



GLOBAL MASTERS FUND LIMITED

Annual Report
30 June 2014

CONTENTS

	Page
Chairman's Letter	2
Directors' Report.....	4
Auditor's Independence Declaration.....	8
Corporate Governance Statement.....	9
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements.....	18
Directors' Declaration	28
Independent Audit Report.....	29
Shareholder Information.....	31
Investments	32
Corporate Information.....	33

Global Masters Fund Limited

ABN 84 109 047 618

26 August 2014

Dear Shareholder

I am pleased to report that this year the net tangible assets (NTA) per share of Global Masters Fund Limited increased by 12%. In addition the Company has shown a profit before tax of \$ 71,201. This is the best result since inception in 2006. The value of the Company's investment in Berkshire Hathaway in US dollar terms increased by 13% and the price per share of the Company's investment in Athelney Trust plc., listed on the London Stock Exchange increased by a massive 66 % (\$A 350,444) over the previous year. The investment in Flagship Investments Limited, which is listed on the ASX on the ASX increased in price per share by 18 % at 30 June 2014, compared to the previous year end.

Over the course of the past year we have seen continued strength in global sharemarkets which as much as anything have been motivated by loose monetary policies practised by central banks and very low interest rates. We have also seen low levels of equity market volatility, (down to pre GFC levels).

In the same period there has been a slight strengthening in the Australian dollar against the USD (from 92.75 cents to 94.20 cents) at the same time the GBP increased in value against the \$A. The net result at 30 June 2014 compared to last year resulted in unrealised foreign exchange losses for the year but this did not deter from the good result. As a matter of policy your Company has never undertaken currency hedging of its foreign investments largely because investors have sought international diversification and the investments in Berkshire Hathaway and Athelney achieve this. The Board has always acknowledged that, with the global reach of the portfolio there is currency exposure that may increase the volatility of the Company's NTA and share price. The Board considers the matter on a regular basis, and we have recently re confirmed that we have no particular insights that would lead to a change in policy.

The outlook for both Berkshire Hathaway and Athelney Trust continues looks cautiously optimistic. However we are, as always, aware that there are risks and that the events that tend to cause the most volatility are the unexpected events. We are also aware of some commentary that the current valuations of companies are suggesting stronger rates of economic growth than is currently evident. Your investments in all three of our managers are therefore based on our belief that the managers involved have particular skills in selecting companies that will perform better than the underlying economy.

In the current unsettled world we need to be aware of the current tensions in the Middle East, and Russia as well as being cautious regarding economic growth in China. At present we remain comfortable with the investments and expect policy makers to avoid serious pitfalls.

The cash rate in Australia is likely to continue unchanged and the Reserve Bank of will be weighing the pressures of a potentially slower economy combined with an overvalued \$A (certainly in the view of exporters) and inflation close to the upper margin. The rate of increase to June 30th was 3% with medical expenses being the greatest increase at 4.6% (source: ABS). The state of the residential property market is said to be of some concern to the Bank. It is usually a pointless exercise in attempting to predict RBA decisions, as there are so many factors to take into account.

The policy adopted by your Board to reduce fixed interest securities and invest more in dividend paying investments both in Australia and overseas has proved to be beneficial through an increased dividend income. This is what has accounted for the 2014 profit. At the same time costs have been well contained.

I look forward to your continued support and all shareholders will be kept advised of any developments as they occur.

Finally, I wish to thank my fellow board members and company secretary for the hard work and support in 2014 and we (including myself as Chairman) look forward to continue to progress the company.

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 2014 and Independent Audit Report thereon. The financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards (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

Jonathan Lancelot Addison
B Ec, ASIS, CFTP (Snr), MAICD

Emmanuel Clive Pohl
Pr Eng. BSc (Eng), MBA, DBA, FAICD,
MSDIA, SAFin

Experience and Special Responsibilities

Non-executive Chairman

Over 31 years experience in the investment management industry. Investment Consultant 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

Other current directorships

African Enterprise International Ltd (Chairman)

Hawkesbridge Private Equity Ltd

TPCG Ltd

Athelney Trust PLC (alternate to Dr E.C.Pohl)

CCSL Investment Committee Member

Managing Director

On 25 October 2013, the Board of Directors of the Company appointed Emmanuel (Manny) Pohl as Managing Director in terms of clause 14.1 of the Company's constitution. He has over 27 years experience in the investment industry initially as a director and head of research with leading South African broking firm Davis Borkum Hare. 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. After arriving in Australia he joined Westpac Investment Management prior to founding Hyperion Asset Management in 1996. He was CEO and Managing Director of this company for 16 years but in April 2013 he decided to hand over the reins and resign from the company to establish and grow a new Private Equity business, focus on directorships he holds and service the individually managed accounts business. He served on the Board of a number of major corporations in South Africa and Australia.

Member of Audit Committee

Other current directorships

Chairman of Hyperion Fund Company B.S.C. (c)

Chairman of EC Pohl & Co Private Equity Limited

Chairman of Astuce Group Limited

Director of Barrack St Investments Limited

Director of Flagship Investments Limited

Director of Athelney Trust PLC

Member of Bond University Institute of Sustainable Development & Architecture

Academic Advisory Panel

Trustee of Currumbin Wildlife Hospital Foundation

Former directorships

Chairman of Hyperion GLOBAL SICAV

Managing Director of Hyperion Asset Management Limited from 1997 to 2013

Managing Director of Hyperion Holdings Limited from 2004 to 2013

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 of Gold Coast Regional Art Gallery
Chairman of Qantas Art Scholarship Committee
Deputy Chair of Air Freight Export Council of NSW Inc
Director of Gold Coast Art Centre
Director of Flagship Investments Limited
Director of Aboriginal Benefits Foundation Limited
Director of Community Radio Station Jazz Radio 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 resolved to recommend to the Board of Directors that the 2014 Financial Statements be adopted.

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. but a review the Company's investment strategy was undertaken in the light of the strength of the Australian dollar and the headwinds facing the US and UK equity markets in order to deliver the best outcomes for shareholders.

DIRECTORS' REPORT

Review and Results of Operations

The Company made a net profit after income tax of \$ 71,201 (2013: loss of \$ 36,607).

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 increased during the year and the net asset value per share of the Company increased to 132.38 cents at 30 June 2014 (2013 year - 118.14 cents). The increases in share prices of investments at 30 June 2014 compared to 30 June 2013 are were follows:

Berkshire Hathaway shares on the New York Stock Exchange increased by 13 %

Athelney Trust PLC shares on the London Stock Exchange increased by 66 %

Flagship Investments Limited shares on the ASX increased by 18 %

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs.

Future Developments, Prospects and Business Strategies

Whilst the company will maintain its exposure to global equity markets principally through investing in Berkshire Hathaway shares, which remain unhedged, a review the Company's investment strategy was undertaken in the light of the strength of the Australian dollar. At the previous AGM the shareholders approved a resolution to enable the company, whilst still maintaining the principle interest in Berkshire Hathaway shares, to invest in small to medium size unlisted companies which are profitable and growing and have good potential outcomes for shareholders. This mandate was expanded to allow the company to join with institutional investors in a Private Equity Fund when the opportunity arose.

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 2014 are as follows:

Director	Base Fee \$	Total \$
Jon Addison	30,750	30,750
Manny Pohl	20,500	20,500
Patrick Corrigan	20,500	20,500

Although Dr Manny Pohl was appointed Managing Director on 25 October 2013 in terms of clause 14.4 of the Company's constitution, the total remuneration he receives from the Company (including for his services as Managing Director) remain unchanged.

Brian Edward 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 2014 (2013: None).

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 2014.

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 26 August 2014

**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 2014 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.



Joseph Pien
Chartered Accountant

Date: 27 August 2014

Joseph Pien Chartered Accountants
Suite 503
Level 5, 276 Pitt Street
Sydney NSW 2000

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, two of whom are non-executive and independent (Mr Jon Addison being Chairman and Mr Pat Corrigan). The Managing Director is Dr Manny Pohl who is an executive director and receives a director's fee, but does not receive any remuneration as an executive director of the company.

CORPORATE GOVERNANCE STATEMENT

The names of the directors and their qualifications and experience are stated together with 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.

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.

CORPORATE GOVERNANCE STATEMENT

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.

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.

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.

CORPORATE GOVERNANCE STATEMENT

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 of which he is a partner.

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 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

		2014	2013
	Note	\$	\$
Revenue	3	348,511	144,635
Other expenses	4	(277,310)	(181,242)
Profit (Loss) before income tax		71,201	(36,607)
Income tax expense	5	-	-
Net Profit (Loss) for the year		<u>71,201</u>	<u>(36,607)</u>
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Write off of capital raising costs		(10,490)	
Items that will be reclassified subsequently to Profit or Loss when specific conditions are met			
Changes in fair value of available-for-sale financial assets	11	1,143,380	2,442,928
Total Other Comprehensive Income for the year		<u>1,132,890</u>	<u>2,442,928</u>
Total Comprehensive Income for the year	15	<u>1,204,091</u>	<u>2,406,321</u>

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
Assets			
Current assets			
Cash and cash equivalents	6	138,469	111,044
Trade and other receivables	7	1,648	1,702
Other current assets	8	8,359	8,359
Total current assets		148,476	121,105
Non-current assets			
Available-for-sale financial assets	9	12,061,181	10,425,285
Total non-current assets		12,061,181	10,425,285
Total assets		12,209,657	10,546,390
Liabilities			
Current liabilities			
Trade and other payables	10	12,472	14,380
Deferred tax liabilities	11	843,335	392,741
Total current liabilities		855,807	407,121
Total liabilities		855,807	407,121
Net assets		11,353,850	10,139,269
Equity			
Issued securities	12	8,609,085	8,598,595
Reserves	13	3,327,800	2,184,420
Accumulated losses		(583,035)	(643,746)
Total equity		11,353,850	10,139,269

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Issued Securities \$	(Accumulated Losses) \$	Reserves \$	Total Equity \$
Balance at 1 July 2012	8,598,595	(607,139)	(258,508)	7,732,948
Loss for the Year		(36,607)		(36,607)
Change in Value of Investments, net of income tax			2,442,928	2,442,928
Balance at 30 June 2013	8,598,595	(643,746)	2,184,420	10,139,269
Balance at 1 July 2013	8,598,595	(643,746)	2,184,420	10,139,269
Profit for the Year		71,201		71,201
Change in fair value of available-for- sale of financial assets			1,143,380	1,143,380
Write off of capital raising costs	10,490	(10,490)		
Balance at 30 June 2014	8,609,085	(583,035)	3,327,800	11,353,850

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

		2014 \$ Inflows (Outflows)	2013 \$ Inflows (Outflows)
	Note		
Cash flows from operating activities			
Interest, distributions and dividends received	3	171,061	144,635
Payments to suppliers		(206,839)	(169,475)
Net cash flows (used in) / from operating activities	14	(35,778)	(24,840)
Cash flows from investing activities			
Proceeds from sale of Berkshire Hathaway shares		284,784	-
Proceeds from sale of Colonial First State units		5665	313,680
Purchase of shares in Athelney Trust PLC / listed company		(227,246)	(355,282)
Net cash inflows / (outflows) in investing activities		63,203	(41,602)
Net increase (decrease) in cash held		27,425	(66,442)
Cash and cash equivalents at beginning of financial year		111,044	177,486
Cash and cash equivalents at end of financial year	6	138,469	111,044

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

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 20.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the presentation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have 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 include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Global Masters Fund Limited complies with International Financial Reporting Standards (IFRS).

These financial statements have been prepared on an accruals basis and based on historical costs except for Available-For-Sale Financial Assets which are measured at fair value.

(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 statements are taken to the statement of comprehensive income with the exception of differences on Available-For-Sale Financial Assets. These are taken directly to equity until the disposal of the Available-For-Sale Financial Assets at which time they are recognised in the statement of comprehensive income.

(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 (n) and (o) 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.

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

(h) 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.

(i) 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.

(j) Earnings per share

Basic earnings (or loss) per share is calculated as net profit (loss) 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.

(k) Comparatives

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

(l) 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:

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

Interest

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.

Dividends and distributions

Dividend revenue is recognised when the right to receive the dividend has been established.

(m) Finance costs

Finance costs are recognised as an expense when incurred.

(n) Available-For-Sale Financial Assets ("Investments")

The company does not hold any securities for short term trading purposes. Therefore the investment portfolio is classified as Available-For-Sale Financial Assets. 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 statement of comprehensive income.

(o) 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.

(p) 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.

(q) New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 July 2013.

New and amended standards dealing with Consolidated Financial Statements, Separate Financial Statements, Joint Arrangements, Disclosure of interests in Other Entities and Fair Value Measurement have been released. These standards are effective from 1 January 2013. The Company does not plan to adopt these standards early nor does it expect there to be any recognition of measurement impacts as a result of the application of these new standards.

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

		2014 \$	2013 \$
3. REVENUE			
Dividends Received	170,492		
Distributions Received	9		
Interest Received	<u>560</u>	171,061	144,635
Gain on Sale of Berkshire Hathaway		176,484	-
Gain on Sale of Colonial Units		<u>966</u>	-
		<u>348,511</u>	<u>144,635</u>

4. OTHER EXPENSES

ASX and share registry costs		(26,144)	(23,441)
Loss on realisation of Colonial Units		-	(14,155)
Realised Foreign Exchange Loss		(71,359)	-
Administration Costs		<u>(179,807)</u>	<u>(143,646)</u>
		<u>(277,310)</u>	<u>(181,242)</u>

5. INCOME TAX EXPENSE/(INCOME)

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 profit / (loss) before tax		<u>71,201</u>	<u>(36,607)</u>
Prima facie (tax benefit) from ordinary activities before income tax at 30% (2014: 30%)		21,360	(10,982)
Add Tax losses not recognized		<u>(21,360)</u>	<u>10,982</u>
Tax (income)/expense shown in income statement		<u>-</u>	<u>-</u>
The applicable weighted average effective tax rates are:		<u>-</u>	<u>-</u>

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

6. CASH AND CASH EQUIVALENTS

	2014 \$	2013 \$
Cash at bank and in hand	134,100	36,358
Short-term deposits	4,369	74,686
	138,469	111,044

7. TRADE AND OTHER RECEIVABLES (CURRENT)

GST receivable	1,648	1,702
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8. OTHER CURRENT ASSETS

Prepayments	8,359	8,359
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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	12,058,873	10,418,086
Unlisted investments at fair value	2,308	7,199
	12,061,181	10,425,285

10. TRADE AND OTHER PAYABLES (CURRENT)

Trade payables and accruals	12,472	14,380
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Trade payables are non-interest bearing and are normally settled on 30 day terms.

11. CHANGES IN FAIR VALUE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

(a) Gross change in fair value of available-for-sale assets	1,986,715	2,837,669
(b) Deferred tax on changes in fair value of available-for-sale financial assets	843,335	392,741
	1,143,380	2,442,928

The calculation of deferred tax takes into account carried forward tax losses and is shown under current liabilities

12. ISSUED SECURITIES

	2014	2013
Ordinary shares fully paid	\$ 8,598,595	\$ 8,598,595
Write back of capital raising costs	10,490	
Total share capital	8,609,085	8,598,595
Number of shares in issue	8,578,596	8,578,596

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

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

	2014 \$	2013 \$
Reconciliation of the net gain (loss) after tax to the net cash flows from operations		
Gain (Loss) after income tax	71,201	(36,607)
Adjust for non cash items: - income tax		
-gain on sale of investments	(176,484)	-
- loss on withdrawal of funds from Colonial First State		14,155
- loss on foreign exchange	71,359	-
Adjusted Loss for the year	<u>(33,924)</u>	<u>(22,452)</u>
Changes in assets and liabilities		
-Decrease / (Increase) in receivables		240
-Decrease / (Increase) in other current assets	54	-
-(Decrease) / Increase in payables	(1,908)	(2,628)
Net cash flow (used in) / from operating activities	<u>(35,778)</u>	<u>(24,840)</u>

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:

	2014 \$	2013 \$
Net gain (loss) used in calculating basic and diluted earnings per share	<u>71,201</u>	<u>(36,607)</u>
Total comprehensive income used in calculating total comprehensive income per share	1,204,091	2,406,321
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	8,578,596	8,578,596
Total ordinary shares on issue at 30 June 2014	<u>8,578,596</u>	<u>8,578,596</u>
Basic earnings per share (cents per share)	0.83	(0.43)
Diluted earnings per share (cents per share)	0.83	(0.43)
Total comprehensive income per share (cents per share)	14.04	28.05

16. CONTINGENT LIABILITIES

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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

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	Managing Director (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

The Managing Director Dr Manny Pohl is an executive director but only gets remunerated as a director as has been the case in prior years. The Company's non-executive directors are Jon Addison and Pat Corrigan.

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 (including the Managing Director) in any year is determined from time to time by shareholders in General Meeting. 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.

The compensation of non-executive Directors (including the Managing Director) for the year ending 30 June 2014 is shown in the table below:

		Base Fee \$	Total \$
Jon Addison	2014	30,750	30,750
	2013	25,625	25,625
Emmanuel Pohl	2014	20,500	20,500
	2013	15,000	15,000
Patrick Corrigan	2014	20,500	20,500
	2013	15,375	15,375
Total	2014	71,750	71,750
Total	2013	56,000	56,000

Number of shares held by key management personnel or related parties

	Balance 1 July 2013	Net Change	Balance 31 August 2014
Jon Addison	-	-	-
Emmanuel Pohl ^(*)	115,000	-	115,000
Patrick Corrigan	-	-	-

^(*) In addition to the securities owned directly by Dr Pohl, there are 4,588,000 shares registered in entities associated with E.C. Pohl & Co Pty Limited, of which he is a director and shareholder.

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

18. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

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.

	2014 \$	2013 \$
Fees Charged	<u>63,499</u>	<u>50,120</u>

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
19. AUDITOR'S REMUNERATION		
The auditor of the Company is Joseph Pien		
Amounts received or due and receivable by Joseph Pien for:		
-audit of the half year and annual financial report of the Company	10,250	10,250
	10,250	10,250

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 on page 30. 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 \$
2014	3.45	1,344	110,044

Financial assets

Cash and cash equivalent

All other financial assets and liabilities are non - interest bearing – apart from investment in Colonial Wholesale Funds which on average earned 2.5 %

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

21. FINANCIAL INSTRUMENTS (CONT)

(b) Currency risk

The Company's investment portfolio includes investments in USA and UK, cash on deposit and interest receivable denominated in US dollars and Pounds sterling. 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:

	2014	2013
	Carrying amount AUD \$	Carrying amount AUD \$
Cash and cash equivalents	4,369	31,551
Investments	8,618,462	7,517,994
	8,622,831	7,549,545

(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 2014		
+/- 2% in interest rates	+/-2,000	
+/- 5% in \$A/US\$		+/-350,000
		+/-1,041,800
+/- 10% in listed investments		

22. SUBSEQUENT EVENTS

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

23. ECONOMIC DEPENDENCY

All revenues consisting of interest, dividends and distributions are dependent on the profitability of those entities in which investments are held.

The accompanying notes form part of the Financial Statements

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Global Masters Fund Limited, the directors of the Company declare that:

1. the financial statements and notes, as set out on pages 14 - 27 , are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company;
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

On behalf of the Board



Jonathan L Addison
Chairman

Sydney

26 August 2014

INDEPENDENT AUDIT 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 30 June 2014, 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*. (IFRS)

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 Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED

Auditors Opinion

In my opinion:

- (a) the financial report of Global Masters Fund Limited. 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 2014 and of its performance for the year ended on that date; and
 - (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 7 of the directors' report for the year ended 30 June 2014. 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 2014 complies with section 300A of the *Corporations Act 2001*.



Joseph Pien CA
Chartered Accountant

Dated
27 August 2014

SHAREHOLDER 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 25 August 2014)

The number of holders, by size of holding:	Number of holders	Number of Shares
1 - 1,000	84	51,504
1,001 - 5,000	122	456,082
5,001 - 10,000	60	508,268
10,001 - 100,000	59	1,756,727
100,001 and over	7	5,806,015
	332	8,578,596

Included above are 5 shareholders holding less than a marketable parcel of shares (513 shares)

(b) Twenty largest shareholders (as at 25 August 2014)

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

1	Citicorp Nominees Pty Limited	4,588,000	53.48%
2	Mara Super Pty Ltd	390,000	4.55%
3	Lic Investments Pty Ltd	290,000	3.38%
4	Tradlaw Pty Ltd	180,000	2.10%
5	Securities & Estates Pty Ltd	140,519	1.64%
6	Astuce Group Limited	115,000	1.34%
7	Peter I H Wong Pty Ltd	102,496	1.19%
8	Abbawood Nominees Pty Ltd	100,000	1.17%
9	J Barlow Consultants Pty Ltd	96,198	1.12%
10	Mr Peter Leece	83,437	0.97%
11	Mr Franco Di Lorenzo &	81,215	0.95%
12	Mr Kenneth Murray Bartley	63,508	0.74%
13	Mrs Sylvia Maria Valmadre	60,000	0.70%
14	Mr Erik Arthur Bowman	54,000	0.63%
15	Mrs Lynette Joy White	53,000	0.62%
16	Howzat Services Pty Ltd	50,000	0.58%
17	Mr William Paul Chun Tie & Ms Moo	48,623	0.57%
18	Stiletto Investments Pty Ltd	44,552	0.52%
19	Mr Peter John Jackson	43,564	0.51%
20	Ritchie Family Super Pty Ltd	40,000	0.47%
	Total	6,624,112	77.22%
	Total shares on issue at 25 August 2014	8,578,596	100.00%

(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
EC Pohl & Co Pty Ltd & associated entities	4,588,000	53.48

(d) Voting rights

On a show of hands every Shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

INVESTMENTS

(a) List of investments as at 30 June 2014

	Shares held	A\$ value	% of total
United States			
Berkshire Hathaway Inc "A" Stock	27	5,443,008	45.13
Berkshire Hathaway Inc "B" Stock	15,800	2,122,769	17.60
United Kingdom			
Athelney Trust PLC	237,649	1,052,685	8.73
Australia			
Flagship Investments Limited	2,205,392	3,440,412	28.52
Total Listed Investments		12,058,874	
Non-listed Australia			
Colonial First State Wholesale Income Fund	1,813	2,308	0.02
Total portfolio		12,061,182	100.0

(b) Portfolio transactions and brokerage

There were 3 (2013: 6) transactions in securities during the year on which brokerage of \$ 560 (2013: \$1,062) was paid.

CORPORATE INFORMATION

Directors

Jonathan Addison (Chairman)
Emmanuel Clive Pohl (Managing Director)
Patrick Corrigan

Company Secretary

Brian Edward Jones

Registered Office

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

Share Register

Boardroom Pty Ltd
Level 7 207 Kent Street
SYDNEY NSW 2000

Auditor

Joseph Pien – Chartered Accountant
Suite 503, Level 5
276 Pitt Street
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Internet Address

www.globalmastersfund.com.au



GLOBAL MASTERS FUND LIMITED

Global Masters Fund Limited
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