GLOBAL MASTERS FUND LIMITED

ACN 109 047 618

FINANCIAL REPORT FROM THE DATE OF INCORPORATION ON 12 MAY 2004 TO 30 JUNE 2005

CONTENTS

GLOBAL MASTERS FUND LIMITED

DIRECTORS' REPORT

The directors present their report together with the financial report of Global Masters Fund Limited for the period from the date of incorporation on 12 May 2004 to 30 June 2005.

Change of Name

The Company was incorporated as China Century Group Limited and changed its name to China International limited on 31 May 2004. The Company further changed its name to US Masters Fund Limited on 16 February 2005 and again on 4 May 2005 to Global Masters Fund Limited

Directors

The directors of the Company in office at any time during or since the end of the financial period to the date of this report are:

Name And Qualification	Age	Experience and Special Responsibilities
Jonathan Lancelot Addison B Ec, ASIS, CFTP (Snr)	52	Non-executive Chairman Over 26 years experience in the investment management industry. Fund Manager 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 Appointed 19 April 2005
George Antony Birch	71	Managing Director Managing Director of Growth Equities Corporation Limited. Previously Australian Chief Executive of Kempen Capital Management. Other experience gained in stockbroking, funds management and investment banking in London, Sydney and Melbourne. Appointed 12 May 2004
Anthony Richard Lewis BA, FIAA, AIA, ASIA, FAICD, FAIBF	51	Non-executive Director 27 years experience in fixed interest and money markets. Founded Lewis Securities in 1985 as a specialist fixed interest dealer. Previously worked at Schroder Darling and stockbrokers, Meares & Philips and ABS White & Co. Appointed 15 September 2005
Emmanuel Clive Pohl Pr Eng. BSc (Eng), MBA, DBA, FAICD, MSDIA, SIA (aff)	51	Non-executive Director 20 years experience in the investment industry. Has served on the Board of a number of major corporations in both South Africa and Australia. Joined the Wilson HTM Investment Group in 1996 and is Managing Director of Hyperion Asset Management Limited. Currently a director of Queensland Gas Limited Appointed 19 April 2005

Charles Victor Alexander	50	Non-executive Director A chartered accountant with over 35 years' commercial experience in multinational companies including senior management positions with Mobil Oil Corporation, Warner Lambert Corporation and with Exxon in Asia and Australia. Also a Director of the Queensland Resource Council, Minerals Corporation Limited and is Chairman of The Australasian Industrial Minerals Society (AIMS). Appointed 12 May 2004 Resigned 19 April 2005
Cheng Wang	56	Non-executive Director Appointed 12 May 2004 Resigned 19 April 2005
Ross Alexander Dalgleish	39	Professional company director. Appointed and resigned on 12 May 2004

Directors' Meetings

The number of directors' 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 financial period are:

Director	Meetings Held	Meetings Attended
Mr JL Addison	0	0
Mr GA Birch	2	2
Mr CV Alexander	2	2
Mr C Wang	2	2
Mr EC Pohl	0	0
Mr R A Dalgleish	1	1

Principal Activity

The Company did not trade during the period under review.

Review and Results of Operations

The Company did not trade during the period under review. The Company made a loss of $1,835 for the period comprising write-off of formation costs and accrued audit fees.

Dividends

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

DIRECTORS' REPORT (Cont.)

State of affairs

The Company was incorporated on 12 May 2004. 300,000 shares were issued on this date. These shares were consolidated on 23 June 2005 by a factor of 100 for one reducing the number of shares on issue to 3,000 at period end.

Environmental Legislation

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

Likely Developments

The Company proposes to seek a listing on the Australian Stock Exchange as a Licensed Investment Company (LIC) investing predominantly in shares in Berkshire Hathaway Inc. The Company filed a prospectus with the Australian Securities & Investments Commission on 23 September 2005 for an Initial Public Offering of the Company's securities on the Australian Stock Exchange.

Event Subsequent to the Reporting Date

Other than mentioned elsewhere in this report, there has not arisen in the interval between the end of the financial period 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 reporting period, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company. No premium has been paid, or agreed to be paid, for insurance against a current or former officer's or auditor's liability for legal costs.

Signed in accordance with a resolution of directors:

George Antony Birch
Director

28/10/2005
Dated

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2005

	Note	2005 $
Formation costs		1,335
Audit Fees	2	500
Loss from ordinary activities before income tax expense		1,835
Income tax benefit relating to ordinary activities	3	-
Net loss attributable to members of the Company		1,835
Total changes in equity other than those resulting from transactions with owners as owners	7	1,835

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 8 to 11.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	2005 $
CURRENT ASSETS		
Cash	4	1,665
TOTAL CURRENT ASSETS		1,665
TOTAL ASSETS		1,665
LIABILITIES		
Payables	5	500
TOTAL LIABILITIES		500
NET ASSETS (DEFICIENCY)		1,165
SHAREHOLDERS' EQUITY		
Share capital	6	3,000
Accumulated losses	7	(1,835)
SHAREHOLDERS' EQUITY		1,165

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 8 to 11.

GLOBAL MASTERS FUND LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2005

	Note	2005 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	9	(1,335)
Net cash (used in) operating activities		(1,335)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	5	3,000
Net cash provided by financing activities		3,000
Net increase in cash held		1,665
Cash at 12 May 2004		-
Cash at 30 June 2005		1,665

The statement of cash flows is to be read in conjunction with the notes the financial statements set out on pages 8 to 11.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers the economic entity of Global Masters Fund Limited. Global Masters Fund Limited is an unlisted public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the operating profit adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expenses are included in the determination of accounting profit and taxable income, are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b) Adoption of Australian Equivalents to International Financial Reporting Standards

The company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the entity's financial statements for the year ending 30 June 2006. Given the company has not yet begun trading, there is not expected to be any transitional adjustments on adoption.

The directors are of the opinion that there will be no likely differences in the entity's accounting policies on conversion to AIFRS.Users of the financial statements should note, however, that the effect of AIFRS adoption could change if there are any amendments by standard-setters to the current AIFRS or the directors' interpretation of the AIFRS requirements change.

		2005 $
2.	**REMUNERATION AND RETIREMENT BENEFITS**	
	(a) Directors remuneration	
	Income paid or payable to all directors of the entity by the entity and any related parties	-
	Number of parent entity directors whose income from the parent entity and any related parties was within the following bands:	
	$0 - $9,999	7

The name of the directors of the entity who have held office during the financial period are:

George Birch
Emmanuel Pohl (appointed 19 April 2005)
Jonathan Addison (appointed 19 April 2005)
Anthony Lewis (appointed 15 September 2005)
Cheng Wang (resigned 19 April 2005)
Charles Alexander (resigned 19 April 2005)
Ross Dalgleish (resigned 12 May 2004)

	(b) Retirement and Superannuation Payments	
	Amounts of a prescribed benefit given during year by the entity or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office.	-
3.	**AUDITORS' REMUNERATION**	
	Audit services:	
	Auditors of the Company	500
4.	**INCOME TAX**	
	Income tax expense	
	Prima facie income tax (benefit) calculated at 30% on the operating (loss)	(550)
	Less non-deductible expenses	550
	Income tax benefit attributable to net loss from ordinary activities	-

5. CASH

Cash on hand	1,665

6. PAYABLES

Accrued charges	500

7. SHARE CAPITAL

	2005 No.	2005 $
Issued and paid-up capital		
3,000 Ordinary shares, fully paid		3,000
Movement during the period		
300,000 issues issued at $0.01 each	300,000	3,000
100 for 1 consolidation	(297,000)	-
Balance at end of period	3,000	3,000

Holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidations.

8. ACCUMULATED LOSSES

	2005 $
Net (loss) attributed to members	(1,835)
(Accumulated losses) at the end of the year	(1,835)

9. CASH FLOW INFORMATION

	2005 $
Reconciliation of Cash Flow from Operations with Profit from Ordinary activities after Income Tax	
Loss from ordinary activities after income tax	(1,885)
Changes in assets and liabilities	
Increase in trade creditors and accruals	500
Cash flow from operations	(1,335)

10. NUMBER OF EMPLOYEES

The Company has no employees.

11. COMPANY DETAILS

The registered office and principal place of business of the company is:

Global Masters Fund Limited
Level 5, 45 – 47 York Street
SYDNEY NSW 2000

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 11 are in accordance with the *Corporations Act 2001*:

    (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

    (b) give a true and fair view of the Company's financial position as at 30 June 2005 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

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.

This declaration is made in accordance with a resolution of the Board of Directors.

George Antony Birch	28/10/05
Director	**Dated**

Chartered Accountants
Business Advisers and Consultants

Grant Thornton

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Global Masters Fund Limited (the company) for the period ended 30 June 2005.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Level 17, 383 Kent Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
T +61 2 8297 2400
F +61 2 9299 4445
E info@gtnsw.com.au
W www.grantthornton.com.au

Grant Thornton NSW
A New South Wales Partnership
ABN 25 034 787 757

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED (cont)

Audit opinion

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

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the period ended on that date; and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australian.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

AJ Archer

A J ARCHER
Partner

Sydney 28 October 2005

Chartered Accountants
Business Advisers and Consultants

Grant Thornton

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF GLOBAL MASTERS FUND LIMITED**

In accordance with the requirements of section of 307C of the Corporations Act 2001, as lead auditor for the audit of Global Masters Fund Limited for the period ended 30 June 2005 I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

A J ARCHER
Partner
Grant Thornton NSW

Sydney 28 October 2005

Level 17, 383 Kent Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
T +61 2 8297 2400
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W www.grantthornton.com.au

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