate objective of the Company's core business and investment strategy is the achievement of long-term growth and profitability. The Company's corporate governance practices and procedures are directed to providing an appropriate framework for pursuit of that objective, while protecting the rights and interests of shareholders and ensuring that the Company is lawfully and ethically governed.

The Company has adopted the revised ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, second edition.

Set out below are the eight principles of good corporate governance and how the Board has sought to comply with the best practice recommendations for each. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX, due to the nature and scope of its activities, the reasons for any departures will be explained.

Principle 1: Lay solid foundations for Management and Oversight.

The first principle requires the Company to establish and disclose the respective roles and responsibilities of board and management.

Roles of the Board and Management

The Board is accountable to shareholders for the activities and performance of the Company and has overall responsibility for furtherance of the Company's core business and investment strategy together with its corporate governance. There is no split of functions between individual board members. All decisions are made collectively. There are no senior executives in the company as the company is not of a size to justify having senior executives. The key investment decisions and instructions of the company are made by the Board and advised to the company secretary for implementation.

Due to the nature and size of the business it has been deemed unnecessary to directly employ management personnel. The responsibility for the administrative and accounting functions of the company has been outsourced to the chartered accountancy firm of the company secretary. The performance and efficiency of these functions is reviewed by the Board on an annual basis. A formal engagement notice is in place setting out the terms and conditions of the appointment.

Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a director of the Company.

Education and induction

New directors undergo an induction process in which they are given a full briefing on the Company. In order to achieve continuing improvement in Board performance, all directors are encouraged to undergo continual professional development.

Independent professional advice

The Board collectively and each director has the right to seek independent professional advice at the Company's expense, up to predetermined limits, to assist them to carry out their responsibilities.

A copy of the Board Charter of the Company, is contained on the Company's website.

Principle 2: Structure the Board to add value.

The principle requires the Company to have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

Composition of the Board

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The current Board has three directors, all of whom are non-executive and two of whom are independent (Mr Jon Addison and Mr Pat Corrigan). The Chairman of the Board is Mr Jon Addison and is an independent director. The names of the directors and their qualifications and experience are stated on page 2 along with

CORPORATE GOVERNANCE STATEMENT

the term of office held by each of them. Directors are appointed based on their industry experience and commercial acumen as well as the specific governance skills required by the Company and the independence of their decision-making and judgment. The CEO function of the company is undertaken by the board and key investment decisions and instructions of the company are made by the Board and advised to the company secretary for implementation.

The Board's criterion for determining the independence of a Director is whether the Director is independent of management and free from any business or other relationship that could materially interfere with (or could reasonably be perceived to materially interfere with) the exercise of unfettered and independent judgement.

In considering independence, the Board distinguishes between a relationship that may occasionally give rise to a particular discrete conflict of interest that can be addressed by appropriate conflict of interest procedures, and a relationship that may more generally impair the Director's objectivity and conflict of mind.

The composition of the Board is reviewed on an ongoing basis to ensure that the Board has an appropriate balance of expertise and experience. When a vacancy arises or where the Board considers that it would benefit from the services and skills of a new director, the Board considers potential candidates with appropriate expertise and experience.

Nomination committee

The Company has not established a formal nomination committee as the principle recommends, as the Board considers that due to the scope and nature of the Company's activities, the whole Board should undertake this responsibility.

Criteria for selection of directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one director with experience in the Company's industry, appropriate to the Company's market. In addition, directors should have the relevant blend of personal experience in accounting and financial management and other commercial acumen.

Responsibilities of the Board

The principal function and responsibilities of the Board include the following:

- **Leadership of the Organisation:** overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- **Strategy Formulation:** setting and reviewing the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- **Overseeing Planning Activities:** overseeing the development of the Company's strategic plan and approving that plan as well as budgets.
- **Shareholder Liaison:** ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- **Monitoring, Compliance and Risk Management:** overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- **Company Finances:** approving expenses in excess of those approved in the annual budget and approving and monitoring investment performance and financial and other reporting.
- **Delegation of Authority:** delegating appropriate powers to ensure the effective day-to-day management of the Company and establishing and determining the power and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is contained on the Company's website.

Performance Review and Evaluation

Each year, the Board reviews and evaluates its performance and the individual performance of each director, including the Chairman.

The general management and oversight of the evaluation process, including identification and formulation of appropriate performance assessment issues and criteria is the responsibility of the Chairman. Primarily, the review is carried out through consultation by the Chairman with each of the other directors.

Having regard to the nature of the Company's business and the Board's composition, the Board believes this approach to performance evaluation is more useful than seeking to apply predetermined measurable performance indicators or engaging an external facilitator.

Principle 3: Promote ethical and responsible decision-making.

The principle requires the Company to actively promote ethical and responsible decision-making.

CORPORATE GOVERNANCE STATEMENT

Company Code of Conduct

The Board has adopted a Corporate Code of Conduct to establish and encourage observance by the Company's Directors and officers of standards of ethical and responsible decision making and behaviour that are necessary to maintain confidence in the Company's integrity and to recognise and guide compliance with legal and other obligations to the Company's shareholders and other legitimate stakeholders.

The Corporate Code of Conduct is posted on the Company's website.

Trading in company shares

The Board has adopted a Share Trading Policy that sets out principles to be observed by the Company's directors and officers in relation to buying, selling and dealing in the Company's shares.

The overriding principle is that directors and officers cannot deal in the Company's shares at any time when they possess price sensitive information.

The Share Trading Policy also precludes directors and officers from dealing in securities included in the Company's investment portfolio at any time when they possess information that is price sensitive in relation to such securities or to the detriment of the Company's investment portfolio.

The Share Trading Policy is posted on the Company's website.

Principle 4: Safeguard integrity in financial reporting.

The principle requires that the Company should have a structure to independently verify and safeguard the integrity of their financial reporting.

Audit and Risk Committee

The Board has established an Audit and Risk Committee which provides assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control systems, risk management systems, regulatory compliance and external audit.

The committee must have at least three members, therefore all of the directors currently serve on the committee. The committee is chaired by an independent director (Mr Pat Corrigan) who is not the chairman of the Board. At least one member must have financial expertise and some members shall have an understanding of the industry in which the Company operates.

The principal roles of the committee are to:

- Assess whether the accounting methods and statutory reporting applied by management are consistent and comply with accounting standards and applicable laws and regulations;
- Make recommendations on the appointment of the external auditors, assess their performance and independence and ensure that management responds to audit findings and recommendations;
- Discuss the adequacy and effectiveness of the Company's internal control systems and policies to assess and manage business risks and its legal and regulatory compliance programmes; and
- Ensure effective monitoring of the Company's compliance with its code of conduct and Board policy statements.

The external auditor attends the audit committee meetings which are held before each board meeting. The committee is authorised to seek information from any external party and obtain legal or other professional advice.

The composition of the audit committee is reviewed on an ongoing basis to ensure that the committee has an appropriate balance of expertise and experience. When a vacancy arises or where the committee considers that it would benefit from the services and skills of a new committee member the committee considers potential candidates with appropriate expertise and experience.

The committee has established a formal Charter, a copy of which is contained on the Company's website.

Principle 5: Make timely and balanced disclosure.

The principle requires the promotion of timely and balanced disclosure of all material matters concerning the company.

Board Policies

Continuous disclosure

The Board has put in place mechanisms designed to ensure compliance with the ASX Listing Rules Disclosure Requirements and the company has timetables in place to ensure accountability at a senior level for that compliance.

CORPORATE GOVERNANCE STATEMENT

Confidentiality

In accordance with legal requirements and agreed ethical standards, directors have agreed to keep confidential information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Conflicts of interest

Directors must disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the director and the interests of any other party in carrying out the activities of the Company. If a Director cannot or is unwilling to remove a conflict of interest then the director must, as per the *Corporations Act 2001*, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

Related party transactions

Related party transactions include any financial transaction between a director and the Company and are reported in writing to each Board meeting. Unless there is an exemption under the *Corporations Act 2001* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

A copy of the continuous disclosure policy is contained on the Company's website

Principle 6: Respect the rights of shareholders.

The principle requires the Company to respect the rights of shareholders and facilitate the effective exercise of those rights.

Shareholder communication

The Company is committed to effective shareholder communication:

- Through releases to the market via ASX, the Company's website, information mailed to shareholders and general meetings of the Company;
- Providing balanced and understandable information about the Company and its investment strategy;
- Encouraging shareholders to participate in general meetings of the Company; and
- Requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

Principle 7: Recognise and Manage Risk.

The principle requires the Company to establish a sound system of risk oversight and management and internal control.

Identification of material business risks are discussed at the audit and risk committee meetings and a formal policy on risk oversight and management of material business risks is being formulated and a copy will soon be available on the Company's website.

Investment Risk

The Board is responsible for dealing with issues arising from investment risk. By its nature the Company will always carry risk because it must invest its capital in securities which are not risk free. The Company's charter is to invest in Berkshire Hathaway Inc., accepting the risks associated with that investment, and companies operating in various sectors of the market through the medium of Berkshire Hathaway.

Attestations by Chairman and CFO

In accordance with the Board's policy and in terms of the declaration required under section 295 A of the *Corporations Act 2001*, the Chairman and CFO have prior to the Board signing the Annual Report, made the attestation that:

- the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies determined by the Board, and
- the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects

The Board is also not aware of any departures from best practice recommendations.

Principle 8: Remunerate fairly and responsibly.

The principle requires the Company should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

CORPORATE GOVERNANCE STATEMENT

Remuneration committee

The company has not established a remuneration committee as the principle recommends. The Board consider that due to the scope and nature of the Company's activities, the whole Board should undertake this responsibility. The remuneration of the directors is reviewed annually by the Board as detailed in the Board Charter, a copy of which is posted on the Company's website.

Remuneration policy

The Company does not deem it necessary to have a Senior Executive Remuneration Policy as no personnel are employed directly. All executive and administrative services are provided to the Company by the company secretary and his chartered accountancy firm.

Non-executive director remuneration policy

Non-executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive directors. Non-executive directors do not receive performance based bonuses and do not participate in equity schemes of the Company. No additional schemes for retirement benefits exist for the directors.

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue	3	118,467	159,586
Other expenses	4	<u>(196,878)</u>	<u>(243,579)</u>
(Loss) before income tax		(78,411)	(83,993)
Income tax (expense)/income	5	<u>(90,635)</u>	<u>(31,255)</u>
(Loss) after income tax		<u><u>(169,046)</u></u>	<u><u>(115,248)</u></u>
Basic earnings per share (cents)	15	(1.38)	(0.92)
Diluted earnings per share (cents)		(1.38)	(0.92)

These Financial Statements should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF FINANCIAL POSITION

At 30 June 2010

	Note	30 June 2010 \$	30 June 2009 \$
Current assets			
Cash and cash equivalents	6	123,591	492,878
Trade and other receivables	7	5,864	12,930
Other current assets	8	7,488	6,443
Total current assets		<u>136,943</u>	<u>512,251</u>
Non-current assets			
Available-for-sale financial assets	9	9,397,038	10,160,343
Deferred tax assets	11	-	90,635
Total non-current assets		<u>9,397,038</u>	<u>10,250,978</u>
Total assets		<u>9,533,981</u>	<u>10,763,229</u>
Current liabilities			
Trade and other payables	10	29,491	20,643
Total current liabilities		<u>29,491</u>	<u>20,643</u>
Non-current liabilities			
Deferred tax liabilities	11	362,158	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>391,649</u>	<u>20,643</u>
Net assets		<u>9,142,332</u>	<u>10,742,586</u>
Equity			
Issued securities	12	8,598,595	12,120,005
Reserves		845,036	(1,245,166)
Accumulated loss		(301,299)	(132,253)
Total equity		<u>9,142,332</u>	<u>10,742,586</u>

These Financial Statements should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010

	Issued Securities \$	Retained Profits/ (Accumulated Losses) \$	Reserves \$	Total Equity \$
Balance at 1 July 2008	13,635,646	(17,005)	101,821	13,720,462
Shares cancelled after being Bought back	(1,511,146)			(1,511,146)
Loss for the Year		(115,248)		(115,248)
Change in Value of Investments			(1,346,987)	(1,346,987)
Share capital issue costs (write back)	(4,495)			(4,495)
Balance at 30 June 2009	12,120,005	(132,253)	(1,245,166)	10,742,586
Balance at 1 July 2009	12,120,005	(132,253)	(1,245,166)	10,742,586
Shares cancelled after being Bought back and cancelled	(3,521,410)			(3,521,410)
Loss for the Year		(169,046)		(169,046)
Change in Value of Investments			2,090,202	2,090,202
Balance at 30 June 2010	8,598,595	(301,299)	845,036	9,142,332

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF CASH FLOWS

For the year ended 30 June 2010

		2010 \$ Inflows (Outflows)	2009 \$ Inflows (Outflows)
Cash flows from operating activities			
Interest, distributions and dividends received		35,032	82,941
Interest paid			-
Payments to suppliers		(182,009)	(219,748)
Net cash flows (used in) / from operating activities	14	<u>(146,977)</u>	<u>(136,807)</u>
Cash flows from investing activities			
Proceeds from sale of Berkshire Hathaway shares		3,712,510	1,444,427
Proceeds from sale of Colonial First State units		147,902	613,265
Purchase of shares in listed company		(201,196)	-
Purchase of shares in Athelney Trust		(360,116)	-
Net cash inflows / (outflows) in investing activities		<u>3,299,100</u>	<u>2,057,692</u>
Cash flows from financing activities			
Issue of shares / stapled securities		-	-
Cash paid for shares bought back and cancelled – Off Market		(3,322,299)	-
Cash paid for shares bought back and cancelled – On Market		(199,111)	
Cash paid for shares bought back and cancelled			(1,511,146)
Net cash flows from financing activities		<u>(3,521,410)</u>	<u>(1,511,146)</u>
Net (decrease) increase in cash held		(369,287)	409,740
Add opening cash brought forward		<u>492,878</u>	<u>83,138</u>
Closing cash carried forward	6	<u>123,591</u>	<u>492,878</u>

These Financial Statements should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

Notes to the Financial statements

1. CORPORATE INFORMATION

The Company is limited by shares and incorporated in Australia. Its shares are publicly traded on the Australian Stock Exchange ("ASX").

The nature of the operations and principal activities of the Company are described in Note 21.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Foreign currency

Both the functional and presentation currency of the Company is Australian dollars (\$).

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the financial report are taken to the income statement with the exception of differences on investment assets, these are taken directly to equity until the disposal of the investment asset, at which time they are recognised in the income statement.

(c) Trade receivables

Trade receivables generally have a 30 day term and are recognised at the original transaction amount and where applicable converted to the equivalent Australian dollar value based on the ruling exchange rate on the day of transaction.

(d) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash flow equivalents consist of cash as disclosed above.

(e) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, investments, which are classified as available-for-sale, are measured at fair value.

See note (p) and (q) for further information on investment assets and the accounting treatment of the impairment of those investment assets.

(f) Payables

Liabilities for trade payables and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

(g) Provisions

Provisions are recognised where the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(h) Contributed entity

Stapled securities are classified as equity and during the year these were converted to ordinary shares. Costs directly attributable to the issue of new shares or other equity instruments are shown in equity as a deduction, net of tax, from proceeds.

These Financial Statements should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

(i) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense (income) in the income statement is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the income statement when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated on the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probably that further taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Current tax assets and liabilities are offset where a legal enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Earnings per share

Basic earnings per share is calculated as net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(l) Comparatives

Where necessary comparatives have been reclassified for consistency with current year disclosures.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

These Financial Statements should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(n) Finance costs

Finance costs are recognised as an expense when incurred.

(o) Available-for-sale investments ("Investments")

After initial recognition investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments in unlisted unit trusts, fair value is determined by reference to redemption value.

Derecognition of investments

On disposal of an investment the gain or loss on the net proceeds received less the original purchase cost of the investment is recorded through the profit and loss.

(p) Impairment of investments

If there is objective evidence that an investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit.

(q) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgement incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairment

The Company assesses impairment at each year end by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
3. REVENUE		
Dividends Received	6,022	-
Interest Received	7,361	
Colonial Distributions	21,649	82,941
Gain on Sale of Berkshire Hathaway	83,435	76,645
	<u>118,467</u>	<u>159,586</u>
4. OTHER EXPENSES		
ASX and share registry costs	(51,870)	(56,037)
Loss on realisation of Colonial Units	-	(30,107)
Administration costs	(145,008)	(157,435)
	<u>(196,878)</u>	<u>(243,579)</u>
5. INCOME TAX EXPENSE/(INCOME)		
The major components of income tax are:		
(a) Income statement		
<i>Current income tax</i>		
Current income tax charge	-	-
<i>Deferred income tax</i>		
Reversal of Deferred Tax Asset no longer recognized on available tax losses and timing differences	90,635	31,255
Income tax expense reported in the income statement	<u>90,635</u>	<u>31,255</u>
A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:		
Accounting (loss) before tax	<u>(78,410)</u>	<u>(83,993)</u>
Prima facie (tax benefit) from ordinary activities before income tax at 30% (2009: 30%)	(23,523)	(25,198)
Add Tax losses not recognized	23,523	25,198
Reversal of deferred tax asset	90,635	31,255
Tax (income)/expense shown in income statement	<u>90,635</u>	<u>31,255</u>
The applicable weighted average effective tax rates are:	<u>30%</u>	<u>30%</u>
(b) Statement of changes in equity		
<i>Deferred income tax related to items charged or credited directly to equity</i>		
Unrealised gain on investments	<u>362,158</u>	<u>85,840</u>

These Financial Statements should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

6. CASH AND CASH EQUIVALENTS

	2010 \$	2009 \$
Cash at bank and in hand	10,983	414,268
Short-term deposits	112,608	78,610
	<u>123,591</u>	<u>492,878</u>

7. TRADE AND OTHER RECEIVABLES (CURRENT)

GST receivable	<u>5,864</u>	<u>12,930</u>
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8. OTHER CURRENT ASSETS

Prepayments	<u>7,488</u>	<u>6,443</u>
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9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2010 \$	2009 \$
Investments are classified as available-for-sale financial assets		
Securities listed on a prescribed stock exchange at fair value:		
-Shares	8,687,048	9,317,404
Unlisted investments at fair value	<u>709,985</u>	<u>842,939</u>
	<u>9,397,308</u>	<u>10,160,343</u>

10. TRADE AND OTHER PAYABLES (CURRENT)

Trade payables and accruals	<u>29,491</u>	<u>20,643</u>
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Trade payables are non-interest bearing and are normally settled on 30 day terms.

11. TAX

(a) Liabilities

Current

Income Tax	<u>-</u>	<u>-</u>
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Non-current

Deferred tax liability comprises:

-Tangible assets revaluation charged directly to equity	<u>362,158</u>	
---	----------------	--

(b) Assets

Deferred tax assets comprise:

-Share capital issue costs	-	33,655
-Adjustment due to decrease in value of investments	-	(20,117)
- Current year tax loss	<u>-</u>	<u>77,097</u>
	<u>-</u>	<u>90,635</u>

These Financial Statements should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

11. TAX (CONT)

	2010	2009
	\$	\$
(c) Reconciliations		
<i>(i) Gross movements</i>		
The overall movement in the deferred tax account is as follows:		
Opening balance	90,635	82,200
Charge to income statement	(90,635)	(31,255)
Credit to equity	(362,158)	39,690
Closing balance (deferred tax liability)	<u>(362,158)</u>	<u>90,635</u>

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

12. ISSUED SECURITIES

	2010 No.	2009 No.
Issued and paid-up capital		
Ordinary shares, fully paid	8,578,596	12,514,296

	Shares		Shares	
	2010 No.	2010 \$	2009 No.	2009 \$
Movement in securities on issue				
Balance at beginning of Year	12,514,296	12,120,005	14,086,897	13,635,646
Shares issued	-	-	-	-
Shares bought back and cancelled	3,935,700	(3,521,410)	(1,572,601)	(1,511,145)
Issue costs	-	-	-	(4,496)
Balance at end of Year	<u>8,578,596</u>	<u>8,598,595</u>	<u>12,514,296</u>	<u>12,120,005</u>

13. RESERVES

Investment revaluation reserve

Nature of reserve

The investment revaluation reserve is used to accumulate unrealised capital profits and losses. The reserve can only be used in limited circumstances for payment of dividends.

14. CASH FLOW INFORMATION

	2010 \$	2009 \$
Reconciliation of the net profit / (loss) after tax to the net cash flows from operations		
Profit / (Loss) after income tax	(169,046)	(115,247)
Adjust for non cash items: - income tax	90,635	31,255
- gain on sale of investments	(83,435)	(76,645)
- loss on withdrawal of funds from Colonial First State		30,107
Adjusted Loss for the year	<u>(161,846)</u>	<u>(130,530)</u>
Changes in assets and liabilities		
-Decrease / (Increase) in receivables	7,066	354
-Decrease / (Increase) in other current assets	(1,045)	(1,210)
-(Decrease) / Increase in payables	8,848	2,156
-(Decrease) / Increase in provision for taxation	-	857
-Decrease / (Increase) in deferred tax asset	-	32,165
-(Decrease) / Increase in deferred tax liability	-	(40,599)
Net cash flow (used in) / from operating activities	<u>146,977</u>	<u>(136,807)</u>

These Financial Statements should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

15. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2010 \$	2009 \$
Net profit/(loss) used in calculating basic and diluted earnings per share	(169,046)	(115,247)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	12,210,656	12,514,296
Total ordinary shares on issue at 30 June 2010	8,578,596	12,514,296
Basic earnings per share (cents per share)	(1.38)	(0.92)
Diluted earnings per share (cents per share)	(1.38)	(0.92)

16. CONTINGENT LIABILITIES

The Directors of the Company are of the view that no contingent liabilities exist as at the date of this report.

17. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Details of Key Management Personnel for all of the financial year unless otherwise shown were:

Directors

JL Addison	Chairman (non-executive), appointed 19 April 2005
EC Pohl	Director (non-executive), appointed 19 April 2005
P Corrigan	Director (non-executive), appointed 29 November 2006

(b) Compensation of Key Management Personnel

Compensation policy

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the key management personnel. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit.

Executive personnel

There are no executive personnel. Accordingly all of the Company's directors are non-executives.

Non-executive director compensation

In accordance with the Company's Constitution and the ASX Listing Rules, the aggregate amount of remuneration payable to the non-executive Directors in any year is determined from time to time by shareholders in General Meetings. The last determination was at a General Meeting on 10 May 2006 when shareholders fixed an aggregate amount not exceeding \$150,000.

Within the limit of the aggregate amount determined by the shareholders, the Board determines the remuneration for non-executive Directors. The remuneration arrangements for the non-executive Directors is reviewed annually by the Board.

The Board assesses the appropriateness of the remuneration for non-executive Directors having regard to market practice, the duties and accountability of the non-executive Directors and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company.

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

17. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT)

The compensation of non-executive Directors for the year ending 30 June 2010 is shown in the table below:

		Base Fee \$	Total \$
Jon Addison	2010	20,000	20,000
	2009	15,000	15,000
Emmanuel Pohl	2010	12,500	12,500
	2009	10,000	10,000
Patrick Corrigan	2010	12,500	12,500
	2009	10,000	10,000
Total	2010	45,000	45,000
Total	2009	35,000	35,000

Number of shares held by key management personnel or related parties

	Balance 1 July 2009	Net Change	Balance 21 September 2010
Jon Addison	-	-	-
Emmanuel Pohl ^(*)	115,000	(100,000)	5,000
Patrick Corrigan	5,000	-	5,000

^(*) In addition to the securities owned directly by Dr Pohl, there are 5,865,913 shares registered in entities associated with Hyperion Asset Management Limited, of which he is a director and shareholder.

18. RELATED PARTY TRANSACTIONS

Key management personnel

CalverJones, Chartered Accountant, provides accounting, taxation and secretarial services to the company at normal commercial rates. Brian Jones, Company Secretary of Global Masters Fund Limited, is the principal.

	2010 \$	2009 \$
Fees Charged	47,692	52,418

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
19. AUDITOR'S REMUNERATION		
The auditor of the Company is Leslie Pines		
Amounts received or due and receivable by Leslie Pines for:		
-audit of the half year and annual financial report of the Company	9,225	9,075
	9,225	9,075

20. SEGMENT INFORMATION

The Company is domiciled and incorporated in Australia.

The Company's principal activity is investment in quoted equities, principally Berkshire Hathaway Inc listed on the New York Stock Exchange, and other securities on a worldwide basis. Details of these investments are disclosed in the List of Investments.

The Company operates in only one business and geographic sector.

21. FINANCIAL INSTRUMENTS

Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and listed and unlisted securities. The main risks the Company is exposed to through the financial instruments are interest rate risk and currency risk.

(a) Interest rate risk

The Company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities at balance date, both recognised and unrecognised at the reporting date, are as follows:

	Effective interest rate %	6 months or less \$	Total \$
2010			
Financial assets			
Cash and cash equivalent	2.75	123,591	123,591

All other financial assets and liabilities are non - interest bearing – apart from investment in Colonial Wholesale Funds - a return of approx. 4.5% subject to changes due to global financial crisis

Cash funds with Investec Bank at the date of this report are earning 5.5 % on call

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

21. FINANCIAL INSTRUMENTS (CONT)

(b) Currency risk

The Company's investment portfolio includes investment, cash on deposit and interest receivable denominated in US dollars and as such, the Company's balance sheet can be affected significantly by movements in exchange rates. The Company's current policy is not to hedge its investment portfolio. The carrying value of these foreign currency denominated assets at balance date was as follows:

	Carrying amount \$
Cash and cash equivalents	5,783
Investments	8,109,515
	<u>8,115,298</u>

(c) Credit risk

The Company is not a trading entity. The maximum exposure to credit risk at balance date in relation to each class of financial assets (excluding investments) is the carrying amount of those assets as indicated in the balance sheet. The Company has no commercial debtors and receivables are due from reputable companies listed on the world's stock exchange or major financial banking institutions.

With respect to credit risk on cash and investments, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of those investments.

The Company's business activities do not necessitate the requirement for collateral.

(d) Net fair value

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Cash, cash equivalents and short-term investments: The carrying amount approximates fair value because of their short term to maturity.

Trade receivables and payables: The carrying amount approximates fair value as the time to receipt or payment is usually less than 30 days.

Listed shares: The current quoted market bid price approximates fair value and the carrying amount.

The carrying value of all the financial assets and liabilities of the Company as disclosed in the balance sheet and notes to the financial statements is the same as the net fair value.

(e) Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity process. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year Ended 30 June 2010		
+/- 2% in interest rates	670	
+/- 5% in \$A/US\$		
+/- 10% in listed investments		811,529

22. SUBSEQUENT EVENTS

No matters or occurrences have arisen subsequent to balance date that materially effects the operations of the Company.

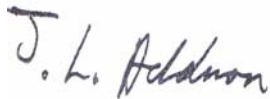
DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 12 - 26 , are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Company;
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. 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.

On behalf of the Board



Jonathan L Addison
Chairman

Sydney

22 September 2010

INDEPENDENT AUDIT REPORT



Leslie Pines Pty Ltd
ABN 81 003 829 409

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Leslie Pines CA
chartered accountant
and business adviser

Liability limited by Scheme, approved under the Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED

Report on the Financial Report

I have audited the accompanying financial report of Global Masters Fund Limited, which comprises the Statement of financial position as at 30th June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors declaration.

Directors Responsibility for the Financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and the maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. In Note 1 the directors also state in accordance with AASB 101 "Presentation of Financial Statements" that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes complies with IFRS.

Auditors responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the Independent requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Global Masters Fund Limited on 22nd September, 2010 would be in the same terms if provided to the directors at the date of the auditor's report

These Financial Statements should be read in conjunction with the accompanying notes

INDEPENDENT AUDIT REPORT

Audit Opinion

In my opinion, the financial report of Global Masters Fund Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

I have audited the Remuneration Report included on page 5 of the report of the directors for the year ended 30th June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s300A of the Corporations Act 2001. My responsibility is to express an opinion on the Remuneration report based on my audit conducted in accordance with Australian Auditing Standards.

In my opinion the Remuneration Report of Global Masters Fund Limited for the year ended 30th June 2010 complies with s 300A of the Corporations Act 2001.



Leslie Pines CA

Date: 23rd September 2010

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows:

(a) Distribution of shares (as at 20 September 2010)

The number of holders, by size of holding:

		Number of holders	Number of Shares
1	- 1,000	131	79,017
1,001	- 5,000	144	553,039
5,001	- 10,000	73	629,742
10,001	- 100,000	55	1,263,882
100,001	and over	3	6,052,916
		<u>406</u>	<u>8,578,596</u>

Included above are 108 shareholders holding less than a marketable parcel of shares (58,649 shares)

(b) Twenty largest shareholders (as at 20 September 2010)

The names of the twenty largest holders of quoted Ordinary Shares are:

		Ordinary shares	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,790,000	67.49%
2	SECURITIES & ESTATES PTY LTD	140,519	1.64%
3	MR ROBERT PERKS	122,397	1.43%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	75,913	0.88%
5	MR PETER LEECE	70,804	0.83%
6	J BARLOW CONSULTANTS PTY LTD	57,094	0.67%
7	MR WILLIAM PAUL CHUN TIE & MS ORLEENA MOO	48,623	0.57%
8	SMURPH HOLDINGS PTY LTD	40,000	0.47%
9	SHEPCOTT PTY LTD	34,675	0.40%
10	BOND STREET CUSTODIANS LIMITED	32,440	0.38%
11	RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	32,000	0.37%
12	ROBERT VERNON LAWSON & BRUCE VERNON LAWSON	31,569	0.37%
13	MS HELEN-LOUISE BROWN	30,000	0.35%
13	MR CHARLES RONALD SMITH	30,000	0.35%
13	MR BRIAN JOHN AUBIN	30,000	0.35%
13	DR ROBERT JOHN LUGTON	30,000	0.35%
14	MR MICHAEL JOHN CLARKE & MRS LISA ANN CLARKE	25,000	0.29%
15	SAMANJ PTY LTD	24,312	0.28%
15	MR JASON DAMIEN DE VOS & MRS LOUISE BERNADETTE DE VOS	24,312	0.28%
16	RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	22,156	0.26%
17	SCJAIN PTY LTD	20,260	0.24%
17	MR KIM FONG CHAN & MRS KAREN KA LAI CHAN	20,260	0.24%
17	MR PETER MARCELLIN CLARKE	20,260	0.24%
17	MR WG ANTONOPOULOS & MRS G ANTONOPOULOS & MR S ANTONOPOULOS	20,260	0.24%
18	MS LYNNE BARRIE-BLAIR	20,000	0.23%
18	MRS MARTA KADERAVEK	20,000	0.23%
18	MR STEVEN JOHN WALLACE	20,000	0.23%
18	MR MICHAEL WAYNE POWELL	20,000	0.23%
18	MOUNTJOY FAMILY INVESTMENTS PTY LTD	20,000	0.23%
18	MRS COLLEEN PHILLIPS & MR DAVID JOHN PHILLIPS	20,000	0.23%
18	HEMA MEDICAL SERVICES PTY LIMITED	20,000	0.23%
18	BARCLAY SUPER PTY LTD	20,000	0.23%
18	MR DAVID JOHNS & MRS JANET JOHNS	20,000	0.23%
18	FENECH CUSTOM CURTAINS PTY LTD	20,000	0.23%
18	ANDERSONS SHEPPARTON PTY LTD	20,000	0.23%

These Financial Statements should be read in conjunction with the accompanying notes

ASX ADDITIONAL INFORMATION

18	MR WILLIAM ROY WRIGHT & MRS JANIS MAREE WRIGHT	20,000	0.23%
18	UMSTAD FAMILY PTY LTD	20,000	0.23%
18	DR WILLIAM ARTHUR LOW SOONG & MRS JUDITH ANN SOONG	20,000	0.23%
19	MORGAN FUND PTY LTD	18,408	0.21%
20	MR ANDREW DONALD COCHRANE	16,208	0.19%
	TOTAL	7,087,470	82.62%
	TOTAL SHARES ON ISSUE AT 20 SEPTEMBER 2010	8,578,596	100.00%

ASX ADDITIONAL INFORMATION

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Ordinary Shares	% of Ordinary Shares
Hyperion Asset Management Limited & associated entities	5,865,913	68.4

(d) Voting rights

All Ordinary Shares carry one vote per security without restriction.

(e) List of investments as at 30 June 2010

	Shares held	A\$ value	% of total
United States			
Berkshire Hathaway Inc "A" Stock	32	4,563,150	48.6
Berkshire Hathaway Inc "B" Stock	37,500	3,562,861	37.9
United Kingdom			
Athelney Trust PLC	180,587	360,116	3.8
Australia			
Hyperion Flagships Limited	141,688	201,196	2.1
Total of listed investments		8,687,323	
Non-listed Australia			
Colonial First State Wholesale Income Fund	728,638	709,985	7.6
Total portfolio		9,397,308	100.0

Note that during the year, BRK "B" stock was split 50:1

(f) Portfolio transactions

The total number of transactions in securities during the year was 32. The total brokerage paid or accrued during the period amounted to \$ 980.

(g) Buy-backs

During the year ended 30 June 2010, 3,935,700 shares to the value of \$3,521,410 were bought back.

CORPORATE INFORMATION

Directors

Jonathan Addison (Chairman)
Emmanuel Pohl
Patrick Corrigan

Company Secretary

Brian Jones

Registered Office

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Tel: 02 9484 8255
Fax: 02 9484 8785

Share Register

Link Market Services Limited
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Auditor

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P.O. Box 171
Bulahdelah NSW 2423

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