HFA Holdings Limited

ASX Appendix 4E (rule 4.3A)

For the year ended 30 June 2015

Results for announcement to the market

(all comparisons to the year ended 30 June 2014) *Amounts in USD'000*

				2015
Revenue from ordinary activities				
-from continuing operations	Up	8%	to	69,784
-from discontinued operations	Down	35%	to	3,774
Earnings before interest, tax, depreciation and amortisation				
-from continuing operations	Down	4%	to	26,622
Profit from ordinary activities after tax attributable to members				
-from continuing operations	Up	818%	to	134,821
-from discontinued operations	Up	208%	to	825
Net profit for the period attributable to members				
-from continuing operations	Up	818%	to	134,821
-from discontinued operations	Up	208%	to	825

Underlying results				**2015**
The purpose of presenting underlying results is to show the business performance of the Group in a consistent manner that reflects how the business is managed and measured on a day-to-day basis.				
Underlying earnings before interest, tax, depreciation and amortisation from continuing operations [A]	Up	4%	to	28,839
Underlying net profit for the period attributable to members from continuing operations [B]	Up	27%	to	18,589

[A] Underlying earnings before interest, tax, depreciation and amortisation from continuing operations, adjusted to exclude the loss on the settlement and amendment of unsecured convertible notes.

[B] Underlying net profit for the period attributable to members from continuing operations, adjusted to exclude 1) the loss on the settlement and amendment of unsecured convertible notes, and 2) the tax benefit recognised on the write-back of previously unrecognised deferred tax assets.

Dividends	Amount per ordinary share	Franked %	Conduit foreign income %
Final 2015 dividend per share (to be paid 16 September 2015)	USD 5.5 cents	0%	100%
Interim 2015 dividend per share (paid 18 March 2015)	USD 5.0 cents	0%	100%
Total dividend for the 2015 year	**USD 10.5 cents**		

The directors have determined an unfranked final dividend of United States (US) 5.5 cents per share (with 100% conduit foreign income credits). The final dividend dates are:

Ex-dividend date:	1 September 2015
Record date:	3 September 2015
Payment date:	16 September 2015

A dividend reinvestment plan does not operate in respect to dividends of the Company.

HFA dividends are determined in US dollars. However, shareholders will receive their dividend in Australian dollars. Currency conversion will be based on the foreign exchange rate on the record date of 3 September 2015.

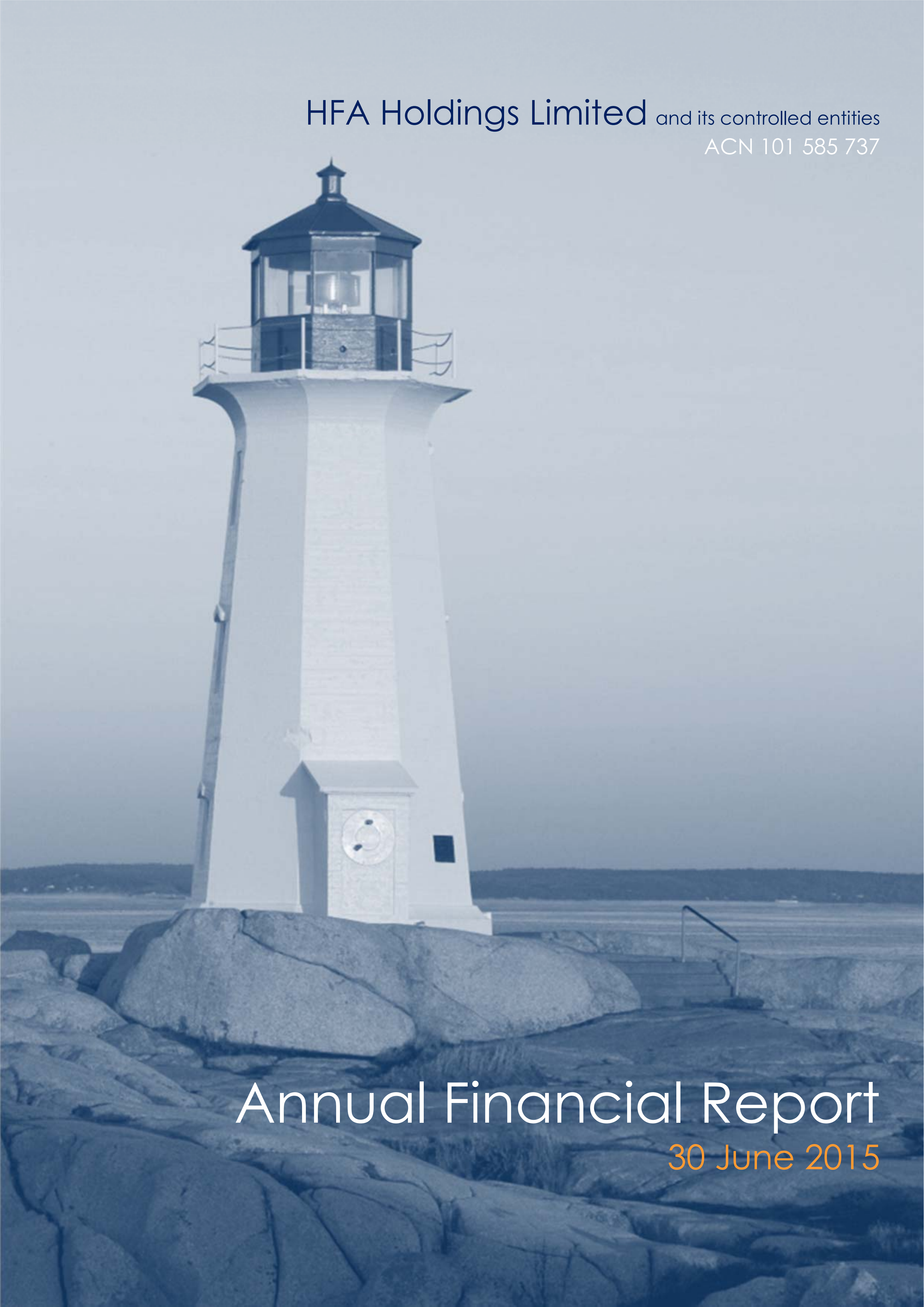
Net tangible assets	**30 June 2015**	30 June 2014
per ordinary share	USD 18.61 cents	USD 28.00 cents

Additional Appendix 4E requirements can be found in the directors' report and the 30 June 2015 financial statements and accompanying notes.

This report is based on the 30 June 2015 Annual Financial Report (which includes consolidated financial statements) and has been audited by KPMG.

HFA Holdings Limited and its controlled entities

ACN 101 585 737



Annual Financial Report

30 June 2015

HFA Holdings Limited

ACN: 101 585 737

Office
Mezzanine Level 1
88 Creek Street
Brisbane QLD 4000

Telephone
+61 7 3218 6200

Email
contact@hfaholdings.com.au

Website
www.hfaholdings.com.au

Shareholder information and inquiries

All inquiries and correspondence regarding shareholdings should be directed to HFA's share registry provider:

Link Market Services Limited

Address
Level 12
680 George Street
Sydney NSW 2000

Mailing address
Locked Bag A14
Sydney South NSW 1235

Telephone
1300 554 474
+61 2 8280 7111

Facsimile
+61 2 9287 0303

Website
www.linkmarketservices.com.au

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The numbers in this annual report have been presented in US dollars (USD), unless otherwise indicated as being presented in Australian dollars (AUD).

Potential transformed into value

It's been a busy year for HFA in terms of completing key transactions that have unlocked shareholder value. This in turn has made it a very satisfying year to reflect on for the Board and I hope for our shareholders. Of HFA's achievements this year, the highlights are:

- that our Lighthouse business has continued to prosper from the work and commitment of our valued employees
- completion of the buy-back and conversion of the convertible notes in July and August 2014, which not only simplified HFA's capital structure, but brought new and prestigious shareholders onto our share register
- the sale of our Australian funds management subsidiary in such a way that instead of losing a business, we've gained a distribution partner and retained a presence in the Australian funds management market
- seeing that years of careful capital management have paid off, and that by this time next year our secured debt facility should be repaid in full.

Overall, the Board's satisfaction comes from knowing that all these efforts and initiatives have created a business with a sound structure for continued growth, and which is well-placed to pursue opportunities to deliver future value for our shareholders.

Operating performance

I'd first like to commend the Lighthouse team for continuing to deliver the consistently good results which underpin the success of HFA.

Lighthouse finished the year with Assets Under Management and Advice (AUMA) of $8.7 billion, continuing the trend of the past few years by growing 4.1% over the 12 months.

Our underlying operating result showed a 4.4% improvement on the prior year, with HFA delivering underlying earnings before interest, tax, depreciation and amortisation from continuing operations of $28.8 million. With markets proving more volatile and challenging this year, this impacted on the level of performance fee revenue earned. Whilst Lighthouse performance fee revenue was down almost 60% on the prior year, this was more than made up for by a $7.0 million increase in management and platform fees. This 11.3% increase in our consistent revenue source is tangible evidence of what we believe builds long term value in HFA.

The year-on-year improvement in the Group's operating performance supported a decision to bring the value of our unrecognised US tax losses back onto the balance sheet this year. As a result, we now carry $126.6 million of deferred tax assets, and recognised a related $118.5 million of deferred tax benefit in the profit and loss. Whilst this has made for an impressive headline statutory net profit from continuing operations of $134.8 million for the 2015 financial year, the substantive result of this accounting decision is that we are confident in the future profitability of the Lighthouse business and that these tax losses will be utilised to reduce the US tax liability of the Group for a number of years to come.

People

As a funds management business, we understand that our core assets are our people and client relationships. With the capital transactions this year simplifying the business and enabling a clear focus back on core operations, as a Board we have given a lot of attention to the compensation structures in place within the business. In particular, it's important to acknowledge that whilst we are listed and report under Australian regulations and requirements, our business operations occur mainly in the US. That means that we need to apply US funds management compensation standards to the Lighthouse business, rather than those that prevail in the Australian industry. To assist us in doing that, the Board engaged a specialist remuneration consultant to conduct a review and make recommendations in relation to the compensation arrangements in place at Lighthouse.

Overall, the results were pleasing, and supported that for the most part we have in place a positive culture where our people are, and more importantly feel, that they are fairly compensated for their roles and performance. However, the remuneration consultant identified certain areas of compensation practices that could be improved that over time will help ensure that the culture of the firm remains both positive and forward looking over the long term. Throughout the Global Financial Crisis and during the recovery phase, Lighthouse senior management was focused on producing results for their clients and improving the business and was less concerned about their overall compensation. The Board appreciates their focus and commitment to the business during that difficult phase and looks forward to developing compensation practices that reward the team for their efforts while delivering results to our shareholders.

From the Chairman

Sale of Certitude business

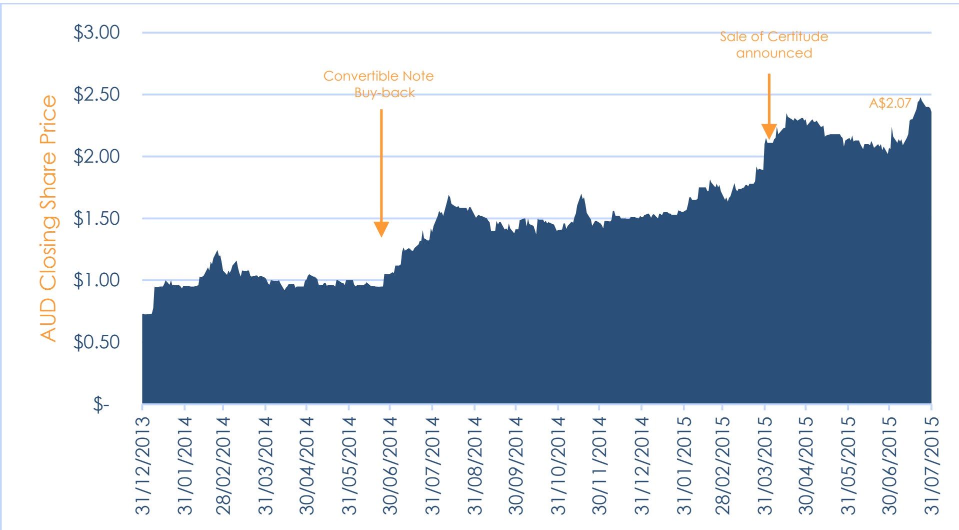
On 30 April 2015, HFA completed the sale of its Australian funds management subsidiary, Certitude Global Investments Limited. As we have reported for a number of years, the Australian business struggled in a very competitive Australian market, and after conducting a strategic review of the business, the Board determined that the best option was to divest the business.

We are extremely pleased with the transaction, and not just because it allowed us to rationalise a sub-scale business, but because we found a buyer for the business who will be a long term distribution partner for HFA and allow us to retain an investment management presence in Australia. Ironbark Asset Management is a well-established funds management distribution business, with experience in the hedge fund space, and will partner with Lighthouse to retain and grow the AUMA sourced from Australian investors.

The Board extends its thanks to all the staff in Australia who worked for Certitude over the years, and in particular to Chief Executive Officer Craig Mowll for his stewardship of the business. Pleasingly, a number of staff have taken roles with Ironbark, and we wish everyone success in their new endeavours.

Whilst the sale of Certitude means that our operations are essentially now the US Lighthouse business, the HFA parent entity remains based in Australia and listed on the Australian Securities Exchange (ASX).

Share price growth



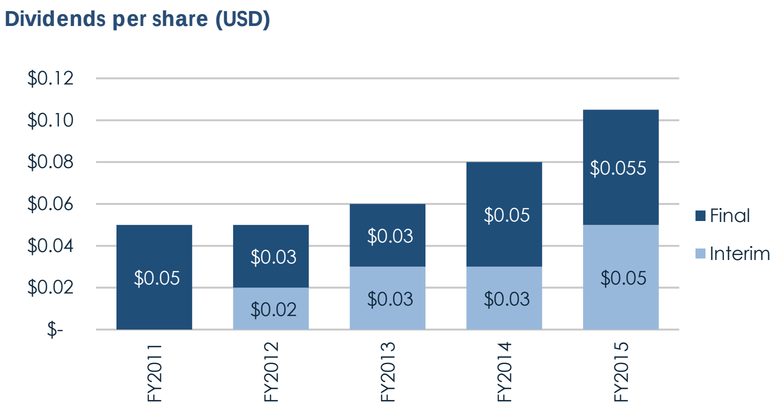
Key transactions completed over the past 18 months delivered significant value to shareholders through the growth in HFA's share price. With a closing share price of A$0.73 on 31 December 2013, HFA ordinary shares have provided a 184% increase to close at A$2.07 on 30 June 2015.

As can be seen by the chart, the buy-back of the convertible notes and the announcement of the sale of the Certitude business were catalysts for the market to identify opportunity in HFA.

Dividends

The Directors have determined an unfranked dividend of 5.5 cents per share (with 100% conduit foreign income credits) payable 16 September 2015. Added to the interim dividend of 5.0 cents per share, this brings the total for the year to 10.5 cents per share. The record date for entitlement to the final dividend is 3 September 2015.

With an additional 43.4 million shares on issue following the buy-back and conversion of the convertible notes, dividends for the 2015 financial year equates to a total dividend payment of $17.0 million and which represents 59% of underlying EBITDA.



Outlook

In terms of what's ahead for HFA, our focus over the short to medium term remains simple - to continue to execute our core operations, and deliver on our strategic objectives of:

- generating positive investment performance;
- providing excellent solutions and service to our clients; and
- enhancing global distribution.

On behalf of the Board, thank you for being part of this very satisfying 2015 financial year for HFA. We look forward to continual improvements for the business in 2016.

Michael Shepherd, AO
Chairman

Through Lighthouse Investment Partners we deliver hedge fund solutions to a range of clients around the world.

Lighthouse Investment Partners, LLC ('Lighthouse') is a US based investment manager dedicated to managing multi-manager hedge funds for diversification and absolute return since 1999.

Based in the United States, with offices in New York, Chicago and Palm Beach Gardens in addition to offices in London and Hong Kong. As at 30 June 2015, Lighthouse is managing $8.7 billion of assets.

The business commenced offering pooled investment vehicles to wholesale investors, and since 2011 has broadened its services to provide customised investment management solutions and services to large institutional clients.

Lighthouse has an investor base that spans North America, Europe, and Asia and includes high net worth individuals, family offices, endowments, foundations, trusts, investment banks, benefit plans, pension funds, healthcare and insurance companies.

One of Lighthouse's key strengths is its proprietary managed accounts program, which is core to both its pooled managed funds and customised client services.

Lighthouse Managed Funds

Lighthouse believes the most effective way to achieve diversification from traditional markets is through exposure to intelligently and actively managed portfolios of hedge funds. Lighthouse's overall objective is to create and deliver innovative investment solutions that compound investor capital.

Lighthouse manages a number of multi-strategy and strategy-focused funds. The funds utilise Lighthouse's proprietary managed account program, in which Lighthouse Funds own the assets custodied in a prime brokerage account and authorise external fund managers to trade the assets within predetermined guidelines. Lighthouse believes that the managed account structure provides the following benefits within their managed funds:

- transparency into asset positions;
- vast amounts of daily data to allow timely risk management and monitoring of external fund managers;
- enhanced control and security of assets;
- investment flexibility;
- administrative cost savings; and
- overall improved liquidity compared to traditional fund-of-fund structures.

All of these benefits significantly improve the investment process and allow Lighthouse to better monitor the investment strategies of their funds.

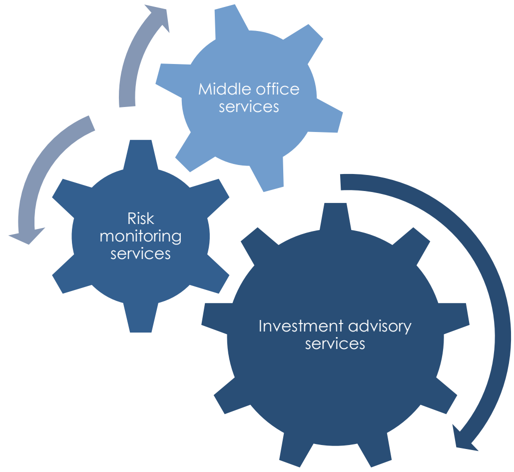
Whilst many of Lighthouse's competitors are starting to utilise managed account structures through external providers due to increased pressure from investors and regulators for transparency into asset holdings, Lighthouse management made the decision to begin building their proprietary managed account solution in 2005. As a result, the managed account program has been designed to be an integral part of Lighthouse's investment process.

Customised Client Solutions

The development of the managed account program for Lighthouse's own managed funds created a new opportunity for Lighthouse to develop a customised client solutions business.

This business offers investors, who are able to commit to a significant investment size, the ability to access the benefits of the managed account structure in their own customised portfolio. Lighthouse is able to work closely with large strategic investors to customise their alternative investment exposure and meet specific needs across middle office, risk monitoring and investment advisory services.

Investors can choose some or all of the available services depending on their own requirements, and fees are structured accordingly.



Lighthouse has sizeable strategic clients on the platform, and believes that customised client solutions will represent a significant area of growth in the future.

What drives our business?

Our success depends on three key factors:

AUMA

We earn revenue from managing assets on behalf of our clients (which we refer to as "Assets Under Management and Advice" or "AUMA").

We seek to attract and retain AUMA by offering quality investment products and services, and delivering competitive performance and features.

Our ability to do this can also be impacted by external factors such as global markets and investor sentiment.

Fee rates

The revenue we earn on our AUMA depends on the management and performance fees we are entitled to charge for our services.

Our pooled investment products pay us management and performance fees based on disclosed rates, whilst our institutional clients can negotiate fees with us.

We operate in a highly competitive market, and there is pressure from investors to negotiate lower fee rates across the global investment management industry.

People

Our success relies on attracting and retaining talented employees.

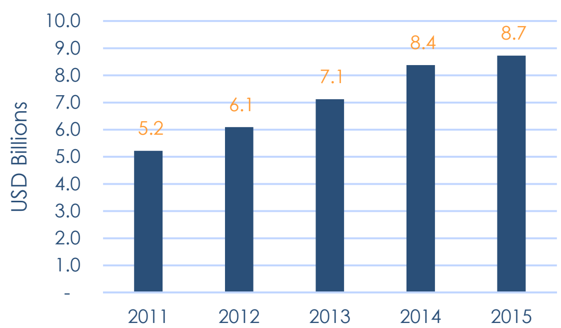
It is our employees who use their skills and knowledge to enable us to provide quality investment products and services, to innovate to meet changing investor needs and to respond to compliance requirements in what is a highly regulated industry.

To attract, motivate and retain quality employees HFA needs to offer competitive compensation and incentive packages.

With the sale of HFA's Australian funds management business, Certitude Global Investments Limited (Certitude), on 30 April 2015, this operating and financial review focuses on HFA's continuing operations. Where required, we have restated comparative historical information. In particular, historical AUMA figures have been restated so that they only include the portion of Certitude AUMA that was managed by Lighthouse.

AUMA

HFA has continued to deliver year on year growth in AUMA. The following chart shows Lighthouse's AUMA over the past 5 years.



As at 30 June 2015, HFA had total AUMA of $8.724 billion (2014 restated: $8.379 billion). This represents an increase of 4.1% in AUMA since the end of the prior year.

Changes to AUMA over the financial year have been driven by:

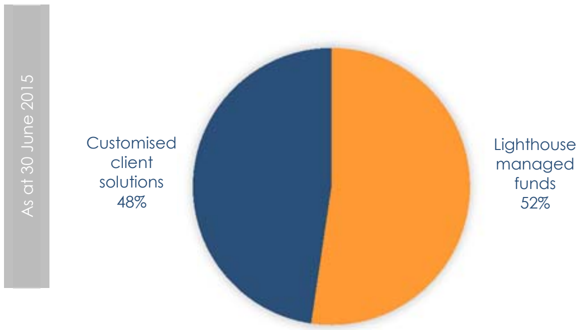
	USD billions
1 July 2014 AUMA (including Certitude)	8.664
Net flows for the year	0.623
Separately reported low fee redemption	(0.510)
Net performance for the year	0.312
Australian AUMA – fx translation to USD	(0.104)
Sale of Certitude	(0.261)
30 June 2015 AUMA	**8.724**

Of the net flows for the year, +$100 million related to the Lighthouse funds, whilst -$519 million (or +$9 million excluding the separately reported -$510 million low fee redemption) related to customised clients.

How do our clients invest with us?

Of the $8.7 billion managed by Lighthouse as at 30 June 2015, the AUMA is divided fairly evenly between the Lighthouse Funds business in commingled funds, and the customised clients business representing large individual strategic investors.

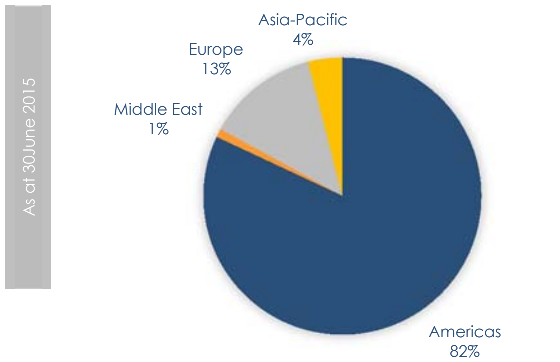
By services provided



What type of investors are our clients?

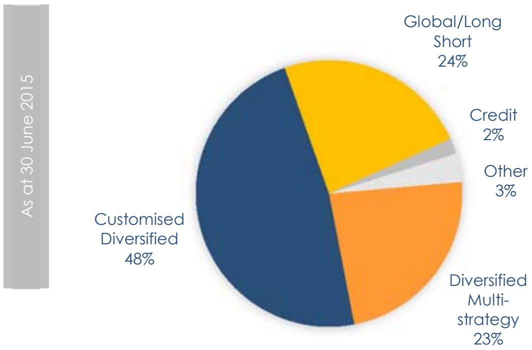
Our clients come from around the world. Whilst the majority of AUMA is sourced from clients based in the Americas, we continue our efforts to expand our global distribution.

By geographical location

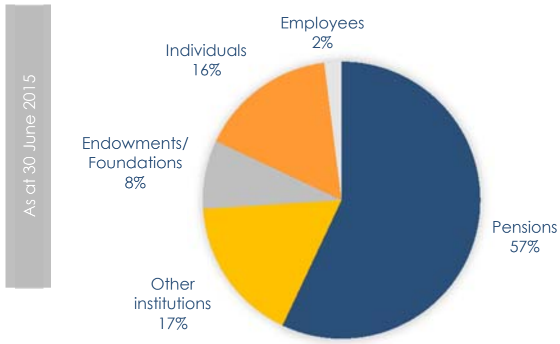


The Lighthouse funds and portfolios are managed in a number of key investment strategies.

By investment strategy



By investor type



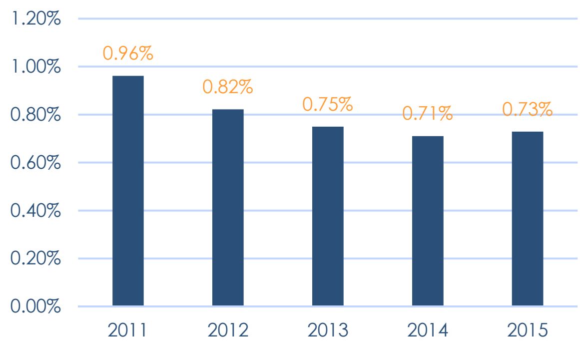
Fee rates

The changing profile of the Group's AUMA from managed funds only, to a combination of managed funds and individual customised clients, has resulted in a trend of reduced total net management fee rates over the past few years.

For the 2015 financial year, the average net management fee rate for Lighthouse increased slightly to 0.73% per annum.

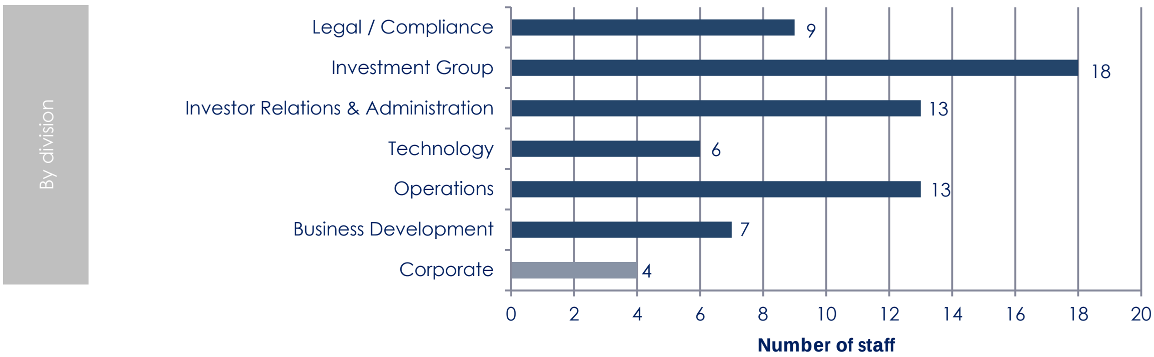
Investors are very conscious of the level of fees charged by investment managers, and we see this as a continuing trend in the short to medium term as the industry adjusts to this demand.

Lighthouse net management fee rate



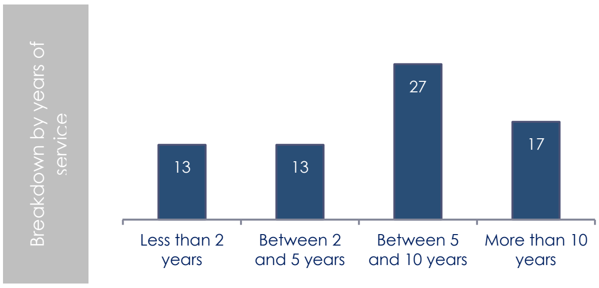
As a business, our success is strongly linked to the knowledge and experience of our people

Our overall staff numbers across the Group decreased during the 2015 year, due mainly to the sale of the Australian Certitude business. As at 30 June 2015 we have 70 employees across the following functional divisions:



The attraction and retention of qualify staff is a key priority for HFA. Providing investment management services to our clients involves not just investment skills and knowledge, but an ability to foster relationships with them which engenders trust. Continuity of staff across the business is an important consideration in managing our business.

Across the Group, the average number of years of service of our staff is 7.1 years, whilst the executive team has an average of 14.8 years with the business.



Investment group

Lighthouse has 25 talented individuals in its investment team. Maintaining experience and stability in the investment team is important, and this is complemented by sourcing and nurturing fresh talent to plan for the future.

The years of experience of the senior investment team is:

		Lighthouse	Hedge funds	Investments
S McGould	Co-CIO	19	22	26
K Perkins	Co-CIO	15	21	23
P Schwarz	MD – Credit	14	20	22
C Prickett	MD – Relative Value	12	13	18
J FitzGibbon	MD – Global Trading	12	14	24
E Baron	MD – Equity	12	13	19
B Timms	MD - Equity	10	10	11

Legal & compliance

We operate in a highly regulated industry, and take our responsibilities to our clients very seriously. 14% of the Group's employees work in our legal and compliance division so that we can ensure our resourcing levels will meet the needs of all our various stakeholders.

Business development

Building out the internal business development team has been a key focus for Lighthouse this year. Their team has 7 dedicated staff as at 30 June 2015, with the newly appointed Head of Distribution – Americas commencing on 29 June 2015. Lighthouse intends to add some additional staff to the team over the next year.

Business development requires the time and efforts of not just the dedicated team, but from staff across the business. Senior staff from the investments group, operations, compliance, investor relations and technology divisions all play an important role in demonstrating the depth of skills and experience to potential clients.

Summary of Group financial results

The Group's underlying net profit after income tax from continuing operations for the year ended 30 June 2015 was $18.6 million (FY14: $14.7 million).

Summary of Group FY15 result compared to the prior year

Amounts in USD'000	Consolidated 2015	Consolidated 2014 Restated	%	
Continuing operations				
Management and platform fee income	68,318	61,362	11%	1
Performance fee income	1,466	3,474	(58)%	2
Distribution costs	(6,235)	(6,177)	1%	3
Net income from operating activities	**63,549**	**58,659**	**8%**	
Other income	704	-		
Operating expenses, excluding depreciation and amortisation	(35,360)	(31,309)	13%	4
Net finance costs, excluding interest income / (expense)	(54)	274	(120)%	
Loss on settlement and amendment of convertible notes	(2,217)	-		5
Earnings before interest, tax, depreciation and amortisation	**26,622**	**27,624**	(4%)	
Depreciation and amortisation	(9,564)	(9,923)	4%	
Net interest expense	(499)	(2,976)	83%	6
Profit before income tax	**16,559**	**14,725**	**12%**	
Income tax (expense)/benefit	118,262	(45)	-	7
Net profit after income tax from continuing operations	**134,821**	**14,680**	**818%**	
Discontinued operations				
Net profit/(loss) for the year from discontinued operations	**825**	**(766)**	**-**	
Profit for the year attributable to owners of the Company	**135,646**	**13,914**	**875%**	

Underlying result after adjusting for significant non-recurring items

	Amounts in USD'000	Consolidated 2015	Consolidated 2014 Restated	%	
Underlying EBITDA	Add back: Accounting loss on settlement and amendment of convertible notes	2,217	**-**	**-**	5
Underlying EBITDA	**Underlying earnings before interest, tax, depreciation and amortisation from continuing operations**	**28,839**	**27,624**	**4%**	
Underlying NPAT	Add back: Accounting loss on settlement and amendment of convertible notes	2,217	-	-	5
Underlying NPAT	Deduct: Deferred tax benefit on recognition of deferred tax assets not previously recognised	(118,449)	-	-	7
Underlying NPAT	**Underlying net profit/(loss) after income tax from continuing operations**	**18,589**	**14,680**	**27%**	
	Basic EPS from continuing operations (cents)	**83.12**	**8.17**	**917%**	
	Basic EPS (cents)	**83.62**	**7.80**	**972%**	
	Underlying Basic EPS from continuing operations (cents)	**11.49**	**8.17**	**41%**	

The above presentation of the Group's results is intended to provide a measure of the Group's performance before the impact of non-cash expense items such as depreciation and amortisation, interest costs associated with the Group's external debt facility and the convertible notes previously on issue, as well as significant non-recurring items as detailed above. Net profit before and after income tax reconciles to the consolidated income statement on page 27.

Operating and financial review

The Group's Australian business, Certitude Global Investments Limited (Certitude), was sold on 30 April 2015. The results for Certitude, the gain recognised on sale of the business and associated expenses are presented as discontinued operations in the Group results.

The key drivers discussed below relate to the Group's continuing operations.

Key drivers of the FY15 result

1 Management and platform fee income from continuing operations increased by $6.96 million (11.3%) to $68.3 million from the prior year. The increase was a result of:

- ⬆ a 9.5% increase in the average AUMA for the year; and
- ⬆ a 2 basis point increase in the average annual net management / platform fee rate to 0.73%.

2 The Group earned $1.5 million in performance fees this financial year, down 57.8% on the prior year.

The Group earns performance fees on selected managed funds and customised client portfolios. The fees represent an agreed share of investment outperformance of a fund or portfolio over a defined benchmark and/or high watermark. Performance fees are variable in nature, and it is difficult to forecast how much, if any, performance fee revenue will be earned by the Group in future periods.

3 Distribution costs relate to third party distribution arrangements in place for Lighthouse, whereby Lighthouse makes ongoing payments to third parties in relation to clients they have introduced.

Distribution costs have remained consistent for the twelve months at $6.2 million, representing 9.1% of management and platform fee income for the year.

4 Operating expenses increased by 12.9% or $4.0 million compared to the corresponding prior year. Net of sublease rental income, the increase was 10.7% or $3.3 million. The largest driver of this increase is higher short term incentive payments, although there have been some other increases in relation to occupancy, travel and other administration costs.

Personnel costs	The Board is committed to compensating its employees at competitive industry rates. It was highlighted in the 2014 Annual Report that our CEO, Mr Sean McGould, has had a compensation package that has been below industry standards over the last few years. The Board has been seeking to address this in a way that does not unduly impact the profitability of the Group over a single financial year. Whilst Mr McGould's cash bonus has been increased for the 2014 calendar year to partially address this issue, the Board is continuing to look at options on how to satisfactorily address Mr McGould's overall compensation package. Lighthouse has also been seeking to add a senior executive to its business development team, and appointed a Head of Distribution – Americas on 29 June 2015. The base remuneration of this appointment is in line with other senior Lighthouse executives, and will commence at the start of the next financial year.
Software license fees	Lighthouse commenced incurring licensing fees in relation to risk management software developed in conjunction with an external specialist company from January 2015. An expense of $0.62 million has been incurred for FY15.
Travel	With an increased focus on broadening global distribution over the 2015 financial year, Lighthouse increased its international travel, with a larger number of trips by staff to Europe, Asia and the Middle East. This led to a $0.4 million or 45% increase in travel related expenses.
Other	The Group incurred $0.4 million of director and executive recruitment fees in the 2015 financial year.

5 An accounting loss of $2.2 million was recognised during the period due to the completion of the $50 million buy-back of 50 convertible notes and the amendment of the terms of the remaining 25 convertible notes which occurred in July 2014. The remaining 25 convertible notes were converted to ordinary shares in August 2014.

The loss recognised in this period's income statement is non-recurring in nature.

6 The $2.5 million decrease in net interest expense is primarily due to the convertible note transactions noted below, and the decreasing balance of the secured bank loan (refer to key balance sheet items on page 10).

7 With the ongoing growth in Lighthouse's operating performance, an assessment has been made that it is probable that Lighthouse will produce sufficient taxable profits in future financial years against which $126.6 million of deferred tax assets will be utilised. As a result, these deferred tax assets are recognised on the Group's statement of financial position as at 30 June 2015.

The recognition of these deferred tax balances has resulted in a tax benefit in the consolidated income statement of $118.5 million and $8.1 million in other comprehensive income.

The key balance sheet items of the Group are:

	Amounts in USD'000	Consolidated 2015	Consolidated 2014	
Assets	Cash	26,896	65,902	1
	Intangible assets	100,701	110,096	2
	Recognised deferred tax assets	126,573	-	3
	▪ not recognised in the balance sheet	68,044	218,761	
Liabilities	Secured bank loan	8,573	22,323	4
	Convertible notes			5
	▪ portion recognised as a financial liability	-	19,249	
	▪ total face value at 30 June	-	89,568	

Key Drivers

1 Over the 2015 financial year, HFA has used its generated cash to partially fund the buy-back of the convertible notes, meet debt repayment commitments and pay dividends to shareholders. As a snapshot, drivers impacting our cash balance over the reported twelve month period have been:

- + $28.3 million generated from operating activities
- + $1.4 million, net of transaction costs, received on the sale of Certitude Global Investments Limited
- - $14.5 million paid in interest and principal repayments on the bank loan
- - $36.2 million for buy-back of convertible notes (net of proceeds from placement of shares)
- - $16.0 million paid to shareholders as dividends

2 When the Company acquired Lighthouse in January 2008, it recognised $76.1 million of identifiable intangible assets in the form of client relationships, trademarks and software, as well as $499.5 million of goodwill.

The identifiable intangible assets are being amortised over their useful lives (between 5 and 20 years) resulting in an amortisation expense of approximately $9.4 million each year. $9.2 million of this $9.4 million annual amortisation expense is scheduled to cease from December 2015, when only a small residual balance of these identifiable intangible assets will remain on the balance sheet.

An impairment loss of $405.7 million was recognised against the goodwill balance in the 2009 financial year. The Company has continued to carry a written-down goodwill balance of $93.8 million since that time.

3 As discussed on page 9, an assessment has been made that it is probable that Lighthouse will produce sufficient taxable profits in future financial years against which $126.6 million of carried forward tax losses and deductible temporary differences relating to the Lighthouse Group will be utilised. As a result, $126.6 million of deferred tax assets are recognised on the Group's statement of financial position as at 30 June 2015.

$68 million of deferred tax assets relating to carried forward tax losses and deductible temporary differences of the Australian tax consolidated group remain unrecognised in the statement of financial position as the Australian corporate entity is not expected to utilise these assets in the foreseeable future.

It is not expected that the Group will be in a tax payable position for a number of years (other than in relation to some relatively nominal United States State-based taxes).

4 Our secured bank loan is $8.6 million as at 30 June 2015, and principal repayments are $1.9 million per quarter.

The loan is due to mature in March 2016, and under current repayment terms would be repaid in full at maturity. The full outstanding loan balance is therefore classified as a current liability.

5 On 2 July 2014, the Company settled the buy-back of 50 of the 75 convertible notes on issue. The conversion of the remaining 25 notes to ordinary shares of the Company occurred on 11 August 2014. No convertible notes remain on issue as at 30 June 2015.

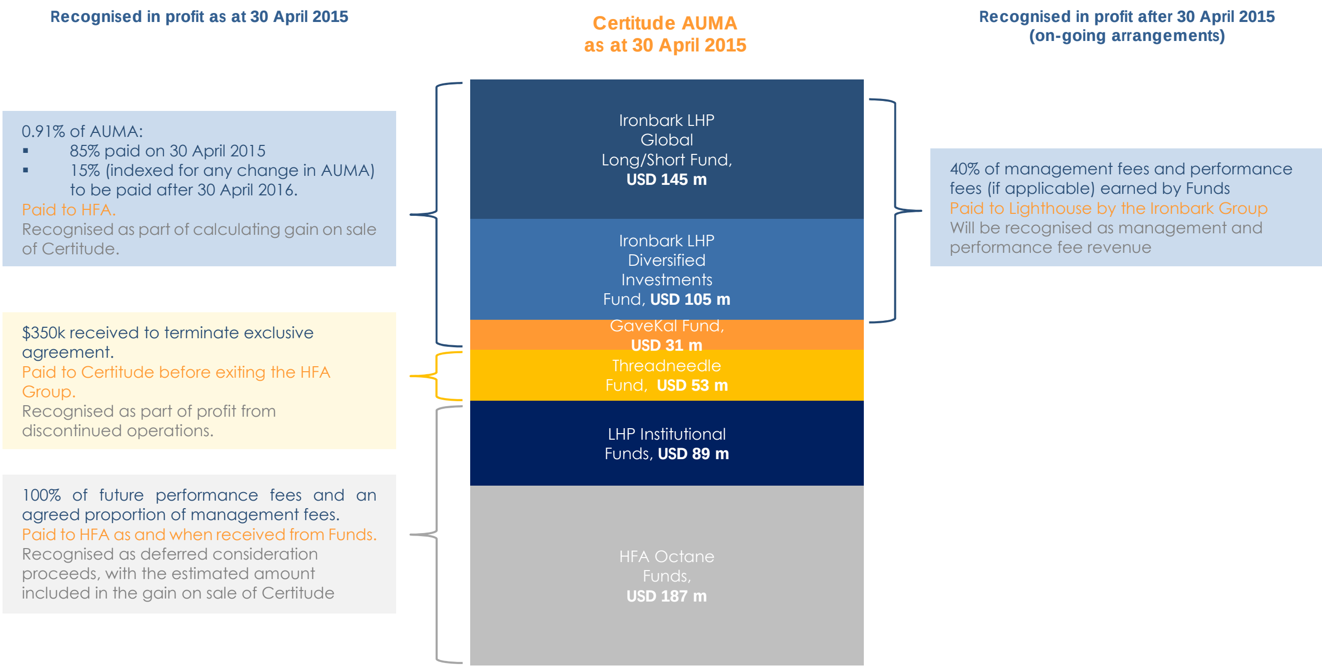
Sale of Certitude Global Investments

Certitude Global Investments was sold on 30 April 2015.

As announced to the ASX on 31 March 2015, HFA Holdings sold it's Australian funds management subsidiary, Certitude Global Investments Limited ('Certitude'), to Ironbark Asset Management Pty Ltd ('Ironbark'). The sale was completed on 30 April 2015.

Certitude operates a number of registered managed investment schemes, with the majority of its AUMA being invested into Lighthouse funds. Whilst Certitude is no longer a member of the HFA Group after 30 April 2015, the exclusive distribution and advisory arrangements in place between Lighthouse and Certitude remain in place under Ironbark's ownership.

The following summarises how the structure of the sale agreement impacts on HFA's profit and loss statement both at the time the sale of Certitude was completed and in future financial periods:



Outlook

The Group's strategy continues to be about retaining and growing our AUMA.

We believe the best way to do this is to:

- consistently deliver investment performance to our clients in accordance with the investment strategies of the relevant funds and portfolios;
- provide a high level of service to our clients, with quality and timely reporting on their investments and a proactive approach to ensuring we are meeting all their investment needs;
- continue to innovate on how we can deliver solutions to existing and prospective clients; and
- broaden our global distribution reach through building new relationships and leveraging our existing relationships around the world.

We operate in a competitive market, and continuing to demonstrate that we provide a quality investment service, consistent results and flexible solutions for clients is the foundation for our future growth.

Michael Shepherd, AO

Chairman and Independent Non-Executive Director

Appointed 16 December 2009

Chairman of the Remuneration and Nominations Committee
Member of the Audit and Risk Committee

Michael has extensive experience in financial markets and the financial services industry having held a range of senior positions including Vice Chairman of ASX Limited, and directorships of several of ASX's subsidiaries including Australian Clearing House Pty Ltd.

Currently, Michael is Chairman of the Shepherd Centre, an independent director of Australasian Wealth Investments Limited, and is an independent Compliance Committee Member for UBS Global Asset Management (Australia) Limited. Michael is also a Senior Fellow (SF Fin), Life Member and past President of the Financial Services Institute of Australasia and a Member of the Australian Institute of Company Directors.

Fernando (Andy) Esteban

Independent Non-Executive Director

Appointed 18 June 2008

Chairman of the Audit and Risk Committee
Member of the Remuneration and Nominations Committee

Andy holds a Bachelor of Business majoring in Accounting, is a CPA and a Member of the Australian Institute of Company Directors.

He has over 34 years' experience in the financial services industry, of which 21 years were with Perpetual Trustees Australia Ltd. In 1999 he established FP Esteban and Associates, a private business specialising in implementing and monitoring risk management and compliance frameworks in the financial services industry.

He has provided consulting services to a number of domestic and global organisations in Australia and South East Asia. From July 2005 until June 2008 he was an independent director of Credit Suisse Asset Management (Australia) Ltd.

Andrew Bluhm

Non-Executive Director

Appointed 17 October 2012

Member of the Audit and Risk Committee

Andrew is the founder and principal of Chicago-based DSC Advisors, LP (DSC), which is the investment manager of Delaware Street Capital Master Fund LP. Delaware Street Capital Master Fund LP holds a substantial shareholding in HFA.

DSC invests in a wide array of companies and industries seeking to identify and acquire undervalued securities and sell-short overvalued securities.

Prior to forming DSC, he was a founder and Principal of WSC, and prior thereto worked as a Vice President at JMB and as an Associate at Goldman Sachs.

Andrew has a B.S. magna cum laude from the Wharton School at the University of Pennsylvania and an M.B.A. from Harvard Business School.

Randall Yanker

Independent Non-Executive Director

Appointed 14 October 2014

Member of the Remuneration and Nominations Committee

Randall has extensive experience in the investment management industry, and in particular hedge funds. He co-founded Alternative Asset Managers, L.P. ('AAM') in 2004, which is a private investment firm with primary focus on making strategic investments in the asset management sector.

Prior to AAM, Randall was responsible for establishing multi-billion dollar global alternative investment and hedge fund platforms as CEO of Lehman Brothers Alternative Investment Management, and before that as a Managing Director of Swiss Bank Corp.

He is a graduate of Harvard College (1983) with a degree in Economics, and serves on the board and is a Trustee of The New School University, a Trustee of SEI Advisors' Inner Circle Fund III, and Advisory Board member of HF2 Financial Management.

Sean McGould

Executive Director and Chief Executive Officer

Appointed 3 January 2008

Sean is the co-founder of Lighthouse and has served as its Chief Executive Officer, President and Co-Chief Investment Officer since inception.

He supports the investment team in the manager search, selection and review process and is the Chairman of the Investment Committee. Sean has been overseeing all aspects of the portfolios since August 1996.

For the past 20 years, Sean has been investing in various alternative investment strategies. Prior to founding Lighthouse, Sean was the director of the Outside Trader Investment Program at Trout Trading Management Company and was responsible for the allocation of the fund's assets to external alternative asset strategies. Prior to Trout, Sean worked for Price Waterhouse and passed the Certified Public Accountant examination.

Board and Committee meetings

The agenda for meetings is prepared by the company secretary in consultation with the Chairman and Chief Executive Officer, and is set to ensure adequate coverage of strategic, financial, governance and compliance matters.

Board papers are circulated in advance of the meetings. Senior executives are invited to attend board meetings, however the directors may have closed sessions without executive involvement during meetings at their discretion.

The number of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2015, and number of meetings attended by each director were:

	Board Meetings		Audit and Risk Committee		Remuneration and Nominations Committee	
Director	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Michael Shepherd	10	10	3	3	2	2
Fernando Esteban[3]	9	9	3	3	2	2
Andy Bluhm	10	9	3	3	-	-
Sean McGould	10	10	-	-	-	-
Randall Yanker[1]	8	7	-	-	1	1
Anthony Civale[2,]	-	-	-	-	-	-
Barry Cohen[2]	-	-	-	-	-	-
Michael Fox[2]	-	-	-	-	-	-

[1] A Yanker was appointed on 14 October 2014, and was therefore not eligible to attend the first 2 Board Meetings and first Remuneration and Nomination Committee meeting of the financial year.
[2] As directors appointed by Apollo, A Civale, B Cohen and M Fox resigned on 2 July 2014 and were not eligible to attend any meetings during the financial year.
[3] F Esteban was not eligible to attend the Board Meeting on 30 March 2015 as he had disqualified himself from considering resolutions in relation to the sale of Certitude Global Investments Limited given a potential conflict of interest due to his appointment as an External Compliance Committee Member of the buyer.

Corporate governance

The HFA Group recognises the value of good corporate governance. The board believes that effective governance processes and procedures add to the performance of the HFA Group and engenders the confidence of the investment community.

This year the Company has adopted Listing Rule 4.10.3 which allows companies to publish their corporate governance statement on their website rather than in their annual report. The directors have reviewed the statement and a copy of the statement along with any related disclosures is available at: http://hfaholdings.com.au/corporate-governance.

Directors' report

The directors present their report together with the financial statements of the Group comprising of HFA Holdings Limited and its subsidiaries, for the financial year ended 30 June 2015 and the auditor's report thereon.

Directors

The directors of the Company at any time during the financial year and up to the date of this report are:

Michael Shepherd	Appointed 16 December 2009
Fernando Esteban	Appointed 18 June 2008
Andy Bluhm	Appointed 17 October 2012
Sean McGould	Appointed 3 January 2008
Randall Yanker	Appointed 14 October 2014
Anthony Civale	Resigned 2 July 2014
Michael Fox	Resigned 2 July 2014
Barry Cohen	Resigned 2 July 2014

The continuing directors' qualifications and experience are detailed on pages 12 and 13. The number of directors' meetings held (including meetings of committees of the board) and the number of meetings attended by each of the directors of HFA Holdings Limited during the financial year are included on page 14. This information is incorporated in and forms part of this Directors' report.

Directors who resigned during or since the end of the year

Anthony Civale

Anthony is the Lead Partner and Chief Operating Officer of Apollo Capital Management, LLC, a credit oriented capital markets business. Previously, Anthony, served as a Senior Partner in Apollo's private equity business. Anthony serves on the board of directors of Berry Plastics Group, and has previously served on the board of Goodman Global Inc., Harrah's Entertainment, Prestige Cruises and Covalence Specialty Materials. Anthony is also involved in charitable endeavours including his service on the Board of Trustees of Middlebury College and the Board of Directors of Youth, I.N.C. Prior to joining Apollo in 1999, Anthony was employed by Deutsche Bank Securities and Bankers Trust Company in their Financial Sponsors Group within the Corporate Finance division. Anthony holds a Bachelor of Arts in Political Science from Middlebury College, Vermont, USA.

Michael Fox

Michael joined Apollo in 2009 and is a senior member of Apollo's marketing and investor relations team, specialising in credit and hedge funds. Prior to that time, he held a number of roles in the hedge fund industry, including serving as product specialist for Pequot Capital Management and participating in the investment committee for ACAM Advisors, a hedge fund of funds. Before joining the hedge fund industry in 2001, Mr Fox was a consultant at Merrill Lynch where he advised high net worth individuals and middle market companies on investments and liability management. Prior to Merrill Lynch, he began his career at Norwest Financial originating and collecting subprime loans. Michael graduated from Iona College with a degree in Finance.

Barry Cohen

Barry has been Senior Managing Director of Apollo Capital markets since 2008. Barry served as Senior Managing Director at Bear Stearns Asset Management Inc. from 2003 to 2008 and served as its Director of Alternative Investments. Prior to joining Bear Stearns Asset Management Inc. in 1987, Barry served as a Risk Arbitrageur at First Boston Corp. and a mergers and acquisitions lawyer at Davis Polk & Wardwell. He serves as Chairman of the Board of Apollo Senior Floating Rate Fund Inc. and has been its Director since January 2011. Mr Cohen serves as Director at Michael J. Fox Foundation for Parkinson's Research. He serves as Director of Bear Stearns Asset Management Inc. He also serves as a Director at Mt. Sinai Children's Center Foundation and Harvard Office for the Arts. Barry graduated from Harvard College. He received a J.D. and M.B.A. degree from Harvard Law School and Harvard Business School, respectively.

Company secretary

Ms Amber Stoney BCom (Hons) CA was appointed to the position of company secretary on 18 July 2011. Amber previously held the role of company secretary for the period 15 March 2007 until 20 November 2008. Amber also holds the position of Chief Financial Officer of HFA. Prior to joining the Company in 2003, Amber was a senior manager at KPMG, specialising in the funds management industry.

Dividends

The directors have determined an unfranked dividend of United States (US) 5.5 cents per share (with 100% conduit foreign income credits). The dividend will be paid on 16 September 2015.

The aggregate amount of the proposed dividend will be paid out of the balance of the parent entity profits reserve as at 30 June 2015.

Declared and paid during the year ended 30 June 2015	Cents per share	Total amount USD'000	Date of payment
Final 2014 ordinary	5.0	8,005	17 September 2014
Interim 2015 ordinary	5.0	7,960	18 March 2015
Total amount		**15,965**	

Together with the unfranked interim dividend of USD 5.0 cents per share paid to shareholders on 18 March 2015, the total dividend to be paid in relation to the year ended 30 June 2015 will be USD 10.5 cents per share.

Principal activities

The principal activity of the Group during the course of the financial year was the provision of investment management products and services to investors globally via Lighthouse Investment Partners, LLC and Certitude Global Investments Limited ('Certitude'). See 'Significant changes in state of affairs' below regarding the sale of Certitude during the year.

Operating and financial review

Information on the operations and financial position of the Group and its business strategies and prospects is included in this annual financial report on pages 4 to 11.

Significant changes in state of affairs

On 2 July 2014, the Company settled the buy-back of 50 of the 75 convertible notes on issue. The conversion of the remaining 25 notes to ordinary shares of the Company occurred on 11 August 2014. No convertible notes remain on issue as at 30 June 2015. See note 16 for further detail.

The Australian Certitude business was disposed of during the financial year via a sales transaction which was completed on 30 April 2015. See notes to the financial statements 9 and 21 for further detail.

In the opinion of the directors there were no other significant changes in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in this financial report.

Likely developments and expected results

Further information on likely developments in the operations of the Group and the expected results of operations have been included in this annual financial report on pages 4 to 11.

Events subsequent to end of financial year

There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material nature, likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' interests

The relevant interest of each director in the shares issued by the Company at the date of this report is as follows:

Director	Ordinary shares	Notes
Michael Shepherd	125,000	125,000 shares are held indirectly by Tidala Pty Ltd as Trustee for the Shepherd Provident Fund
Fernando Esteban	27,000	27,000 shares are held indirectly by FJE Superannuation Fund
Andy Bluhm	26,101,982	26,101,982 shares are held indirectly by Delaware Street Capital Master Fund, LP (DSC). Mr Bluhm is the founder and principal of DSC Advisors, LP, which is the investment manager of DSC
Sean McGould	19,438,084	19,436,084 shares are held indirectly by SGM Holdings, LLC

Remuneration report (audited)

The following Remuneration Report outlines the remuneration arrangements for the Group's key management personnel. Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group.

Remuneration policy

The overall objective of the Group's remuneration policies is to:

- support the business strategy of the Group by attracting, retaining and rewarding quality executive employees and staff;
- encourage appropriate performance and results to uphold shareholder interests; and
- properly reflect each individual's duties and responsibilities.

The board has established a Remuneration and Nominations Committee, which is charged with establishing and reviewing the remuneration policies of the Group. An overview of the functions of this Committee is set out in the Group's Corporate Governance Statement which, along with a copy of the Committee Charter, is available on the HFA website (www.hfaholdings.com.au).

Remuneration consultant

During the 2015 financial year, the Board has focussed on the compensation structures in place within the business, and in particular ensuring those arrangements in place at Lighthouse meet the standards and benchmarks applicable to the United States funds management industry. The Board engaged a specialist remuneration consultant, Focus Consulting Group, Inc ('Focus') to conduct a review of the compensation arrangements in place at Lighthouse and make recommendations about the existing remuneration structure, including where they relate to Lighthouse key management personnel. Focus has a global client base and specialises in working with investment firms in relation to talent management, including attracting and retaining investment professionals.

Focus was selected by the Board based on a recommendation by HFA non-executive director Randall Yanker. Mr Yanker has held non-executive positions with other organisations who have utilised Focus to conduct compensation structure reviews and other related services. The Board assessed the experience of both Focus and the key consultants who conducted the review of Lighthouse, and were satisfied that they had the requisite background and experience, both in the United States and Australia, to conduct the review.

To ensure recommendations made by Focus were free from undue influence, the full Board met with Focus to discuss the scope and conduct of the engagement and ensured an independent line of communication was available between Focus and the non-executive directors. Focus presented their preliminary findings and recommendations to the full Board in March 2015 and their final findings and recommendations to the Remuneration and Nominations Committee in May 2015. After examining the conduct of the review, assessing the industry benchmarking data provided by Focus, and participating in a detailed discussion of the results and recommendations, the Board is satisfied that the remuneration recommendations made by Focus are free from undue influence by members of key management personnel to whom their recommendations relate.

Focus was paid a cash fee of $10,000 for conducting the review of Lighthouse compensation structures, which included conducting an organisational culture survey across all levels of staff for Lighthouse as part of the overall remuneration structure review. Focus has not provided any other services to the HFA Group during the 2015 financial year.

One of the recommendations made by Focus is that Lighthouse employees, including key management personnel, be able to invest into Lighthouse managed funds for nil investment management fees. This was implemented effective from 1 May 2015. Having employees invest their own assets into Lighthouse managed funds is viewed positively by clients and potential clients as it demonstrates an alignment of interest between Lighthouse employees and the investment results for clients. Nil fee arrangements for employees is common practice in the United States.

The Board is considering the other recommendations made by Focus, and may implement some of those recommendations during the 2016 financial year.

Remuneration structure

The remuneration of senior executives of the Group is comprised of two elements:

1. Fixed remuneration

Fixed remuneration consists of base salary, as well as leave entitlements and employer contributions to superannuation and retirement plans. Fixed remuneration is determined by reference to appropriate benchmark information where available, and having regard to the senior executive's responsibilities, performance, qualifications and experience.

Remuneration report (audited)

Lighthouse employees are entitled to additional benefits that include educational assistance, adoption assistance and health care benefits.

Fixed remuneration is reviewed at least annually, or on promotion, to ensure that it is competitive and reasonable. There are no guaranteed increases to the fixed remuneration amount. The amount of fixed remuneration is not dependent on the satisfaction of a performance condition, or the performance of the Group or business unit, the Company's share price, or dividends paid by the Company.

2. Non-monetary benefits

Lighthouse employees are able to make investments into Lighthouse managed funds. Up until 30 April 2015, any Lighthouse employee investments in Lighthouse managed funds were subject to an investment management fee discounted by 50%. From 1 May 2015, no investment management fees are incurred by Lighthouse employees in relation to investments they hold in the Lighthouse Funds. There is no cost incurred by the Group in providing discounted and/or free investment management services via the Lighthouse funds to employees. Having employees invest their own assets into Lighthouse managed funds is viewed positively by clients and potential clients as it demonstrates an alignment of interest between the Lighthouse employee and the investment results for clients. Nil fee arrangements for employees is common practice in the United States.

3. Performance linked remuneration

The variable component of senior executives' remuneration is comprised of potential participation in a bonus pool and ability to participate in equity incentive schemes when made available.

Bonus pools

The board believes that short-term incentive arrangements should motivate key management personnel and other staff to create wealth for both the Company's shareholders and the investors in the Group's funds and managed accounts. The Group seeks to recognise the contributions and achievements of individuals towards these goals.

Individual performance appraisals are conducted at least annually for all employees, including senior executives, as part of the annual remuneration review process. These performance appraisals assist the board and management to make appropriate remuneration decisions, particularly in relation to short-term incentives.

The Company does not currently have any equity incentive schemes in place. During the 2015 financial year there were 710,000 performance rights on issue to Australian staff which lapsed on 15 August 2014 due to non-achievement of the required performance hurdle.

The bonus pool arrangements in place across the Group as at 30 June 2015 are:

Lighthouse	General bonus pool	The total amount of the Lighthouse general bonus pool has been calculated as 25% of Lighthouse's EBITDA (before the bonus pools and excluding performance fee revenue). This amount is reviewed annually to determine if the amount is appropriate to attract and retain employees, and as such the directors may approve an increase to the general bonus pool above the calculated amount. For the 2014 calendar year, the directors approved an $800,000 increase. Allocation of the Lighthouse general bonus pool to staff other than as noted below is determined by the CEO. ▪ A bonus for the CEO is determined and approved by the board based on an assessment of his performance for the previous calendar year. This bonus amount forms part of the overall Lighthouse general bonus pool. ▪ In accordance with their service agreements, Kelly Perkins and Rob Swan are entitled to semi-annual compensation calculated as 1.25% and 1.00% respectively of the gross revenue of Lighthouse Investment Partners, LLC. This is paid on a semi-annual basis, and forms part of the Lighthouse general bonus pool. ▪ No individual bonus can be greater than 10% of the Lighthouse general bonus pool without board approval.
	Incentive fee bonus pool	Lighthouse portfolio managers are eligible to participate in a bonus pool determined as 50% of performance fee revenue earned by the Lighthouse business unit from its managed funds and customised client portfolios. The pool is allocated by the CEO based on the contribution of the portfolio managers to the creation of the performance fee revenue. Lighthouse portfolio managers may still also receive an allocation from the general bonus pool at the CEO's discretion.

Remuneration report (audited)

HFA Holdings	General bonus pool	This discretionary bonus pool is for staff who directly contribute to the operation of the listed parent company, namely staff involved in finance and company secretarial functions. The total amount of the Holdings general bonus pool is approved by the board. The Remuneration and Nominations Committee recommends a bonus amount for the Chief Financial Officer, which is allocated from the HFA Holdings General pool.

Non-executive directors

Non-executive directors may receive director fees. The aggregate of non-executive director fees is capped at a maximum of USD 750,000 per annum (including superannuation), as approved by shareholders at the AGM held on 20 November 2014.

Current fees paid to non-executive directors are:

Chairman	USD 150,000 per annum (plus superannuation)
Non-executive directors	USD 80,000 per annum (plus superannuation)

Actual remuneration for non-executive directors for the financial year ended 30 June 2015 was $355,566 (2014: $326,161).

A Civale, B Cohen, M Fox and A Bluhm elected not to receive remuneration from the Company for their roles as non-executive directors.

Non-executive directors' fees cover all main board activities and membership of any committee. Executive and non-executive directors may be reimbursed for reasonable expenses properly incurred in their role as a director.

Non-executive directors are not entitled to participate in executive remuneration schemes, may not receive performance-linked equity or bonus payments, and are not provided with retirement benefits other than statutory superannuation entitlements. Non-executive directors are not entitled to any benefits or payments on retirement from office.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies having regard to the time commitments and responsibilities assumed.

Relationship between remuneration policy and company performance

The Group's performance is impacted by both internal and external factors, including the ability to motivate and retain key management personnel. In considering the overall level of key management personnel's remuneration, the Remuneration and Nominations Committee have regard to the following indicators:

	2015	2014	2013	2012	2011
Net profit / (loss) after tax (USD 000's)	135,646	13,914	5,551	2,690	5,527
Earnings before interest, tax, depreciation, amortisation, impairment and equity settled transactions	28,839[1]	27,624[2]	17,593	14,485	21,413
Dividends paid[3] (USD 000's)	15,965	8,033	7,297	7,876	-
Dividends per share[3] (US cents) paid	10.0	6.0	6.0	7.0	-
Closing share price (dollars)	AUD 2.07	AUD 1.05	AUD 0.90	AUD 0.68	AUD 1.23
Change in share price (dollars)	AUD 1.02	AUD 0.15	AUD 0.22	AUD (0.55)	AUD 0.55

1 Underlying earnings before interest, tax, depreciation and amortisation from continuing operations, adjusted for the loss on settlement and conversion of convertible notes. Refer to page 8 for additional detail.

2 Underlying earnings before interest, tax, depreciation and amortisation from continuing operations. Refer to page 8 for additional detail.

3 Represents dividends paid in the relevant financial year.

Remuneration report (audited)

Reporting in United States dollars

In this report the remuneration and benefits reported have been presented in US dollars ('USD'). This is consistent with the functional and reporting currency of the Group.

Where compensation for Australian-based directors and employees is paid in Australian dollars, it is converted to USD for reporting purposes based on the average exchange rate for the payment period. The Australian dollar compensation paid during the year ended 30 June 2015 was converted to USD at the average exchange rate of AUD/USD 0.8380 (2014: AUD/USD 0.9186).

Details of remuneration

Key management personnel comprise the following directors of the Company and the senior executives of the Group:

Name	Position held
Non-Executive Directors	
Michael Shepherd	Chairman and Non-Executive Director
Fernando Esteban	Non-Executive Director
Andy Bluhm	Non-Executive Director
Randall Yanker	Non-Executive Director
Anthony Civale	*Non-Executive Director (resigned 2 July 2014)*
Michael Fox	*Non-Executive Director (appointed 27 November 2013, resigned 2 July 2014)*
Barry Cohen	*Non-Executive Director (appointed 3 February 2014, resigned 2 July 2014)*
Executive Director	
Sean McGould	Chief Executive Officer, HFA Holdings Limited and President & Co-Chief Investment Officer, Lighthouse Investment Partners, LLC
Executives	
Amber Stoney	Chief Financial Officer and Company Secretary, HFA Holdings Limited
Kelly Perkins	Co-Chief Investment Officer, Lighthouse Investment Partners, LLC
Scott Perkins	Executive Managing Director, Lighthouse Investment Partners, LLC
Rob Swan	Chief Operating Officer, Lighthouse Investment Partners, LLC
Craig Mowll	Chief Executive Officer, Certitude Global Investments Limited (until 30 April 2015)

Details of the remuneration of key management personnel are set out in the tables on the following pages.

Remuneration report (audited)

Directors’ and executive officers’ remuneration

Benefit Category		Short-term				Post-employment	Other long-term	Termination benefits	Total
		Cash salary & fees	Cash bonus	Annual leave[4]	Non-monetary benefits	Pension & super-annuation	Long service leave[4]		
		$	$	$	$	$	$	$	$
Non-Executive Directors									
Michael Shepherd	2015	150,000	-	-	-	14,250	-	-	164,250
	2014	83,822	-	-	-	7,754	-		91,576
Fernando Esteban[1]	2015	122,775	-	-	-	11,664	-	-	134,439
	2014	128,604	-	-	-	11,896	-	-	140,500
Randall Yanker[2]	2015	56,877	-	-	-	-	-	-	56,877
	2014	-	-	-	-	-	-	-	-
Executive Director									
Sean McGould	2015	250,000	750,000	-	16,523	15,600	-	-	1,032,123
	2014	250,000	500,000	-	15,489	15,000	-	-	780,489
Executives									
Kelly Perkins	2015	250,000	935,000	-	16,523	15,600	-	-	1,217,123
	2014	250,000	875,000	-	15,489	17,500	-	-	1,157,989
Scott Perkins	2015	250,000	680,000		16,523	15,600	-	-	962,123
	2014	250,000	642,000	-	15,489	15,000	-	-	922,489
Rob Swan	2015	250,000	705,000	-	16,523	15,600	-	-	987,123
	2014	250,000	672,000	-	15,489	17,500	-		954,989
Amber Stoney	2015	293,300	115,200	2,844	-	15,740	12,007	-	439,091
	2014	275,580	229,650	(9,010)	-	16,328	4,591		517,139
Craig Mowll[3]	2015	293,300	-	11,829	-	14,592	(21,983)	167,601	465,339
	2014	349,068	275,580	(11,412)	-	16,328	5,813		635,377
Total	**2015**	**1,916,252**	**3,185,200**	**14,673**	**66,092**	**118,646**	**(9,976)**	**167,601**	**5,458,488**
	2014	1,837,074	3,194,230	(20,422)	61,956	117,306	10,404	-	5,200,548

1 In addition to the $87,600 (2014:$80,286) received by Fernando Esteban for his role as a non-executive director of HFA Holdings Limited, he received $46,839 (2014: $60,214) for his role as a non-executive director of Certitude Global Investments Limited whilst it was a subsidiary of the Group.

2 Randall Yanker was appointed as a non-executive director on 14 October 2014.

3 Craig Mowll’s position as CEO of Certitude was made redundant when the business was sold on 30 April 2015.

4 Amounts shown as Annual Leave and Long Service Leave represent a movement in the relevant provision for each individual. Provision movements represent the difference between leave accrued and leave taken or forfeited for the period.

Remuneration report (audited)

Analysis of cash bonuses included in remuneration

Details of the vesting profile of the short-term incentive cash bonuses awarded as remuneration to key management personnel of the Group in the current reporting period are detailed below:

	Included in remuneration	Proportion of remuneration which is performance based	% Vested in year	% Forfeited in year
Sean McGould	750,000	73%	100% [1]	0%
Kelly Perkins	935,000	77%	100% [2]	0%
Scott Perkins	680,000	71%	100% [3]	0%
Rob Swan	705,000	71%	100% [2]	0%
Amber Stoney	115,200	26%	100% [4]	0%
Craig Mowll[5]	-	-	-	-

1 The short-term incentive payment attributed to Sean McGould relates to the Calendar Year ended 31 December 2014. Mr McGould's discretionary bonus for the six months ended 30 June 2015 will be paid in December 2015, and has not yet been determined.

2 As per their service agreements, Kelly Perkins and Rob Swan are entitled to semi-annual compensation calculated as 1.25% and 1.00% respectively of the gross revenue of Lighthouse Investment Partners, LLC. No amounts vest in future financial years in respect of the financial year ended 30 June 2015.

3 Scott Perkins' cash bonus is paid on an annual calendar year basis. The 2015 bonus included above relates to the 12 months ended 31 December 2014. Mr Perkins' discretionary bonus relating to the six months ended 30 June 2015 will be paid in December 2015, and has not yet been determined.

4 Short-term incentive plans for Amber Stoney are discretionary and no amounts vest in future financial years in respect of the financial year ended 30 June 2015.

5 Craig Mowll's position as CEO of Certitude was made redundant when the business was sold on 30 April 2015, and hence he did not receive any short term incentive cash bonuses for the 2015 financial year.

Contractual arrangements

The Group has entered into service agreements with each member of key management personnel, excluding non-executive directors. These agreements specify the duties and obligations to be fulfilled.

Refer to page 19 and 21 for details regarding the appointment and remuneration of non-executive directors.

Lighthouse senior executives

Sean McGould, Scott Perkins, Kelly Perkins and Rob Swan entered into service agreements commencing on 7 March 2011. The agreements are for an initial term of four years and thereafter shall automatically be extended for one year terms unless either the Group or the employee gives not less than sixty days' notice of their intention not to extend the agreement.

The Group may terminate the agreement at any time for gross negligence or wilful misconduct ('Good Cause Termination'). In these circumstances there is no entitlement to a termination payment.

The Group may terminate the agreement for any reason other than gross negligence or wilful misconduct at any time by giving not less than sixty days' notice.

The employee may terminate the agreement at any time if the Group fails to comply in any material respect with the terms of the agreement, there is a material reduction in the compensation opportunities or there is a material and unconsented change to responsibilities.

The employee may terminate the agreement and his employment at any time for any reason other than those noted above by giving not less than sixty days' notice.

After such termination other than for Good Cause Termination, a payment of $1,000,000 multiplied by the number of days since the fiscal year ending before termination divided by 365 will be made in lieu of any unpaid bonus.

Sean McGould and Scott Perkins are entitled to participate in incentive plans, including equity based plans.

Kelly Perkins and Rob Swan, in addition to their base salary, are entitled to semi-annual compensation calculated as 1.25% and 1.00% respectively of the gross revenue of Lighthouse Investment Partners, LLC for the relevant six month period and are entitled to participate in equity based plans.

Remuneration report (audited)

HFA Holdings senior executives

Amber Stoney is engaged pursuant to an executive services agreement.

The Group may terminate the agreement at any time, without notice for a number of reasons including bankruptcy, gross negligence or wilful and serious misconduct. In these circumstances there is no entitlement to a termination payment. The employee may terminate the agreement at any time by giving 6 months' notice and the Group may terminate the agreement at any time by giving 6 months' notice or payment in lieu.

Ms Stoney may, from time to time, be invited to participate in employee incentive or similar schemes.

Analysis of performance rights over equity instruments granted as remuneration

Movement during the reporting period in the number of performance rights over ordinary shares in the Company held directly, indirectly or beneficially, by key management personnel, including their related parties was as follows:

	Balance 1 July 2014	Granted as remuneration	Vested during the year	Expired during the year	Balance 30 June 2015
Executives					
C Mowll	190,000	-	-	(190,000)	-
A Stoney	150,000	-	-	(150,000)	-

As at reporting date, there are no outstanding performance rights granted to any key management person of the Group.

Additional information

Movement in shares

The movement during the reporting period in the number of shares in the Company held, directly, indirectly or beneficially, by key management personnel, including their related parties, is as follows:

	Balance 1 July 2014	Purchases	Sales	Net change other	Balance 30 June 2015
Directors					
Michael Shepherd[1]	125,000	-	-	-	125,000
Fernando Esteban[2]	27,000	-	-	-	27,000
Andy Bluhm[3]	26,101,982	-	-	-	26,101,982
Sean McGould[4]	19,438,084	-	-	-	19,438,084
Executives					
Scott Perkins	2,936,512	-	-	-	2,936,512
Kelly Perkins	4,776,722	-	-	-	4,776,722
Rob Swan	2,936,512	-	-	-	2,936,512
Amber Stoney[5]	180,374	-	-	-	180,374

1 125,000 shares are held indirectly by Tidala Pty Ltd as Trustee for the Shepherd Provident Fund.
2 27,000 shares are held indirectly by FJE Superannuation Fund.
3 26,101,982 shares are held indirectly by Delaware Street Capital Master Fund, LP (DSC). Mr Bluhm is the founder and principal of DSC Advisors, LP, which is the investment manager of DSC.
4 19,436,084 shares are held indirectly by SGM Holdings, LLC.
5 162,396 shares are held indirectly by AJ Stoney Family Trust.

Other transaction with key management personnel

A Civale, B Cohen and M Fox were directors of HFA Holdings Limited for the first 2 days of the 2015 financial year, and resigned on 2 July 2014 (the 'Apollo Directors'). During the time that the Apollo Directors held this position, they also held positions with Apollo Global Management, LLC or its affiliates (the 'Apollo Group').

Up until 2 July 2014, the Apollo Group, as holder of convertible notes and share options issued by the Company (refer notes 16 and 23 to the consolidated financial statements) and as party to a Marketing Agreement with HFA's US subsidiary Lighthouse Investment Partners, LLC, was a related party of the HFA Holdings Limited Group.

The Apollo Directors were appointed to the HFA Holdings Limited board in accordance with the original terms of issue of the convertible notes.

Indemnification and insurance of directors and officers

Indemnification

The Company has agreed to indemnify current and former directors and officers against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors or officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreements stipulate that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the current directors and officers of its controlled entities for all liabilities to another person (other than the company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreements stipulate that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

The directors have not included details of the amount of the premium paid in respect of the directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contract. The insurance premiums paid relate to costs and expenses incurred by the relevant directors and officers in defending proceedings (whether civil or criminal and whatever their outcome) and other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

Auditor

KPMG continues in office as auditor in accordance with section 327 of the Corporations Act 2001.

Non-audit services

During the year KPMG, the Group'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 it is satisfied that the provision of those non-audit services 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 Group and have been reviewed by the Audit and Risk 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 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 Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid or payable to KPMG for audit and non-audit services are provided in note 22 of the financial statements.

Auditor's independence declaration

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 25 and forms part of the directors' report for the financial year ended 30 June 2015.

Rounding of amounts

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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

Michael Shepherd, AO
Chairman

F P (Andy) Esteban
Non-Executive Director

Dated at Sydney this 20th day of August 2015

To the directors of HFA Holdings Limited:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

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

KPMG

KPMG

Stephen Board
Partner

Dated at Brisbane this 20th day of August 2015

Financial report

Income statement
For the year ended 30 June 2015

Amounts in USD'000	Note	Consolidated 2015	2014 Restated[1]
Continuing Operations			
Operating revenue	2	69,784	64,836
Distribution costs	3(a)	(6,235)	(6,177)
Net income from operating activities		**63,549**	**58,659**
Other income	2	704	-
Operating expenses	3(b)	(44,924)	(41,232)
Results from operating activities		**19,329**	**17,427**
Finance income	4(a)	488	638
Finance costs	4(a)	(1,041)	(3,340)
Loss on settlement and amendment of convertible notes	4(a)	(2,217)	-
Net finance costs		**(2,770)**	**(2,702)**
Profit before income tax		**16,559**	**14,725**
Income tax (expense) / benefit	6	118,262	(45)
Profit for the year from continuing operations		**134,821**	**14,680**
Discontinued Operations			
Profit / (loss) after tax for the year from discontinued operations	21	825	(766)
Net profit / (loss) from discontinued operations		**825**	**(766)**
Profit attributable to members of the parent		**135,646**	**13,914**
Earnings per share from continuing operations			
Basic earnings per share (US cents)	8	83.12	8.17
Diluted earnings per share (US cents)	8	83.12	8.17
Earnings per share			
Basic earnings per share (US cents)	8	83.62	7.80
Diluted earnings per share (US cents)	8	83.62	7.80

1 On 30 April 2015, the Group completed the sale of wholly owned subsidiary Certitude Global Investments Limited.

Certitude was not a discontinued operation for the financial year ended 30 June 2014 and the comparative consolidated income statement and statement of comprehensive income have therefore been restated to show the discontinued operation separately from continuing operations. Refer to note 21 for additional detail.

The accompanying notes form part of these consolidated financial statements.

Statement of comprehensive income

For the year ended 30 June 2015

		Consolidated	
Amounts in USD'000	Note	2015	2014 Restated
Profit attributable to members of the parent		**135,646**	**13,914**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences	4(b)	(268)	226
Increase in fair value of investment held as available-for-sale	4(b)	-	1,493
Income tax on other comprehensive income	4(b)	8,081	-
Other comprehensive income for the year		**7,813**	**1,719**
Total comprehensive income for the year		**143,459**	**15,633**
Total comprehensive income for the year, net of tax, attributable to members of the parent arising from:			
Continuing operations		142,634	16,619
Discontinued operations	21	825	(986)
Total comprehensive income for the year		**143,459**	**15,633**

The accompanying notes form part of these consolidated financial statements.

Statement of financial position
As at 30 June 2015

Amounts in USD'000	Note	Consolidated 2015	2014
Assets			
Cash and cash equivalents	5(a)	26,896	65,902
Trade and other receivables	9	11,686	12,861
Current tax assets	6(b)	-	162
Total current assets		**38,582**	**78,925**
Investments	10	8,293	9,076
Plant and equipment		1,186	685
Deferred tax assets	6(c)	126,573	-
Intangible assets	12	100,701	110,096
Other non-current assets	11	1,804	703
Total non-current assets		**238,557**	**120,560**
Total assets		**277,139**	**199,485**
Liabilities			
Trade and other payables	13	3,655	7,186
Employee benefits	14	7,376	7,242
Loans and borrowings	16	8,573	5,340
Total current liabilities		**19,604**	**19,768**
Employee benefits	14	89	146
Loans and borrowings	16	-	36,232
Total non-current liabilities		**89**	**36,378**
Total liabilities		**19,693**	**56,146**
Net assets		**257,446**	**143,339**
Equity			
Share capital	17	257,355	270,963
Reserves	17	24,027	21,235
Accumulated losses		(23,936)	(148,859)
Total equity attributable to equity holders of the Company		**257,446**	**143,339**

The accompanying notes form part of these consolidated financial statements.

Statement of changes in equity

For the year ended 30 June 2015

		Consolidated amounts attributable to equity holders of the parent						
Amounts in USD'000	Note	Share Capital	Share Based Payments Reserve	Fair Value Reserve	Translation Reserve	Parent Entity Profits Reserve	Accum-ulated Losses	Total Equity
Balance at 1 July 2013		267,148	17,168	-	(7,839)	5,100	(149,653)	131,924
Net profit for the year		-	-	-	-	-	13,914	13,914
Transfer to parent entity profits reserve[1]	20	-	-	-	-	13,120	(13,120)	-
Other comprehensive income								
Foreign currency translation differences	4(b)	-	-	-	226	-	-	226
Increase in fair value of investment held as available-for-sale	4(b)	-	-	1,493	-	-	-	1,493
Total other comprehensive income		-	-	1,493	226	-	-	1,719
Total comprehensive income for the year		**-**	**-**	**1,493**	**226**	**13,120**	**794**	**15,633**
Equity component of capitalised convertible note interest	16	3,815	-	-	-	-	-	3,815
Dividends to equity holders	7	-	-	-	-	(7,190)	-	(7,190)
Dividends to convertible noteholders	7	-	-	-	-	(843)	-	(843)
Total transactions with owners		3,815	-	-	-	(8,033)	-	(4,218)
Balance at 30 June and 1 July 2014		**270,963**	**17,168**	**1,493**	**(7,613)**	**10,187**	**(148,859)**	**143,339**
Net profit for the year		-	-	-	-	-	135,646	135,646
Transfer to parent entity profits reserve[1]	20	-	-	-	-	14,786	(14,786)	-
Other comprehensive income								
Foreign currency translation differences	4(b)	-	-	-	(268)	-	-	(268)
Income tax on other comprehensive income	4(b)	-	-	(562)	8,643	-	-	8,081
Total other comprehensive income, net of tax		-	-	(562)	8,375	-	-	7,813
Total comprehensive income for the year, net of tax		**-**	**-**	**(562)**	**8,375**	**14,786**	**120,860**	**143,459**
Issue of ordinary shares	17	14,504	-	-	-	-	-	14,504
Equity component of capitalised convertible note interest	16	1,305	-	-	-	-	-	1,305
Convertible note buy-back and redemption	16	(29,417)	(3,842)				4,063	(29,196)
Dividends to equity holders	7	-	-	-	-	(15,965)	-	(15,965)
Total transactions with owners		(13,608)	(3,842)	-	-	(15,965)	4,063	(29,352)
Balance at 30 June 2015		**257,355**	**13,326**	**931**	**762**	**9,008**	**(23,936)**	**257,446**

[1] Relates to the net profit of the parent entity (HFA Holdings Limited).

The accompanying notes form part of these consolidated financial statements.

Statement of cash flows
For the year ended 30 June 2015

Amounts in USD'000	Note	Consolidated 2015	2014
Cash flows from operating activities			
Cash receipts from customers		76,167	74,053
Cash paid to suppliers and employees		(48,166)	(46,729)
Cash generated from operations		28,001	27,324
Interest received		279	643
Dividends and distributions received		133	-
Income taxes paid		(87)	(69)
Net cash from operating activities	5(b)	**28,326**	**27,898**
Cash flows from investing activities			
Acquisition of plant and equipment		(759)	(81)
Acquisition of investments		(1)	(1)
Proceeds from disposal of investments		1,150	93
Net proceeds from sale of subsidiary		1,403	-
Acquisition of other non-current assets		(312)	-
Transfers from investments in cash deposits		-	2,389
Net cash from investing activities		**1,481**	**2,400**
Cash flows from financing activities			
Interest paid		(729)	(778)
Repayment of external borrowings		(13,750)	(2,000)
Repurchase of convertible notes		(50,744)	-
Net proceeds from share placement		14,504	-
Dividends paid to equity holders		(15,965)	(7,190)
Dividend paid to convertible noteholders		-	(843)
Net cash used in financing activities		**(66,684)**	**(10,811)**
Net increase in cash and cash equivalents		**(36,877)**	**19,487**
Cash and cash equivalents at 1 July		65,902	46,078
Effect of exchange rate fluctuations on cash balances held in foreign currencies		(2,129)	337
Cash and cash equivalents at 30 June	5(a)	**26,896**	**65,902**

The accompanying notes form part of these consolidated financial statements

Notes to the financial statements
For the year ended 30 June 2015

Results for the Year

This section of the notes to the financial statements focuses on the results and performance of the HFA Holdings Limited Group. On the following pages you will find disclosures explaining the Group's results for the year, segmental information, taxation and earnings per share.

Where an accounting policy or key estimate is specific to a single note, the policy or estimate is described in the note to which it relates.

1. Operating segments

As at 30 June 2015, the Group had one reportable segment, being the US based Lighthouse Group, which operates as a global absolute return funds manager for US and Cayman Island based investment vehicles. The CEO and board of directors review internal management reports on a monthly basis.

The Group's Australian business, Certitude Global Investments Limited, was sold on 30 April 2015. The results for Certitude, the gain recognised on sale of the business and associated expenses are presented as discontinued operations. Refer to note 21 for further details.

Corporate includes assets and liabilities and corporate expenses relating to the corporate parent entity, HFA Holdings Limited, and balances that are eliminated on consolidation of the Group and are not operating segments.

	Continuing Operations						**Discontinued Operations**	
	Lighthouse		Corporate		Consolidated			
Amounts in USD'000	2015	2014	2015	2014	2015	2014	2015	2014
Operating revenue	69,784	64,836	-	-	69,784	64,836	3,774	5,845
Distribution and investment management costs	(6,235)	(6,177)	-	-	(6,235)	(6,177)	(629)	(570)
Net income from operating activities	**63,549**	**58,659**	**-**	**-**	**63,549**	**58,659**	**3,145**	**5,275**
Other income	704	-	-	-	704	-	291	-
Operating expenses (excluding depreciation and amortisation)	(32,896)	(29,105)	(2,464)	(2,204)	(35,360)	(31,309)	(5,190)	(6,576)
Net finance income / (costs) (excluding interest)	330	503	(384)	(229)	(54)	274	138	80
Gain on sale of subsidiary	-	-	-	-	-	-	2,175	-
Loss on settlement and amendment of convertible notes	-	-	(2,217)	-	(2,217)	-	-	-
Earnings before interest, tax, depreciation and amortisation	**31,687**	**30,057**	**(5,065)**	**(2,433)**	**26,622**	**27,624**	**559**	**(1,221)**
Depreciation and amortisation	(9,560)	(9,923)	(4)	-	(9,564)	(9,923)	(22)	(26)
Interest revenue	2	3	12	112	14	115	224	481
Interest expense (secured debt)	(452)	(765)	-	-	(452)	(765)	-	-
Interest expense (convertible notes)	-	-	(61)	(2,326)	(61)	(2,326)	-	-
Reportable segment profit / (loss) before income tax	**21,677**	**19,372**	**(5,118)**	**(4,647)**	**16,559**	**14,725**	**761**	**(766)**
Income tax (expense) / benefit	126,904	(45)	(8,642)	-	118,262	(45)	64	-
Reportable segment profit / (loss) after income tax	**148,581**	**19,327**	**(13,760)**	**(4,647)**	**134,821**	**14,680**	**825**	**(766)**
Segment assets	264,304	146,094	12,835	35,900	277,139	181,994	-	17,491
Segment liabilities	(19,061)	(32,389)	(632)	(20,795)	(19,693)	(53,184)	-	(2,962)
Net segment assets	**245,243**	**113,705**	**12,203**	**15,105**	**257,446**	**128,810**	**-**	**14,529**

2. Revenue

	Consolidated	
Amounts in USD'000	2015	2014 Restated
Management and platform fee income	68,318	61,362
Performance fee income	1,466	3,474
Operating revenue	**69,784**	**64,836**
Operating lease rental revenue	704	-
Other income	**704**	**-**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The specific methods used for each category of revenue are outlined below.

Management fees and platform service fees

Management fees are received for management services provided by Group entities that act as investment manager in relation to various investment products. These fees are recognised as revenue as the management services are provided.

Platform service fees are received where Group entities provide platform oriented services to individual clients. Platform services can incorporate some or all of the following functions - fund structuring, corporate governance, investment advice, middle and back office operations, investment and back office due diligence, investment monitoring and any other mutually agreed upon service. These fees are recognised as revenue as the platform services are provided.

Performance fees

Performance fees are received by Group entities that act as investment manager of various investment products when the performance of the product exceeds a predetermined level. These fees are only recognised when a reliable estimate of the fee can be made and it is probable that it will be received.

Operating lease rental revenue

Other income relates to rent and outgoings charged to tenants of the UK office space held by Lighthouse. Income received under these sub-lease arrangements is recognised on a straight line basis over the term of the lease.

Major revenue source

31% (2014 Restated: 32%) of the Group's total revenue from continuing operations is from management fees earned on the Lighthouse Diversified Fund, which represents 19% of Group AUMA as at 30 June 2015 (2014 Restated: 21%).

24% (2014 Restated: 22%) of the Group's total revenue relates to management fees and performance fees earned on the Lighthouse Global Long/Short Fund, which represents 19% of Group AUMA as at 30 June 2015 (2014 Restated: 18%).

Notes to the financial statements
For the year ended 30 June 2015

3. Expenses

(a) Distribution costs

Amounts in USD'000	Consolidated 2015	Consolidated 2014 Restated
Total distribution costs	**(6,235)**	**(6,177)**

Distribution costs consist of distribution rebates paid to financial advisors, platforms and other third parties. These costs are recognised on an accrual basis.

(b) Other operating expenses

Amounts in USD'000	Consolidated 2015	Consolidated 2014 Restated
Employee benefits	(26,717)	(24,666)
Professional fees	(1,709)	(1,569)
Occupancy expenses	(2,066)	(984)
Travel costs	(1,370)	(944)
Depreciation	(169)	(653)
Amortisation of intangible assets	(9,395)	(9,270)
Other expenses	(3,498)	(3,146)
Total expenses	**(44,924)**	**(41,232)**

Operating expenses represent the Group's administrative expenses and are recognised as the services are received.

The largest operating expense is employee benefits. Employee benefits expense includes salaries and wages, together with the cost of other benefits provided to employees such as contribution to superannuation and pensions plans, and cash bonuses. It also includes regulatory costs such as payroll tax.

Employee benefits expense for the year ended 30 June 2015 includes contributions to defined contribution superannuation and pension plans of $719 thousand (2014 Restated: $718 thousand).

Certain costs, including payments made under operating leases and capitalised costs such as plant and equipment and software assets, are charged evenly over the life of the relevant contract or useful life of the asset. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. The Group is not a party to any finance leases. Any leases are operating leases and the leased assets are not recognised on the Group's statement of financial position.

4. Finance income and costs

(a) Recognised directly in profit or loss

Amounts in USD'000	Consolidated 2015	2014 Restated
Finance income		
Interest income on bank deposits	14	115
Financial assets designated at fair value through profit or loss (investment in funds)		
Dividend and distribution income	61	-
Net change in fair value	413	523
Total finance income	**488**	**638**
Finance costs		
Interest expense (secured debt)	(452)	(765)
Interest expense (convertible notes)	(61)	(2,326)
Bank charges	(52)	(44)
Net foreign exchange loss	(476)	(205)
Total finance costs	**(1,041)**	**(3,340)**
Loss on settlement and amendment of convertible notes	**(2,217)**	**-**
Net finance costs recognised in profit or loss	**(2,770)**	**(2,702)**

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Dividend and distribution income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

The loss on settlement and amendment of convertible notes relates to the buy-back of 50 convertible notes and the amendment of the terms of the remaining 25 convertible notes which occurred in July 2014 and is made up of transaction costs, variances between the carrying value and fair value of the instruments at the date of the transaction, and the reversal of the fair value of the share options held by the noteholders which were cancelled for nil consideration.

(b) Recognised directly in other comprehensive income

Amounts in USD'000	Consolidated 2015	2014
Foreign currency translation differences	(268)	226
Increase in fair value of investment held as available-for-sale	-	1,493
Income tax expense recognised directly in equity	8,081	-
Finance income attributable to equity holders recognised directly in equity	**7,813**	**1,719**
Recognised in:		
Fair value reserve	(268)	1,493
Translation reserve	8,081	226
	7,813	**1,719**

Foreign currency translation differences recognised in other comprehensive income represent exchange differences from the translation at balance date of entities whose functional currency is different to the Group's functional currency.

Available-for-sale financial assets are recognised at fair value, with changes in fair value being recognised in other comprehensive income and presented in the fair value reserve. Where an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

Income tax expense recognised directly in equity relates to historical foreign currency movements on a net foreign investment loan previously in place between HFA Holdings Limited and its wholly owned subsidiary HFA Lighthouse Holdings Corp. This movement has been recognised in the current period in line with the recognition of deferred tax balances previously held off balance sheet. Refer to note 6 for additional discussion on the recognition of these deferred tax balances.

Notes to the financial statements
For the year ended 30 June 2015

5. Cash

(a) Cash and cash equivalents

Amounts in USD'000	Consolidated 2015	2014
Cash at bank	26,896	54,118
Deposits at call	-	11,784
	26,896	**65,902**

Cash at bank is comprised of cash balances and deposits at call with a maturity period of less than 3 months.

At balance date, AUD deposits earn interest of 1.80% (2014: between 0% and 3.50%). Minimal interest is received on USD deposits.

The carrying amount of these assets is a reasonable approximation of fair value. The Group's exposure to interest rate and foreign currency risk on cash and cash equivalents is disclosed in note 18.

(b) Reconciliation of cash flows from operating activities

Amounts in USD'000	Note	Consolidated 2015	2014
Cash flows from operating activities			
Profit for the year		**135,646**	**13,914**
Adjustments for:			
Depreciation expense		191	679
Loss on disposal of plant and equipment		48	-
Amortisation of intangible assets	12	9,395	9,270
Distributions on financial assets at fair value through profit or loss		(1)	(18)
Fair value gain on financial assets at fair value through profit or loss		(489)	(600)
Interest expense (secured debt)	4(a)	452	765
Interest expense (convertible notes)	4(a)	61	2,326
Unrealised foreign exchange gain / (loss)		189	(1009)
Income tax expense / (benefit), less income tax paid		(118,414)	(24)
Loss on settlement and amendment of convertible notes		2,217	-
Gain recognised on sale of subsidiary		(2,175)	-
Operating cash flow before changes in working capital and provisions		**27,120**	**25,303**
(Increase)/decrease in receivables		1,022	2,442
(Increase)/decrease in other assets		595	(464)
Increase/(decrease) in payables		(403)	296
Increase/(decrease) in employee benefits		(8)	321
Net cash from operating activities		**28,326**	**27,898**

6. Income tax

The Company and its wholly-owned Australian resident entities formed a tax-consolidated group with effect from 1 May 2006 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is HFA Holdings Limited.

The Australian Certitude business was sold on 30 April 2015 and exited the tax-consolidated group at that time.

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

(a) Reconciliation of effective tax rate (continuing operations)

	Consolidated	
Amounts in USD'000	2015	2014 Restated
Profit before income tax	16,559	14,725
Income tax using the Company's domestic tax rate of 30% (2013: 30%)	(4,968)	(4,418)
Effect of tax rates in foreign jurisdictions*	(1,831)	(1,527)
Non-deductible/assessable amounts included in accounting profit	(869)	(777)
Deductible amounts not included in accounting profit	191	36
Changes in unrecognised temporary differences	8,799	6,991
Current year tax losses for which no deferred tax asset is initially recognised	(1,074)	(350)
Changes in estimates related to prior years	(435)	-
Current income tax expense	**(187)**	**(45)**
Recognition of previously unrecognised deferred tax assets	118,449	-
Deferred income tax benefit / (expense)	**118,449**	**-**
Total income tax benefit / (expense) reported in profit or loss	**118,262**	**(45)**

***** The Group's US subsidiaries operate in a tax jurisdiction with higher tax rates.

(b) Current tax assets

	Consolidated	
Amounts in USD'000	2015	2014
Current tax assets	-	**162**

Current tax assets represent the amount of recoverable income taxes that arise from the payment of tax in excess of the amounts due to the relevant tax authority, using tax rates current at reporting date.

6. Income tax (continued)

(c) Deferred tax assets

Recognition and measurement

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on a tax consolidated group of entities.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve interpretations of tax law and judgements about future events. New information may become available that causes the Group to change its judgement regarding the calculation of tax balances, and such changes will impact the profit or loss in the period that such a determination is made.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying value of both recognised and unrecognised deferred tax assets are reassessed at each reporting date.

Deferred tax assets – US Group

Deferred tax assets have been recognised in respect of the following items:

Amounts in USD'000	2015
Carry forward tax losses	35,847
Goodwill and intangible assets	85,907
Financial assets and fair value through profit or loss	(594)
Available-for-sale financial assets	(562)
Provisions	2,622
Other items	3,353
	126,573

In previous periods, the deferred tax assets relating to the US Group were not recognised on the basis that it was not probable that the US Group would produce sufficient taxable profits against which it's carried forward tax losses and deductible temporary differences could be utilised.

As at 30 June 2015 it is considered more likely than not that the US Group's carried forward tax losses and deductible temporary differences will be fully recovered. As a result, $126,573 thousand of deferred tax assets relating to the US Group are recognised on the balance sheet as at 30 June 2015 (30 June 2014: $135,456 thousand carried off balance sheet).

The recognition of these deferred tax balances has resulted in a tax benefit in the consolidated income statement of $118,449 thousand and $8,081 thousand in other comprehensive income.

Carried forward tax losses relating to the Lighthouse Group have a life of 20 years, and will expire during the period from 2028 to 2033.

Deferred tax assets – Australian Group

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

	Consolidated	
Amounts in USD'000	2015	2014
Deductible temporary differences	65,090	79,955
Tax losses	2,954	3,350
	68,044	**83,305**

Unrecognised deferred tax assets relating to the Australian Group consist of impairment losses recognised in previous financial years, carried forward operating tax losses and deductible temporary differences.

As at 30 June 2015, it is not probable that the Australian Group will produce sufficient taxable profits against which these deferred tax assets can be utilised and therefore the deferred tax assets remain off balance sheet.

Tax losses relating to the Australian Group and deductible temporary differences do not expire under current tax legislation.

7. Dividends

The following dividends were paid by the Company:

	Consolidated	
Amounts in USD'000	2015	2014
Interim ordinary dividend for the year ended 30 June 2015 of USD 5 cents	7,960	-
Final ordinary dividend for the year ended 30 June 2014 of USD 5 cents	8,005	-
Interim ordinary dividend for the year ended 30 June 2014 of USD 3 cents	-	3,598
Final ordinary dividend for the year ended 30 June 2013 of USD 3 cents	-	3,592
Final dividend for the year ended 30 June 2013 of USD 3 cents (Additional Interest Payment to convertible noteholders in accordance with the terms of the convertible notes)	-	843
	15,965	**8,033**

The Directors have determined a final unfranked dividend of 5.5 cents per share (with 100% conduit foreign income credits). The dividend will be paid on 16 September 2015.

The aggregate amount of the proposed dividend will be paid out of the balance of the parent entity profits reserve as at 30 June 2015.

The dividends have not been provided for as at 30 June 2015, and there are no income tax consequences.

Dividend franking account

	Consolidated	
Amounts in USD'000	2015	2014
Amount of franking credits available to shareholders of HFA Holdings Limited for subsequent financial years	**791**	**970**

Dividends paid and declared during the 2015 financial year have been unfranked with 100% conduit foreign income credits. The movement in the franking account balances relates to foreign currency movements only.

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For the year ended 30 June 2015

8. Earnings per share

Earnings per share

Amounts in USD per share	Consolidated 2015	2014
Basic earnings per share	83.62	7.80
Diluted earnings per share	83.62	7.80

Earnings per share from continuing operations

Amounts in USD per share	Consolidated 2015	2014
Basic earnings per share	83.12	8.17
Diluted earnings per share	83.12	8.17
Underlying basic earnings per share from continuing operations	11.49	8.17
Underlying diluted earnings per share from continuing operations	11.49	8.17

Reconciliation of earnings used in calculating earnings per share

Basic and diluted earnings per share

For the purposes of calculating earnings per share, the convertible notes are treated as being converted. Net profit is therefore adjusted for interest costs recognised on the convertible notes, as on conversion, the convertible notes would no longer have an impact on profit.

Amounts in USD'000	Consolidated 2015	2014
Profit attributable to ordinary equity holders of the Company	135,646	13,914
Adjustment for interest on convertible notes	61	2,326
Profit attributable to ordinary equity holders of the Company used in calculating basic and diluted earnings per share	**135,707**	**16,240**
Less: (profit) / loss after tax for the year from discontinued operations	(825)	766
Profit from continuing operations attributable to ordinary equity holders of the Company used in calculating basic and diluted earnings per share	**134,882**	**17,006**

Underlying basic and diluted earnings per share

Underlying earnings per share has been calculated by adjusting profit from continuing operations attributable to ordinary equity holders of the Company used in calculating basic and diluted earnings per share for the loss on the settlement and amendment of convertible notes, and the tax benefit recognised on the write-back of previously unrecognised deferred tax assets.

Amounts in USD'000	Consolidated 2015	2014
Profit from continuing operations attributable to ordinary equity holders of the Company used in calculating basic and diluted earnings per share	134,882	17,006
Add back: Accounting loss on settlement and amendment of unsecured convertible notes[A]	2,217	-
Deduct: Tax benefit on write-back of previously unrecognised deferred tax assets[B]	(118,449)	-
Profit from continuing operations attributable to ordinary equity holders of the Company used in calculating underlying basic and diluted earnings per share	**18,650**	**17,006**

[A] Refer to note 16 for details of this transaction.
[B] Refer to note 6 for details of this transaction.

8. Earnings per share (continued)

Weighted average number of shares used in calculating basic and diluted earnings per share

Amounts in '000 of shares		Consolidated 2015	2014
Issued ordinary shares at 1 July	17	118,738	118,738
Effect of share placement as at 2 July 2014		17,762	
Effect of shares issue on conversion of convertible note as at 11 August 2014		22,716	
Effect of convertible notes on issue during the period		3,065	89,405
Weighted average number of ordinary shares used in calculating basic, diluted and underlying earnings per share		**162,281**	**208,143**

The calculation of basic earnings per share is based on the time weighted total number of ordinary shares outstanding. This includes the total number of shares that would be issued on the conversion of convertible notes issued on 7 March 2011.

As HFA did not have any potential ordinary shares outstanding at balance date, the weighted average number of shares used in calculating basic and diluted earnings per share is the same.

31,250,000 (2014: 31,250,000) Share Options on issue until 2 July 2014 have been excluded from the calculation of diluted earnings per share because they were not considered to be dilutive (i.e. the exercise price was higher than the average share price since issue). Details relating to the options are included in note 17.

710,000 performance rights were not included in the calculation of diluted earnings per share for the 2014 financial year as they were not considered issuable as at 30 June 2014 based on the achievement of vesting criteria other than service periods. There are no outstanding performance rights as at 30 June 2015, refer to note 24 for additional details.

Notes to the financial statements
For the year ended 30 June 2015

Operating assets and liabilities

This section of the notes to the financial statements provides information on the operating assets and liabilities of the HFA Holdings Limited Group, including explanations of the Group's key assets used to generate operating results and the corresponding liabilities. Information on other assets and liabilities can be found in the following sections:

- Section 1 – Cash; Deferred tax assets
- Section 3 – Loans and borrowings; Capital and reserves

Where an accounting policy or key estimate is specific to a single note, the policy or estimate is described in the note to which it relates.

9. Trade and other receivables

	Consolidated	
Amounts in USD'000	2015	2014
Receivables due from Group managed products	8,810	11,009
Receivables due from externally managed products	496	-
Other receivables and prepayments	1,019	1,852
Lease guarantee deposits	288	-
Deferred consideration receivable – current	1,073	-
	11,686	**12,861**

Receivables due from Group managed products comprise management and platform service fees, performance fees, and recoverable costs. These receivables are non-interest bearing and are generally on 30 to 90 day terms.

Receivables due from externally managed products relate to funds managed by Certitude Global Investments Limited, which ceased being a related entity of the Group after 30 April 2015.

Other receivables and prepayments relate to items such as prepaid expenses (principally in relation to insurance policies) and interest receivable on cash deposits.

Current lease guarantee deposits relate to funds held in nominated accounts in relation to security deposits for the lease of Australian office premises, which are expected to be recovered within 12 months from reporting date.

Trade and other receivables have fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value, and then subsequently measured at amortised cost using the effective interest rate method, less impairment losses. The carrying amount of these assets is a reasonable approximation of fair value.

The Group's exposure to credit risk, currency risk and impairment losses related to trade and other receivables is disclosed in note 18.

Deferred consideration receivable

The current portion of deferred consideration receivable relates to amounts due from the sale of wholly-owned subsidiary Certitude Global Investments Limited (Certitude) that are expected to be received within 12 months of reporting date.

On 31 March 2015, the Group announced its decision to sell Certitude to Ironbark Asset Management Pty Ltd (Ironbark). The transaction was completed on 30 April 2015. Per the Share Sale Agreement, the consideration payable by Ironbark is 0.91% of Assets under Management (AUM) of specified Certitude funds as at completion date, with 85% received on the completion date and the remaining 15% deferred and indexed to any movement in AUM at the end of the 12 month anniversary of the completion date. In addition, HFA will continue to receive residual fee revenue (management, performance and origination fees) for other funds managed by Lighthouse but not included in the AUM until such time as those other funds commence wind up.

The initial payment was received from Ironbark on 30 April 2015. The remainder of amounts due have been deferred and designated as an available-for-sale debt asset. The methods used to determine the fair value for measurement and disclosure purposes of this asset are disclosed in note 18.

The total amount of consideration received and receivable has been taken into account when calculating the gain on sale, refer note 21 for additional detail.

10. Investments

Amounts in USD'000	Consolidated 2015	2014
Available-for-sale financial assets	2,889	2,889
Financial assets at fair value through profit or loss	5,404	6,187
	8,293	**9,076**

Available-for-sale financial assets

Available-for-sale financial assets comprise an 11% equity holding in the unquoted securities of 361 Capital, LLC, a US based company which distributes alternative investment funds.

The investment is measured at fair value, with changes in fair value recognised in other comprehensive income and presented in the fair value reserve in equity.

Note 18 provides details on the methods used to determine fair value for measurement and disclosure purposes, and information on exposure to credit and market rate risks related to these investments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise investments in unquoted securities. As at 30 June 2015, all of these investments are holdings in investment entities that are managed by Lighthouse.

These assets have been classified as at fair value through profit or loss upon initial recognition as the Group makes decisions in relation to these financial asset based on fair value.

These investments are measured at fair value, and changes in their fair value are recognised in profit or loss.

Note 18 provides details on the methods used to determine fair value for measurement and disclosure purposes, and information on exposure to credit and market rate risks related to these investments.

11. Other non-current assets

Amounts in USD'000	Consolidated 2015	2014
Lease guarantee deposits	661	703
Deferred consideration receivable	1,143	-
	1,804	**703**

Lease Guarantee Deposits

Non-current lease guarantee deposits relate to funds that are held in nominated accounts in relation to security deposits for the lease of office premises that are not expected to be recovered within 12 months of reporting date.

The carrying amount of these assets is a reasonable approximation of fair value.

Deferred consideration receivable

The non-current portion of deferred consideration receivable relates to consideration due from the sale of the Australian Certitude business, see note 9 for further details regarding this receivable.

This receivable has been designated as an available-for-sale financial asset. The methods used to determine the fair value for measurement and disclosure purposes are disclosed in note 18.

Notes to the financial statements
For the year ended 30 June 2015

12. Intangible assets

Amounts in USD'000	Goodwill	Mgmt rights / Customer Relationships	Trademarks	Software	Total
			Consolidated		
Cost					
Balance at 1 July 2013	499,519	73,400	1,900	2,050	576,869
Balance at 30 June and 1 July 2014	499,519	73,400	1,900	2,050	576,869
Balance at 30 June 2015	**499,519**	**73,400**	**1,900**	**2,050**	**576,869**
Amortisation and impairment losses					
Balance at 1 July 2013	(405,718)	(50,462)	(523)	(800)	(457,503)
Amortisation for the year	-	(9,175)	(95)	-	(9,270)
Balance at 30 June and 1 July 2014	**(405,718)**	**(59,637)**	**(618)**	**(800)**	**(466,773)**
Amortisation for the year	-	(9,175)	(95)	(125)	(9,395)
Balance at 30 June 2015	**(405,718)**	**(68,812)**	**(713)**	**(925)**	**(476,168)**
Carrying amounts					
At 1 July 2013	93,801	22,938	1,377	1,250	119,366
At 30 June and 1 July 2014	93,801	13,763	1,282	1,250	110,096
At 30 June 2015	**93,801**	**4,588**	**1,187**	**1,125**	**100,701**

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the Group's accounting policy relating to the measurement of goodwill at initial recognition, see note 19.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Management rights and customer relationships

Where acquired separately, management rights and customer relationship assets are capitalised at cost. Subsequent to acquisition, the assets are measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets acquired by the Group, which have finite lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Management rights and customer relationships	8 years
Trademarks	20 years
Capitalised software development costs	5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

12. Intangibles (continued)

Impairment testing of intangible assets

The carrying amounts of the Group's intangible assets are reviewed at each reporting date, or when an impairment indicator exists, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Impairment test as at 30 June

Impairment testing carried out on the US CGU as at 30 June 2015 and 30 June 2014 did not result in the recognition of any impairment losses.

For the purpose of impairment testing, intangible assets are allocated to a US based funds management cash generating unit (US CGU):

	Consolidated Carrying Amount	
Amounts in USD'000	2015	2014
Goodwill	93,801	93,801
Management rights/customer relationships	4,588	13,763
Trademarks	1,187	1,282
Software	1,125	1,250
	100,701	**110,096**

The recoverable amount of the CGU was determined based on a value-in-use calculation.

The calculation utilises five years of cash flow projections. The first three years of these projections are based on financial forecasts approved by the Board of directors, which are then extrapolated over an additional two years.

Revenue for the additional two years is extrapolated using a long term growth rate based on the CPI long term forecast plus the real GDP forecast for the United States. Investment management costs and operating expenses are extrapolated based on ratios consistent with the third year of the approved financial forecasts.

Key assumptions used in the calculation are discount rates, terminal value growth rates, and the EBITDA growth rate:

Key assumption	2015	2014
Discount rate	14.5%	14.75%
Terminal value growth rate	4.5%	4.5%
Forecast EBITDA growth rate (average next 5 years)	6%	9%

The discount rate is a post-tax measure calculated based on US risk factors as well as other risk factors specific to the industry and operational nature of the business, including an assumed debt leveraging of 20% at a market interest rate of 4.1%.

The terminal growth rate is based on the CPI long term forecast plus the real GDP forecast for the United States.

The average forecast EBITDA growth rate for 5 years of cash flow projections is 6%. This is considered to be conservative in comparison to the average EBITDA (before equity settled transaction) growth achieved by the US CGU for the 5 year period to 30 June 2015 of 10%.

A reasonably possible change in these assumptions would not result in an implied impairment of this CGU.

Notes to the financial statements
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13. Trade and other payables

Amounts in USD'000	Consolidated 2015	Consolidated 2014
Trade creditors	73	196
Other creditors and accruals	3,582	6,990
	3,655	**7,186**

Trade creditors are non-interest bearing and normally settle on 30 to 90 day terms.

Other creditors and accruals relate to items such as GST payable, accrued operating expenses, interest on the secured bank loan and convertible notes and product costs and expenses, and as at 30 June 2015, a provision for costs relating to the discontinuing of operations in Australia following the sale of the Certitude business.

Trade and other payables are stated at their amortised cost. The carrying amount of these liabilities is a reasonable approximation of fair value.

A provision is recognised if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions have not been discounted as the effect of the time value of money on the carrying value of the provision is not material.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 18.

14. Employee benefits

Amounts in USD'000	Consolidated 2015	Consolidated 2014
Current		
Short-term incentives	7,289	7,041
Liability for annual leave	87	201
	7,376	**7,242**
Non-current		
Liability for long service leave	89	146
	7,465	**7,388**

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be measured reliably.

Long-term employee benefits

The Group's obligation in relation to long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate used is the relevant corporate bond rate at reporting date.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Capital and risk

This section of the notes to the financial statements provides information on how HFA Holdings Limited manages its capital and financial risk. On the following pages you will find disclosures explaining the Group's

- capital management, including structure, policies, and related accounts balances; and
- exposure to financial risks, including market risks, credit risk, liquidity risk, and the risk arising from financial instruments.

Where an accounting policy or key estimate is specific to a single note, the policy or estimate is described in the note to which it relates.

15. Capital management

Capital management of the Group focuses on ensuring:

- that the Group continues as a going concern;
- debt repayment and servicing obligations are met;
- there is sufficient cash flow to meet operating requirements;
- flexibility is maintained for future business expansion; and
- that the payment of dividends is supported in accordance with the Group's dividend policy.

The Company completed a capital transaction on 2 July 2014 to buy-back 50 of the convertible notes on issue, and amended the terms of the remaining 25 notes, which were then converted on 11 August 2014. Note 16 contains additional detail regarding this transaction.

As at 30 June 2015, the Company's capital comprises ordinary shares on issue, and the Group has a current secured bank loan of $8.573 million that matures and will be extinguished in March 2016.

Australian Financial Services License Requirements

Prior to its sale on 30 April 2015, and in accordance with the requirements of the Australian Securities and Investments Commission Australian Financial Services Licence, Certitude was required to ensure that at all times the value of its net tangible assets were maintained at an amount not less than 0.5% of scheme property, up to a maximum of $5 million. Certitude's position was actively monitored until 30 April 2015 to ensure compliance with this requirement.

Other Capital Requirements

In accordance with the requirements of the Central Bank of Ireland, LHP Ireland Fund Management Limited must keep an initial capital requirement of 125,000 Euro's plus .02% of excess over 250 million in assets under management, plus an additional .01% of the assets under management for potential liability risk. This requirement was complied with throughout the year.

16. Loans and borrowings

	Consolidated	
Amounts in USD'000	2015	2014
Current		
Secured bank loan (USD Facility)	8,573	2,000
Unsecured convertible notes	-	3,340
	8,573	**5,340**
Non-current		
Secured bank loan (USD Facility)	-	20,323
Unsecured convertible notes	-	15,909
	-	**36,232**
	8,573	**41,572**

The secured bank loan matures in March 2016, and hence the remaining balance is classified as a current liability as it will be repaid within the next 12 months.

Current unsecured convertible notes relates to the expected movement in the portion of the outstanding convertible notes classified as debt, over a 12 month period from balance date. As at 30 June 2015, no convertible notes remain outstanding.

Notes to the financial statements
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16. Loans and borrowings (continued)

Terms and debt repayment schedule

Amounts in USD'000	Nominal interest rate	Year of maturity	2015 Face value	2015 Carrying amount	2014 Face value	2014 Carrying amount
Secured bank loan (USD Facility)	LIBOR + 3%	2016	8,573	8,573	22,323	22,323
Unsecured convertible notes	n/a	n/a	-	-	89,568	19,249
Total loans and borrowings			**8,573**	**8,573**	**111,891**	**41,572**

Secured bank loan

The secured bank loan as at 30 June 2015 is a USD facility available under a Cash Advance Facilities Agreement with Westpac Banking Corporation.

Financial undertakings under the facility include that HFA and its related entities will ensure that:

- EBITDA for each preceding 12 month period ending on the date of calculation is always at least 3.5 times greater than the interest expense for the same period (excluding interest expense recognised on convertible notes); and
- Assets under Management of the Consolidated Group are not less than $2.6 billion.

The Group's exposure to interest rate risk related to loans and borrowings is disclosed in note 18.

The bank loan was recognised initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition this financial liability is measured at amortised cost using the effective interest rate method. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at reporting date. The carrying amount of this financial liability is a reasonable approximation of fair value.

Convertible notes

The convertible notes were compound financial instruments issued by the Group. The liability component of the convertible notes was recognised initially at the fair value of a similar liability that does not have an equity conversion option. Fair value is calculated by discounting estimated future cash flows using a market rate of interest. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the convertible notes was measured at amortised cost using the effective interest method, which ensures that any interest expense over the period of repayment is at a constant rate on the balance of the liability carried on the balance sheet. Interest expense in this context includes amortisation of transaction costs as well as any interest or coupon payable while the liability is outstanding. Interest relating to the liability component of the notes is recognised in profit or loss.

The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

The movement in the portion of the convertible notes that is recognised as a financial liability was made up of the following components:

	Consolidated	
Amounts in USD'000	2015	2014
Carrying amount at beginning of period	19,249	20,836
Increase in face value due to the capitalisation of accrued interest	1,722	5,141
Amount of interest capitalised classified as equity	(1,305)	(3,815)
Interest on face value at 6% per annum	(29)	(5,239)
Accretive interest (calculated using the effective interest rate method)	12	2,326
Buy-back and amendment of convertible notes as at 2 July 2014	(8,402)	-
Carrying amount at 2 July 2014	**11,247**	**-**
Interest on face value at 8% per annum	(203)	-
Accretive interest (calculated using the effective interest rate method)	49	-
Conversion of convertible notes on 11 August 2014	(11,093)	-
Carrying amount of liability at 30 June	**-**	**19,249**

16. Loans and borrowings (continued)

On 2 July 2014, the Group completed a transaction that contained the following components:

- the buy-back of the 50 convertible notes ("buy-back") on issue to APH HFA Holdings, LP, an affiliate of Apollo Global Management, LLC (together with its consolidated subsidiaries, "Apollo"). Each repurchased convertible note was bought back at its initial face value of $1 million ($50 million in total). Apollo waived interest accrued on these convertible notes between the original issue date of 7 March 2011 and immediately prior to completion of the buy-back on 2 July 2014;
- as a part of the buy-back, Apollo concluded its broader strategic alliance with HFA and the right of first refusal arrangements that Apollo held over HFA employee shareholdings were cancelled;
- the buy-back was funded from a placement to eligible institutional investors of 17,810,723 ordinary shares in the Company which raised $14.5 million in net proceeds and $36.4 million of existing cash held by the Group;
- 25 convertible notes remained on issue. The accrued interest on those convertible notes was waived by the noteholder in consideration for certain amendments to their existing terms, namely:
  - an increase in the interest payable on the notes from 6% per annum to 8% per annum;
  - call options held by HFA to repurchase 15 of the remaining 25 convertible notes for cash, for the face value of $1 million, in 2 tranches. The first tranche required no less than 10 convertible notes by 31 December 2014 (i.e. for $10 million if 10 convertible notes are repurchased), and the second tranche required the balance of the 15 convertible notes (if any), by 31 December 2015 (i.e. for $5 million if 5 convertible notes are repurchased)
  - If HFA did not repurchase at least the number of convertible notes required by these dates, the interest rate in relation to all outstanding convertible notes would have increased by 2% per annum each six months if the repurchase remains outstanding and while it does so (such stepped up interest rate was capped at a maximum interest rate of 12% per annum).
- 31,250,000 options held by the noteholders were cancelled for nil consideration; and
- The Westpac senior lending facility terms were amended to include a $5 million repayment of debt (completed on 2 July 2014), and an increase in annual loan repayments from $2 million to $7.5 million.

On 11 August 2014, the remaining 25 convertible notes on issue were converted into ordinary shares of the Company

On 7 August 2014 the Company received notification from the holder of the remaining 25 convertible notes on issue that it would exercise its option under the note terms to convert the notes to 25,559,017 ordinary shares of HFA Holdings Limited effective 11 August 2014.

The financial impact of the transactions was as follows:	Consolidated
Amounts in USD'000	2015
Movement in cash	
Placement proceeds	15,113
Less placement costs	(609)
Total cash proceeds from placement	**14,504**
Cash payment for buy-back	(50,000)
Total transaction costs	(908)
Total cash costs for buy-back	**(50,908)**
Cash repayment of secured bank loan	(5,000)
Total cash movement	**(41,404)**
Movement in other balance sheet accounts	
Liability: decrease in secured bank loan	5,000
Liability: decrease in liability portion of convertible notes	19,495
Equity: decrease in equity portion of convertible notes	29,417
Equity: decrease in share options reserve	3,842
Equity: increase in share capital	(14,504)
Total movement in other balance sheet accounts	**43,250**
Total movement in other comprehensive income	
Recognised through profit or loss: loss on settlement and amendment of convertible notes	2,217
Recognised through retained earnings: gain on settlement and amendment	(4,063)
Total movement in other comprehensive income	**(1,846)**

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17. Capital and reserves

Ordinary shares on issue

In thousands of shares	Consolidated 2015	2014
Ordinary shares on issue 30 June	**162,148**	**118,738**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. The Company does not have authorised capital or par value in respect of issued shares. All ordinary shares rank equally with regard to the Company's residual assets. Ordinary shares have the right to receive dividends as declared and are entitled to one vote per share at general meetings of the Company.

Issue of ordinary shares

- On 2 July 2014, in connection with the buy-back of 50 convertible notes, the Group completed a placement to eligible institutional investors of 17,810,723 ordinary shares in the Company which raised $14.5 million in net proceeds (see note 16).
- On 7 August 2014, the Company received notification from the holder of the remaining 25 convertible notes on issue that it would exercise its option under the note terms to convert the notes to 25,599,017 ordinary shares of HFA Holdings Limited effective 11 August 2014 (see note 16).

As at the date of this report, the total number of ordinary shares in the Company on issue was 162,147,897.

Share options

On 7 March 2011, in connection with the issue of convertible notes, 31,250,000 share options were issued to the noteholders, with each share option convertible into one fully paid ordinary share in the capital of the Company at an exercise price of AUD 8.00 and exercisable during a period of 8 years following issue. In connection with the buy-back of 50 convertible notes on 2 July 2014, 31,250,000 options held by the noteholders were cancelled for nil consideration

Nature and purpose of reserves

Amounts in USD'000	Consolidated 2015	2014
Parent entity profits reserve	9,008	10,187
Translation reserve	762	(7,613)
Fair value reserve	931	1,493
Share based payments reserve	13,326	17,168
	24,027	**21,235**

The parent entity profits reserve comprises the balance of accumulated profit for the Company not yet distributed as dividends and represents profits available for distribution to shareholders as dividends in future years.

The translation reserve is used to record foreign currency differences arising from the translation of the financial statements of operations which have a functional currency that is different to the functional currency of the Company.

The fair value reserve comprises of the increase in the fair value of available-for-sale financial assets above their original purchase value. The balance as at 30 June 2015 relates to the investment held in the unquoted securities of 361 Capital, LLC. The current year movement relates to the recognition of previously unrecognised deferred tax on this balance. Refer to note 6 and 10 for additional details regarding this balance.

The share based payments reserve is used to record share based payments associated with performance rights and share options.

18. Financial risk management

Classes of financial instruments

Definitions

The Group has the following non-derivative financial assets and liabilities:

Classification	Description
'Loans and receivables' and 'Other financial liabilities' not measured at fair value.	The carrying amount of these assets and liabilities is a reasonable approximation of fair value: ▪ Cash and cash equivalents – see note 5 ▪ Trade and other receivables – see note 9 ▪ Lease guarantee deposits – see note 9 and 11 ▪ Trade and other payables – see note 13 ▪ Loans and borrowings – see note 16
Financial assets at fair value through profit or loss	▪ Investments in unquoted securities – see note 10.
Available-for-sale financial assets	▪ Non-controlling membership interest in a US based limited liability company over which the Group does not have significant influence – see note 10. Fair value movements in this asset are recognised through other comprehensive income. ▪ Deferred consideration receivable related to the sale of the Australian Certitude business – see notes 9 and 11. Changes to the expected level of consideration to be received are recognised in the income statement.

Accounting policies

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial instruments (including instruments designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Fair value of financial instruments

Fair value hierarchy

The Group analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data.

18. Financial risk management (continued)

Fair value measurements

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Recurring fair value measurements

Amounts in USD'000	Note	Level 1	Level 2	Level 3	Total
		30 June 2015			
Available-for-sale financial assets					
- Investment in 361 capital	10	-	-	2,889	2,889
- Deferred consideration receivable	9, 11	-	-	2,216	2,216
Financial assets at fair value through profit or loss					
- Investments in unquoted securities	10	-	5,404	-	5,404
		30 June 2014			
Available-for-sale financial assets					
- Investment in 361 capital	10	-	-	2,889	2,889
Financial assets at fair value through profit or loss					
- Investments in unquoted securities	10	-	6,187	-	6,187

There were no transfers between levels during the financial years ended 30 June 2015 or 30 June 2014.

Valuation techniques and significant unobservable inputs

The following table shows the specific valuation technique used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used (if applicable).

Type	Valuation technique	Significant unobservable inputs	Input derived from	Relationship of unobservable inputs and fair value measurement
Investment in 361 capital *(Level 3)*	Calculated based on arm's length equity transactions which provided external evidence of the value of this equity investment.	Not applicable	Audited financial statements of 361 Capital, LLC as at 31 December 2014.	Not applicable.
Deferred consideration receivable *(Level 3)*	Calculated based on the terms of the relevant contract using a discounted cash flow model.	Assumed AUM growth rates Assumed fund performance rates Discount rate	6 to 8% based on historical rates for each relevant fund 3 to 6% based on historical rates for each relevant fund 5% based on RBA indicator lending rates	+1% AUMA growth and performance rates and -1% discount rates: increase of $162k -1% AUMA growth and performance rates and + 1% increase discount rate: decrease of $157k
Investments in unquoted securities *(Level 2)*	Calculated by reference to exit price at reporting date.	Not applicable.	Exit price at reporting date.	Not applicable.

The Group's finance team performs the valuations of Level 2 and Level 3 investments for financial reporting purposes. The team reports directly to the Chief Financial Officer and the Audit and Risk Committee. Discussion regarding valuation occur at least once every 6 months in line with the Group's half-yearly reporting periods.

18. Financial risk management (continued)

Movement in Level 3 assets

The following table presents the change in Level 3 assets for the financial years ended 30 June 2015 and 30 June 2014:

Amounts in USD'000	Note	Deferred consideration receivable	Investment in 361 capital	Total
Opening balance 1 July 2013		**-**	**1,396**	**1,396**
Gain included in other comprehensive income				
- net change in fair value (unrealised gain)		-	1,493	1,493
Closing balance 30 June 2014		**-**	**2,889**	**2,889**
Deferred revenue recognised on sale of subsidiary	9, 11, 21	2,216	-	2,216
Closing balance 30 June 2015		**2,216**	**2,889**	**5,105**

There were no transfers in or out of Level 3 during the financial year ended 30 June 2015.

Financial Risk Management

The Group has direct and indirect exposure to the following risks arising from its activities:

- credit risk
- liquidity risk
- market risk (including currency risk, interest rate risk and equity price risk)

These risks can impact the Group's net profit and total equity value through:

- fluctuations in the value of the Group's investments and other financial assets and liabilities;
- the effect of market risks on the Group's Assets Under Management and Advice (AUMA), which can impact management, platform and performance fees; and
- the amount of interest earned on the Group's cash balances and the amount of interest paid by the Group on its secured bank loan.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash deposits and receivables. The carrying amount of these financial assets represents the Group's maximum credit risk exposure.

Cash and cash equivalents, investments in term deposits and lease guarantee deposits

Cash and cash equivalents, investments in term deposits and lease guarantee deposits held in Australia are held with bank and financial institution counterparties, which are rated A1+ (Standard & Poor's).

Cash and cash equivalents and lease guarantee deposits held in the United States are held in deposit accounts which are rated A2 (Standard & Poor's).

Trade and other receivables

Trade and other receivables are predominantly comprised of management fees, platform service fees, performance fees and other related fees from products managed by the Group.

At reporting date, 75% of the Group's trade and other receivables related to amounts receivable from products managed by the Group (2014: 86%).

22% of receivables relate to management fees receivable from the Lighthouse Diversified Fund, the largest fund managed by the Group (2014: 19%).

Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables.

18. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient resources available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains 12 month rolling forecasts, which assist it in monitoring cash flow requirements and optimising its return on cash investments. The Group ensures that it has sufficient cash on demand to meet operational requirements, including the servicing of obligations relating to loans and borrowings. This approach excludes the potential impact of extreme circumstances which cannot be predicted.

The following are the contractual maturities of non-derivative financial liabilities as at balance date, including estimated interest payments:

		Consolidated						
Amounts in USD'000	Note	Carrying value	Con-tractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
30 June 2015								
Trade and other payables	13	3,655	(3,655)	(3,655)	-	-	-	-
Secured bank loans	16	8,573	(8,704)	(3,857)	(4,847)	-	-	-
		12,228	**(12,359)**	**(7,512)**	**(4,847)**	**-**	**-**	**-**
30 June 2014								
Trade and other payables	13	7,186	(7,186)	(7,186)	-	-	-	-
Secured bank loans	16	22,323	(23,580)	(1,364)	(1,342)	(20,874)	-	-
Convertible notes	16	19,249	(25,368)	-	-	(2,874)	(22,494)	-
		48,758	**(56,134)**	**(8,550)**	**(1,342)**	**(23,748)**	**(22,494)**	**-**

Trade and other payables / employee benefits

It is not expected that the cash flows included in the maturity analysis for these liabilities could occur significantly earlier, or at significantly different amounts.

Secured bank loans

The above cash flows represent the contractual cash flows of the loan as at 30 June.

As disclosed in note 16, the Group's secured bank loan contains a number of debt covenants. A breach of covenant may require the Group to repay the loan earlier than indicated in the above table. However, as at 30 June 2015, the Group has significant headroom in relation to each of its financial covenants.

The secured bank loan is a variable interest rate loan. The interest payments contained in the above table reflect the relevant rate at period end and may change as market interest rates change.

Convertible notes

As at 30 June 2015, no convertible notes or related contractual cash flows remain outstanding. Refer to note 16 for additional details.

18. Financial risk management (continued)

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 Group's income or the value of its holdings of financial instruments.

Currency risk

The Group is exposed to currency risk on revenue, expenses, receivables and payables that are denominated in a currency other than the respective functional currencies of the Group entities. The following significant exchange rates applied during the year:

	2015	2014
AUD/USD: Average rate	0.8380	0.9186
AUD/USD: 30 June spot rate	0.7680	0.9240

At reporting date, the Group's direct exposure to currency risk relates primarily to the AUD denominated transactions and balances recognised by HFA Holdings Limited which has a functional currency of USD. Due to HFA Holdings Limited's position as the parent entity of the Australian listed group, it retains a number of working capital balances that are denominated in AUD. The deferred revenue receivable recognised at 30 June 2015 in relation to the sale of the Certitude business is also denominated in AUD.

Prior to the sale of Certitude Global Investments Limited on 30 April 2015, the Group was also exposed to currency risk in respect of AUD net assets relating of this entity, and the translation of its AUD earnings.

The following table summarises the sensitivity of the balance of financial instruments held at reporting date to movement in the AUD/USD exchange rate, with all other variables held constant.

	Consolidated	
Amounts in USD'000	2015	2014
AUD/USD: appreciation of 10%	203	99
AUD/USD: depreciation of 10%	(203)	(99)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's cash and cash equivalents, investments in term deposits and variable rate secured bank loans.

A change in interest rates at reporting date would not have impacted the carrying value of the Group's variable rate instruments, and would therefore not have impacted the Group's equity or profit or loss.

Reviews of interest rate structures are performed to monitor potential exposure. The interest rate profile of financial liabilities is detailed in note 16.

Price risk

The Group is exposed to price risk in relation to the value of its investments, and indirectly through impacts on management and performance fees earned from the fluctuations in the value of the AUMA in the investment products it manages due to market price movements.

Investments

The Group's investments comprise:

- financial assets at fair value through profit or loss, which are comprised of investments in the unquoted securities of investment funds; and
- available-for-sale financial assets which are comprised of an investment in the unquoted securities of a US based Limited Liability Company.

The following table summarises the sensitivity of the fair value of these assets to movements in market prices.

	Consolidated			
	Profit or loss (decrease) / increase		Equity (decrease) / increase	
Amounts in USD'000	2015	2014	2015	2014
Fair value + 5%	165	309	88	144
Fair value - 5%	(165)	(309)	(88)	(144)

18. Financial risk management (continued)

Market Risk

Price risk

Management and platform fees

The Group earns management and platform fees as a percentage of the assets it manages on behalf of its funds and clients. Management and platform fees will be impacted by changes in the value of these assets from movements in the individual prices of the underlying securities held as well as the fluctuations in exchange rates for assets which are not denominated in USD.

The following table summarises the sensitivity of management and platform fees to a changes in AUMA due to movements in market prices:

	Consolidated	
	Profit or loss (decrease) / increase	
Amounts in USD'000	2015	2014
Fair value + 5%	1,894	2,759
Fair value - 5%	(1,894)	(2,759)

The impact of any change to management and platform fees due to changes in AUMA from inflows and outflows of assets by clients due to changes in market prices has not been estimated.

Performance fees

The Group earns performance fees from some of its funds and clients. The Group's entitlement to performance fees varies between the relevant funds and clients, and generally is dependent on the relevant fund or client portfolio outperforming a highwatermark and in some cases a benchmark hurdle. Performance fees per fund or client can also accrue over different calculation periods. Given the nature of performance fees, the Group is subject to the risk that in any given financial year it may earn no performance fees.

Group structure

This section of the notes to the financial statements outlines how the HFA Holdings Limited's group structure affects the financial position and performance of the Group as a whole. On the following pages you will find disclosures explaining the Group's composition, key parent entity disclosures and discontinued operations.

Where an accounting policy or key estimate is specific to a single note, the policy or estimate is described in the note to which it relates.

19. Group entities

The Group's consolidated financial statements include the financial statements of HFA Holdings Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	% Equity interest	
		2015	2014
Certitude Global Investments Limited[1]	Australia	-	100
Admin Pty Ltd	Australia	100	100
HFA Lighthouse Holdings Corp	United States	100	100
HFA Lighthouse Corp	United States	100	100
LHP Investments, LLC	United States	100	100
Lighthouse Investment Partners, LLC	United States	100	100
Lighthouse Partners NY, LLC	United States	100	100
Lighthouse Partners UK, LLC	United States	100	100
North Rock Capital Management LLC	United States	100	-
Lighthouse Partners Limited (HK)	Hong Kong	100	100
LHP Ireland Fund Management Limited	Ireland	100	100
LDO 906 Limited	Cayman Islands	100	-

[1] The Australian Certitude business was sold on 30 April 2015. Refer to notes 9 and 21 for further details.

Basis of consolidation

The consolidated financial statements are those of the Group, comprising HFA Holdings Limited (the parent company) and all entities that HFA Holdings Limited controlled during the period and at reporting date.

Business combinations – pre 1 July 2009

Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

For acquisitions between 1 July 2004 and 1 July 2009, goodwill represents the excess of the costs of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incured in connection with a business combination were capitalised as part of the cost of acquisition.

No acquisitions have been carried out post 1 July 2009.

Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions are eliminated in preparing the consolidated financial statements.

20. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2015, the parent company of the Group was HFA Holdings Limited.

	Company	
Amounts in USD'000	2015	2014
Result of the parent entity		
Profit for the year	14,786	13,120
Total comprehensive income for the year	**14,786**	**13,120**
Financial position of the parent at year end		
Current assets	12,621	36,769
Total assets	280,061	315,533
Current liabilities	(757)	(2,413)
Total liabilities	(757)	(21,663)
Net assets	**279,304**	**293,870**
Total equity of the parent comprising of:		
Share capital	257,355	270,963
Translation reserve	5,070	5,070
Share based payments reserve	3,808	7,650
Parent entity profits reserve	9,007	10,187
Retained earnings	4,064	-
Total equity	**279,304**	**293,870**

Parent entity contingent liabilities

The parent entity is responsible for the payment of GST liabilities relating to other entities within the Australian GST Group.

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees the bank loan facility held by subsidiary HFA Lighthouse Holdings Corp under the Cash Advance Facilities Agreement with Westpac Banking Corporation. Further details of the secured bank loan, refer to note 16.

21. Discontinued operations

On 30 April 2015, the Group completed the sale of wholly owned subsidiary Certitude Global Investments Limited.

Certitude was not a discontinued operation for the financial year ended 30 June 2014 and the comparative consolidated income statement and statement of comprehensive income have therefore been restated to show the discontinued operation separately from continuing operations.

Results of discontinued operations

Amounts in USD'000	2015	2014
Revenue	4,438	6,420
Expenses	(5,852)	(7,186)
Profit / (loss) before income tax	**(1,414)**	**(766)**
Income tax benefit	64	-
Gain on disposal after income tax	2,175	-
Profit / (loss) after income tax from discontinued operations	**825**	**(766)**

Cash flows from discontinued operations

Amounts in USD'000	2015	2014
Net cash from/(used in) operating activities	(432)	(1,298)
Net cash from/(used in) investing activities	2,952	2,329
Effect of foreign currency exchange	(1,698)	199
Net cash flows for the year from discontinued operations	**822**	**1,230**

Calculation of gain on disposal

Amounts in USD'000	2015
Consideration received or receivable:	
Cash	2,161
Fair value of deferred consideration	2,303
Total consideration received	4,464
Capital investment in subsidiary	(198)
Post-acquisition movement in equity	(1,318)
Transaction costs and other items	(773)
Gain on disposal	**2,175**

Refer to note 9 regarding deferred consideration. The methods used to determine the fair value for measurement and disclosure purposes of this asset are disclosed in note 18.

Carrying amount of assets and liabilities as at the date of sale

Amounts in USD'000	30 April 2015
Cash and cash equivalents	12
Trade and other receivables	1,351
Other non-current assets	68
Total assets	**1,431**
Trade and other payables	(950)
Employee benefits	(202)
Total liabilities	**(1,152)**
Net assets	**279**

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Other disclosures

This section includes information that the Directors do not consider to be significant in understanding the financial performance and position of the Group, but must be disclosed to comply with the Accounting Standards, the Corporations Act 2001 or the Corporations Regulations.

22. Auditor's remuneration

	Consolidated	
Amounts in USD	2015	2014
Audit and review services:		
KPMG: Audit and review of financial reports	306,565	245,324
KPMG: Other regulatory services	99,581	82,219
Other Auditors: Audit and review of financial reports	16,711	16,437
	422,857	**343,980**
Services other than statutory audit:		
KPMG: In relation to other taxation and advisory services	-	101,736[1]
Other auditors: In relation to other taxation and advisory services	193,522[1]	150,016[1]
	193,522	**251,752**

[1] Includes fees incurred in relation to the convertible note transaction completed on 2 July 2014 and the subsidiary sale transaction completed on 30 April 2015. Refer to notes 16 and 21 respectively for additional detail.

23. Related parties

Key management personnel remuneration

The key management personnel remuneration included in 'employee benefits' (see note 14) is as follows:

	Consolidated	
Amounts in USD	2015	2014
Short-term employee benefits	5,182,217	5,158,957
Long-term employee benefits	(9,976)	10,404
Post-employment benefits	118,646	125,272
Termination benefits	167,601	-
	5,458,488	**5,294,633**

Individual directors and executives remuneration disclosures

Information regarding individual directors and executives' remuneration and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration report contained in the directors' report on pages 17 to 23.

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

Key management personnel transactions

A Civale, B Cohen and M Fox were directors of HFA Holdings Limited until 2 July 2014 (the 'Apollo Directors'). During the time that the Apollo Directors held this position, they also held positions with Apollo Global Management, LLC or its affiliates (the 'Apollo Group'). On 2 July 2014, HFA completed a transaction to buy-back 50 of the convertible notes on issue. A Civale, B Cohen and M Fox therefore ceased to be related parties on this date. Details of this transaction are in note 16 to the financial statements.

23. Related parties (continued)

Other related party transactions

Certitude Global Investments Limited

Certitude was a wholly owned subsidiary of the Group for the 10 months to 30 April 2015 and is the Responsible Entity of a number of managed investment schemes.

During the 10 months to 30 April 2015, Certitude recognised management and performance fees received or receivable of $5,571,664 (2014: $8,491,116) from managed investment schemes for which it acts as the responsible entity. Amounts receivable from schemes for which Certitude acts as the Responsible Entity as at 30 June 2015 were $496,348 (2014: $2,468,385).

Lighthouse Investment Partners, LLC

Lighthouse Investment Partners, LLC (LIP) is a wholly owned subsidiary of the Group and is a registered investment advisor under the Investment Advisors Act of 1940 and operates as general partner and investment manager for the Lighthouse investment products.

During the financial year LIP recognised management, platform service fees and performance fees received or receivable of $67,719,938 (2014: $62,064,255) from investment products for which LIP acts as general partner and investment manager or platform service provider. Amounts receivable from these products at 30 June 2015 were $8,807,930 (2014: $8,307,521).

Investment in products (refer note 10)

As at 30 June 2015, Group entities hold $5,403,897 of investments in products for which they act as investment manager or platform service provider (2014: $6,017,094).

During the financial year, the Group recognised distributions from its investments in these products of $72,371(2014: $17,845).

Other

There have been no guarantees provided or received for any related party receivables.

For the year ended 30 June 2015, the Group has not raised a provision for doubtful debts relating to amounts owed by related parties (2014: Nil). Additional information regarding the Group's assessment of credit risk in relation to related party receivables and investments is disclosed in note 18.

24. Share-based payments

The Group provides benefits to its employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions').

The grant date fair value of share-based payment awards granted to employees is recognised as equity settled transaction expense in the profit or loss, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with market based vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects: (i) the grant date fair value of the award; (ii) the extent to which the vesting period has expired; and (iii) the current best estimate of the number of awards that will vest.

Share based payment arrangements in which the Group receives services as consideration for its own equity instruments are also accounted for as equity settled share-based payment transactions.

Performance Rights

Employee Remuneration

In March 2008, the Company established the HFA Employee Performance Rights Plan. Rights issued under the plan entitle key management personnel and other employees to issued shares in the Company based on the achievement of a number of vesting conditions, including being employed by the Group at relevant vesting dates, and meeting specified performance hurdles.

The following offers made under the terms of this plan were outstanding during the financial year ended 30 June 2015:

2012 HFA Holdings Performance Rights: 100,000 rights issued to employees of HFA. All rights under this offer were forfeited on or prior to 18 August 2014 due to the non-achievement of vesting conditions.

2012 Certitude Performance Rights: 880,000 rights issued to employees of Certitude. All rights under this offer were forfeited on or prior to 18 August 2014 due to the non-achievement of vesting conditions.

No share-based payments expense was recognised in the profit or loss for the financial years ended 30 June 2014 or 30 June 2015 due the probability of these rights vesting being assessed as Nil.

25. Commitments

Operating lease commitments

The Group has entered into commercial leases on office equipment and premises where it is not in the best interest of the Group to purchase these assets. These leases have a remaining life of between 2 months and 10 years.

Future minimum lease payments payable under non-cancellable operating leases as at 30 June are as follows:

	Consolidated	
Amounts in USD'000	2015	2014
Within one year	1,444	1,601
After one year but not more than five years	4,819	3,535
More than five years	1,948	2,718
	8,211	**7,854**
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases.	**48**	**-**

Software licensing commitments

In August 2012, Lighthouse Investment Partner's, LLC (Lighthouse) entered into an agreement with a data solutions provider for the primary purpose of further developing risk management software that Lighthouse had previously been developing internally.

Under the terms of the agreement, Lighthouse will incur annual costs to further develop and use the new system. As an offset to these costs, Lighthouse may receive additional revenues derived from the distribution of the software to third parties. Lighthouse has broad rights to terminate this agreement after January 2015 upon 30 days prior notice.

	Consolidated	
Amounts in USD'000	2015	2014
Within one year	2,500	2,500
After one year but not more than five years	8,750	10,000
	11,250	**12,500**

26. Contingent liabilities

Scheme and investment fund related obligations

Prior to its sale on 30 April 2015, the Company's subsidiary, Certitude Global Investments Limited, acted as the Responsible Entity for certain schemes under the Corporations Act 2001. Due to its role as Responsible Entity, the subsidiary may be subject to contingent liabilities as a result of its obligations to the schemes. The directors of the subsidiary consider that all obligations of the subsidiary were met to 30 April 2015.

The Company's subsidiary Lighthouse Investment Partners, LLC acts as the Investment Manager for certain private investment funds under Delaware Law, Cayman Islands Law and Irish Law. Due to its role as Investment Manager the subsidiary may be subject to contingent liabilities as a result of its obligations to the funds. The directors of Lighthouse Investment Partners, LLC consider that all obligations have been met to 30 June 2015.

Sale of Certitude

The Share Sale Agreement for the sale of Certitude Global Investments Limited included a number of representations to, and warranties and indemnities for the benefit of, the purchaser. These representations, warranties and indemnities relate to potential losses arising from the conduct of the Certitude business as a responsible entity whilst a member of the Group. As part of the sale, the Company has purchased a professional indemnity and directors and officer insurance policy which provides run-off cover for a period of 7 years.

27. Subsequent events (events occurring after the reporting period)

There has not arisen in the interval between the end of the reporting period and the date of this report, any other item, transaction or event of a material nature, likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Basis of preparation

This section sets out the basis upon which the Group's financial statements are prepared as a whole. Specific accounting policies are described in their respective notes to the financial statements. This section also shows information on new accounting standards, amendments and interpretations, and whether they are effective in 2015 or later years. We explain how these changes are expected to impact the financial position and performance of the Group.

28. Reporting entity

The financial report of HFA Holdings Limited (the 'Company' / 'HFA') was approved by the board of directors on the 20th day of August 2015.

The Company is a public company incorporated in Australia and is listed on the Australian Securities Exchange.

The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (the 'Group') (see note 19).

The registered office of HFA is Mezzanine Level 1, 88 Creek Street, Brisbane QLD 4000.

29. Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

Details of the Group's accounting policies, including changes during the year, are included in note 32 as well as within the individual financial statement notes.

30. Basis of measurement

The consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements have been prepared on a historical cost basis except for the following items:

Items	Measurement basis
Financial instruments at fair value through the profit or loss	Fair value
Available-for-sale financial assets are measured at fair value	Fair value

The methods used to measure fair value are discussed further in note 18.

31. Functional and presentation currency

The consolidated financial statements are presented in US dollars ('USD'), which is the Company's functional currency.

The amounts contained in this financial report have been rounded to the nearest thousand dollars in accordance with the Australian Securities and Investments Commission Class Order 98/100 dated 10 July 1998, unless otherwise stated.

Translation of foreign currency

The results and financial position of all Group entities that have a functional currency different to the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each profit or loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates of exchange ruling on the date of those transactions); and
- All resulting exchange differences are recognised in a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to equity.

Transactions in foreign currencies are translated to the respective functional currency of Group entities at rates of exchange ruling on the date of those transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

32. Other accounting policies

Changes in accounting policies

New and amended standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period:

- Investment Entities (Amendments to IFRS 10, 12 and 27)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

This did not have a material impact on the disclosures or the amounts recognised in the Group's financial statements.

Accounting standards and interpretations issued but not yet effective

The following Australian accounting standards have been issued but are not yet effective and have not been adopted by the Group for the year ended 30 June 2015:

AASB 9 Financial Instruments

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard does not become mandatory until 1 January 2018, but is available for early adoption. The adoption of the standard is not expected to have a significant impact on the Group's consolidated financial statements.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The standard does not become mandatory until 1 January 2018, but is available for early adoption. The adoption of the standard is not expected to have a significant impact on the Group's consolidated financial statements.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- note 6 - recognition of deferred tax assets: availability of future taxable profit against which carried forward tax losses can be used;
- notes 9, 11 and 18 – recognition and measurement of deferred consideration;
- note 12 - impairment test: key assumptions underlying recoverable amounts; and
- notes 10 and 18 - fair value measurement of investments;
- note 18 - valuation of financial instruments.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value. The methods used to determine fair values for measurement and / or disclosure purposes are included in the following notes:

- notes 9, 11 and 18 – deferred revenue
- notes 10 and 18 - investments in financial assets at fair value through profit or loss;
- notes 10 and 18 - investment in available-for-sale financial assets; and
- note 16 - non-derivative financial liabilities.

Directors' declaration

1. In the opinion of the directors of HFA Holdings Limited (the 'Company'):

   (a) the consolidated financial statements and notes that are set out on pages 27 to 65, and the Remuneration report on pages 17 to 23 of the directors' report, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

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

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

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.

3. The directors draw attention to note 29 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

Michael Shepherd, AO	**F P (Andy) Esteban**
Chairman and Non-Executive Director	Non-Executive Director

Dated at Sydney this 20th day of August 2015

Report on the financial report

We have audited the accompanying financial report of HFA Holdings Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2015, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 32 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 29, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements of the Group comply 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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, a true and fair view which is consistent with our understanding of the Group'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.

KPMG

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 the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 29.

Report on the remuneration report

We have audited the Remuneration Report included on pages 17 to 23 of the directors' report for the year ended 30 June 2015. 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 Holdings Limited for the year ended 30 June 2015, complies with Section 300A of the Corporations Act 2001.

KPMG

KPMG

SBoard

Stephen Board
Partner

Dated at Brisbane this 20th day of August 2015

Shareholder information

Additional information required by the Australian Securities Exchange Limited Listing Rules is set out below.

Shareholdings (as at 17 August 2015)

Substantial shareholdings (not less than 5%)

The following parties have a substantial relevant interest in ordinary shares of HFA Holdings Limited:

Category	Number of ordinary shares	%
Delaware Street Capital Master Fund, LP	26,101,982	16.10%
Sean McGould, his controlled entities and associates	19,438,084	11.99%
IOOF	10,479,644	6.46%
Pengana Capital	10,136,197	6.25%
Eley Griffiths	8,333,932	5.14%

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
HSBC Custody Nominees (Australia) Limited	35,249,859	21.74%
Citicorp Nominees Pty Limited	24,358,748	15.02%
J P Morgan Nominees Australia Limited	16,523,005	10.19%
Merrill Lynch (Australia) Nominees Pty Limited	16,475,191	10.16%
BNP Paribas Noms Pty Ltd	13,813,786	8.52%
National Nominees Limited	13,377,091	8.25%
RBC Investor Services Australia Nominees P/L	3,616,698	2.23%
Merrill Lynch (Australia) Nominees Pty Limited	2,578,949	1.59%
HSBC Custody Nominees (Australia) Limited – A/C 3	2,349,042	1.45%
AMP Life Limited	1,788,252	1.10%
Mr Shay Shimon Hazan-Shaked	1,300,000	0.80%
Brispot Nominees Ltd	1,296,668	0.80%
Citicorp Nominees Pty Limited	1,077,918	0.66%
Sandhurst Trustees Ltd	1,000,000	0.62%
Netherfield Nominees Pty Ltd	1,000,000	0.62%
ABN Amro Clearing Sydney Nominees Pty Ltd	796,930	0.49%
Woodmont Trust Company Ltd	742,719	0.46%
Mr Ivan Tanner & Mrs Felicity Tanner	706,000	0.44%
Buttonwood Nominees Pty Ltd	459,989	0.28%
RBC Investor Services Australia Nominees Pty Limited	423,574	0.26%
UBS Nominees Pty Ltd	383,686	0.24%

Distribution of shareholdings

Range	Number of holders of ordinary shares	% of holders	Number of ordinary share	% of share
1-1,000	510	25.99%	250,390	0.15%
1,001-5,000	687	35.02%	1,844,703	1.14%
5,001-10,000	298	15.19%	2,327,193	1.44%
10,001-50,000	358	18.25%	8,068,918	4.98%
50,001 – 100,000	52	2.65%	3,842,859	2.37%
100,001 and over	57	2.91%	145,813,834	89.93%
Total	**1,962**	**100.00%**	**162,147,897**	**100.00%**

The number of shareholders holding less than a marketable parcel of ordinary shares is 106.

On-market buy-back

There is no current on-market buy-back.

Unquoted equity securities

There are no unquoted equity securities.

Voting rights

Ordinary Shares

The Company has 162,147,897 fully paid ordinary shares on issue.

The fully paid ordinary shareholders of the Company are entitled to vote at any meeting of the members of the Company and their voting rights are:

- on a show of hands – one vote per shareholder; and
- on a poll – one vote per fully paid ordinary shares.