HFA Accelerator Plus Limited

ABN: 39 110 247 393

Financial statements

for the year ended 30 June 2009

HFA Accelerator Plus Limited
Annual financial report for the year ended 30 June 2009

Lodged with the ASX under listing Rule 4.3A

Contents

Results for announcement to the market

				Current period $
Net investment income / (loss) *(Appendix 4E item 2.1)*	down	807%	to	(150,387,818)
Profit / (loss) from ordinary activities after tax attributable to members *(Appendix 4E item 2.2)*	down	611%	to	(150,055,064)
Net profit / (loss) for the period attributable to members *(Appendix E item 2.3)*	down	611%	to	(150,055,064)

Dividends *(Appendix 4E item 2.4 and item 2.5)*

No dividend has been declared or paid by the Company after the balance sheet date for 2009.

Explanation of revenue *(Appendix 4E item 2.6)*
Total revenue for the year is negative $150,387,818 a decrease of 807% over the last corresponding period. The decrease in revenues was driven primarily by the net change in the fair value of the Company's investment portfolio during the year ended 30 June 2009, The significant fall in the value of the Company's investments is primarily a result of the severe downturn in global markets since September 2008 being magnified by the leverage inherent in the Company's investments.

Explanation of profit/(loss) from ordinary activities after tax *(Appendix 4E item 2.6)*
The current year loss is $150,055,064 a decrease of 611% over the last corresponding period. The decrease was driven primarily by the net change in the fair value of the Company's investment portfolio during the year ended 30 June 2009, The significant fall in the value of the Company's investments is primarily a result of the severe downturn in global markets since September 2008 being magnified by the leverage inherent in the Company's investments.

Explanation of net profit/(loss) *(Appendix 4E item 2.6)*
Please refer above.

Explanation of dividends *(Appendix 4E item 2.6)*
The following dividends have been paid, declared or recommended since the end of the prior financial year:

	Cents per share	Total amount	Franked / unfranked	Date of payment
Declared and paid during the year				
Final 2008	1.5	$2,840,005	Franked	30 September 2008
		$2,840,005		

No dividend has been declared or paid by the Company after the balance sheet date for 2009.

NTA backing *(Appendix 4E, item9)*

	30 June 2009 $	30 June 2008 $
Net tangible asset backing per ordinary share (before tax)	0.42	1.30
Net tangible asset backing per ordinary share (after tax)	0.42	1.23
	Cents per share	**Cents per share**
Earnings per share	(79.25)	(11.21)

Controlled entities acquired or disposed of *(Appendix 4E, item 10)*

There were no controlled entities acquired or disposed of by the company during the year ended 30 June 2009.

Other significant information *(Appendix 4E, item 12)*

Refer to attached Market Announcement

Commentary on result *(Appendix 4e, item 14)*

Refer to attached Market Announcement

Significant features of operating performance *(Appendix 4E, item 14.3)*

Refer to attached Market Announcement

Results for announcement to the market (continued)

Trends in performance *(Appendix 4E, item 14.5)*

Refer to attached Market Announcement.

Other factors that affected results in the period or which are likely to affect results in the future *(Appendix 4E, item 14.6)*

Refer to attached Market Announcement.

Audit status *(Appendix 4E, item 15)*

The report is based on accounts which have been audited.

HFA Accelerator Plus Limited

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Contents

Directors' report

The directors of HFA Accelerator Plus Limited ("the Company") present their report together with the financial report of the Company for the year ended 30 June 2009 and the auditor's report thereon.

HFA Accelerator Plus Limited is a company limited by shares and incorporated in Australia.

Directors
The directors of the Company at any time during or since the end of the financial year are:

Name	Period of directorship
Bruce McComish	Appointed 20 September 2005
John Morrison	Appointed 28 July 2004
Paul Manka	Appointed 20 September 2005
Jonathan Pain	Appointed 28 July 2004 – Resigned 29 January 2009
Julie Raffe	Appointed 24 July 2007
Robert White	Appointed 4 October 2007

Principal activities
The Company's investment objective is to generate superior returns over the long term across all market conditions via leveraged exposure to the performance of a diversified portfolio of international absolute return funds. Investment objectives are pursued by investing primarily in leveraged instruments, which provide up to four times leveraged exposure to the return of an underlying investment, less the leveraged cost. Investments may also be made into cash and cash equivalent securities, foreign exchange contracts and options.

Review of operations
During the year, the Company continued to invest funds in accordance with the Company's stated investment strategy.

	2009	2008
Net profit / (loss) after tax	**$(150,055,064)**	**$(21,102,843)**
Basic and diluted earnings per share	**(79.25) cps**	**(11.21) cps**
Net tangible assets per share	**$0.42**	**$1.23**

Explanation of profit/(loss) after tax
The current year loss is $150,055,064 an increase of 611% from the prior year loss of $21,102,843. The decrease was driven primarily by the net change in the fair value of the Company's investment portfolio during the year ended 30 June 2009. The significant fall in the value of the Company's investments is primarily a result of the severe downturn in global markets since September 2008 being magnified by the leverage inherent in the Company's investments.

Dividends
Dividends paid or declared by the Company since the end of the previous financial year are:

	Cents per share	Total amount	Franked / unfranked	Date of payment
Declared and paid during the year				
Final 2008	1.5	$2,840,005	Franked	30 September 2008
		$2,840,005		

Declared after end of year
No dividend has been declared or paid by the Company after the end of the 2009 financial year.

Off-market share buy-back and strategic asset realisation program
On 14 October 2008, at the Company's annual general meeting, shareholders approved an off-market buy-back of up to a total of 75,733,398 of the Company's shares (being 40% of the total issued shares at the record date for the buy-back) on terms set out in the notice of meeting and explanatory memorandum. The buy-back was proposed to be implemented in two tranches and the buy-back price for each tranche was to be set at 95%of the Company's post tax NTA at the proposed pricing date for each tranche. The buy-back was to be funded through the realisation of part of the Company's investment portfolio, specifically through a redemption of some leveraged notes and swaps.

On 22 October 2008, the Company advised that a total of 115,373,051 shares were tendered into the buy-back offer. At the same time, the Company announced that the proposed buy-back was to be deferred as a result of issues concerning the liquidity of the Company's investment portfolio (specifically the underlying investment fund for the leveraged notes and swaps) in the current market environment.

Off-market share buy-back and strategic asset realisation program (continued)
On 2 December 2008, the Company announced that it was implementing a strategic asset realisation program by redeeming all of its leveraged notes and swaps. The Board considered this to be the most effective strategy to protect shareholder value in the current investment environment and worked closely with its Manager to achieve the most effective timetable to optimise the return of capital from the redemption process.

On 24 December 2008, the Company announced that the investment manager of Lighthouse Diversified Fund Limited (LHP DF), the underlying investment fund on which the Company's leveraged notes and swaps are based, gave notice to its investors that effective 31 December 2008, it would create a special purpose vehicle to hold the LHP DF interests in certain designated less liquid investments on behalf of withdrawing investors from 31 December 2008.

Continuing liquidity issues with the underlying LHP DF investment fund and the Company's investment portfolio has had a significant impact on the timing of the proposed off-market buy-back and the Company's strategic asset realisation program. Based on the latest advice from its Manager, the Company does not expect to receive the majority of the redemption proceeds for the leveraged notes and swaps until after June 2010.

As a majority of proceeds from the strategic asset realisation program are unlikely to be received until after June 2010 the Board has resolved that it is not possible for the current buy back to proceed within the prescribed regulatory timeframes.

The Board continues to evaluate all options to accelerate the strategic asset realisation program and will keep shareholders informed of all future developments. As timing of receipts from the strategic asset realisation program become more certain, the Board will finalise its proposed capital initiatives which may include a new share buy-back proposal for approval and an outline of a proposed new investment strategy.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year
Other than the ongoing strategic asset realisation program and the cancellation of the proposed off-market buy-back, 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.

Likely developments and expected results of operations
The results of the Company's operations will be affected by a number of factors, including the performance of investment markets in which the Company invests, the timing of receipts from the strategic asset realisation program and the Board of Directors' determination of the Company's future investment strategy. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Environmental regulation
The operations of the Company are not subject to any particular environmental regulations under a Commonwealth, State or Territory law.

Information on directors

Bruce S McComish BCA(Hons) FCA FCPA. *Chairman and Independent Non-Executive Director.*
Experience and expertise
Bruce holds a Bachelor of Commerce and Administration from Victoria University of Wellington and is a qualified accountant. He is a non-executive director of Living and Leisure Australia Limited and was previously a non-executive director of Metal Storm Limited. He has been the Chief Financial Officer of National Australia Bank Ltd and North Limited. He worked for 18 years for Unilever PLC in Europe and Asia as well as in Australia.

Special responsibilities
Chairman of the Board from 30 May 2007.
Chairman of Nominations Committee from 30 March 2007.
Audit and Risk Committee Member.

Appointed 20 September 2005.

Information on Directors (continued)

John A Morrison BE(Hons) MBA MAICD. *Non-Executive Director.*
Experience and expertise
John is currently an Executive Director of Grant Samuel, a leading independent investment bank. He has broad experience in the finance industry and since 1990 has been involved in providing advice to corporations in mergers, acquisitions, valuations, restructuring, financing and capital management. Prior to this he worked in engineering and construction in Australia and the UK. John is a non-executive Director of Minara Resources Limited and was previously a non-executive director of HFA Holdings Limited until December 2007.

Special responsibilities
Member of Audit and Risk Committee.

Appointed 28 July 2004.

Paul J Manka MBA CFP F FIN. *Non-Executive Director.*
Experience and expertise
Paul Holds a Masters in Business Administration (MGSM), is a Certified Financial Planner and a Fellow of the Financial Services Institute of Australasia. Paul has held a range of positions within the financial services sector, including various board and management positions, and continues to provide financial advice to a broad range of clients. Paul was a director of Living and Leisure Australia Limited between February 2004 and March 2005, and director of GEO Property Group Limited between December 2005 and November 2006. He was also an independent director of HFA Holdings Limited between September 2005 and June 2007. Paul is currently Independent Chairman of Octaviar Limited, and has been a director of that company since February 2004.

Special responsibilities
Member of Audit and Risk Committee.
Member of Nominations Committee from 30 March 2007.

Appointed 20 September 2005.

Julie Raffe MAICD, F.FIN, ACA, FCAEw. *Independent Non-Executive Director.*
Experience and expertise
Fellow of Institute of Chartered Accountants in Australia with 19 years experience at Village Roadshow, a public listed entertainment company based in Melbourne. Julie is also an Alternate Director for Austereo Group Ltd, a public listed subsidiary of Village Roadshow.

Apart from traditional CFO responsibilities, Ms Raffe retains financial oversight for Village Roadshow and all subsidiary companies, and is also responsible for the group human resources, risk assessment, tax compliance and technology functions. Before joining Village Roadshow she was an Audit Manager at Horwath & Horwath in Australia and the United Kingdom. Julie is a fellow of the Institute of Chartered Accountants in England and Wales and is also a member of Financial Services Institute of Australasia (FINSIA).

Special responsibilities
Chairperson of Audit and Risk Committee.

Appointed 24 July 2007

Jonathan Pain B Soc Sc (Keele), MA Finance (Exeter). *Executive Director.*
Experience and expertise
Jonathan Pain is currently an Executive Director and the Chief Investment Strategist of HFA Asset Management Limited. He has over 20 years of international investment experience including Chief Investment Officer of Rothschild Australia Asset Management, Head of Investments at Gulf International Bank in Bahrain and Chair of the International Asset Allocation Committee at Paribas Asset Management in London. Jonathan holds a joint honours degree in Economics and Politics from Keele University and a Masters degree in the Economics of Finance and Investment from Exeter University in the U.K, specialising in Modern Portfolio Theory. He is a highly rated commentator both nationally and internationally, specialising in Global Markets, Asset Allocation and Portfolio Construction.

Resigned 29 January 2009

Robert White B Bus. *Chief Executive Officer, Executive Director and Company Secretary.*
Experience and expertise
Robert is responsible for the day to day operations within the Company. He has over 14 years experience in the financial services industry working within both the institutional and retail market segments in the UK, Europe and Australia. Robert holds a Bachelors Degree in Business and has undertaken further studies within the Securities and Futures Authority and the Securities Institute in London. Robert is also an Executive Director of HFA Asset Management Limited.

Appointed 4 October 2007

Company secretaries
Amber Stoney

Ms Amber Stoney BCom (Hons) CA was appointed to the position of company secretary 13 April 2005. Amber previously worked for KPMG specialising in providing assurance and advisory services to the funds management industry, particularly in relation to accounting, operational and regulatory compliance issues. Amber has been employed at HFA Asset Management Limited since April 2004 and holds the position of General Manager of Operations and Administration.

Resigned 8 January 2009

Rod Hughes

Mr Rod Hughes BCom CA was appointed as dual company secretary on 4 October 2007. Rod has extensive experience in financial reporting within the funds management sector having held senior roles with ING Australia, its predecessor ANZ Funds Management and MBF. He holds a Bachelor of Commerce from the University of Melbourne and is a Chartered Accountant. Rod was Chief Financial Officer of HFA Holdings Limited and HFA Asset Management Limited until he resigned on 26 September 2008.

Resigned 2 September 2008

Robert White

Refer above for Robert White’s experience and expertise.

Appointed 8 January 2009

Meetings of directors
The numbers of meetings of the Company’s board of directors and of each board committee held during the year ended 30 June 2009, and the numbers of meetings attended by each director were:

	Board Meetings		Audit and Risk Committee Meetings		Nomination Committee Meetings	
	A	**B**	**A**	**B**	**A**	**B**
B McComish	28	32	2	2	-	-
J Morrison	28	32	2	2	-	-
P Manka	31	32	2	2	-	-
J Raffe	30	32	2	2	-	-
J Pain	19	21	-	-	-	-
R White	31	32	-	-	-	-

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year

Directors' interests
The relevant interest of each director in shares issued by the Company and other related bodies corporate, as notified by the directors in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	2009 No.	**2008** No.
B McComish	**-**	-
J Morrison	**10,001**	10,001
P Manka	**-**	-
J Raffe	**-**	-
J Pain	**-**	20,945,843
R White	**20,903,505**	20,903,505

For details of the directors’ share transactions refer to Note 17 'Related Parties'.

Share options
No share options have been granted during or since the end of the financial year. As at the date of this report there are no unissued shares of the Company under option.

Indemnification and insurance of officers and auditors

Indemnification

Since incorporation, the Company has not indemnified or made a relevant agreement for indemnifying against a liability, any person who is or has been an officer of the Company, or an auditor of the Company.

Insurance premiums

Related body corporates paid premiums in respect of directors' and officers' liability for the Company for the period 1 July 2008 up to and including 19 March 2009. For the period 20 March 2009 to 30 June 2009 the Company has paid premiums directly in respect to directors' and officers' liability. Such insurance contracts insure against certain liability (subject to specific exclusions) for persons who are or have been the directors or executive officers of the Company. Details of the nature of the liabilities covered or the amount of the premium paid has not been included, as such disclosure is prohibited under the terms of the contracts.

Remuneration report - audited

The Directors of the Company present the Remuneration Report prepared in accordance with section 300A of the Corporations Act for the year ended 30 June 2009.

Principles of compensation

The Company has outsourced the management of operations to HFA Asset Management Limited and the Company does not have any employees.

The Company's Constitution provides that Directors (excluding executive Directors) may be paid such remuneration as is determined from time to time in general meeting. The remuneration may be divided among the non-executive Directors in such proportion as they agree. The Board Charter discloses the main corporate governance practices of the Board including a detailed definition of independence, a framework for the identification of candidates for apportionment to the Board, requirements regarding conflicts of interest, the role and responsibility of the Board, delegation to management and remuneration and nomination policies. Shareholders have approved remuneration of up to $250,000 in aggregate for non-executive Directors in any year. Superannuation contributions and insurance premiums are also paid by the Company in accordance with the law and the Company's Constitution.

Currently non-executive Directors are entitled to annual fees of $36,000 per annum (excluding superannuation) and the chairperson of the Audit and Risk Committee is entitled to an additional $4,000 per annum (excluding superannuation). The Chairperson is entitled to annual fees of $60,000 per annum (including superannuation).

During the financial year ended 30 June 2009, the Board established a separate sub-committee to review and assess various capital management proposals including the finalisation of the off-market share buy-back offer. The committee was comprised of the non-executive Directors. Members of the committee were entitled to a fee of $2,000 per month (or part thereof) for the duration in which the committee was established.

Other fees may be payable in special circumstances as agreed by the Board. Retirement benefits are not paid to non-executive Directors. Non-executive directors do not receive performance related compensation.

Remuneration Committee

The Board has not established a Remuneration Committee. All remuneration decisions are made by the Board.

Directors' and executives' remuneration

The Company does not have any employees. Management and administration services are provided by the Manager, HFA Asset Management Limited, in accordance with the Management Agreement dated 20 September 2005.

Those Directors who are also directors of the Manager have currently elected not to receive any directors' fees.

Details of the nature and amount of each major element of remuneration of each director of the Company are:

		Short-term	Post-employment		S300A(1)(e)(i) proportion of remuneration performance related	S300A(1)(e)(vi) Value of options as proportion of remuneration
		Salary & fees	Superannuation benefits	Total		
		$	$	$	%	%
Directors						
Non-executive directors						
Mr Bruce McComish	2009	62,171	5,595	67,766	-	-
	2008	61,284	5,516	66,800	-	-
Mr John Morrison	2009	43,125	3,881	47,006	-	-
	2008	18,000	1,620	19,620	-	-
Mr Paul Manka	2009	43,125	3,881	47,006	-	-
	2008	18,000	1,620	19,620	-	-
Ms Julie Raffe	2009	47,125	4,241	51,366	-	-
	2008	37,452	3,371	40,823	-	-
Executive directors						
Mr Jonathan Pain	2009	-	-	-	-	-
(resigned 29 January 2009)	2008	-	-	-	-	-
Mr Robert White	2009	-	-	-	-	-
	2008	-	-	-	-	-
Total compensation: key	2009	195,546	17,598	213,144	-	-
management personnel	2008	134,736	12,127	146,863	-	-

Corporate Governance

A statement of the Company's corporate governance practices are outlined in the Corporate Governance Statement.

Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in in APES 110 *Code of Ethics for Professional Accountants,* as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

	2009 $	2008 $
Audit services:		
Auditors of the Company:		
Audit and review of financial reports (KPMG Australia)	46,800	45,000
	46,800	**45,000**
Services other than statutory audit:		
Other services		
Taxation services (KPMG Australia)	156,257	65,050
	156,257	**65,050**
	203,057	**110,050**

Lead auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13 and forms part of the directors' report for the financial year ended 30 June 2009.

This report is made in accordance with a resolution of directors.

Bruce McComish
Director

Robert White
Director

Brisbane
24 August 2009

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of HFA Accelerator Plus Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 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.

KPMG

KPMG

Robert S Jones

Robert S Jones
Partner

Brisbane
24 August 2009

Income statement

	Note	2009 $	2008 $
Income			
Interest income	5	979,204	2,415,862
Net changes in fair value of financial assets	6	(153,584,089)	(18,571,072)
Foreign exchange gains/losses		2,217,067	(424,970)
Net investment loss		**(150,387,818)**	**(16,580,180)**
Expenses			
Management fees	17(e)	6,213,398	12,385,601
Administrative expenses		633,591	381,606
Legal fees		356,794	257,830
Professional and consultancy fees		233,907	289,434
Other operating expenses		331,862	217,283
Total operating expenses before finance expenses		**7,769,552**	**13,531,754**
Loss from operating activities		**(158,157,370)**	**(30,111,934)**
Finance expense		-	(50,127)
Loss before income tax		**(158,157,370)**	**(30,162,061)**
Income tax benefit	7	(8,102,306)	(9,059,218)
Loss for the year		**(150,055,064)**	**(21,102,843)**
Earnings per share:		**Cents**	**Cents**
Basic and diluted earnings per share	13	(79.25)	(11.21)

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet

	Note	2009 $	2008 $
Assets			
Current assets			
Cash and cash equivalents	14(a)	15,754,559	33,862,731
Financial assets held at fair value through profit and loss:			
Leverage instruments	4	3,352,373	205,075,253
Current tax asset	11	1,345	-
Receivables:			
Balances due from brokers	8	-	9,991,611
Other receivables	9	270,220	534,140
Total current assets		**19,378,497**	**249,463,735**
Non-current assets			
Financial assets held at fair value through profit and loss:			
Leverage instruments	4	62,231,450	-
Total non-current assets		**62,231,450**	**-**
Total assets		**81,609,947**	**249,463,735**
Liabilities			
Financial liabilities held at fair value through profit and loss:			
Derivative financial instruments	4	-	642,950
Other payables	10	1,764,481	2,299,804
Current tax liability	11	-	5,600,175
Total current liabilities		**1,764,481**	**8,542,929**
Non-current liabilities			
Deferred tax liability	11	-	8,180,270
Total non-current liabilities		**-**	**8,180,270**
Total liabilities		**1,764,481**	**16,723,199**
Net assets		**79,845,466**	**232,740,536**
Equity			
Contributed equity	12	198,331,809	198,331,809
Retained earnings	12	(118,486,343)	34,408,727
Total equity		**79,845,466**	**232,740,536**
Net tangible assets per share		**$0.42**	**$1.23**

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of recognised income and expense

	2009 $	2008 $
Net loss for the year after tax	(150,055,064)	(21,102,843)
Total recognised income and (expense) for the year	**(150,055,064)**	**(21,102,843)**
Attributable to:		
Equity holders of the company	(150,055,064)	(21,102,843)
Total recognised income and (expense) for the year	**(150,055,064)**	**(21,102,843)**

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	2009 $	2008 $
Cash flows from operating activities			
Interest received		979,867	2,359,066
Management fees paid		(7,231,608)	(11,383,774)
Other expenses paid		(810,011)	(1,071,378)
Tax expenses paid		(5,679,484)	(3,415,760)
Net cash outflow from operating activities	14(b)	**(12,741,236)**	**(13,511,846)**
Cash flows from investing activities			
Proceeds from sale of financial assets held at fair value through profit or loss		13,630,036	43,276,077
Payments for financial assets held at fair value through profit or loss		(26,148,578)	-
Amounts received from/(placed with) brokers as collateral		9,991,611	(9,394,866)
Net cash inflow from investing activities		**(2,526,931)**	**33,881,211**
Cash flows from financing activities			
Interest paid		-	(50,142)
Proceeds from the issue of share capital		-	2,483,107
Dividends paid to Company's shareholders	12	(2,840,005)	(11,241,163)
Net cash outflow from financing activities		**(2,840,005)**	**(8,808,198)**
Net (decrease)/increase in cash and cash equivalents		**(18,108,172)**	**11,561,167**
Cash and cash equivalents at the beginning of the financial year		33,862,731	22,301,564
Cash and cash equivalents at end of year	14(a)	**15,754,559**	**33,862,731**

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 Reporting entity

HFA Accelerator Plus Limited ("the Company") is incorporated and domiciled in Australia. The address of the Company's registered office is Level 5, 121 Macquarie Street Sydney NSW 2000.

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.*The Company's financial report complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on 24 August 2009.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value; and
- financial instruments at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in note 3.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 11 *Tax assets and liabilities*.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The Company does not isolate that portion of gains or losses on securities and derivative financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments held at fair value through profit or loss.

3 Significant accounting policies (continued)

(b) Financial instruments

(i) Classification

The Company has designated all its investments (except as stated below) into the fair value through profit or loss category.

The category of financial assets and financial liabilities at fair value through profit and loss comprises:

- Financial instruments designated at fair value through profit or loss upon initial recognition. These include assets that are not held for trading purposes and which may be sold. These assets include leveraged instruments. The fair value through profit or loss classification is in accordance with AASB 139 *Financial Instruments: Recognition and Measurement.* The classification is appropriate as the Company's performance is assessed on a fair value basis.
- Financial instruments held-for-trading. These include forward foreign exchange contracts and options which the Company may use to hedge its exposure to foreign exchange and interest rate risks. All derivatives in a net receivable position (positive fair value) as well as options purchased, are reported as financial assets held-for-trading. All derivatives in a net payable position (negative fair value) are reported as financial liabilities held-for-trading.

Financial instruments designated at fair value through the profit or loss are not subsequently reclassified.

Financial assets that are classified as receivables include balances due from brokers and other receivables.

Financial liabilities that are not at fair value through profit or loss include other payables.

(ii) Recognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument.

Financial assets are recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

(iii) Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their value recognised in the profit or loss.

Financial assets classified as receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy (b)(v)).

(iv) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If a quoted market price is not available on a recognised stock exchange or from a broker / dealer for non-exchange traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date. The fair value of derivatives that are not exchange-traded is estimated at the amount that the Company would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions (volatility, appropriate yield curve) and the current creditworthiness of the counterparties.

The fair value of leverage instruments are determined in accordance with the contractual terms of the instrument, with reference to the value of the underlying securities to which it is linked and the cost of the leverage provided within the instrument.

3 Significant accounting policies (continued)

(b) Financial instruments (continued)

(v) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, impairment testing is carried out and an impairment loss is recognised in the income statement as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised in a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

(vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with AASB 139.

The Company uses the weighted average method to determine realised gains and losses on derecognition of financial assets not at fair value.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(vii) Specific instruments

Cash and cash equivalents

Cash comprises current deposits with banks.

Leveraged instruments

The Company invests into leverage instruments to gain leverage exposure to the performance of a diversified portfolio of international absolute return funds. Leverage instruments are recognised initially at fair value, with attributable transaction costs recognised in profit or loss when incurred.

Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risk risks arising from investment activities. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(c) Interest income

Interest income is recognised in profit and loss as it accrues, using the effective interest method of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(d) Expenses

All expenses, including management and performance fees, are recognised in the income statement on an accrual basis.

Included in administrative expenses are custody fees, directors fees, indemnity insurance fees and audit and advisory fees.

Included in other operating expenses are compliance fees, ASX fees, printing costs and other miscellaneous operating expenses.

(e) Finance expenses

Finance expenses comprise borrowing costs incurred during the period.

(f) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

3 Significant accounting policies (continued)

(f) Income tax (continued)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(g) Goods and services tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. The Company qualifies for Reduced Input Tax Credits (RITC's) at a rate of 75%.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet.

Cash flows relating to GST are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are receoverable from, or payable to, the ATO are classified as operating cash flows.

(h) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the

after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(i) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Company’s business and geographical segments.

3 Significant accounting policies (continued)

(j) New accounting standards and interpretations not yet adopted

The following standards, amendment to standards and interpretations have been identified as those which may impact the Company in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report.

- AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Company's 30 June 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Company's Chief Operating Decision Maker in order to access each segment's performance and to allocate resources to them. Currently the Company presents segment information in respect of it's business and geographical segments (see note 15). The amendments, which become mandatory for the Company's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.
- Revised AASB 101 P*resentation of Financial Statements* introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in a income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Company's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the Company's financial statements. The Company has yet to determine as to whether total comprehensive income will be presented in either a single statement of comprehensive income or in a separate statement of comprehensive income for its 2010 financial statements.
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Process* and 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Company's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.

4 Financial assets and liabilities

The following table details the categories of financial assets and liabilities held by the Company at the reporting date:

	Note	2009 $	2008 $
Current financial assets			
Cash and cash equivalents	14(a)	**15,754,559**	**33,862,731**
Financial assets at fair value through the profit or loss			
Designated at fair value through profit and loss upon initial recognition			
Leverage instruments		3,352,373	205,075,253
Total financial assets at fair value through the profit or loss		**3,352,373**	**205,075,253**
Receivables			
Balances due from brokers	8	-	9,991,611
Other receivables	9	270,220	534,140
Total receivables		**270,220**	**10,525,751**
Total current financial assets		**19,377,152**	**249,463,735**
Non-current financial assets			
Financial assets at fair value through the profit or loss			
Designated at fair value through profit and loss upon initial recognition			
Leverage instruments		62,231,450	-
Total financial assets at fair value through the profit or loss		**62,231,450**	**-**
Total non-current financial assets		**62,231,450**	**-**
Total financial assets		**81,608,602**	**249,463,735**
Financial liabilities			
Financial liabilities at fair value through the profit or loss			
Held for trading			
Derivative financial instruments		-	642,950
Total financial liabilities at fair value through the profit or loss		**-**	**642,950**
Payables	10	**1,764,481**	**2,299,804**
Total financial liabilities		**1,764,481**	**2,942,754**

The company's exposure to credit, currency and interest rate risks related to investments is disclosed in note 16.

5 Interest income

The following table details the interest income earned by the Company during the year:

	2009 $	2008 $
Interest income for financial assets that are not at fair value through profit or loss:		
Cash and cash equivalents	**979,204**	**2,415,862**
Total interest income	**979,204**	**2,415,862**

6 Gains and losses from financial assets and liabilities designated at fair value through profit and loss

The following table details the gains and losses from financial assets and liabilities at fair value through the profit and loss for the year ended:

	2009 $	2008 $
Designated at fair value through profit and loss upon initial recognition:		
Leverage Instruments	(128,078,462)	(45,832,650)
Net gain/(loss) from financial assets and liabilities designated at fair value through profit and loss upon initial recognition	**(128,078,462)**	**(45,832,650)**
Held for trading		
Derivative financial instruments		
Forward foreign exchange contracts	(19,641,130)	27,269,785
Options	(5,864,497)	(8,207)
Net gain/(loss) from financial assets and liabilities designated as held for trading	**(25,505,627)**	**27,261,578**
Net gain/(loss) from financial assets and liabilities at fair value through profit and loss	**(153,584,089)**	**(18,571,072)**

7 Income tax expense

	2009 $	2008 $
Current tax expense		
Current period	-	5,992,340
Adjustment for prior periods	77,964	(10,600)
	77,964	**5,981,740**
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	(8,180,270)	(15,040,958)
	(8,180,270)	**(15,040,958)**
Total income tax benefit	**(8,102,306)**	**(9,059,218)**
Numerical reconciliation between tax expense and pre-tax accounting profit		
Loss for the period	(150,055,064)	(21,102,843)
Total income tax benefit	(8,102,306)	(9,059,218)
Loss excluding income tax	**(158,157,370)**	**(30,162,061)**
Income tax using the Company's domestic tax rate of 30% (2008: 30%)	(47,447,211)	(9,048,618)
Under/(over) provided in prior periods	77,964	(10,600)
Change in unrecognised temporary differences	29,314,306	-
Current year losses for which no deferred tax was recognised	10,129,117	-
Total income tax expense	**(8,102,306)**	**(9,059,218)**

8 Balances due from brokers

	2009 $	2008 $
Balances due from brokers		
Margin accounts	-	9,991,611
Total balances due from brokers	**-**	**9,991,611**

Margin accounts represent cash deposits with brokers, transferred as collateral against open derivative contracts.

9 Receivables

	2009 $	2008 $
GST receivable	270,220	516,022
Interest receivable	-	663
Other receivables	-	17,455
Total receivables	**270,220**	**534,140**

10 Payables

	2009 $	2008 $
Management fee payable	1,510,489	2,074,060
Other payables	253,992	225,744
Total Payables	**1,764,481**	**2,299,804**

11 Tax assets and liabilities

Current tax assets and liabilities

The current tax asset for the Company of $1,345 (Current tax liability 2008: $5,600,175) represents the amount of income taxes recoverable in respect of current and prior financial periods.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2009 $	2008 $
Deductible temporary differences	29,314,306	-
Current tax losses for which no deferred tax was recognised	10,129,811	-
Unrecognised deferred tax asset	**39,444,117**	-

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items due to the current volatility in the global financial markets and the Company's Strategic Asset Realisation Program, as it is not sufficiently probable that taxable profits will be generated in the future against which the Company could utilise the potential benefit associated with the current realised and unrealised losses.

11 Tax assets and liabilities (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**	**$**	**$**
Financial assets at fair value through profit and loss	-	-	-	(8,417,295)	-	(8,417,295)
Equity raising costs	-	224,207	-	-	-	224,207
Other	-	12,818	-	-	-	12,818
Tax assets/(liabilities)	-	237,025	-	(8,417,295)	-	(8,180,270)
Set off of tax	-	(237,025)	-	237,025	-	-
Net tax assets/(liabilities)	**-**	**-**	**-**	**(8,180,270)**	**-**	**(8,180,270)**

Movement in temporary differences during the year

2009	**Balance 1 July 2008 $**	**Recognised in profit and loss $**	**Recognised in Equity $**	**Balance 30 June 2009 $**
Financial assets at fair value through profit and loss	(8,417,295)	8,417,295	-	-
Equity raising costs	224,207	(224,207)	-	-
Other	12,818	(12,818)	-	-
	(8,180,270)	**8,180,270**	**-**	**-**

2008	**Balance 1 July 2007 $**	**Recognised in profit and loss $**	**Recognised in Equity $**	**Balance 30 June 2008 $**
Financial assets at fair value through profit and loss	(23,620,606)	15,203,311	-	(8,417,295)
Equity raising costs	399,377	-	(175,170)	224,207
Other	-	12,818	-	12,818
	(23,221,229)	**15,216,129**	**(175,170)**	**(8,180,270)**

Movement in unrecognised deferred tax assets and liabilities during the year

2009	**Balance 1 July 2008 $**	**Additions $**	**Recognition $**	**Balance 30 June 2009 $**
Deductible temporary differences	-	29,314,306	-	29,314,306
Temporary differences arising from current income tax losses	-	10,129,811	-	10,129,811
	-	**39,444,117**	**-**	**39,444,117**

2008	**Balance 1 July 2007 $**	**Additions $**	**Recognition $**	**Balance 30 June 2008 $**
Deductible temporary differences	-	-	-	-
Temporary differences arising from current income tax losses	-	-	-	-
	-	**-**	**-**	**-**

12 Capital and reserves

Reconciliation of movement in capital and reserves

	Share Capital	Retained Earnings	Total
	$	$	$
Balance at 1 July 2007	195,848,702	66,752,733	262,601,435
Total recognised income and expense	-	(21,102,843)	(21,102,843)
Dividends to equity holders	-	(11,241,163)	(11,241,163)
Issue of ordinary shares under dividend reinvestment plan	2,483,107	-	2,483,107
Balance at 30 June 2008	**198,331,809**	**34,408,727**	**232,740,536**
Balance at 1 July 2008	198,331,809	34,408,727	232,740,536
Total recognised income and expense	-	(150,055,064)	(150,055,064)
Dividends to equity holders	-	(2,840,005)	(2,840,005)
Issue of ordinary shares under dividend reinvestment plan	-	-	-
Balance at 30 June 2009	**198,331,809**	**(118,486,342)**	**79,845,466**

Share capital

	2009 No. of Shares	2008 No. of Shares
On issue at 1 July	189,333,499	187,011,118
Issue of ordinary shares under dividend reinvestment plan	-	2,322,381
On issue at 30 June – fully paid	**189,333,499**	**189,333,499**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The Company does not have authorised capital or par value in respect of its issued shares.

Dividends

Dividends recognised in the current year by the Company are:

	Cents per share	Total amount $	Franked / unfranked	Date of payment
2009				
Final 2008 ordinary	1.5	2,840,005	Franked	30 September 2008
Total amount		**2,840,005**		
2008				
Special 2008 ordinary	5.0	9,350,556	Franked	14 December 2007
Interim 2008 ordinary	1.0	1,890,607	Franked	31 March 2008
Total amount		**11,241,163**		

Franked dividends declared or paid during the year were franked at the tax rate of 30 percent.

No dividend has been declared or paid by the Company after the balance sheet date for 2009.

12 Capital and reserves (continued)

Dividend franking account

	2009	2008
30 percent franking credits available to shareholders of HFA Accelerator Limited for subsequent financial years	**4,569,628**	**5,708,809**

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) franking credits that will arise from the payment of the current tax liabilities; and

(b) franking credits that will arise from the payment of dividends recognised as a liability at the year-end.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

13 Earnings per share

Basic and diluted earnings per share

The calculation of basic earnings per share for the financial year ended 30 June 2009 was based on the loss attributable to ordinary shareholders of $150,055,064 (2008: $21,102,843) and a weighted average number of ordinary shares outstanding of 189,333,499 (2008: 188,198,927), calculated as follows:

Loss attributable to ordinary shareholders

	2009 $	2008 $
Loss for the year	**(150,055,064)**	**(21,102,843)**

Weighted average number of ordinary shares

	2009 $	2008 $
Issued ordinary shares at 1 July	189,333,499	187,011,118
Effect of shares issued under the dividend reinvestment plan in December 2007	-	1,119,975
Effect of shares issued under the dividend reinvestment plan in March 2008	-	67,834
Weighted average number of ordinary shares for the year ended 30 June	**189,333,499**	**188,198,927**

14(a) Cash and cash equivalents

	2009 $	2008 $
Bank balances	15,754,559	33,862,731
Total cash and cash equivalents	**15,754,559**	**33,862,731**

The Company’s exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 16.

14(b) Reconciliation of cash flows from operating activities

	2009 $	2008 $
Loss for the period	(150,055,064)	(21,102,843)
Adjustments for:		
Net changes in fair value of financial assets	153,584,089	18,571,072
Foreign exchange (gains)/losses	(2,217,067)	424,970
Finance expense	-	50,127
Operating profit before changes in working capital and provisions	**1,311,958**	**(2,056,674)**
Change in other receivables	263,920	177,957
Change in other payables	(535,324)	841,849
Change in current tax asset / (liability)	(5,601,520)	2,565,981
Change in deferred income tax liability	(8,180,270)	(15,040,959)
Net cash outflow from operating activities	**(12,741,236)**	**(13,511,846)**

15 Segment information

Business segments
The Company is organised into one main business segment which operates solely in the business of investment management within Australia.

Geographical segments
The Company operates in Australia. The geographical segment information for the Company, segment revenue and results are based on the geographical location of the Company's direct investments.

Whilst the Company operates from Australia only (the geographical segment), the Company may have asset exposures in different countries and across different industries.

16 Financial risk management

Overview

The Company's assets principally consist of financial instruments which comprise leverage instruments, forward foreign exchange contracts, and options. It holds these investment assets at the discretion of the Board of Directors and the Company's Manager, in accordance with its stated investment strategy. The Company's investment objective is to generate superior returns over the long term across all market conditions via leveraged exposure to the performance of a diversified portfolio of international absolute return funds.

The allocation of assets between the various types of financial instruments described above is determined by the Company's Manager who manages the Company's portfolio of assets to achieve the Company's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Company's Manager on at least a monthly basis.

The Company's investing activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

The nature and extent of the financial instruments employed by the Company are discussed below. This note presents information about the Company's exposure to each of the above risks, as well as the Company's objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Board has established an Audit and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies, including those related to its investment activities. The Company's risk management policies are established to identify and analyse the risks faced by the Company, including those risks managed by the Company's Manager, to set appropriate risk limits and controls, and to monitor risks and adherences to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

16 Financial risk management (continued)

Overview (continued)

The Board of Directors receive regular risk management reports from the Manager. Reports from the Company's Manager include details of the controls it has in place to monitor compliance with the Company's investment strategy, training and personnel management standards and procedures, and details of how the Manager develops and maintains a disciplined and constructive control environment in which its employees understand their roles and obligations. The Audit and Risk Committee also oversees the monitoring of compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk embodies the potential for both loss and gains. The objective of market risk management is to manage and control market risk exposures within the acceptable parameters, while optimising the return on risk.

The Company's strategy on the management of the market risk is driven by the Company's investment objective.

The Company buys and sells derivatives in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out in accordance with the Company's stated investment strategy.

The market risk disclosures are prepared on the basis of the Company's direct investments and not on a look-through basis for investments held by the Company.

The sensitivity of the Company's equity and profit or loss to foreign exchange risk, interest rate risk and other market price risk are measured by the reasonable possible movements approach. This approach is determined based on the Board of Directors best estimate, having regard to a number of factors, including historical levels of change in foreign exchange rates, interest rates and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and instruments in which the Company invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

Currency risk

The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse affect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the Australian Dollar.

The Company is exposed to the currency risk on financial instruments, receivables and liabilities that are denominated in a currency other than the respective functional currency (Australian Dollars) of the Company. The currency in which these transactions are denominated is primarily United States Dollars.

The Company had previously substantially hedged its foreign currency exposure by entering into forward foreign exchange contracts. The Company's currency risk was managed on a monthly basis by the Manager in accordance with the Company's investment guidelines. During the year ended 30 June 2009, the Company changed its policy in respect of the hedging of items denominated in foreign currency. The Company altered its stated policy to include currency options as a hedging instrument in addition to foreign currency futures and forward contracts. The Board of Directors also resolved that they will exercise their discretion to act in the best interest of shareholders as to the extent of hedging carried out to hedge the Company's foreign currency exposure, whilst taking into consideration the Company's current and future liquidity requirements at the time.

Following the change in the currency management policy the Company entered into a series of currency options in order to continue to protect the Company against the risk of the Australian Dollar appreciating, whilst taking into consideration the Company's liquidity requirements. However during the year, the Board exercised their discretion and allowed the FX option protection strategy to lapse resulting in the USD portion of the portfolio now being unhedged. However the board continues to monitor the effects of being unhedged on the portfolio whilst continuing to assess a number of hedging options.

16 Financial risk management (continued)

Market risk (continued)

The Company's total net exposure to the fluctuations in foreign currency exchange rates at the balance sheet date was as follows:

Exposure to currency risk

	2009 AUD Denominated assets / (liabilities)	2009 USD Denominated assets / (liabilities)	2008 AUD Denominated assets / (liabilities)	2008 USD Denominated assets / (liabilities)
Cash and cash equivalents	15,754,559	-	33,862,731	-
Financial assets designated at fair value through profit or loss				
Leverage instruments	1,921,176	63,662,646	26,329,806	178,745,447
Balances due from brokers	-	-	9,447,702	543,909
Other receivables	270,220	-	534,140	-
Other payables	(1,764,481)		(2,299,804)	-
Gross balance sheet exposure	**16,181,474**	**63,662,646**	**67,874,575**	**179,289,356**
Forward foreign exchange contracts	-	-	177,405,483	(178,048,433)
Net exposure	**16,181,474**	**63,662,646**	**245,280,058**	**1,240,923**

**Amounts above are presented in Australian Dollars.*

Sensitivity analysis

The AUD:USD exchange rate as at 30 June 2009 was 0.80845 (2008: 0.95965).

A 10 percent strengthening of the Australian dollar against the United States of America Dollar at 30 June would have increased the loss by $5,787,513 (2008: $112,811). A 10 percent depreciation of the Australia dollar against the United States of America Dollar would have decreased the loss by $7,073,627 (2008: $137,880). This analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk

The Company is subject to interest rate risk through its holding in cash and leverage instruments.

The cash assets held by the Company are exposed to a variable interest rate equal to the RBA interbank overnight cash rate. The RBA interbank overnight cash rate as at 30 June 2009 was 3.00% per annum (2008: 7.25% per annum).

The leverage instruments held by the Company give enhanced exposure to an underlying investment by providing up to three times leverage on the face value of the leverage instrument. The cost of the leverage embedded in the instruments is determined on the last business day of each month and is calculated at the rate of the market quoted 1 month LIBOR (London Inter-Bank Offer Rate) plus a margin of 1.25%. 1 month LIBOR as at 30 June 2009 was 0.31% per annum (2008: 2.47% per annum).

Interest rate sensitivity – cash holdings

An increase of 100 basis points in the RBA interbank overnight cash rate interest rate as at the reporting date would have decreased the loss from operating activities by $12,949 (2008: $27,832); an equal change in the opposite direction would have increased the loss from operating activities by an equal but opposite amount.

Interest rate sensitivity – leveraged instruments

An increase of 100 basis points in interest rates as at the reporting date would have increased the loss from operating activities by $137,387 (2008: $520,986). A decrease of 31 basis points taking LIBOR to a rate of 0.0% would have decreased the loss from operating activities by $42,590 (2008: decrease of 100 basis points would have decreased the loss from operating activities by $520,986).

16 Financial risk management (continued)

Market risk (continued)

Other market price risk

Other market price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Company's financial instruments are carried at fair value with fair value changes recognised in the income statement, all changes in the market conditions will directly affect net investment income.

Price risk is mitigated by the Company investing in the leverage instruments that provide exposure to a diversified portfolio of international absolute return funds. The Company's overall market position is monitored on a daily basis by the Company's Investment Manager and reviewed on a quarterly basis by the Board of Directors.

Sensitivity analysis – other market price risk

A 10 percent increase in the value of the leverage instruments at the reporting date would have decreased the loss from operating activities by $6,558,382 (2008: $20,507,525); an equal change in the opposite direction would have increased the loss from operating activities by an equal but opposite amount.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's Manager has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At 30 June 2009, the following financial assets were exposed to credit risk: leverage instruments, forward foreign exchange contracts, and receivables. Total carrying amount of financial assets exposed to credit risk amounted to $81,608,602 (2008: $248,820,785).

Credit risk arising on leverage instruments is mitigated by investing in instruments issued by rated counterparties who are major investment banks with current credit ratings of 'A+' or better as determined by Standard and Poor's and Fitch, and 'Aa1' or better as determined by Moody's. The Manager monitors changes to ratings on an on-going basis.

Credit risk arising on the forward foreign exchange contacts and options are mitigated by dealing with counterparties that are major Australian banks and which are 'A' rated by credit rating agency Standard and Poors, 'A+' rated by credit rating agency Fitch and 'A1' rated by credit rating agency Moody's.

The carrying amounts of the financial assets best represent the maximum credit risk exposure at the balance sheet date.

Substantially all of the cash held by the Company is held with National Australia Bank Limited. Bankruptcy or insolvency by National Australia Bank may cause the Company's rights with respect to the cash held by National Australia Bank Limited to be delayed or limited. The Manager monitors the credit rating and financial position of National Australia Bank on an on-going basis. If the credit quality or the financial position of National Australia Bank deteriorates significantly the Company will move the cash holdings to another bank.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash reserves to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's financial instruments include investments in leverage instruments and derivative contracts traded over-the-counter. In normal market conditions the leverage instruments have liquidity terms which allow the Company to redeem the instruments with 90 days notice. However deteriorating market conditions and the Company's commencement of its asset realisation program have impeded the liquidity of these instruments such that the Company expects that a significant amount of the proceeds from the realisation of these instruments are unlikely to be received before July 2010.

Where the company has open derivative positions, the Company is required to maintain sufficient cash reserves to meet margin calls on derivatives, where there may be volatility in the market. Following being advised of the expected timings of the realisation of assets, the Company elected to close-out its open derivative positions during the year to remove the liquidity risk associated with the Company's requirement to meet margin calls while these contracts are open.

The Company's liquidity risk is managed on a daily basis by the Manager by monitoring current cash balances and projecting future cash flow requirements on an ongoing basis. Where the Company considers that additional cash reserves may be required, the Company will partially redeem a portion of its holdings in leverage instruments. From time to time, the Company may also establish cash advance facilities, to assist in managing short term liquidity constraints.

16 Financial risk management (continued)

Liquidity risk (continued)

The following are the contractual maturities of financial liabilities:

2009	**Contractual amount**	**Contractual cash flows**	**6 months or less**
Financial liabilities			
Financial liabilities designated at fair value through profit or loss			
Forward foreign exchange contract	-	-	-
Other payables	1,764,481	(1,764,481)	(1,764,481)
	1,764,481	**(1,764,481)**	**(1,764,481)**

2008	**Contractual amount**	**Contractual cash flows**	**6 months or less**
Financial liabilities			
Financial liabilities designated at fair value through profit or loss			
Forward foreign exchange contract	642,950	(642,950)	(642,950)
Other payables	2,299,804	(2,299,804)	(2,299,804)
	2,942,754	**(2,942,754)**	**(2,299,804)**

Estimation of fair values

The major methods and assumptions used in estimating the fair values of financial instruments are disclosed in note 3(b)(iv) of the significant accounting policies section.

At 30 June 2009, the carrying amounts of all leverage instruments and derivatives were determined using valuation techniques specific to the contractual terms of the instruments.

Capital management

The Board's policy is to maintain a strong capital base. The Board of Directors monitors the net tangible asset backing per share, which the Company defines as the net tangible assets divided by the total shares on issue on a monthly basis. The Board has a dividend policy that, to the extent it considers prudent, declare regular semi-annual dividends from the realised profits of APL's investments to the extent franking credits are available.

The Board seeks to maintain a balance between higher investment returns and the advantages and security afforded by a sound capital position.

On 14 October 2008, at the Company's annual general meeting, shareholders approved an off-market buy-back of up to a total of 75,733,398 of the Company's shares (being 40% of the total issued shares at the record date for the buy-back) on terms set out in the notice of meeting and explanatory memorandum. The buy-back was proposed to be implemented in two tranches and the buy-back price for each tranche was to be set at 95%of the Company's post tax NTA at the proposed pricing date for each tranche. The buy-back was to be funded through the realisation of part of the Company's investment portfolio, specifically through a redemption of some leveraged notes and swaps.

On 22 October 2008, the Company advised that a total of 115,373,051 shares were tendered into the buy-back offer. At the same time, the Company announced that the proposed buy-back was to be deferred as a result of issues concerning the liquidity of the Company's investment portfolio (specifically the underlying investment fund for the leveraged notes and swaps) in the current market environment.

On 2 December 2008, the Company announced that it was implementing a strategic asset realisation program by redeeming all of its leveraged notes and swaps. The Board considered this to be the most effective strategy to protect shareholder value in the current investment environment and worked closely with its Manager to achieve the most effective timetable to optimise the return of capital from the redemption process.

On 24 December 2008, the Company announced that the investment manager of Lighthouse Diversified Fund Limited (LHP DF), the underlying investment fund on which the Company's leveraged notes and swaps are based, gave notice to its investors that effective 31 December 2008, it would create a special purpose vehicle to hold the LHP DF interests in certain designated less liquid investments on behalf of withdrawing investors from 31 December 2008.

Continuing liquidity issues with the underlying LHP DF investment fund and the Company's investment portfolio has had a significant impact on the timing of the proposed off-market buy-back and the Company's strategic asset realisation program. Based on the latest advice from its Manager, the Company does not expect to receive the majority of the redemption proceeds for the leveraged notes and swaps until after June 2010.

16 Financial risk management (continued)

Capital management (continued)

As a majority of proceeds from the strategic asset realisation program are unlikely to be received until after June 2010 the Board has resolved that it is not possible for the current buy back to proceed within the prescribed regulatory timeframes.

The Board continues to evaluate all options to accelerate the strategic asset realisation program and will keep shareholders informed of all future developments. As timing of receipts from the strategic asset realisation program become more certain, the Board will finalise its proposed capital initiatives which may include a new share buy-back proposal for approval and an outline of a proposed new investment strategy.

17 Related party transactions

(a) Directors

The names of persons who were directors of the Company at any time during the financial year are as follows: Bruce McComish, John Morrison, Paul Manka, Julie Raffe, Jonathan Pain and Robert White.

The company does not have any employees.

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	2009 $	2008 $
Short-term employee benefits	195,546	134,736
Post-employment benefits	17,598	12,127
	213,144	146,863

Individual directors compensation and disclosures

Information regarding individual directors compensation as permitted by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

(c) Directors interest in shares and options

From time to time directors of HFA Accelerator Plus Limited, or their director-related entities, may purchase or sell the Company's securities through the Australian Securities Exchange in accordance with the Company's Trading Policy (refer page 49).

Directors	Shares Held at 1 July 2008	Purchases	Sales	Changes in indirect holdings	Shares Held at 30 June 2009
B McComish	-	-	-	-	-
J Morrison	10,001	-	-	-	10,001
P Manka	-	-	-	-	-
J Raffe	-	-	-	-	-
J Pain[(1) (7)]	20,945,843	-	-	(20,945,843)	-
R White[(1)]	20,903,505	-	-	-	20,903,505

17 Related party transactions (continued)

Directors	Shares Held at 1 July 2007	Purchases	Sales	Changes in indirect holdings	Shares Held at 30 June 2008
B McComish	-	-	-	-	-
J Morrison [(1) (2) (5) (6)]	20,571,692	-	-	(20,561,691)	10,001
P Manka[(1) (5)]	20,000,000	-	-	(20,000,000)	-
J Raffe	-	-	-	-	-
J Pain[(1)]	20,040,000	2,338	-	903,505	20,945,843
P Jensen[(1) (2) (3) (4)]	21,103,672	-	-	(21,103,672)	-
R White[(1)]	-	-	-	20,903,505	20,903,505

(1) These directors indirectly have an interest in HFA Accelerator Plus Limited, as during the year they were directors of the HFA Asset Management Limited the responsible entity of the HFA Diversified Investments Fund which hold shares in the Company. The HFA Diversified Investments Fund holds 20,903,505 (2008: 20,903,505) shares in the Company. The HFA Diversified Investments Fund acquired nil (2008: 903,505) shares in the Company during the year under the dividend reinvestment plan;

(2) These directors indirectly have an interest in HFA Accelerator Plus Limited, as during the year they were directors of HFA Holdings Limited which holds shares in the Company. HFA Holdings Limited holds 561,691 (2008: 561,691) shares in the Company purchased in an on-market transaction;

(3) This director indirectly had an interest in HFA Accelerator Plus Limited, as he is a director of WAM Capital Limited which holds 516,982 shares in the company.

(4) Mr Paul Jensen resigned as a director on 28 September 2007.

(5) Mr John Morrison and Mr Paul Manka resigned as directors of the HFA Asset Management Limited on 14 December 2007.

(6) Mr John Morrison resigned as director of HFA Holdings Limited on 14 December 2007.

(7) Mr Jonathan Pain resigned as director on 29 January 2009

(d) Loans from key management personnel and their related parties

During the year ended 30 June 2009, the company did not enter into loans from key management personnel or their related parties.

(e) Other transactions with key management personnel or entities related to them

Manager - HFA Asset Management Limited

Investment management and administration services are provided by HFA Asset Management Limited in accordance with the Management Agreement dated 20 September 2005. Fees paid to the Manager for the year are detailed below:

	2009 $	2008 $
Management fees	**6,213,398**	12,385,601

Common directors with the Investment Manager

Robert White is a director of the Manager of the Company, HFA Asset Management Limited. Mr White did not receive any director's fees or remuneration from the Company, however he may receive remuneration from HFA Asset Management Limited or its related entities.

18 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor, its related practices and non-related audit firms:

	2009 $	2008 $
Audit services:		
Auditors of the Company:		
Audit and review of financial reports (KPMG Australia)	46,800	45,000
	46,800	**45,000**
Services other than statutory audit:		
Other services		
Taxation services (KPMG Australia)	156,257	65,050
	156,257	**65,050**
	203,057	**110,050**

19 Events occurring after the balance sheet date

At the date of this report, the Board has resolved that it is not possible for the current buy back to proceed within the prescribed regulatory timeframes as a majority of proceeds from the strategic asset realisation program are unlikely to be received until after June 2010. The Board has advised that it will continue to evaluate all options to accelerate the strategic asset realisation program and will keep shareholders informed of future developments. As timing of receipts from the strategic asset realisation program become more certain, the Board will finalise its proposed capital initiatives which may include a new share buy-back proposal for approval and an outline of a proposed new investment strategy.

Other than the ongoing strategic asset realisation program and the cancellation of the proposed off-market buy-back, 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.

20 Contingent liabilities and commitments

The directors are not aware of any circumstances or information which would lead them to believe that these liabilities will materialise and consequently no provisions are included in the financial statements in respect of these matters.

	2009 $	2008 $
Contingent liabilities		
Management fee dispute		
HFA Asset Management Limited (HFAAM) and the Company are party to a management agreement pursuant to which HFAAM provides management and administrative services to the Company. Under the management agreement, HFAAM is entitled to receive base management fees calculated monthly by reference to the Gross Asset Value of the Company. In late 2008, the Company determined that there had been an error in the methodology being used by HFAAM to calculate base management fees and that the base management fees charged by HFAAM in the period from December 2005 to November 2008 had been overstated. As at 30 June 2009, the disputed fees amount to $590,588 (GST inclusive less RITC). The Company has received independent advice on this matter and believes that it has no obligation to pay the amounts in dispute and as such has offset the overpayment against unpaid management fees as at 30 June 2009.	590,588	-

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set-out on pages 14 to 36 and the remuneration disclosures in the Remuneration Report in the Directors' Report on pages 10 to 11 are 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 2009 and of its performance, for the financial year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

While the Company does not have any employees, the directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the relevant executives of HFA Asset Management Limited who perform the functions of Chief Executive Officer and Chief Financial Officer as they relate to the Company.

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

Bruce McComish
Director

Robert White
Director

Brisbane
24 August 2009

Independent auditor's report to the members of HFA Accelerator Plus Limited

Report on the financial report

We have audited the accompanying financial report of HFA Accelerator Plus Limited (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 20 and the directors' declaration set out on pages 14 to 37.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report 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.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's financial position and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

(a) the financial report of HFA Accelerator Plus 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 2009 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included on pages 10 to 11 of the directors' report for the year ended 30 June 2009. 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. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of HFA Accelerator Plus Limited for the year ended 30 June 2009, complies with Section 300A of the Corporations Act 2001.

KPMG

KPMG

Robert S Jones

Robert S Jones
Partner

Brisbane
24 August 2009

Company particulars

HFA Accelerator Plus Limited ACN 110 247 393
The Company is a Listed Investment Company with its securities listed only on the Australian Stock Exchange.

Registered office
Level 5
151 Macquarie Street
Sydney NSW 2000
Telephone (02) 8302 3333

Directors
Bruce S McComish
John A Morrison
Paul J Manka
Julie E Raffe
Robert White

Company secretary
Robert White

Auditor
KPMG Australia
Level 16
71 Eagle Street
Brisbane QLD 4000

Company administrator and custodian
National Australia Bank Limited
500 Bourke Street
Melbourne VIC 3000

Share registrar
Link Market Services
Level 12
300 Queen Street
Brisbane QLD 4000

Shareholdings (as at 30 June 2009)

Substantial shareholders

Select Asset Management Limited advised that, as at 15 July 2008, it and its associates has a relevant interest in 9,501,216 shares, which represented 5.02% of the HAP's total issued capital.

Citigroup Global Markets Limited advised that, as at 16 May 2008, it and its associates has a relevant interest in 9,520,544 shares, which represented 5.03% of the HAP's total issued capital.

Carrousel Capital Limited advised that, as at 14 July 2009, it and its associates has a relevant interest in 22,525,665 shares, which represented 11.9% of the HAP's total issued capital.

HFA Asset Management advised that, as at 30 June 2009, it and its associates has a relevant interest in 20,903,505 shares, which represented 11.04% of the HAP's total issued capital.

Security subject to voluntary escrow

There are no securities subject to voluntary escrow.

Voting Rights

Ordinary Shares

Please refer to Note 12.

Distribution of equity securities

Analysis of numbers of equity holders by size of holding:

	Number of fully paid share holdings at 30 June 2009
1 – 1000	10,574
1,001 – 5000	1,129,777
5,001 – 10,000	7,131,181
10,001 – 100,000	66,151,717
100,001 and over	114,910,248
	189,333,497

On-market buy-back

There is no current on-market buy-back program in place.

Major holders of fully paid ordinary shares

The twenty largest holders of the Company's ordinary shares recorded on the Company's share register as at 30 June 2009 are listed below:

	Ordinary shares	
	Securities held	Percentage of issued shares
	No.	%
National Nominees Ltd	**20,903,405**	11.04
RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCI A/c>	**12,850,073**	6.79
Citicorp Nominees Pty Ltd	**12,615,607**	6.66
The Carrousel Fund Ltd	**10,272,723**	5.43
Cogent Nominees Pty Ltd	**7,653,853**	4.04
HSBC Custody Nominees (Australia) Ltd	**5,068,103**	2.68
UBS Nominees Pty Ltd	**4,238,152**	2.24
Mr Eric George Baker and Mrs Janine Marie Baker <Kameruka Super A/c>	**4,000,000**	2.11
Bond Street Custodians Ltd <Van Eyk Blue Alt A/c>	**2,660,855**	1.41
Cadex Petroleum Pty Limited	**2,433,955**	1.29
Skiptan Pty Ltd <P&M Meurs Family A/c>	**2,284,735**	1.21
Invia Custodian Pty Ltd <WAM Capital Limited A/c>	**2,136,072**	1.13
Asset Custodian Nominees (Aus) Pty Ltd	**1,962,322**	1.04
Eric George Baker & Janine Marie Baker	**1,620,133**	0.86
The Corporation of the Trustees of the Order of Sisters of the Presentation in Qld	**1,323,073**	0.70
Merrill Lynch (Australia) Nominees Pty Limited	**1,228,232**	0.65
Tree Pot Pty Ltd <Tree Pot A/c>	**1,023,000**	0.54
Perpetual Custodians Ltd	**924,718**	0.49
Fortis Clearing Nominees P/L <Settlement A/C>	**770,997**	0.41
Australia Executor Trustees Limited <No 1 Account>	**719,800**	0.38

Unquoted equity securities

There are no unquoted equity securities

Management agreement

The company has appointed HFA Asset Management Limited (the Manager) under a Management Agreement dated 20 September 2005 (the Agreement) to manage the investment portfolio and to provide administration services for the Company. The Manager manages and supervises all investments of the Company, including custody, valuation and accounting in investments, for the term of the agreement.

Term

The Agreement is for an initial period of 10 years commencing on the date the Company listed on the ASX unless terminated earlier in accordance with the terms of the Agreement. At the end of the 10 year term, subject to the approval of Shareholders by ordinary resolution, HFA may be appointed manager for a further 10 year term.

Powers of the manager

For the purposes of carrying out its duties under the Agreement, the Manager has the power of a natural person to deal with the Company's investment portfolio and to do all things and execute all documents necessary for the purpose of managing the Company's investment portfolio.

Management fee

In return for the performance of its duties as Manager of the Company's investment portfolio, up to and including 20 February 2009, the Manager was entitled to be paid a management fee equal to 1.3325% (GST inclusive less RITC) of the gross asset value of the investment portfolio calculated on the last business day of each month.

On 2 March 2009, The Company and the Manager amended the management fee payable under the management agreement dated 20 September 2005. The amendment came into effect from 20 February 2009. The manager is now entitled to a management fee equal to 0.54977% (GST inclusive less RITC) of the gross asset value of the investment portfolio (excluding cash) and subject to a maximum gearing cap on leveraged instruments of five times plus 0.41% (GST inclusive less RITC) of the cash balance calculated on the last business day of each month.

The management fee is calculated monthly and paid monthly to the Manager in arrears.

Performance fee

The Manager is also entitled to a performance fee equal to 10.25% (GST inclusive less RITC) of the monthly increase in the Company's Performance Base. The performance fee is accrued monthly and paid six monthly in arrears, subject to a "highwatermark" limitation.

The highwatermark limitation means that once a performance fee has been accrued, no further performance fee will be accrued unless the Company's Performance Base increases above its previous high. If the Company's performance base falls below a previous high no further performance fees can be accrued or paid until the loss has been fully recovered.

Expenses

The Company is responsible for all charges and expenses reasonably and properly incurred by the Manager in connection with the investment and management of the Portfolio or the acquisition, disposal or maintenance of any investment of the Portfolio or in otherwise acting under the Agreement and the Manager may cause them to be deducted from the Portfolio.

Corporate governance statement

This statement outlines the main corporate governance principles and practices of HFA Accelerator Plus Limited (HAP) which the board considers appropriate given the nature and size of the Company. The corporate governance principles comply with the ASX Corporate Governance Council recommendations, unless otherwise stated. The table below summarises the Company's compliance with the ASX Corporate Governance Council recommendations:

No.	Recommendation	Section/s	Status of compliance
1.1	Functions of the Board and Management	1.1	Comply
1.2	Evaluation of senior executives performance	1.3	Not applicable
1.3	Principle 1 disclosure	1.1-1.3	Comply
2.1	Independent Directors	1.2	Does not comply
2.2	Independent Chairman	1.2	Comply
2.3	Role of Chairman and CEO	1.2	Comply
2.4	Establishment of Nomination Committee	2.2	Partially Comply
2.5	Performance of the Board	2.2	Comply
2.6	Principle 2 disclosure	1.2, 2.2,1.5,2.2	Comply
3.1	Directors' and Executives' Code of Conduct	4.1 - 4.2	Comply
3.2	Company Securities Trading	4.3	Comply
3.3	Principle 3 disclosure	4.1-4.3	Comply
4.1	Establishment of Audit Committee	2.1	Comply
4.2	Structure of Audit Committee	2.1	Partially Comply
4.3	Audit Committee Charter	2.1	Comply
4.4	Principle 4 disclosure	2.1	Comply
5.1	Policy for Compliance with Continuous Disclosure	5.0	Comply
5.2	Principle 5 disclosure	5.0	Comply
6.1	Communications Strategy	5.0	Comply
6.2	Principle 6 disclosure	5.0	Comply
7.1	Policies on Risk Oversight Management	3.1 - 3.3	Comply
7.2	Attestations by the CEO and CFO	2.1	Comply
7.3	Attestation disclosure	2.1	Comply
7.4	Principle 7 disclosure	2.1	Comply
8.1	Establishment of Remuneration Committee	2.3	Does not comply
8.2	Distinction of Non-executive directors remuneration structure	2.3	Comply
8.3	Principle 8 disclosure	8.3	Partially comply

1 BOARD OF DIRECTORS

1.1 Role of the board

The board's primary role is the protection and enhancement of long-term shareholder value.

The board is responsible for the overall corporate governance of the Company, and its responsibilities include:

- Formulating the strategic objectives of the Company and establishing goals designed to promote the achievement of those strategic objectives;
- Ensuring that they maintain and inform themselves of the Company's business and financial status;
- Approving investments and ongoing evaluation of those investments, including regularly assessing operational and financial risks in respect of the investments;
- Guiding and maintaining the Company's affairs and policies based on adequate and accurate information;
- Obtaining expert advice on matters outside the expertise of the Company's internal resources;
- At all times exercising due care, diligence and sound business judgement in the performance of their duties;
- Ensuring that there are appropriate internal controls and ethical standards of behaviour adopted and met within the Company;
- Ensuring that the business risks facing the Company are, wherever possible, identified and that appropriate monitoring and reporting controls are in place to manage these risks;
- Appointing the Audit and Risk Committee, and ensuring appropriate policies and procedures are in place for remuneration and succession planning; and
- Monitoring the performance of the Investment Manager against the goals and objectives established by the board.

To fulfil this role, the board is responsible for the overall corporate governance of the Company including formulating its strategic direction, appointing and monitoring an investment manager to perform operating functions on behalf of the Company, appointing and removing directors and senior executives and ensuring the integrity of internal control and management information systems.

It is also responsible for approving and monitoring financial and other reporting.

The board has delegated responsibilities for operation and administration of the Company to the Chief Executive Officer and the Manager, HFA Asset Management Limited (HFAAM) in accordance with a formal Investment Management Agreement. The Investment Management Agreement outlines the roles and responsibilities of the Manager in relation to performing investment, administration and compliance functions on behalf of the Company.

1.2 Composition of the board

The directors of the Company are:

Bruce McComish (appointed 20 September 2005):	Chairman and independent Non-executive director
John Morrison (appointed 28 July 2004):	Non-executive director
Paul Manka (appointed 20 September 2005):	Non-executive director
Julie Raffe (appointed 24 July 2007):	Independent non-executive director
Robert White (appointed 4 October 2007):	Executive director

Robert White is also a executive director of the Manager.

The composition of the board is determined using the following principles:

- a minimum of four directors, with a broad range of expertise
- a majority of non-executive directors
- enough directors to serve on various committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities
- the chairman and chief executive officer role is not performed by the same individual

Whilst the composition of the board does not comply with ASX Corporate Governance Principles, the board is of the view that the existing board structure is suitable to the business, and that the board's level of expertise is appropriate for the operations of the Company.

An independent director is a director who is not a member of management (a non-executive director), is free of any business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment, and who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company (for this purpose a “substantial shareholder” is a person with a substantial holding as defined in section 9 of the Corporations Act);
- is not employed, or has not previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has not, within the last three years, been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- has no material contractual relationship with the Company or other group member other than as a director of the Company.

1.3 Board processes

The board has appointed HFAAM as its Manager, and monitors its performance to ensure it maintains an effective framework for the management of the Company including a system of internal controls, a business risk management process and appropriate ethical standards and codes of conduct. The board has also appointed an external custodian who ensures safe-keeping of assets held by the Company.

The board currently determines a schedule of meetings at the beginning of each year. Additional meetings are held as required to address specific issues.

The agenda for meetings is prepared in conjunction with the chairperson, chief executive officer and company secretary. Standing items include the chief executive officer's report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives of the Investment Manager regularly report to the board and are involved in board discussions.

1.4 Director education

The Company has a process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of directors. Directors are encouraged to interact with the Manager to gain a better understanding of business operations, and are given access to continuing education opportunities to update and enhance their skills and knowledge.

1.5 Independent professional advice and access to Company information

Each director has the right of access to all relevant Company information and to the Investment Manager and, subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified adviser at the Company's expense. A copy of the advice received by the director is made available to all other members of the board.

2 BOARD COMMITTEES

Given the size and nature of the Company, the directors have established an Audit and Risk Committee to ensure the Company is meeting its statutory reporting and risk management obligations. Functions in relation to the remuneration of directors are conducted by the full board.

2.1 Audit and Risk Committee

The Audit and Risk Committee was established on 15 September 2005 and has a documented Charter approved by the board. The committee members' comprise a minimum of three non-executive directors, although the composition is not compliant with ASX Corporate Governance Principle 4.3 as a majority of these non-executive directors are not independent. The Chairperson is an independent director and is not the Chairperson of the board. The committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company.

The members of the audit and risk committee are:

Ms Julie Raffe (Chairperson) - Independent Non-Executive

Mr Bruce McComish - Independent Non-Executive

Mr John Morrison -Non-Executive Director

Mr Paul Manka - Non-Executive Director

At the discretion of the committee, the external auditor and other members of the board and representatives of the Manager will be invited to Audit and Risk Committee meetings. The frequency of meetings and the attendance record of committee members is disclosed in the Directors Report.

The chief executive officer and a senior representative of the Manager have declared in writing to the board that in relation to the capturing and reporting of information in the financial records and financial statements, sound risk management and internal compliance and control exist and the risk management, internal compliance and control systems operate effectively and efficiently; and the Company's financial reports for the financial year ended 30 June 2009 comply with accounting standards and present a true and fair view of the Company's financial condition and operational results. This statement is required annually. The Company does not have a chief financial officer, as these functions are performed by the Manager on behalf of the Company in accordance with the Management Agreement. Given these services are provided by the Manager, the board is satisfied that a declaration meeting these requirements is provided by a senior representative of the Manager.

The role of the Committee is to assist the board in discharging its oversight responsibilities in relation to audit and risk matters. Responsibilities include:

2.1.1 Audit and financial reporting

The Audit and Risk Committee is responsible for:

- overseeing the financial reporting process to ensure the balance, transparency and integrity of published financial reports;
- reviewing the independent audit process (including recommendations regarding the appointment and assessment of the performance of the external auditor);
- setting the Company policy on the provision of non-audit services and ensuring compliance with that policy;
- providing advice to the board as to whether the committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do comply;
- ensuring there is no compromise to audit independence, in order for the board to be in a position to make the statements required by the Corporations Act to be included in the Company's Annual Report; and
- providing recommendations as to the propriety of related party transactions.

The Audit and Risk Committee reviews the performance of the external auditors on an annual basis and normally meets with them during the year to:

- discuss the audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend board approval of these documents, prior to announcement of results;
- review the draft annual and half-year financial reports, and recommend board approval of the financial report; and
- review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.

2.1.2 Risk management and internal controls

The Audit and Risk Committee's function in relation to risk management are:

- reviewing the effectiveness of the internal control and risk management framework and assessing its effectiveness at identifying, managing and monitoring key risks and making recommendations to the board regarding the same; and
- overseeing the process by which the Chief Executive Officer and a senior representative of the Manager provides signoff to the board that the financial statements comply with relevant accounting standards and are true and fair; and that the Company's internal compliance and control systems have been functioning efficiently and effectively throughout the year.

2.1.3 Compliance

The Audit and Risk Committee's function in relation to compliance are:

- reviewing the Company's process for monitoring compliance with laws and regulations affecting financial reporting; and
- considering and reporting to the board any such other matters as the board may refer to the committee from time to time.

2.2 Capital Management Sub-Committee

The board constituted an Off-market Share Buy-back sub-committee on 16 July 2008. This sub-committee was established to facilitate the finalisation of the Off-Market Share Buy-back including but not limited to approval of the buy-back terms and conditions, all ASX disclosures and organisation of meetings for shareholder approval. The Off-market Share Buy-back sub-committee was comprised of all non-executive Directors.

The committee ceased operating on 4 August 2008, once the terms and conditions of the buy-back offer were agreed upon.

All members were entitled to a fee of $2,000 per month (or part thereof).

2.3 Nomination Committee

The board constituted a Nomination Committee on 30 March 2007. The Nomination Committee is comprised of Bruce McComish (Chairperson) and Paul Manka. The board considers that whilst the composition is not compliant with ASX Corporate Governance Principle 2.4, given the size and composition of the board, the membership of the Nomination Committee is appropriate for discharging its functions and responsibilities.

The nomination committee oversees the appointment and induction process for directors and committee members. The committee makes recommendations to the board on the appropriate skills mix, personal qualities, expertise and diversity of each position. When a vacancy exists or there is a need for particular skills, the committee in consultation with the board determines the selection criteria based on the skills deemed necessary. The committee identifies potential candidates with advice from an external consultant. The board then appoints the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders.

Board Performance

The board undertakes a formal review of its performance once every two years. A formal review was scheduled to be carried in the 2009 financial year, however, due to a number of issues that arose during the financial year, the board resolved to postpone this review until early 2010.

2.4 Remuneration Committee

Functions in relation to review of remuneration are conducted by the full board. The board has not established a remuneration committee, given:

- directors who are also directors of the Manager have currently elected not to receive any directors' fees;
- the Manager is remunerated in accordance with the terms of the Management Agreement; and
- the Company does not have any employees.

The Company’s Constitution provides that Directors (excluding executive Directors) may be paid such remuneration as is determined from time to time in general meeting. The remuneration may be divided among the non-executive Directors in such proportion as they agree. The Board Charter discloses the main corporate governance practices of the Board including a detailed definition of independence, a framework for the identification of candidates for apportionment to the Board, requirements regarding conflicts of interest, the role and responsibility of the Board, delegation to management and remuneration and nomination policies. Shareholders have approved remuneration of up to $250,000 in aggregate for non-executive Directors in any year. Superannuation contributions and insurance premiums are also paid by the Company in accordance with the law and the Company’s Constitution.

Currently non-executive Directors are entitled to annual fees of $36,000 per annum (excluding superannuation) and the chairperson of the Audit and Risk Committee is entitled to an additional $4,000 per annum (excluding superannuation). The Chairperson is entitled to annual fees of $60,000 per annum (including superannuation).

3 RISK MANAGEMENT

3.1 Oversight of the risk management system

The board oversees the establishment, implementation, and review of the risk management system for the Company. Given the outsourcing of functions to the Manager, the Company places reliance on the the Risk Management System implemented by the Manager for assessing, monitoring and managing operational, financial reporting, and compliance risks as they relate to the management and administration of the Company. The board has also appointed an external custodian to ensure assets owned by the Company are held in safe-custody. The Chief Executive Officer and a senior representative have declared, in writing to the board, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. The operational and other risk management compliance and controls, have also been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations.

3.2 Risk profile

The board periodically reviews the status of risk management policies and procedures aimed at ensuring risks are identified, assessed and appropriately managed. The Manager is responsible and accountable for implementing and managing the standards required.

Major risks arise from such matters as product investment performance, interest rate and exchange rate movements, actions by competitors, counterparty risk, systems risk, government policy changes, financial reporting, and purchase, development and use of information technology systems.

3.3 Risk management and controls

The board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities. The board ensures that the Manager's policy on internal control comprises internal compliance and control systems, including:

- *Operating controls* - compliance with financial controls and procedures including information systems controls detailed in policies and procedures manuals; and
- *Functional speciality reporting* - key areas subject to regular reporting to the board include investment performance, operations and compliance matters.

Comprehensive practices have been established by the Manager, and are reviewed by the board, to ensure:

- compliance with financial services regulation;
- financial exposures are controlled, including the use of derivatives. Further details of the Company's policies relating to interest rate management, forward exchange rate management and credit risk management are included in note 16 of the financial statements;
- business transactions are properly authorised and executed;
- the quality and integrity of personnel; and
- financial reporting accuracy and compliance with the financial reporting regulatory framework.

4 ETHICAL STANDARDS

The directors are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. In addition, the Manager has a Code of Conduct, which applies to conduct in relation to duties performed on behalf of the Company, to also uphold these standards of integrity and ethical behaviour.

4.1 Conflict of interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. Details of director related entity transactions with the Company are set out in Note 17 to the financial statements.

4.2 Code of conduct

The Company recognises the need for directors to observe the highest standards of behaviour and ethics when engaging in corporate activity, including compliance with all Company policies, procedures and contracts, and to be honest and fair in dealings with and in ensuring that the Investment Manager maintains similar standards and ethics when conducting business on behalf of the Company.

The Manager has also advised each director, manager and employee that they must comply with the HFA Code of Conduct and Employee Manual when performing functions in relation to the management of the Company. This Code is adopted when managing and administering the Company's operations. The HFA Code of Conduct and Employee Manual covers the following:

- aligning behaviour with the Code of Conduct by maintaining appropriate core values and objectives as they apply to enhancing shareholder value of HAP;
- fulfilling the responsibilities to clients, customers and consumers by maintaining high standards of service, and safety;
- employment practices such as occupational health and safety, employment opportunity, the community activities, sponsorships and donations;
- responsibilities to the individual, such as privacy, use of privileged or confidential information, and conflict resolution;
- compliance with legislation;
- conflicts of interest;
- corporate opportunities such as preventing directors and key executives from taking advantage of property, information or position for personal gain;
- confidentiality of corporate information;
- fair dealing;
- protection and proper use of the Company's assets; and
- reporting of unethical behaviour and breaches of the Code of Conduct.

4.3 Trading in general Company securities

Directors of the Company are prohibited from trading in Company securities except during the period of 31 days after the announcement of half-yearly and annual results and the Annual General Meeting, unless they are in possession of price sensitive information not yet released to the market. A director may trade in Company securities outside this window only where they have been granted approval by the Board or the Board's delegate.

5 COMMUNICATION WITH SHAREHOLDERS

The board provides shareholders with information using a Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website and issuing media releases.

In summary, the Continuous Disclosure Policy operates as follows:

- the board and the company secretary are responsible for interpreting the Company's policy and where necessary informing the board. The company secretary is responsible for all communications with the ASX. Such matters are advised to the ASX on the day they are discovered, and all staff must follow the Continuous Disclosure process, which involves monitoring all areas of the Company's internal and external environment;
- the annual report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document), including relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments;
- the half-yearly report contains summarised financial information and a review of operations of the Company during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments commission and the ASX, and sent to any shareholder who requests it;
- proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of shareholders; and
- the external auditor attends the annual general meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the Remuneration report and changes to the Constitution. Copies of the Constitution are available to any shareholder who requests it.