



GLOBAL MASTERS FUND LIMITED

GLOBAL MASTERS FUND LIMITED

ACN 109 047 618

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 December 2015**

DIRECTORS' REPORT

The directors of Global Masters Fund Limited submit herewith their report together with the interim financial report for the half-year ended 31 December 2015 and the auditors' independent review report thereon.

DIRECTORS

The names of the directors of the Company in office at any time during or since the end of the half-year are:

Jonathan Lancelot Addison (Chairman)
Emmanuel Clive Pohl
Patrick Corrigan

REVIEW OF OPERATIONS

During the half year to 31 December 2015 the company (during August 2015) sold 38,195 shares in Flagship Investments Limited realising a small gain. The amount the company had invested with Colonial Wholesale Income Fund has largely been repaid and at 31 December 2015 the investment is \$ 539 which should be repaid in the next 12 months. No dividends were paid during the half year with operating revenues amounting to \$83,277 and the Company recorded an operating loss of \$41,934 during the 6 months which included an increase in directors' fees. This compares with operating revenue of \$88,383 for the first six months of the prior year and a net profit of \$1,281. The investment in Berkshire Hathaway increased in value by 1.6 % (in Australian dollar terms) in the six months ended 31 December 2015 and the net assets of the company increased by 2 % over same period.

Dividend

The Directors have resolved not to pay an interim dividend during the period and to preserve funds for investment.

Auditors' Independence Declaration

A copy of the auditors' declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

Signed on behalf of the board in accordance with a resolution of the directors.



Jonathan L Addison

11 February 2016

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes set out on pages 3 to 8:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2015 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

In accordance with a resolution of the directors.



Jonathan L Addison

Chairman

Sydney

11 February 2016

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2015

	Note	Half year	
		December 2015	December 2014
		\$	\$
Revenue	2	83,277	88,383
Other expenses	3	<u>(125,211)</u>	<u>(87,102)</u>
Profit (loss) before income tax		(41,934)	1,281
Income tax expense		<u>-</u>	<u>-</u>
Net profit (loss) attributable to members of the Company		<u>(41,934)</u>	<u>1,281</u>
Other Comprehensive Income			
Changes in fair value of available-for-sale financial assets		<u>306,378</u>	<u>1,609,559</u>
Total Comprehensive Income for the period		<u>264,444</u>	<u>1,609,559</u>
Basic and diluted (Loss) profit per share (cents)		(0.49)	0.02
Comprehensive income per share (cents)		3.08	18.77

These financial statements are to be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	31 December 2015 \$	30 June 2015 \$
Current assets			
Cash and cash equivalents		43,834	53,766
Trade and other receivables		2,811	1,321
Other current assets		78,075	7,826
Total current assets		124,720	62,913
Non-current assets			
Available-for-sale financial assets		14,545,799	14,233,144
Total non-current assets		14,545,799	14,233,144
Total assets		14,670,519	14,296,057
Current liabilities			
Trade and other payables		60,300	12,475
Deferred tax liability		1,482,737	1,420,542
Total current liabilities		1,543,037	1,433,017
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		1,543,037	1,433,017
Net assets		13,127,482	12,863,040
Equity			
Issued Share Capital	4	8,609,085	8,609,085
Reserves		5,128,173	4,821,797
Retained profits/ (losses)		(609,776)	(567,842)
Total equity		13,127,482	12,863,040

These financial statements are to be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2015

	Issued Share Capital \$	Retained Profits/ (Accumulated Losses) \$	Reserves \$	Total Equity \$
Balance at 30 June 2014	8,609,085	(583,035)	3,327,800	11,353,850
Change in Value of Investments	-	-	1,609,559	1,609,559
Net income recognised directly in equity	-	-	1,609,559	1,609,559
Net profit attributable to members	-	1,281	-	1,281
Total recognised income and expense for the period	-	1,281	-	1,281
Balance at 31 December 2014	8,609,085	(581,754)	4,937,359	12,964,690
 Balance at 30 June 2015	 8,609,085	 (567,842)	 4,820,797	 12,863,040
Change in Value of Investments	-	-	306,376	306,376
Net income recognised directly in equity	-	-	306,376	306,376
Net loss attributable to members	-	(41,934)	-	(41,934)
Total recognised income and expense for the period	-	(41,934)	-	(41,934)
Balance at 31 December 2015	8,609,085	(609,776)	5,128,173	13,127,482

These financial statements are to be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CASH FLOWS

	Half-Year Ended	
	December 2015	December 2014
	\$	\$
Cash flows from operating activities		
Interest and distributions received	74	168
Dividends Received	79,957	88,216
Payments to suppliers	(149,080)	(146,465)
Net cash outflows used in operating activities	(69,049)	(58,081)
Cash flows from investing activities		
Acquisition of shares in Athelney Trust		(76,887)
Proceeds from sale of Flagship Investments	56,913	-
Proceeds from CFS Wholesale Income Fund units	2,204	-
Net cash flows (used in) from investing activities	59,117	(76,887)
Net (decrease) increase in cash held	(9,932)	(134,968)
Add opening cash brought forward (30 June)	53,766	138,469
Closing cash carried forward	43,834	3,501

These financial statements are to be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The half-year financial statements are a general purpose financial prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting, and other applicable Accounting Standards.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the 30 June 2015 annual financial report and any public announcements made by the Company during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

These financial statements have been prepared on the historical cost basis except as modified by the revaluation of available-for-sale financial assets. The accounting policies are consistent with those applied in the 30 June 2015 Annual Report.

This financial report is presented in Australian dollars.

(b) Investments

All investments are classified as "available-for-sale investments" and are recognised at fair value.

Investments are valued continuously. Unrealised gains are taken directly to equity, net of any deferred tax liability. When realized, gains are transferred through to the income statement.

Dividends and distributions are brought to account on the date that the shares or units are traded "ex-dividend". Interest income is brought to account on an accruals basis.

(c) Foreign currency

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

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

All exchange differences in the financial report are taken to the profit and loss with the exception of differences on investment assets. These are taken directly to equity until the disposal of the investment asset, at which time they are recognised in profit or loss.

These financial statements are to be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

	Half-Year Ended	
	December 2015	December 2014
	\$	\$
2. REVENUE		
Interest – other person/corporations	74	166
Other investment income	<u>83,203</u>	<u>88,217</u>
	<u>83,277</u>	<u>88,383</u>
3. OTHER EXPENSES		
ASX and share registry costs	6,712	10,211
Administration costs	<u>118,499</u>	<u>76,891</u>
	<u>125,211</u>	<u>87,102</u>

4. ISSUED CAPITAL

The number of shares remained unchanged during the six months – ie. 8,578,596 shares in issue at 31 December 2015.

5. SEGMENT INFORMATION

The Company is domiciled and incorporated in Australia.

The Company's principle activity is investment in quoted equities, principally Berkshire Hathaway Inc listed on the New York Stock Exchange, Flagship Investments Limited listed on ASX and Athelney Trust listed on the London Stock Exchange.

The Company operates in only one business.

6. SUBSEQUENT EVENTS

No events have arisen, in the interval between 31 December 2015 and the date of this report, which in the opinion of the directors of the company would significantly affect the operations of the company or the financial position.

These financial statements are to be read in conjunction with the accompanying notes.

**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 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 half year ended 31 December 2015 there have been:

- A no contravention of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- B no contraventions of any applicable code of professional conduct in relation to the review.



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Joe Pien - Chartered Accountant
Auditor

Suite 503
Level 5
276 Pitt Street
Sydney NSW 2000

Dated this 11th day of February 2016

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

Report on the Half-year Financial Report

I have reviewed the accompanying half-year financial report of Global Masters Fund Limited, which comprises the balance sheet as at 31st December 2015 and the income statement, statement of changes in equity and cash flow statement for the six months ended on that date, a statement or description of accounting policies and other selected explanatory notes, and the declaration of those charged with governance.

The Directors Responsibility for the six months ended 31 December 2015 Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the six months to 31 December 2015 financial report in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB134: Interim Financial Reporting and other applicable Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the six months to 31 December 2015 financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express a conclusion on the six months to December 2015 financial report based on my review. I conducted my review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the financial report is not presented fairly, in all material respects, in accordance with the Corporations Act 2001, Accounting Standard AASB134: Interim Financial Reporting and other applicable Accounting Standards. As the auditor of Global Masters Fund Limited ASRE 2410 requires that I comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Independence

In conducting my review, I have complied with the independence requirements of the Australian professional accounting bodies.

Conclusion

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the six months to 31 December 2015 financial report of Global Masters Fund Limited does not present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and of its financial performance and its cash flows for the six months ended on that date, in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB134: Interim Financial Reporting and other applicable Accounting Standards.

Joseph Pien
Chartered Accountant



Dated 11th February 2016