



# **GLOBAL MASTERS FUND LIMITED**

ACN 109 047 618

## **APPENDIX 4E STATEMENT**

**Preliminary Final Report**

**For the year ended 30 June 2018**

**(Previous corresponding period is year ended 30 June 2017)**

## **CONTENTS**

- **Results for announcement to the market**
- **Commentary on results for the period**
- **Appendix 4E Accounts**

# Appendix 4E

## Preliminary Final Report

12 months ended 30 June 2018

Herewith please find information for **Global Masters Fund Limited** in respect of the financial year ended 30 June 2018:

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the full year ended 30 June 2018 with the corresponding period being the year ended 30 June 2017. The preliminary results are based on audited financial statements.

The following statutory information is provided:

Revenue from Ordinary Activities <sup>1</sup>	Increased \$39,905 (21.0%)	to	\$229,799
Gains on sale of Investments <sup>2</sup>	Decreased \$101,863 (56.8%)	to	\$77,405
Profit/(Loss) from ordinary activities after Income Tax <sup>3</sup>	Decreased \$193,973 (284.1%)	to	(\$125,706)
Net Tangible Assets (before tax on unrealised gains)	Increased 22.63 c/share (11.5%)	to	218.9 c/share

<sup>1</sup> Revenue includes dividends and interest.

<sup>2</sup> Includes realised FX Gains/Loss

<sup>3</sup> Includes tax credit from deferred tax asset

### DIVIDENDS

The primary source of value creation for Global Masters Fund Shareholders is the capital appreciation of the underlying investments, particularly Athelney and Berkshire Hathaway. Dividends have not been paid in the prior period and the Board maintain that dividends will not be paid in the foreseeable future with gains from investments re-invested in the Company.

### NET TANGIBLE ASSET BACKING (NTA)

The net tangible asset backing per share (tax on realised gains only) at 30 June 2018 was 218.9 cents per share compared with 196.3 cents per share at 30 June 2017.

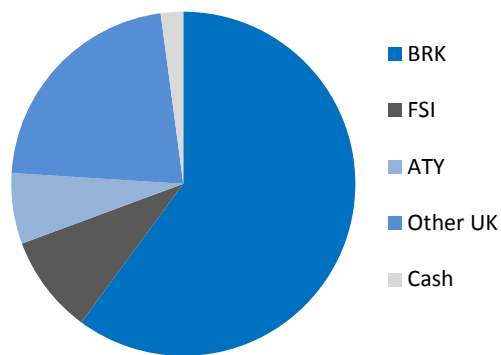
NTA growth was driven by portfolio value increases in Flagship Investments, Berkshire Hathaway and our diversified UK investments. Additionally, exchange rates have been in our favour increasing the holding value of foreign investments (note the Company does not hedge the currency exposure and is susceptible to fluctuations in exchange rates against USD and GBP).

## OPERATING AND FINANCIAL REVIEW

International relations fluctuated during the year, creating a level of uncertainty across global markets. Notwithstanding this, Australian investors have been attracted to companies with international investments and the opportunity of a 1 for 4 rights offer was very well received. The rights offer completed in November 2017, raised \$4,289,126 (before costs) and facilitated further investment in businesses listed on the London Stock Exchange.

As per above overview, revenue from dividends and interest has increased \$39,905 with the contribution from UK investments. However, revenue from realised gains has decreased due to only minimal trading in the UK portfolio in the current year. Additionally, last year there were significant gains from the sale of 821,325 shares in Flagship Investments Limited. It is positive to observe that the company can now generate sustainable income from a spread of investments and can hold onto its core portfolio of Berkshire Hathaway, Athelney and Flagship Investments.

### Major Investments June 2018



## INVESTMENTS

### (1) HOLDINGS OF SECURITIES AT 30 JUNE 2018

Individual investments at 30 June 2018 are listed below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share at other dates. Individual holdings in the portfolio may change during the course of the year.

Company		Shares	Market Value \$	%
	<b>ORDINARY SHARES</b>			
ABC	ABCAM PLC	4,680	111,305.40	0.47
AHT	ASHTHEAD GROUP PLC	7,527	305,025.33	1.30
ATY	ATHELNEY TRUST PLC	349,640	1,564,621.86	6.65
BA	BAE SYSTEMS PLC	17,000	196,034.94	0.83
BNZL	BUNZL PLC	5,700	233,223.39	0.99
BOO	BOOHOO GROUP PLC	30,900	107,150.12	0.46
BRBY	BURBERRY GROUP PLC	7,000	269,566.77	1.15
BRK.A	BERKSHIRE HATHAWAY INC NEW	27	10,281,062.62	43.67
BRK.B	BERKSHIRE HATHAWAY INC NEW	15,300	3,855,519.85	16.38
CBG	CLOSE BROTHERS GROUP PLC	2,500	66,232.84	0.28
DOM	DOMINO'S PIZZA GROUP PLC	66,700	412,519.70	1.75
DPLM	DIPLOMA PLC	1,800	42,071.67	0.18
FSI	FLAGSHIP INVESTMENTS LIMITED	1,310,872	2,176,047.52	9.24
HLMA	HALMA PLC	10,600	258,905.33	1.10
JD	JD SPORTS FASHION PLC	31,600	248,225.35	1.05
LIO	LIONTRUST ASSET MANAGEMENT PLC	24,500	279,550.72	1.19
MERL	MERLIN ENTERTAINMENTS PLC	39,700	273,702.80	1.16
MONY	MONEYSUPERMARKET.COM GROUP PLC	45,719	256,675.22	1.09
NG	NATIONAL GRID PLC	14,900	222,716.35	0.95
QTX	QUARTIX HOLDINGS PLC	20,200	136,851.49	0.58
REL	RELX PLC	10,100	292,159.92	1.24
RMV	RIGHTMOVE PLC	4,900	463,879.48	1.97
RWA	ROBERT WALTERS PLC	10,200	127,295.42	0.54
SMS	SMART METERING SYSTEMS PLC	14,700	203,897.31	0.87
SPX	SPIRAX-SARCO ENGINEERING PLC	2,200	255,731.86	1.08
STHR	STHREE PLC	17,000	110,625.78	0.47
TED	TED BAKER PLC	3,500	134,408.99	0.57
TEP	TELECOM PLUS PLC	7,000	140,524.16	0.60
			<b>23,025,532.19</b>	<b>97.81</b>
	<b>CASH (INCLUDING DIVIDENDS)</b>			
	Cash- Australian Dollar (AUD)		224,315.90	0.95
	Cash - Great British Pound (GBP)		290,945.73	1.24
	<b>TOTAL</b>		<b>23,540,793.82</b>	<b>100.00</b>

### (2) TRANSACTIONS AND BROKERAGE

There were 75 (2017: 17) transactions in securities during the year on which brokerage of \$32,557 (2017: \$13,887) was paid.

## Appendix 4E Accounts

### FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
 FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Revenue	5	<b>307,204</b>	369,162
Other expenses	6	<b>(521,104)</b>	(300,895)
<b>Profit /(Loss) before income tax</b>		<b>(213,900)</b>	68,267
Income tax benefit/(expense)	7	<b>88,194</b>	-
<b>Net Profit for the year</b>		<b>(125,706)</b>	68,267
<b>Other Comprehensive Income</b>			
Changes in fair value of available-for-sale Financial Assets, net of tax	7c	<b>1,931,591</b>	1,350,649
<b>Total Comprehensive Income for the year</b>		<b>1,805,885</b>	1,418,916
<b>Earnings per share:</b>			
		<b>Cents</b>	Cents
Basic earnings per share	16	<b>(1.26)</b>	0.80
Diluted earnings per share	16	<b>(1.26)</b>	0.80
<b>Comprehensive Income:</b>			
Comprehensive earnings per share	16	<b>18.08</b>	16.54

*The accompanying Notes form part of these Financial Statements.*

# FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
**STATEMENT OF FINANCIAL POSITION**  
 AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	8	497,002	1,012,558
Trade and Other Receivables	9	25,404	2,364
Other Assets	10	17,530	26,846
<b>TOTAL CURRENT ASSETS</b>		<b>539,936</b>	1,041,768
<b>NON-CURRENT ASSETS</b>			
Financial Assets	11	23,025,341	15,824,624
<b>TOTAL NON-CURRENT ASSETS</b>		<b>23,025,341</b>	15,824,624
<b>TOTAL ASSETS</b>		<b>23,565,277</b>	16,866,392
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	12	91,122	28,513
<b>TOTAL CURRENT LIABILITIES</b>		<b>91,122</b>	28,513
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liabilities	13	2,480,404	1,912,801
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>2,480,404</b>	1,912,801
<b>TOTAL LIABILITIES</b>		<b>2,571,526</b>	1,941,314
<b>NET ASSETS</b>		<b>20,993,751</b>	14,925,078
<b>EQUITY</b>			
Issued Capital	14	12,871,873	8,609,085
Reserves	15	8,626,576	6,814,525
Accumulated losses		(504,698)	(498,532)
<b>TOTAL EQUITY</b>		<b>20,993,751</b>	14,925,078

The accompanying Notes form part of these Financial Statements.

## FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 30 JUNE 2018

<b>2017</b>	<b>Issued Share Capital \$</b>	<b>Retained Profits/ (Accumulated Losses) \$</b>	<b>Reserves \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2016</b>	<b>8,609,085</b>	<b>(566,799)</b>	<b>5,463,876</b>	<b>13,506,162</b>
<b>Total Comprehensive Income</b>				
Profit/(Loss) for the Year	-	68,267	-	68,267
Other Comprehensive Income	-	-	1,350,649	1,350,649
<b>Total Comprehensive Income</b>	<b>-</b>	<b>68,267</b>	<b>1,350,649</b>	<b>1,418,916</b>
<b>Balance at 30 June 2017</b>	<b>8,609,085</b>	<b>(498,532)</b>	<b>6,814,525</b>	<b>14,925,078</b>
<b>2018</b>	<b>Issued Share Capital \$</b>	<b>Retained Profits/ (Accumulated Losses) \$</b>	<b>Reserves \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2017</b>	<b>8,609,085</b>	<b>(498,532)</b>	<b>6,814,525</b>	<b>14,925,078</b>
<b>Total Comprehensive Income</b>				
Profit/(Loss) for the Year	-	(125,706)	-	(125,706)
Other Comprehensive Income	-	-	1,931,591	1,931,591
<b>Total Comprehensive Income</b>	<b>-</b>	<b>(125,706)</b>	<b>1,931,591</b>	<b>1,805,885</b>
<b>Transactions with Owners in their capacity as owners</b>				
Shares issued as a result of Rights Issue	4,289,126	-	-	4,289,126
Less: Capital Raising costs	(26,338)	-	-	(26,338)
<b>Total Transactions with Owners</b>	<b>4,262,788</b>	<b>-</b>	<b>-</b>	<b>4,262,788</b>
<b>Other</b>				
Transfer from reserves to accumulated losses	-	119,540	(119,540)	-
<b>Balance at 30 June 2018</b>	<b>12,871,873</b>	<b>(504,698)</b>	<b>8,626,576</b>	<b>20,993,751</b>

*The accompanying Notes form part of these Financial Statements.*

## FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Distributions and Dividends received		208,077	188,064
Interest received		3,157	1,830
Payments to suppliers and employees		(416,911)	(308,941)
Net cash provided by/(used in) operating activities	24	(205,677)	(119,047)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of Flagship Investments Limited		-	1,296,539
Proceeds from sale of Other UK Investments		461,978	-
Proceeds from sale of Colonial First State Units		-	1,513
Purchase of shares in Athelney Trust Plc		-	(222,749)
Purchase of Shares in Other UK Investments		(5,034,645)	-
Net cash (used in)/provided by investing activities		(4,572,667)	1,075,303
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Rights Issue – issue of new shares		4,289,126	-
Capital Raising Costs		(26,338)	-
Net cash provided by financing activities		4,262,788	-
Net increase/(decrease) in cash and cash equivalents held		(515,556)	956,256
Cash and cash equivalents at the beginning of the year		1,012,558	56,302
Cash and cash equivalents at end of year	8	497,002	1,012,558

*The accompanying Notes form part of these Financial Statements.*



# FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2018

The functional and presentation currency of Global Masters Fund Limited is Australian dollars. Its shares are publicly traded on the Australian Securities Exchange ("ASX").

## 1. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

#### Interest Revenue

Interest is recognised using the effective interest method.

#### Dividend Revenue

Dividends are recognised when the entity's right to receive payment is established.

### (b) Income Tax

The income tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

### (c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included 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 is classified as operating cash flows.

### (d) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (e) Financial Instruments

#### Financial Assets At Fair Value Through Profit Or Loss

Financial assets at fair value through Profit or Loss are Financial Instruments convertible in to Equity Instruments. A financial asset is classified in this category if it is so designated by management and within the requirement of AASB 9 Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.

## FINANCIAL REPORT

### GLOBAL MASTERS FUND LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### (e) Financial Instruments *(continued)*

##### Financial Assets At Fair Value Through Other Comprehensive Income

The Company is a long-term investor in equity instruments. Under AASB 9, these investments are classified as fair value through Other Comprehensive Income. After initial recognition at fair value (being cost), the Company has elected to present in Other Comprehensive Income changes in fair value of equity instruments investments.

Unrealised gains and losses on investments are recognised in the Asset Revaluation Reserve until the investment is sold or otherwise disposed of, at which time the cumulative gain or loss is transferred to the Profit and Loss Statement.

##### Available-For-Sale Financial Assets

These investments are measured at fair value.

Unrealised gains and losses arising from changes in the fair value of these assets are taken directly to Other Comprehensive Income and accumulated in Equity.

When these Financial Assets are sold, the accumulated fair value adjustments are reclassified from Equity to the profit or loss as gains and losses on sale.

Available-For-Sale Financial Assets are assessed at each reporting date to determine whether there is an objective evidence that it is impaired. In the case of Available-For-Sale Financial Instruments, a significant or prolonged decline in the value of the instruments below cost is considered to be evidence of whether or not impairment has arisen.

Any cumulative impairment loss in respect of an Available-For-Sale Financial Asset previously recognised in equity is reclassified to Profit or Loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For Available-For-Sale Financial Assets that are debt securities, the reversal is recognised in Profit or Loss. For equity securities, the reversal is recognised in Other Comprehensive Income.

##### Loans and Receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of loans and receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the different between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the profit or loss in other expenses.

##### Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current bid price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

#### (f) Trade and Other 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 when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

##### Provisions for Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### (h) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

# FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2018

## (i) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

<b>AASB 9 Financial Instruments and amending standards</b> <b>AASB 2010-7 / AASB 2012-6    AASB 2014-7</b>	
Effective Date 1 January 2018	Changes to the classification and measurement requirements for financial assets and financial liabilities  The impact of AASB 9 will not have a material impact on the Company.
<b>AASB 16 Leases</b>	
Effective Date 1 January 2019	AASB 16 introduces a single lessee accounting model by eliminating the current requirement to distinguish leases as either operating leases or finance leases depending on the transfer of risks & rewards of ownership.  The impact of AASB 16 will not have a material impact on the Company.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

### (a) Key Estimates

There are no key assumptions or sources of estimation uncertainty that have a risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period as investments are carried at their market value.

### (b) Key Judgements

The preparation of financial reports in conformity with Australian Account Standards require the use of certain critical accounting estimates. This requires the Board to exercise their judgement in the process of applying the Company's accounting policies.

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB 112 Income Taxes, deferred tax liabilities and deferred tax assets have been recognised for Capital Gains Tax (CGT) on the unrealised gains/losses in the investment portfolio at current tax rates.

As the Directors do not intend to dispose of the portfolio, the tax liability/benefit may not be crystallised at the amount disclosed in Note: 13. In addition, the tax liability/benefit that arises on the disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains/losses at the time of disposal.

The Company has an investment process which is anticipated will deliver medium to long-term capital growth - minimum investment period is three to five years.

The deferred tax asset has been carried forward as it believed that this process will deliver growth over this period to utilise the deferred tax asset.

The Company does not hold any securities for short term trading purposes. Therefore, the investment portfolio is classified as Financial Assets at fair value through Other Comprehensive Income.

## 4. OPERATING SEGMENTS

### Segment Information

The Company operates in the investment industry. Its core business focuses on investing in International equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of reports reviewed by the Managing Director. The Managing Director is considered to be the chief operating decision maker of the Company. The Managing Director considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Managing Director considers the business to consist of just one reportable segment.

# FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>5. REVENUE AND OTHER INCOME</b>		
Dividends Received	226,642	188,063
Distributions Received	-	1
Interest Received	3,157	1,830
Gain on sale of Flagship Investments	-	178,108
Gain on Sale of Other UK Investments	31,839	-
Realised Foreign Exchange Loss	45,566	-
Gain on Sale of Colonial Units	-	1,160
	<b>307,204</b>	<b>369,162</b>
<b>6. OTHER EXPENSES</b>		
Auditors Remuneration	18,593	10,250
ASX and Share Registry costs	72,385	22,231
Management Fees	35,898	-
Performance Fees	67,918	-
Director Fees	178,625	148,875
Administration Costs	147,685	119,539
	<b>521,104</b>	<b>300,895</b>
<b>7. INCOME TAX EXPENSE</b>		
<b>(a) Reconciliation of income tax to accounting profit</b>		
Accounting profit/(loss) before tax	(213,900)	68,267
Prima facie tax payable on ordinary activities before income tax rate at 27.5% (2017 – 27.5%)	(58,823)	18,773
Adjust for tax effect of:		
- Timing differences of transactions	1,177	-
- Fully Franked Dividends received	11,587	-
Rebateable Fully Franked Dividends	(42,135)	-
Tax losses not recognised	-	(18,773)
<b>Tax expense/(credit) shown in Profit and Loss statement</b>	<b>(88,194)</b>	<b>-</b>
<b>(b) The components of tax benefit comprise:</b>		
Deferred tax asset	88,194	-
<b>(c) Amounts recognised directly in Other Comprehensive Income</b>		
Aggregate current and deferred tax arising in the reporting period and not recognised in Profit or Loss, but directly debited or credited in Other Comprehensive Income.		
Amount before tax	2,587,388	1,862,964
Tax Expense at 27.5% (2017: 27.5%)	(711,532)	(512,315)
Adjusted for tax effect of other transfers	55,735	-
<b>Amount Net of Tax</b>	<b>1,931,591</b>	<b>1,350,649</b>
<b>8. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	168,738	1,012,092
Short-term deposits	328,264	466
<b>Balance as per Statement of Cash Flows</b>	<b>497,002</b>	<b>1,012,558</b>
<b>Reconciliation of cash</b>		
Cash and Cash Equivalents reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of Financial Position as follows:		
Cash and Cash Equivalents	497,002	1,012,558

# FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>9. TRADE AND OTHER RECEIVABLES</b>			
CURRENT			
Dividends Receivable		18,565	-
GST receivable		6,839	2,364
<b>Total current trade and other receivables</b>		<b>25,404</b>	<b>2,364</b>
<b>10. OTHER ASSETS</b>			
CURRENT			
Prepayments		17,530	26,846
<b>Total Other Assets</b>		<b>17,530</b>	<b>26,846</b>
<b>11. FINANCIAL ASSETS</b>			
<b>Non-Current Available-for-sale Financial Assets</b>			
Comprising Listed Investments		23,025,341	15,824,624
<b>Total Available-for-sale Financial Assets</b>		<b>23,025,341</b>	<b>15,824,624</b>
<b>12. TRADE AND OTHER PAYABLES</b>			
CURRENT			
Trade payables		6,253	330
Accrued expenses		84,869	28,183
		<b>91,122</b>	<b>28,513</b>
<b>13. TAX</b>			
Deferred Tax Assets	13(a)	(575,299)	(487,105)
Deferred Tax Liabilities	13(b)	3,055,703	2,399,906
<b>Net deferred tax liabilities adjusted for deferred tax assets</b>		<b>2,480,404</b>	<b>1,912,801</b>
<b>(a) Deferred Tax Liabilities Assets attributable to:</b>			
- Accruals		(3,369)	(4,457)
- Tax losses		(571,930)	(482,648)
		<b>(575,299)</b>	<b>(487,105)</b>
<b>(b) Deferred Tax Liabilities Attributable to:</b>			
- Unrealised Gain on Financial Assets		3,055,703	2,399,906

## FINANCIAL REPORT

### GLOBAL MASTERS FUND LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

#### 14. ISSUED CAPITAL

(a) Share Capital 10,723,159 (2017: 8,578,596 ) Ordinary Shares	<b>12,871,873</b>	8,609,085
--	-------------------	-----------

#### (b) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

#### (c) Movements in ordinary share capital

Date	Details	Number of Shares	Price	\$
<b>30 June 2016</b>	<b>Balance</b>	<b>8,578,596</b>		<b>8,609,085</b>
	Nil Movement in the year	-		-
<b>30 June 2017</b>	<b>Balance</b>	<b>8,578,596</b>		<b>8,609,085</b>
<b>October 2017</b>	Rights Issue	2,144,563	<b>\$2.00</b>	4,289,126
	Capital Raising Costs			(26,338)
<b>30 June 2018</b>	<b>Balance</b>	<b>10,723,159</b>		<b>12,871,873</b>

#### 15. RESERVES

##### Revaluation 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.

#### 16. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of shares outstanding during the year. Including all convertible securities, for example convertible preferred shares, convertible debentures, stock options and warrants.

Net gain/(loss) used in calculating basic and diluted earnings per share	<b>(125,706)</b>	68,267
Total comprehensive income used in calculating total comprehensive income per share	<b>1,805,885</b>	1,418,916
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	<b>9,987,737</b>	8,578,596
Weighted number of all shares, including convertible securities	<b>9,987,737</b>	8,578,596
	<b>Cents</b>	Cents
Basic earnings per share (cents per share)	<b>(1.26)</b>	0.80
Diluted earnings per share (cents per share)	<b>(1.26)</b>	0.80
Total Comprehensive Income per share (cents per share)	<b>18.08</b>	16.54

## FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

### 17. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

#### Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

#### Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Investments in listed shares
- Trade and other payables

#### (a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	2018	2017
<b>Effective Interest Rate</b>	%	%
<b>Financial Assets</b>		
Cash and cash equivalents	0.6	0.35
<b>6 Months or less</b>		
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	497,002	1,012,558
<b>Total Financial Assets</b>	<b>497,002</b>	<b>1,012,558</b>

The Company does not rely on interest returns as a source of income, so the interest rate risk is deemed extremely low.

All other financial assets and liabilities are non-interest bearing.

#### (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:

	2018	2017
Carrying Amount	AUD \$	AUD \$
Cash and cash equivalents	328,151	316
Investments	20,849,294	13,799,326
<b>Total</b>	<b>21,177,445</b>	<b>13,799,642</b>

#### (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 investment, 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 Statement of Financial Position and Notes to the Financial Statements is the same as the net fair value.

## FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

### 17. FINANCIAL RISK MANAGEMENT (continued)

#### (e) Sensitivity Analysis

The following table illustrates sensitivities to the Company's exposure to changes in interest rates, exchange rates and commodity and equity prices. 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.

At 30 June 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2018 \$	2017 \$
<b>6 Months or less</b>		
Change in profit +/- 2% in interest rates	+/- 2,514	+/- 1,165
Change in equity +/- 5% in \$A/US\$	+/- 1,049,688	+/- 736,833
+/- 10% in listed investments	+/- 2,302,534	+/- 1,582,463

#### (f) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The objective of the Company is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable Australian listed equity securities.

The Manager controls liquidity risk by continuously monitoring the balance between equity securities and cash or cash equivalents and the maturity profiles of assets and liabilities to ensure this risk is minimal.

### 18. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Company consists of equity attributable to members of the Company. The Board monitors the return on capital, which is defined as net operating income divided by total Shareholders' Equity. The Board also monitors the level of dividends to Shareholders.

The capital of the Company is invested by the Investment Manager in accordance with the investment policy established by the Board. The Company has no borrowings. It is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year.

### 19. FAIR VALUE MEASUREMENTS

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Financial Assets at fair value through Other Comprehensive Income.
- Financial Assets At fair value through Profit or Loss.
- Available-for-sale Financial Assets.

#### Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Company:

	Level 1	Level 2	Level 3	TOTAL
<b>30 June 2018</b>	\$	\$	\$	\$
<b>Recurring fair value measurements.</b>				
<b>Financial Assets</b>				
-Listed Equity Securities	23,025,341			23,025,341
<b>30 June 2017</b>	\$	\$	\$	\$
<b>Recurring fair value measurements.</b>				
<b>Financial Assets</b>				
-Listed Equity Securities	15,824,624			15,824,624

#### Transfers between levels of hierarchy

There were no transfers between levels of the fair value hierarchy.

#### Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.



## FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

### 20. AUDITORS REMUNERATION

Remuneration of the auditor of the Company for:  
 Audit or reviewing the financial statements

	18,593	10,250
<b>Total remuneration of auditors</b>	<b>18,593</b>	<b>10,250</b>

### 21. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

EC Pohl & Co Pty Ltd for Management Fee and Performance Fee (payable in accordance with the Management Services Agreement as detailed in Note 22).

• Management Fee	35,898	-
• Performance Fee	67,918	-
<b>Total Fees Paid</b>	<b>103,816</b>	<b>-</b>

Dr E C Pohl has an interest in the transaction as during the year Dr E C Pohl was a Director, employee and Shareholder of EC Pohl & Co Pty Ltd.

### 22. MANAGEMENT SERVICES AGREEMENT

In accordance with a Management Services Agreement which was signed in May 2017, the Company agreed to engage the Manager to provide primary and secondary management services.

Primary services are only provided for the actively managed portion of the portfolio and include:

- 1) managing the investment of the Company's portfolio, including keeping it under review;
- 2) ensuring investments by the Company are only made in authorised investments;
- 3) complying with the investment policy of the Company; and
- 4) identifying, evaluating and implementing the acquisition and disposal of authorised investments.

Secondary management services include:

- (i) provide the Company with quarterly investment performance reporting;
- (ii) promoting investment in the Company by the general investment community;
- (iii) providing investor relationship services; and
- (iv) provision of accounting, human resources, corporate and information technology services support.

The agreement may be terminated if:

- a) either party ceases to carry on business, or
- b) either party enters into liquidation voluntarily or otherwise, or
- c) either party passes any resolution for voluntary winding-up, or
- d) a receiver of the property of either party, or any part thereof, is appointed, or
- e) the Shareholders of the Company at an abnormal meeting called in for that purpose, resolve by binding resolution to terminate the operations, or
- f) if the Company provides written notes to the Manager in the event of any material and substantial breach of the agreement by the Manager or if the Manager fails to remedy a breach of this agreement within 14 days following written notice of the breach.
- g) if the Manager provides written notice to the Company in the event of any material and substantial breach of the agreement by the Company or if the Company fails to remedy a breach of this agreement within 14 days following written notice of the breach.

Under the agreement the Manager will receive a management fee of 1% per annum on the actively managed portion of the portfolio. In addition, a performance fee, payable annually in arrears, equal to 20% of the amount by which the Company's net performance before tax (that is, after all costs and outlays but before the calculation of the performance fee) exceeds the performance of the FTSE, subject to a high water mark. If the Company's net performance in the year is less than the Benchmark, then no performance fee will be payable.

## FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

### 23. KEY MANAGEMENT PERSONNEL DISCLOSURES

The Company has no staff and therefore has no Key Management Personnel other than the Directors.

No member of Key Management Personnel held options over shares in the Company during the year.

There have been no other transactions with Key Management Personnel or their related entities other than those disclosed in Note 21.

The compensation of Non-executive Directors (including the Managing Director) for the year ending 30 June 2018 is shown in the table of detailed remuneration disclosures, provided in section 12 (A) to (F) of the Remuneration Report on pages 9 and 10. The total remuneration paid is as follows:

Short-term employment benefit	<b>178,625</b>	148,875
-------------------------------	----------------	---------

The Company's Secretary, Brian Jones, was contracted through Rothsay Chartered Accountants from July 17 to January 18 (FY17, July 16 – June 17). From February 18 – June 18, Brian was contracted directly.

### 24. CASH FLOW INFORMATION

#### (a) Reconciliation of result for the year to cash flows from operating activities

Profit/(Loss) for the year	<b>(125,706)</b>	68,267
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- net (gain)/loss on disposal of investments	<b>(31,839)</b>	(179,268)
- net gain/loss on foreign exchange	<b>(8,823)</b>	(2,305)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in prepayments	<b>9,316</b>	(20,270)
- (increase)/decrease in trade and other receivables	<b>(23,040)</b>	(576)
- increase/(decrease) in trade and other payables	<b>62,609</b>	15,105
- increase/(decrease) in Deferred Tax	<b>(88,194)</b>	-
<b>Cash flow from operations</b>	<b>(205,677)</b>	(119,047)

### 25. CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

### 26. EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

# INDEPENDENT AUDITOR'S REPORT



*For your peace of mind*

GLOBAL MASTERS FUND LIMITED  
ABN 84 109 047 618

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED  
(Page 1 of 4)**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Global Masters Fund Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other 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.

In our opinion, the accompanying financial report of Global Masters Fund Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Matter**

The financial report of Global Masters Fund Limited for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report on 22 August 2017.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2018. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**HEAD OFFICE:**

t: +61 (0)7 5580 4700  
p: PO Box 1463, Oxenford, Queensland 4210 Australia  
a: 4 Helensvale Road, Helensvale, Queensland 4212 Australia  
e: info@wpias.com.au  
w: www.wpias.com.au

**WPIAS Pty Ltd** ABN 99 163 915 482  
WPIAS is an Authorised Audit Company and a Limited Partnership  
Liability limited by a scheme approved under Professional Standards Legislation

GOLD COAST · BRISBANE · SYDNEY · MELBOURNE · PERTH · AUCKLAND

# INDEPENDENT AUDITOR'S REPORT (continued)



GLOBAL MASTERS FUND LIMITED  
ABN 84 109 047 618

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED  
(Page 2 of 4)

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN OUR AUDIT
<p><b>Financial Assets at Fair Value Through Other Comprehensive Income</b> Refer to Notes 2(e) and 11 to the financial statements</p> <p>As at 30 June 2018 the Company's statement of financial position includes financial assets at fair value through other comprehensive income of \$23,025,341.</p> <p>The Company is a long-term investor in equity instruments which are classified at fair value through other Comprehensive Income. Initial recognition is at fair value (being cost) with the Company electing to present in other Comprehensive Income changes in the fair value of the investments.</p> <p>We focused on this area as a key audit matter due to the amounts involved being material.</p>	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> <li>Inspecting externally prepared documentation to verify the valuation of the portfolio as at 30 June 2018.</li> <li>Randomly and judgmentally selecting investments and agreeing dividends and closing market value to third party evidence.</li> <li>Recalculating the movement in fair value for the year.</li> <li>Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 9.</li> </ul>
<p><b>Tax and Income Tax Expense</b> Refer to Note 7 and 13 to the financial statements</p> <p>The Company recognises the deferred tax liability as a net amount adjusted for deferred tax assets. As at 30 June 2018 the net deferred tax liability included in the statement of financial position amounted to \$2,480,404.</p> <p>We focused on this area as a key audit matter due to the amounts involved being material.</p>	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> <li>Reviewing the Company's taxation calculations for accuracy, completeness and compliance with AASB 112.</li> <li>Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 112.</li> </ul>
<p><b>Performance fee and management fee</b> Refer to Notes 21 and 22 to the financial statements.</p> <p>For the year ended 30 June 2018 the Company's statement of profit or loss and other comprehensive income includes the performance fee of \$67,918 and a management fee of \$35,898.</p> <p>In accordance with a management service agreement the Company pays a performance fee to a related party to engage a manager to provide primary and secondary management services.</p> <p>We focused on this area as a key audit matter due to the nature of the relationship.</p>	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> <li>Reviewing the management service agreement.</li> <li>Assessing the Company's management fee calculation to ensure compliance with the agreement.</li> <li>Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 124.</li> </ul>

**HEAD OFFICE:**

t: +61 (0)7 5580 4700  
 p: PO Box 1463, Oxenford, Queensland 4210 Australia  
 a: 4 Helensvale Road, Helensvale, Queensland 4212 Australia  
 e: info@wpias.com.au  
 w: www.wpias.com.au

WPIAS Pty Ltd ABN 99 163 915 482  
 WPIAS is an Authorised Audit Company and a Limited Partnership  
 Liability limited by a scheme approved under Professional Standards Legislation

GOLD COAST · BRISBANE · SYDNEY · MELBOURNE · PERTH · AUCKLAND



**GLOBAL MASTERS FUND LIMITED**  
**ABN 84 109 047 618**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED**  
 (Page 3 of 4)

**Information Other Than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Matters Relating to the Electronic Presentation of the Audited Financial Report**

This auditor's report relates to the financial report of Global Masters Fund Limited for the year ended 30 June 2018, intended to be included on the Company's website. The Company's directors are responsible for the integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the website.

**Responsibility of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

**HEAD OFFICE:**

t: +61 (0)7 5580 4700  
 p: PO Box 1463, Oxenford, Queensland 4210 Australia  
 a: 4 Helensvale Road, Helensvale, Queensland 4212 Australia  
 e: info@wpias.com.au  
 w: www.wpias.com.au

**WPIAS Pty Ltd** ABN 99 163 915 482  
 WPIAS is an Authorised Audit Company and a Limited Partnership  
 Liability limited by a scheme approved under Professional Standards Legislation

GOLD COAST • BRISBANE • SYDNEY • MELBOURNE • PERTH • AUCKLAND



GLOBAL MASTERS FUND LIMITED  
ABN 84 109 047 618

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED  
(Page 4 of 4)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors and management.
- Conclude on the appropriateness of directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transaction and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on the Remuneration Report**

**Opinion on the Remuneration Report**

We have audited the remuneration report included in pages 9 to 10 of the directors' report for the year ended 30 June 2018.

In our opinion the remuneration report of Global Masters Fund Limited for the year ended 30 June 2018 complies with s300A of the Corporations Act 2001.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

**WPIAS Pty Ltd**  
Authorised Audit Company No. 440306



**Lee-Ann Dippenaar BCom CA RCA**  
**Director**

Dated this 24<sup>th</sup> day of August 2018

**HEAD OFFICE:**

t: +61 (0)7 5580 4700  
p: PO Box 1463, Oxenford, Queensland 4210 Australia  
a: 4 Helensvale Road, Helensvale, Queensland 4212 Australia  
e: info@wpias.com.au  
w: www.wpias.com.au

**WPIAS Pty Ltd** ABN 99 163 915 482  
WPIAS is an Authorised Audit Company and a Limited Partnership  
Liability limited by a scheme approved under Professional Standards Legislation

GOLD COAST · BRISBANE · SYDNEY · MELBOURNE · PERTH · AUCKLAND