



GLOBAL MASTERS FUND LIMITED

Annual Report
30 June 2011

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Global Masters Fund Limited

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Sydney Australia NSW 2001

Dear Shareholder

During the year ended 30 June 2011, Net Tangible Asset value (NTA) per share of Global Masters Fund Limited (the Company) decreased by approximately 18%. This was mainly due to the strong performance of the Australian dollar against the US dollar (approximately 27% increase) between 30 June 2010 and 30 June 2011. Against this, the value of the A and B class shares in Berkshire Hathaway decreased by only 3.25% in US dollar terms during the year ended 30 June 2011. The Company has never undertaken currency hedging of its Berkshire Hathaway investment, largely because investors have sought international diversification by this investment. Berkshire Hathaway itself is diversified into global stocks. The Board has always acknowledged that, despite Berkshire's global reach, that there is currency exposure which may increase the volatility of the Company's NTA and thus the share price.

Global Masters Fund Limited ("the Company") listed on the ASX on 16 May 2006 and was incorporated to invest in an internationally diversified portfolio to spread risk and to provide exposure to some of the higher growth global economies. It was considered that investing the majority of the Company's assets in Berkshire Hathaway stock was the best way to achieve this objective given its broadly based portfolio and investment track record, being led by the legendary Warren Buffet, who acquired control of Berkshire Hathaway in 1965. The Global nature of the portfolio was subsequently strengthened through the addition of Hyperion shares and then shares in the Athelney Trust. However, Berkshire Hathaway remained the core of the portfolio.

While the Board retains its confidence in Berkshire Hathaway, in the light of the strength of the Australian dollar, the US and UK equity markets being subjected to enormous head winds and with the high probability of this continuing for the foreseeable future, it is unlikely that shareholders will see any meaningful increase in the value of their investment while the world markets continue to be under pressure and Company remains an investment holding company. Furthermore, recent initiatives by the ASX which enable the direct purchase of overseas listed shares through the ASX have prompted the Board to undertake a review of the Company's investment strategy. To this end, it will gauge shareholders' views via non binding resolutions at the upcoming Annual General Meeting to be held in October 2011 and I look forward to receiving your response.

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 2011 and Independent Audit Report thereon. The financial report has been prepared in accordance with Australian Standards and the International Accounting Standards Board (IASB).

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	<p>Non-executive Chairman</p> <p>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.</p> <p>Member of Audit Committee</p> <p><u>Other current directorships</u></p> <p>Director of Phosphagenics Limited (Chairman)</p> <p>African Enterprise Australia Ltd</p> <p>African Enterprise International Ltd (Chairman)</p> <p>Hawkesbridge Private Equity Ltd</p> <p>TPCG Ltd</p> <p>Athelney Trust PLC (appointed 28 June 2010)</p>
Emmanuel Clive Pohl Pr Eng. BSc (Eng), MBA, DBA, FAICD, MSSA, SA Fin	<p>Non-executive Director</p> <p>Dr Emmanuel (Manny) Pohl has over 25 years experience in the investment industry initially as a director and head of research with leading South African broking firm Davis Borkum Hare. This was followed by Westpac Investment Management prior to founding Hyperion Asset Management in 1996 of which he is CEO and Managing Director. He has served on the Board of a number of major corporations in 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 in Bangkok. He was a member of the South African Accounting Practices Board until he left South Africa in 1994. He is Managing Director of Hyperion Flagship Investments Limited, Hyperion Holdings Limited and Hyperion Asset Management Limited.</p> <p>Member of Audit Committee</p> <p>Directorships in the last 3 years</p> <p><u>Other current directorships</u></p> <p>Managing Director of Hyperion Asset Management Limited (appointed 1997)</p> <p>Managing Director of Hyperion Flagship Investments Limited (appointed 1997)</p> <p>Managing Director of Hyperion Holdings Limited (appointed 2004)</p> <p>Director of Huysamer International Holdings (Pty) Ltd (appointed 2002)</p> <p>Athelney Trust PLC (alternate director appointed 28 June 2010)</p> <p>Chairman of Hyperion GLOBAL SICAV</p> <p>Chairman of Hyperion Fund Company BSC (c)</p> <p>Member of Bond University Institute of Sustainable Development & Architecture Academic Advisory Panel</p>

DIRECTORS' REPORT

Former directorships

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

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	4	4
Dr EC Pohl	4	4
Mr P Corrigan	4	3

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	3

The Audit Committee on 1 September 2011 resolved to recommend to the Board of Directors that the 2011 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 \$96,589 (2010: Loss of \$169,046).

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 mainly due to the strengthening Australian Dollar. Berkshire Hathaway shares decreased in US dollar terms by 3 % during the 12 months ended 30 June 2011. The net asset value per share of the Company decreased from \$1.06 at 30 June 2010 to 87 cents at 30 June 2011.

Significant Changes in State of Affairs

None

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 2011 are as follows:

Director	Base Fee \$	Total \$
Jon Addison	25,625	25,625
Emmanuel Pohl	15,000	15,000
Patrick Corrigan	15,375	15,375

Brian Jones, the Company Secretary, is paid fees through Rothsay Chartered Accountants a firm of which he is a Partner.

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 2011.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required by Section 307 of the Corporations Act 2001 is set out on page 7 and forms part of this Report for the year ended 30 June 2011.

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 1 September 2011

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF GLOBAL MASTERS FUND LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30TH June 2011 there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.



Leslie Pines
Chartered Accountant

Date: 2 September 2011

Leslie Pines Pty Limited
Chartered Accountant
Suite 1
102 Spofforth Street
Cremorne NSW 2090

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

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 securities

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 Securities 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 2011

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	3	95,426	118,467
Other expenses	4	(192,015)	(196,878)
(Loss) before income tax		(96,589)	(78,411)
Income tax (expense)	5	-	(90,635)
(Loss) after income tax		(96,589)	(169,046)
Loss attributable to members of the Company		(96,589)	(169,046)
Basic earnings per share (cents)	15	(1.12)	(1.38)
Diluted earnings per share (cents)		(1.12)	(1.38)

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	Note	30 June 2011 \$	30 June 2010 \$
Current assets			
Cash and cash equivalents	6	118,387	123,591
Trade and other receivables	7	5,704	5,864
Other current assets	8	7,348	7,488
Total current assets		<u>131,439</u>	<u>136,943</u>
Non-current assets			
Available-for-sale financial assets	9	7,413,748	9,397,038
Total non-current assets		<u>7,413,748</u>	<u>9,397,038</u>
Total assets		<u>7,545,187</u>	<u>9,533,981</u>
Current liabilities			
Trade and other payables	10	17,058	29,491
Total current liabilities		<u>17,058</u>	<u>29,491</u>
Non-current liabilities			
Deferred tax liabilities	11	-	362,158
Total non-current liabilities		<u>-</u>	<u>362,158</u>
Total liabilities		<u>17,058</u>	<u>391,649</u>
Net assets		<u>7,528,129</u>	<u>9,142,332</u>
Equity			
Issued securities	12	8,598,595	8,598,595
Reserves	13	(672,578)	845,036
Accumulated loss		(397,888)	(301,299)
Total equity		<u>7,528,129</u>	<u>9,142,332</u>

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

	Issued Securities \$	(Accumulated Losses) \$	Reserves \$	Total Equity \$
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
Balance at 1 July 2010	8,598,595	(301,299)	845,036	9,142,332
Loss for the Year		(96,589)		(96,589)
Change in Value of Investments			(1,517,614)	(1,517,614)
Balance at 30 June 2011	8,598,595	(397,888)	(672,578)	7,528,129

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

	2011 \$	2010 \$
Note	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities		
Interest, distributions and dividends received	70,332	35,032
Payments to suppliers	(187,305)	(182,009)
Net cash flows (used in) / from operating activities	14 (116,973)	(146,977)
Cash flows from investing activities		
Proceeds from sale of Berkshire Hathaway shares	712,274	3,712,510
Proceeds from sale of Colonial First State units	224,150	147,902
Purchase of shares in listed company	(824,655)	(201,196)
Purchase of shares in Athelney Trust	-	(360,116)
Net cash inflows / (outflows) in investing activities	111,769	3,299,100
Cash flows from financing activities		
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)
Net cash flows from financing activities	-	(3,521,410)
Net (decrease) increase in cash held	(5,204)	(369,287)
Add opening cash brought forward	123,591	492,878
Closing cash carried forward	6 118,387	123,591

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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:

Global Masters Fund Limited ("the Company") listed on the ASX on 16 May 2006 and was incorporated to invest in an internationally diversified portfolio to spread risk and to provide exposure to some of the higher growth global economies. It was considered that investing the majority of the Company's assets in Berkshire Hathaway stock was the best way to achieve this objective given its broadly based portfolio and investment track record, being led by Warren Buffet, who acquired control of Berkshire Hathaway in 1965. In the last couple of years the Company has made other investments in the UK and in Australia which provide the company with cashflow from dividends and distributions.

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.

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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.

(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 probable 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

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

- 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

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 from within the Company.

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 2011

	2011 \$	2010 \$
3. REVENUE		
Dividends Received – other persons	29,860	
Distributions Received – other persons	38,651	
Interest Received - other persons	1,821	35,032
Gain on Sale of Berkshire Hathaway	25,094	83,435
	95,426	118,467
4. OTHER EXPENSES		
ASX and share registry costs	(27,427)	(51,870)
Loss on realisation of Colonial Units	(7,628)	-
Realised Foreign Exchange Loss	(9,214)	
Administration Costs	(147,746)	(145,008)
	(192,015)	(196,878)
5. INCOME TAX EXPENSE		
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
Income tax expense reported in the income statement	-	90,635
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	(96,589)	(78,410)
Prima facie (tax benefit) from ordinary activities before income tax at 30% (2011: 30%)	(28,976)	(23,523)
Add Tax losses not recognized	28,976	23,523
Reversal of deferred tax asset	-	90,635
Tax (income)/expense shown in income statement	-	90,635
	-	-
The applicable weighted average effective tax rates are:		
	-	-
(b) Statement of changes in equity		
<i>Deferred income tax related to items charged or credited directly to equity</i>		
Unrealised gain on investments	-	362,158

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

6. CASH AND CASH EQUIVALENTS

	2011 \$	2010 \$
Cash at bank and in hand	102,072	10,983
Short-term deposits	16,315	112,608
	<u>118,387</u>	<u>123,591</u>

7. TRADE AND OTHER RECEIVABLES (CURRENT)

GST receivable	<u>5,704</u>	<u>5,864</u>
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8. OTHER CURRENT ASSETS

Prepayments	<u>7,348</u>	<u>7,488</u>
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9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Investments are classified as available-for-sale financial assets

Securities listed on a prescribed stock exchange at fair value:

-Shares	6,906,467	8,687,048
Unlisted investments at fair value	<u>507,281</u>	<u>709,985</u>
	<u>7,413,748</u>	<u>9,397,308</u>

10. TRADE AND OTHER PAYABLES (CURRENT)

Trade payables and accruals	<u>17,058</u>	<u>29,491</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>-</u>	<u>362,158</u>
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(b) Reconciliations

(i) Gross movements

The overall movement in the deferred tax account is as follows:

Opening balance	(362,158)	90,635
Charge to income statement	-	(90,635)
Credit to equity	<u>362,158</u>	<u>(362,158)</u>
Closing balance (deferred tax liability)	<u>-</u>	<u>(362,158)</u>

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

12. ISSUED SECURITIES

Issued and paid-up capital	2011 No.	2010 No.
Ordinary shares, fully paid	8,578,596	8,578,596

	Shares		Shares	
	2011 No.	2011 \$	2010 No.	2010 \$
Movement in securities on issue				
Balance at beginning of Year	8,578,596	8,598,595	12,514,296	12,120,005
Shares issued			-	-
Shares bought back and cancelled			(3,935,700)	(3,521,410)
Issue costs			-	-
Balance at end of Year	8,578,596	8,598,595	8,578,596	8,598,595

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

	2011 \$	2010 \$
Reconciliation of the net (loss) after tax to the net cash flows from operations		
(Loss) after income tax	(96,589)	(169,046)
Adjust for non cash items: - income tax	-	90,635
- gain on sale of investments	(25,094)	(83,435)
- loss on withdrawal of funds from Colonial First State	7,628	
- loss on foreign exchange	9,214	
Adjusted Loss for the year	(104,841)	(161,846)
Changes in assets and liabilities		
-Decrease / (Increase) in receivables	161	7,066
-Decrease / (Increase) in other current assets	140	(1,045)
-(Decrease) / Increase in payables	(12,433)	8,848
Net cash flow (used in) / from operating activities	(116,973)	(146,977)

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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:

	2011 \$	2010 \$
Net profit/(loss) used in calculating basic and diluted earnings per share	(96,589)	(169,046)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	8,578,596	12,210,656
Total ordinary shares on issue at 30 June 2011	8,578,596	8,578,596
Basic earnings per share (cents per share)	(1.12)	(1.38)
Diluted earnings per share (cents per share)	(1.12)	(1.38)

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 are 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 2011

17. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT)

The compensation of non-executive Directors for the year ending 30 June 2011 is shown in the table below:

		Base Fee \$	Total \$
Jon Addison	2011	25,625	25,625
	2010	20,000	20,000
Emmanuel Pohl	2011	15,000	15,000
	2010	12,500	12,500
Patrick Corrigan	2011	15,375	15,375
	2010	12,500	12,500
Total	2011	56,000	56,000
Total	2010	45,000	45,000

Number of shares held by key management personnel or related parties

	Balance 1 July 2010	Net Change	Balance 24 August 2011
Jon Addison	-	-	-
Emmanuel Pohl ^(*)	5,000	-	5,000
Patrick Corrigan	5,000	-	5,000

^(*) In addition to the securities owned directly by Dr Pohl, there are 5,630,000 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

Rothsay Chartered Accountants, provides accounting, taxation and secretarial services to the company at normal commercial rates. Brian Jones, Company Secretary of Global Masters Fund Limited, is a partner.

	2011 \$	2010 \$
Fees Charged	<u>46,221</u>	<u>47,692</u>

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
19. AUDITOR'S REMUNERATION		
The auditor of the Company is Leslie Pines – Chartered Accountant		
Amounts received or due and receivable by Leslie Pines for:		
-audit of the half year and annual financial report of the Company	10,000	9,200
	10,000	9,200
	10,000	9,200

No other services were provided by the auditor

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 \$
2011			
Financial assets			
Cash and cash equivalent	1.47	118,387	118,387

All other financial assets and liabilities are non - interest bearing – apart from investment in Colonial Wholesale Funds - a return of approx. 4% 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 2011

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:

	2011	2010
	Carrying amount	Carrying amount
	\$	\$
Cash and cash equivalents	12,856	5,783
Investments	5,927,072	8,488,689
	<u>5,939,928</u>	<u>8,494,472</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 Company'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 2011		
+/- 2% in interest rates	36	
+/- 5% in \$A/US\$		77,827
+/- 10% in listed investments		592,707

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 13 - 26, are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards which are stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS) and
 - b. give a true and fair view of the financial position as at 30 June 2011 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
1 September 2011

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Report

I have audited the accompanying financial report of Global Masters Fund Ltd., which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2 (a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's 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. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 of the financial report that gives a true and fair view 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 independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Global Masters Fund Ltd., would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In my opinion:

- (a) the financial report of Global Masters Fund Ltd. is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

INDEPENDENT AUDITOR'S REPORT

- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(a)

Report on the Remuneration Report

I have audited the Remuneration Report included on page 6 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A 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.

Opinion

In my opinion, the Remuneration Report of Global Masters Fund Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.



Leslie Pines CA
Chartered Accountant

Dated
2 September 2011

Leslie Pines Pty Limited
Chartered Accountant
Suite 1
102 Spofforth Street
Cremorne NSW 2090

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 24 August 2011)

The number of holders, by size of holding:

		Number of holders	Number of Shares
1	- 1,000	112	68,204
1,001	- 5,000	130	508,518
5,001	- 10,000	72	610,622
10,001	- 100,000	55	1,387,432
100,001	and over	4	6,003,820
		373	8,578,596

Included above are 91 shareholders holding less than a marketable parcel of shares (48,957 shares)

(b) Twenty largest shareholders (as at 24 August 2011)

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

		Ordinary shares	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,630,000	65.63%
2	SECURITIES & ESTATES PTY LTD	140,519	1.64%
3	MR ROBERT PERKS	122,397	1.43%
4	MR PETER LEECE	110,904	1.29%
5	BOSTON CELTICS PTY LTD	92,672	1.08%
6	J BARLOW CONSULTANTS PTY LTD	85,644	1.00%
7	PETER I H WONG PTY LTD	82,496	0.96%
8	MRS SYLVIA MARIA VALMADRE	60,000	0.70%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	54,052	0.63%
10	MR WILLIAM PAUL CHUN TIE & MS ORLEENA MOO	48,623	0.57%
11	RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	37,947	0.44%
12	MR KENNETH MURRAY BARTLEY	36,479	0.43%
13	SMURPH HOLDINGS PTY LTD	32,866	0.38%
14	BOND STREET CUSTODIANS LIMITED	32,440	0.38%
15	ROBERT VERNON LAWSON & BRUCE VERNON LAWSON	31,569	0.37%
16	MS HELEN-LOUISE BROWN	30,000	0.35%
16	DR ROBERT JOHN LUGTON	30,000	0.35%
16	MR CHARLES RONALD SMITH	30,000	0.35%
16	MR BRIAN JOHN AUBIN	30,000	0.35%
17	MR MICHAEL JOHN CLARKE & MRS LISA ANN CLARKE	25,000	0.29%
18	SAMANJ PTY LTD	24,312	0.28%
18	MR JASON DAMIEN DE VOS & MRS LOUISE BERNADETTE DE VOS	24,312	0.28%
19	RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	22,156	0.26%
20	SCJAIN PTY LTD	20,260	0.24%
20	MR WG ANTONOPOULOS & MRS G ANTONOPOULOS & MR S ANTONOPOULOS	20,260	0.24%
20	MR KIM FONG CHAN & MRS KAREN KA LAI CHAN	20,260	0.24%
20	MR PETER MARCELLIN CLARKE	20,260	0.24%
	TOTAL	6,895,428	80.38%
	TOTAL SHARES ON ISSUE AT 24 AUGUST 2011	8,578,596	100.00%

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

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	5,684,052	66.2

(d) Voting rights

All Ordinary Shares carry one vote per security without restriction.

(e) List of investments as at 30 June 2011

	Shares held	A\$ value	% of total
United States			
Berkshire Hathaway Inc "A" Stock	27	2,922,923	39.4
Berkshire Hathaway Inc "B" Stock	36,500	2,633,786	35.6
United Kingdom			
Athelney Trust PLC	180,279	370,363	5.0
Total Foreign Investments		5,927,072	80.0
Australia			
Hyperion Flagships Limited	730,892	979,395	13.2
Total of listed investments		6,906,467	93.2
Non-listed Australia			
Colonial First State Wholesale Income Fund	505,159	507,281	6.8
Total portfolio		7,413,748	100.0

(f) Portfolio transactions

The total number of transactions in securities during the year was 5. The total brokerage paid or accrued during the period amounted to \$ 2,458.

(g) Buy-backs

No shares were bought back during the year ended 30 June 2011.

CORPORATE INFORMATION

Directors

Jonathan Addison (Chairman)
Emmanuel Pohl
Patrick Corrigan

Company Secretary

Brian Jones

Registered Office

Level 1
12 O'Connell Street
Sydney NSW 2000
Tel: 02 8815 5400
Fax: 02 8815 5401

Share Register

Link Market Services Limited
Level 12, 680 George Street
SYDNEY NSW 2000

Auditor

Leslie Pines – Chartered Accountant
Suite 1
102 Spofforth Street
CREMORNE NSW 2090

Internet Address

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