Snowball Group Limited
ABN 81 006 490 259
Annual Report
30 June 2008

Contents Page

SNOWBALL GROUP LIMITED
Corporate Directory
30 June 2008

Directors	Q B Jones BA LLB *Chairman* A B McDonald BComm LLB *Managing Director* M N Campbell CPA FPS R Dhawan BComm CA MBA D M Guy LLB M.App.Fin
Secretary	C F Scarcella BComm FCPA
Notice of annual general meeting	The annual general meeting of Snowball Group Limited **will be held at** Baker & McKenzie AMP Centre Level 27 50 Bridge Street Sydney NSW 2000 **time** 10.00 am **date** 19 November 2008
Principal registered office in Australia	Snowball Group Limited 70-76 Yarra Street Heidelberg VIC 3084 Telephone: (03) 8458 0000
Share register	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford VIC 3067 Telephone: 1300 850 505
Auditor	PricewaterhouseCoopers Chartered Accountants Freshwater Place Level 19 2 Southbank Boulevard Southbank VIC 3006

Solicitors	Baker & McKenzie AMP Centre Level 27 50 Bridge Street Sydney NSW 2000
Bankers	St. George Bank Limited 367 Bell Street Preston VIC 3072
Stock exchange listing	Snowball Group Limited shares are listed on the Australian Stock Exchange ("ASX").
Website address	www.sno.com.au

SNOWBALL GROUP LIMITED
Chairman's Letter to Shareholders
30 June 2008

To Our Shareholders,

In the period from Snowball Group's acquisition of the Western Pacific Financial Group in February 2007 up to last year's Annual General Meeting, we set expectations that the company would commence delivering its "next phase" of material growth, having invested in significant infrastructure in terms of people, services and systems.

We are very pleased to report to you now that your company has delivered to the expectations we set for the 2008 financial year. Not only have our near-term financial targets been achieved, but we have also secured a number of longer term strategic planks for continued growth of the Snowball Group.

Much has been written already about the very difficult market conditions that have persisted throughout the 2008 financial year and appear to be continuing. We will not add to that commentary but instead report on your company's achievements and strong performance. However, it must be noted that Snowball's performance is all the stronger given the backdrop of extreme volatility and protracted market downturn.

Delivery of strong financial performance

Snowball Group's net profit after tax of $5.909 million for the 2008 financial year represents an increase of 25% on the 2007 result and is equivalent to fully diluted earnings per share of 3.84 cents. The Board has resolved to pay a final fully franked dividend of 2.5 cents per share, taking to 3.5 cents the full year's divided payment, compared with 2.0 cents for the 2007 year.

Our Managing Director, Tony McDonald, has listed a number of the highlights in his Report but it is worth noting three other key indicators of strong financial performance and growth:

- 2008 operating EBITDA of $10.989 million was a 42% improvement on statutory reported EBITDA for 2007 of $7.729 million;

- 2008 organic EBITDA of $10.846 million also represents organic growth (as measured against "pro-forma 2007 EBITDA" of $9.420 million) of 15%, consistent with the company's stated target at the 2007 Annual General Meeting; and

- The company delivered a further reduction in our operating expense ratio, from 64% to 62%, reflecting our stated focus on improving adviser productivity and practice efficiency.

Strategic growth initiatives also delivered

2008 was a year of busy merger and acquisition activity for Snowball, with five earnings accretive transactions successfully negotiated that will deliver more than $700 million in incremental funds under advice, and annual EBITDA that is currently expected to be at least $2 million.

In addition to that activity, the company delivered on a number of other mid to long-term growth initiatives including:

- the development of succession plans for financial planning principals;
- refinement of the staff performance review and rewards programs;
- the continuation of a number of business improvement processes around increasing the efficiency and capacity of our advisers;
- the securing of additional affinity partner relationships that utilise our advice services and enhancements to the systems for generating and monitoring leads from the existing portfolio of affinity partners; and
- the continued development of our diversified product lines, an initiative that is particularly important in turbulent markets.

SNOWBALL GROUP LIMITED
Chairman's Letter to Shareholders (continued)
30 June 2008

The merger and acquisition activity is summarised in Tony's Report.

The acquisitions and mergers carried out during the 2008 financial year are all important strategic steps towards our continuing growth, both financially as well as in terms of our geographic coverage and depth of services offered to our clients.

We will see the first full financial year of contribution from a number of these acquisitions in 2009. In addition to the financial benefits they will yield, they are expected to strengthen the company's ability to offer a deeper array of services across a widely dispersed customer base, and to contribute to further productivity enhancements.

We expect 2009 to yield further interesting acquisition opportunities for Snowball, driven by continuing turbulent market conditions as well as the underlying level of succession-related issues in financial planning businesses in Australia. In addition, we remain of the belief that further industry consolidation is warranted and that Snowball can play a leading role in that consolidation.

The board would like to thank and endorse the strong contribution made by Snowball's Executive Management team during the year. We would also like to acknowledge the very strong efforts made by the teams they support. The relatively large number of acquisitions made during the year generated significant resourcing requirements across the company to ensure the smooth integration of those businesses into the Snowball Group. At the same time, the company was able to maintain its focus on core activities to deliver on our organic growth targets in a very challenging environment, which is testimony to the size and scale that the company has achieved over the last 18 months in particular.

Q B Jones
Chairman
Sydney
26 September 2008

SNOWBALL GROUP LIMITED
Managing Director's Report
30 June 2008

A win in difficult conditions

A leading company director recently presented a seminar I attended on the importance of emotional intelligence in business dealings. The presentation carried a number of simple messages including the importance of persistence and calmness, especially in the face of adversity.

The 2008 financial year was characterised by drawing on all our emotional intelligence, including persistence and calmness, to deliver on our EBITDA (earnings before interest, tax, depreciation and amortisation) guidance of 15% organic growth, in what turned out to be very adverse trading conditions.

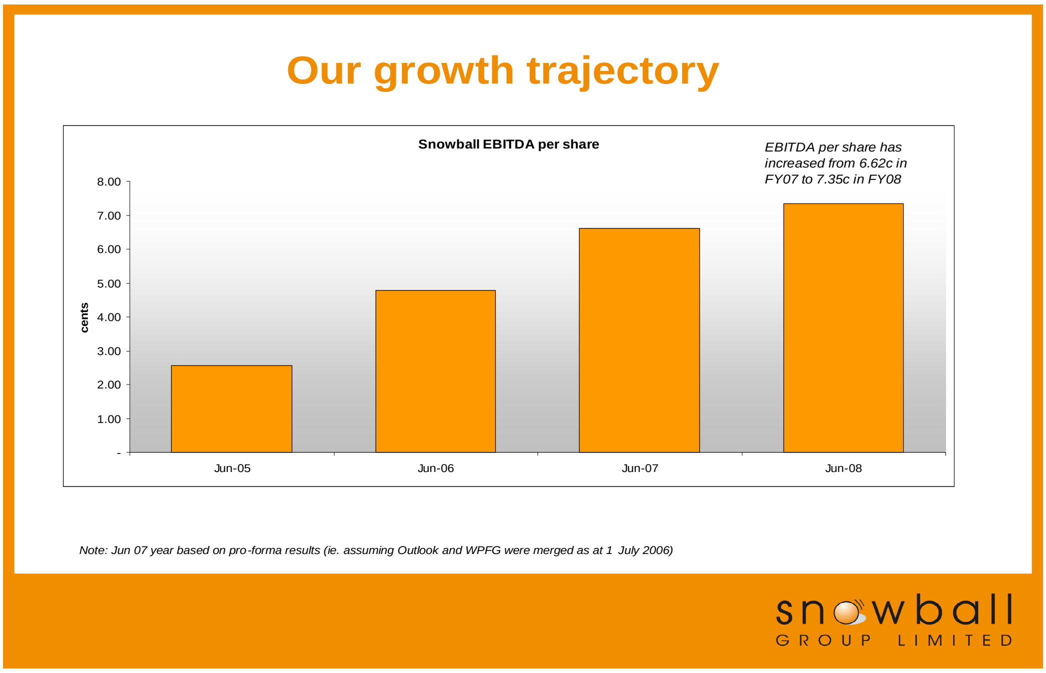
The credit crisis and resulting market falls that began in November 2007 are well documented. There is no need to dwell on the causes and effects here other than to flag that trading conditions remain challenging.

Bringing home an organic EBITDA result of $10.846 million, against 2008 guidance of $10.833 million, was a particularly pleasing result given those conditions. Including the uplift from acquisitions completed during the year, operating EBITDA came in at $10.989 million, a 17% increase compared to the pro-forma 2007 financial year result.

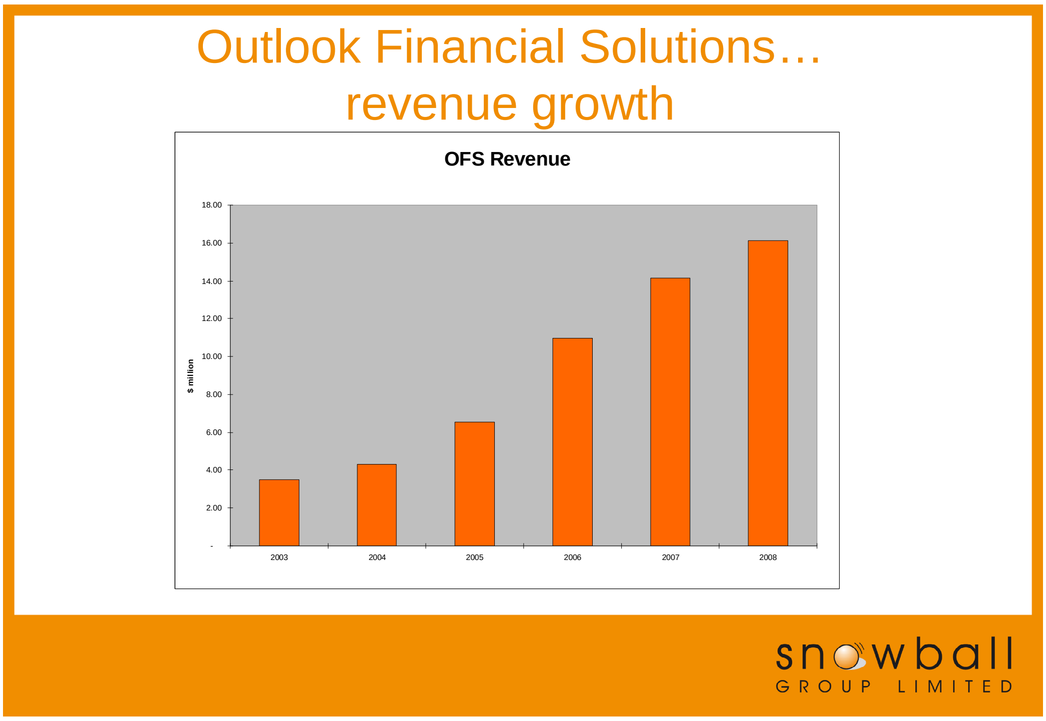
Our 2008 result is testament to the persistence, calmness and efforts beyond the call of duty across the entire Snowball Group, including advisers, accountants, management and staff, and across all three of our current business units (**Western Pacific**, **Outlook Financial Solutions** and **Outlook Tax & Accounting Solutions**).

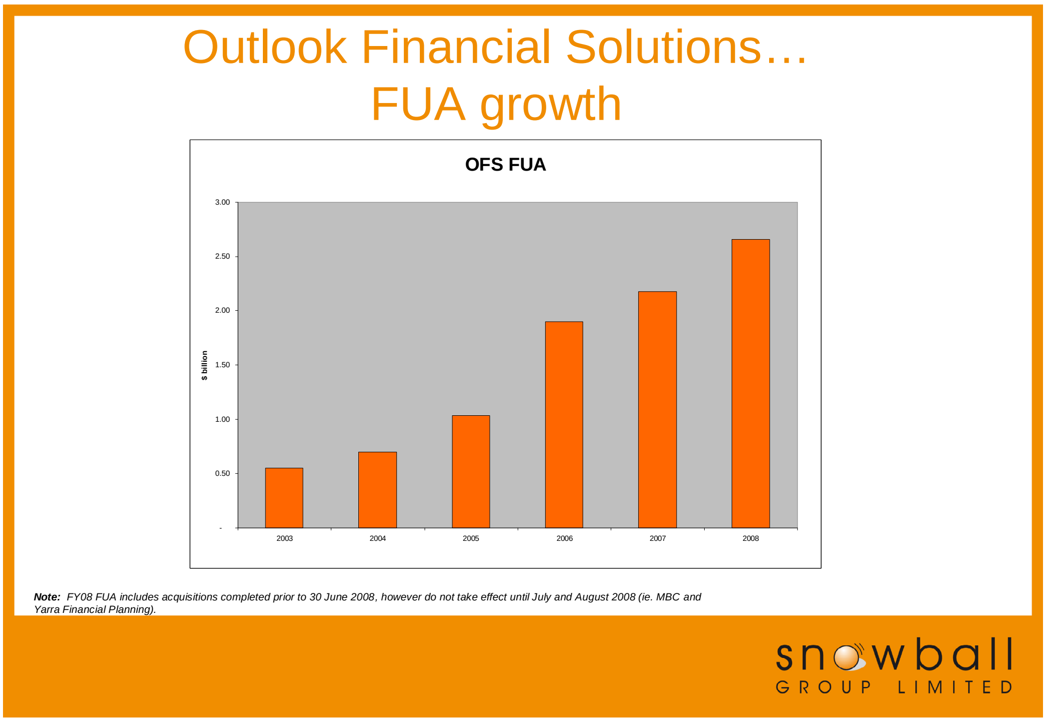
The 2008 result reflects the continued run of strong growth across all our business units, as depicted in the following charts.

The first chart shows our EBITDA per share growth starting with the 2005 financial year and ending with the 2008 financial year. In that time EBITDA per share has grown from 2.56 cents per share to 7.35 cents per share, an increase of 42% per annum.

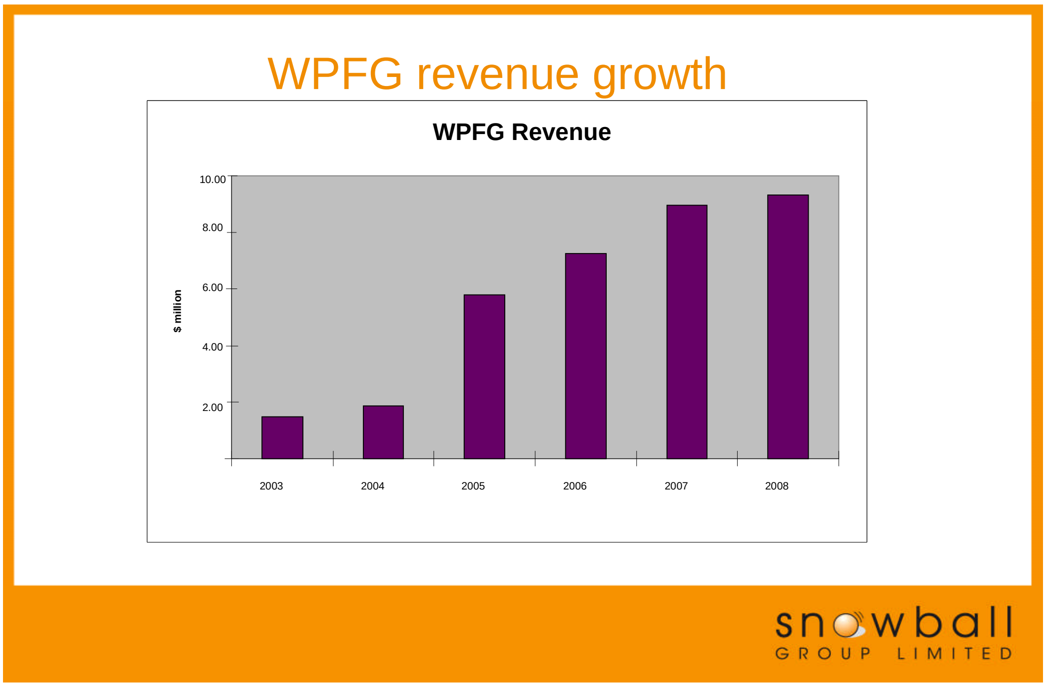


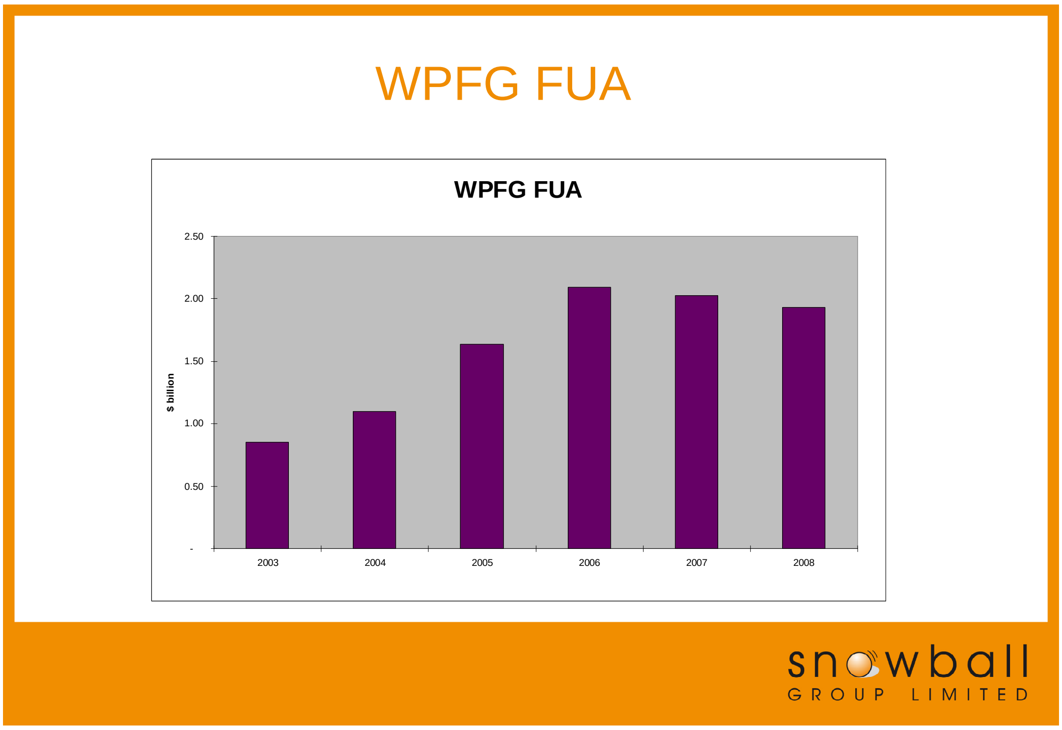
In the case of **Outlook Financial Solutions**, both revenue and funds under advice (FUA) have grown year-on-year during the period 1 July 2002 to 30 June 2008, notwithstanding market falls in 2008. The negative impact on FUA from deteriorating markets in 2008 has been more than offset by the increase in FUA from acquisitions made during the 2008 financial year.





Similarly, **Western Pacific** has managed to maintain its revenue growth over the same period despite intentionally not taking around $200 million of lower margin asset consulting FUA, existing at 30 June 2006, as part of the merger in 2007, and also the downward pressure on FUA during 2008.





The 2008 financial year highlights

The 2008 results compared to the pro-forma results for the 2007 financial year

- EBITDA increased by $1.569 million compared to the pro-forma 2007 financial year, a 17% increase overall. This represented a 42% improvement on statutory reported EBITDA for the 2007 financial year.
- EBITDA per share increased by 11% from 6.62 cents per share to 7.35 cents per share.
- The 17% increase in EBITDA was driven primarily by the organic growth in continuing operations. Notwithstanding the downturn in investment markets, we achieved our target of 15% growth in organic EBITDA.
- The $1.251 million (8%) increase in total operating costs compared to pro-forma 2007 financial year was within budget.
- Expenses in the second half of the 2008 financial year were 7% lower than those in the first half, even allowing for costs relating to new business acquisitions during the second half of the year.
- Notwithstanding the market downturn adversely affecting FUA and hence revenue in the second half, the Group's cost to income ratio reduced year-on-year from 64% to 62%.
- Our maiden interim dividend of 1.0 cent per share was paid on 23 April 2008 and we have resolved to pay a final fully franked dividend of 2.5 cents per share on 20 October 2008 – together, an increase of 1.5 cents per share compared to the 2.0 cent dividend for the 2007 financial year.

A year in which our acquisition strategy came into its own

During the 2008 financial year, we completed and initiated a number of important acquisitions and mergers, consistent with our proven acquisition strategy of identifying and partnering with "like-minded" businesses that "fit the family photo".

- Towards the end of the first half we announced the acquisition of **IFP**, a $100 million FUA business based in the north-western suburbs of Sydney.
- In February we agreed terms to acquire a right to revenue generated by three well-established Sydney-based financial planning businesses and to acquire a corporate superannuation business in the same area. These arrangements were consummated in April.
- Also in April we announced the acquisition of **Yarra Financial Group**, a $120 million FUA business in Melbourne and that of its "sister" accounting business. The acquisition of the accounting practice was effective 1 June 2008 and the effective date for the financial planning business was 1 August 2008.
- The acquisition of **Mastertek Benefit Consultants**, a specialist corporate superannuation business, was announced in May and was settled 1 July 2008.
- In an exciting development announced in July we have agreed to merge our tax and accounting business unit, **Outlook Tax & Accounting Solutions**, with the NSW-based accounting business **Duncan Dovico**.

To date, and in light of current market conditions, all acquisitions are performing in line with expectations – a credit to our integration teams and to the integrity and resolve of the new family members who have teamed up with Snowball. We continue to actively pursue our proven acquisition strategy in the 2009 financial year.

The Year Ahead

Our broad strategy remains the same in 2009 as it was in 2008. Our priorities within that broad strategy have changed slightly to reflect the current market conditions and operating environment. The following table best describes our overall strategy.

As in 2008, for the 2009 year we will be driven by a number of current themes influencing our industry and Snowball specifically. Some of these include:

- We expect trading and market conditions to be challenging for most, if not all, of the 2009 financial year. Significant market downside risks remain, global economic growth is more subdued than in the past and the problems unmasked by the credit crunch will take time to work through the system.
- Snowball, however, has benefitted from the diversified nature of its advice activities and the increasing resilience of our revenue streams against this backdrop. We will continue to rely on that diversity to grow our business.
- We will continue to capitalise on the strong relationships we have with a number of affinity partners such as corporates, credit unions and, more recently, industry funds.
- As mentioned in previous market releases, Snowball now advises employers and their employees in relation to approximately $850 million of corporate superannuation funds. Around 33% of Snowball's overall new investment flows originate from corporate superannuation funds advised by Snowball, comprising mandated superannuation contributions within these funds as well as voluntary contributions from fund members.
- Continuing to grow the Group's corporate superannuation business is a key focus this financial year.
- Snowball has always maintained diversified portfolios on behalf of our clients, in relation to both the **Western Pacific** and **Outlook Financial Solutions** business units. This diversified approach tends to reduce the impact of weak markets and negative customer sentiment. Further, Western Pacific's "Intelligent Investing" style of portfolios, with its inherent "value" and "absolute return" focus, has cushioned clients and the Group against falling markets, and should continue to do so.

- The recently announced merger between **Outlook Tax & Accounting Solutions** and **Duncan Dovico** has had the desired effect of expanding Snowball's reach into the accounting and tax area, including the fast-growing self managed super fund sector. We will seek to leverage the tie-up with the respected **Duncan Dovico** in the 2009 financial year.
- The acquisitions undertaken in the 2008 financial year, and outlined in this Report, demonstrate our ability to attract a broad range of advisers and financial services related businesses to the Group. We believe our industry will continue to rationalise, particularly in tougher trading conditions as advisers increasingly contemplate succession issues and seek enduring and "like-minded" solutions for their customers.
- Specifically in relation to our own advisers we have initiated formal succession planning and launched an "orderly succession planning template" for our advisers that will be developed and rolled out during the course of the 2009 financial year.
- Snowball remains largely debt free and has recently secured a further facility to fund acquisitions.

Planned initiatives for each of the **Western Pacific** and **Outlook Financial Solutions** businesses include:

Western Pacific	**Outlook Financial Solutions**
• Improving our advice documents such as Statements of Advice that embody the strategies that we help set for clients • Enhancing our data feeds from the various platforms and fund managers, and standardising the resulting client and portfolio reviews • Continuing with our "best of both worlds" approach, leveraging Outlook's marketing material to support Western Pacific advisers • Assisting the practices generally with succession issues and the development of staff	• Capitalising on our core competency and comparative advantage in corporate super to roll out enhanced services to existing corporate and other affinity partner accounts, as well as attracting new accounts • Reviewing legacy business associated with some of our earlier acquisitions and assessing whether there is an enhanced offer to clients that benefits them as well as our shareholders • Building on our counter-cyclical revenue streams, including working closely with the merged accounting practice to expand our services to clients

These and other initiatives support our organic growth in the 2009 financial year. As was the case in the 2008 financial year, our merger and acquisition strategy is intended to drive growth further and to deliver additional scale benefits.

I started with an acknowledgement to our staff for "hanging tough" in the 2008 financial year to deliver on our promise to the market to grow organically by 15%. I would like to finish on the same note and to express the confidence of our Board, management and, I'm sure, shareholders in the special team that has developed over time here at Snowball, within **Western Pacific**, **Outlook Financial Solutions** and **Outlook Tax & Accounting Solutions.**

I look forward to working with each and every one of them to grow the business in the 2009 financial year, even if the inclement weather in financial markets takes some time to clear.

A B McDonald
Managing Director
Sydney
26 September 2006

SNOWBALL GROUP LIMITED
Directors' Report
30 June 2008

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Snowball Group Limited and the entities it controlled at the end of, or during, the year ended 30 June 2008.

Directors

The following persons were directors of Snowball Group Limited during the whole of the financial year and up to the date of this report:

Q B Jones
A B McDonald
M N Campbell
R Dhawan
D M Guy

A J Brown was a director from the beginning of the financial year until his resignation on 9 October 2007.

Principal activities

During the year the principal continuing activities of the Group consisted of the provision of financial education & advice, and accountancy services.

Significant changes in the state of affairs

Snowball Group Limited completed the legal acquisition of Western Pacific Financial Group Pty Ltd on 7 February 2007.

Western Pacific Financial Group will be referred to in this report as "WPFG", the original Snowball prior to that date as "Outlook", and the combined group as "Snowball Group Limited".

Under the terms of AASB 3 Business Combinations, WPFG was deemed to be the accounting acquirer in the business combination and this transaction was therefore accounted for as a reverse acquisition under AASB 3. Accordingly, consolidated financial statements of the Snowball Group Limited group of entities are prepared as consolidated financial statements of WPFG. The comparative information from 1 July 2006 to 30 June 2007 presented in the consolidated financial statements is that of WPFG as a stand alone entity for the year plus the contribution from Outlook for the period 7 February 2007 to 30 June 2007. The results for the year ended 30 June 2008 are for the combined Group (ie. Snowball Group Limited).

Refer to Note 1(a) to the Financial Statements for the implications of the application of AASB 3 on each of the financial statements.

Dividends – Snowball Group Limited

Dividends paid to members of Snowball Group Limited during the financial year were as follows:

	2008 $'000	2007 $'000
Final dividend for the year ended 30 June 2006 of 1 cent per fully paid share on 6 October 2006		
Fully franked based on tax paid @ 30% - 1 cent per share	**-**	608
Final dividend for the year ended 30 June 2007 of 2 cents per fully paid share on 22 October 2007		
Fully franked based on tax paid @ 30% - 2 cents per share	**2,976**	-
Interim dividend for the year ended 30 June 2008 of 1 cent per fully paid share on 23 April 2008		
Fully franked based on tax paid @ 30% - 1 cent per share	**1,495**	-
	4,471	608

In addition to the above dividend, since the end of the financial year the directors have resolved to pay a final ordinary dividend of 2.5 cents per share, fully franked. The record date for determining the entitlement to this dividend is 29 September 2008.

As explained in Significant Changes in the State of Affairs as set out on page 12, the results for the year ended 30 June 2008 are for Snowball Group Limited. The comparative information from 1 July 2006 to 30 June 2007 presented in the consolidated financial statements is that of WPFG as a stand alone entity for the year plus the contribution from Outlook for the period 7 February 2007 to 30 June 2007.

As disclosed in the Statement of Changes in Equity on page 59, the consolidated Group paid a dividend of $3,200,000 in the 2007 financial year (which was paid prior to 7 February 2007). This represents the dividend paid by WPFG to its then shareholders.

Review of operations

The revenue from continuing operations for the 2008 financial year is $28.510m, an increase of $12.014m (73%) on the prior corresponding period.

EBITDA (earnings before interest, tax, depreciation and amortisation) for the 2008 financial year is $10.989m, an increase of $3.260m (42%) on the prior corresponding period.

The profit after income tax for the 2008 financial year is $5.909m, an increase of $1.178m (25%) on the prior corresponding period.

As explained above, the results for the current period, and the commentary on those results in the above paragraphs, comprise 12 months of Snowball Group Limited, with the comparatives for the 2007 financial year comprising 7 months of the WPFG business on a standalone basis and 5 months of the merged WPFG and Outlook combination. Given the accounting treatment of the reverse acquisition, the directors are of the view that the provision of additional comparatives for the prior corresponding period (the "pro-forma results") will assist users of the Annual Report to better assess the performance of the combined group.

The pro-forma 2007 results in the table below have been calculated by adding together:

- the comparative Consolidated Income Statement (representing 7 months of the WPFG business on a standalone basis and 5 months of the merged WPFG and Outlook combination) as presented on page 57;
- the Outlook Consolidated Income Statement as presented in the Interim Report for the period ended 31 December 2006 of Snowball Group Limited; and
- the results of Outlook for the month of January 2007,

as detailed on page 16 of Snowball Group Limited's 2007 Annual Report.

For the pro-forma EBITDA per share calculations, the weighted average number of shares for the 2007 financial year has been determined using the actual number of ordinary shares (and options for the diluted EBITDA per share calculation) of Outlook that were outstanding during that period. This number was adjusted for the 80,067,392 ordinary shares issued by Snowball Group Limited to the vendors of WPFG in the reverse acquisition, on the assumption that these shares were on issue for the entire prior corresponding period.

Review of operations (continued)

When compared to the Snowball Group Limited results for the current reporting period the pro-forma results facilitate an assessment of the combined group on a "like for like" basis.

	Unreviewed 12 mths to 30 Jun 08 $'000	Unreviewed Pro-forma Results: 12 mths to 30 Jun 07 $'000	% Increase/ (decrease)
Revenue from continuing operations	28,510	25,722	11%
Share of associates profit	191	159	20%
Total operating costs	(17,712)	(16,461)	8%
Operating EBITDA *	**10,989**	**9,420**	**17%**
** Operating EBITDA comprises a contribution from:*			
• *<u>Organic</u> business existing as at 30 June 2007*	*10,846*	*9,420*	*15%*
• *Acquisitions during 2008 financial year* (1)	*143*	-	*n/a*
Operating EBITDA	***10,989***	***9,420***	***17%***
Basic EBITDA per share	7.35	6.62	11%
Diluted EBITDA per share	7.24	6.39	13%
Cost to income ratio (2)	62%	64%	

(1) *Contribution from acquisitions during 2008 financial year is net of "one-off" acquisition-related expenses.*
(2) *Calculated as "total operating costs" divided by "revenue from continuing operations plus share of associate's profit".*

The commentary below provides an analysis of the results for the 2008 financial year compared to the pro-forma results for the 2007 financial year (as set out in the table above).

EBITDA and EBITDA per share

EBITDA has increased by $1.569m (17%) compared to the pro-forma 2007 financial year, equivalent to an 11% increase in EBITDA per share, from 6.62 cents per share to 7.35 cents per share.

Review of operations (continued)

<u>Achievement of market guidance</u>

The 17% increase in EBITDA was driven primarily by the organic growth in continuing operations whereby, notwithstanding a downturn in investment markets commencing in November 2007, organic EBITDA increased by 15% compared to the pro-forma 2007 financial year, consistent with market guidance originally provided at the Company's Annual General Meeting on 28 November 2007.

The 2008 result was further boosted by an EBITDA contribution from businesses acquired during the second half of the year of $0.143m, net of one-off acquisition-related costs of $0.194m (refer page 20 below for further detail of acquisitions made in the 2008 financial year).

<u>Revenue from continuing operations & share of net profit of associates</u>

Revenue from continuing operations increased $2.788m (11%) compared to the pro-forma 2007 financial year, primarily the result of:

- a $2.105m increase in the Financial Education & Advice segment;
- a $0.447m increase in the Accountancy Services segment; and
- a $0.228m increase in interest income.

Further commentary in relation to the growth in revenue for each of the Financial Education & Advice and Accountancy Services segments is provided below.

<u>Operating costs</u>

The $1.251m (8%) increase in total operating costs compared to the pro-forma 2007 financial year was within budget for the current financial year. The increase in operating costs comprises:

- an increase of $0.064m associated with the Financial Education & Advice business segment;
- an increase of $0.270m in the Accountancy Services business segment; and
- an increase of $0.916m in unallocated expenses, reflecting:
    - the reallocation of certain overheads from the Financial Education & Advice segment;
    - the impact of planned and one-off expenditure relating to the integration of the Outlook and WPFG businesses in the first half;
    - the impact of one-off expenditure relating to the acquisition and integration of businesses purchased in the second half; and
    - investment in infrastructure to support the continuing expansion of the Group.

Review of operations (continued)

Expenses in the second half of the current financial year were 7% lower than those in the first half, even allowing for costs relating to new business acquisitions during the second half of the year. This is due to the large portion of budgeted one-off expenditure in the first half, as identified in Snowball Group's interim report for the six months ended 31 December 2007. As a result, and notwithstanding the downturn in investment markets adversely impacting on levels of funds under advice in the second half of the year, the Group's cost to income ratio has reduced year-on-year from 64% to 62%, in accordance with previous market guidance.

<u>Financial Education & Advice segment</u>

	Unreviewed 12 mths to 30 Jun 08 $'000	Unreviewed Pro-forma Results: 12 mths to 30 Jun 07 $'000	% Increase/ (decrease)
Gross revenue from continuing operations	25,491	23,386	9%
Total operating costs	(10,730)	(10,666)	1%
Segment EBITDA	14,761	12,720	16%

<u>EBITDA</u>

EBITDA for the 2008 financial year is $14.761m, an increase of $2.041m (16%) compared to the pro-forma 2007 financial year.

<u>Gross revenue from continuing operations</u>

There was a $2.105m (9%) increase in segment gross revenue for the reporting period compared to the pro-forma 2007 financial year. This increase is primarily attributable to:

- an increase in the average level of funds under advice in the organic business existing as at 30 June 2007;
- a contribution to revenue in the second half from new business acquisitions during the year; and
- a significant increase in insurance revenue, reflecting an increase in group risk business driven by growth in the corporate superannuation portfolio.

Review of operations (continued)

Operating costs

Segment operating costs for the reporting period increased by $0.064m (1%) compared to the pro-forma 2007 financial year. This reflects:

- operating expenses of newly acquired businesses in the second half;

partly offset by:

- a reorganisation of WPFG's operations following the merger, whereby certain functions such as finance, administration and general management were transferred out of the Financial Education and Advice segment to the Group's centralised Business Services unit;
- planned efficiency gains and synergy benefits resulting from the merger of the Outlook and WPFG financial planning operations; and
- further tightening of cost control in the second half in light of current market conditions.

Accountancy Services segment

	Unreviewed 12 mths to 30 Jun 08 $'000	Unreviewed Pro-forma Results: 12 mths to 30 Jun 07 $'000	% Increase/ (decrease)
Gross revenue from continuing operations	2,710	2,263	20%
Total operating costs	(2,143)	(1,873)	14%
Segment EBITDA	567	390	45%

EBITDA

EBITDA for the 2008 financial year is $0.567m, an increase of $0.177m (45%) compared to the pro-forma 2007 financial year. The profit ratio (EBITDA as a percentage of gross revenue from continuing operations) has increased from 17% to 21% in the current period.

Gross revenue from continuing operations

Segment revenue for the reporting period increased by $0.447m (20%) compared to the pro-forma 2007 financial year, driven by:

- an increased focus on strategic and business advisory work which leverages off compliance-related services provided to new and existing clients; and
- a contribution to revenue in the second half from a newly acquired business during the year.

Review of operations (continued)

<u>Operating costs</u>

Segment operating costs for the reporting period increased by $0.270m (14%) compared to the pro-forma 2007 financial year. This reflects:

- an increase in personnel costs to support the continued growth in the business; and
- operating expenses of a newly acquired business in the second half.

Matters subsequent to the end of the financial year

<u>Dividends</u>

Subsequent to the end of the financial year, the directors have resolved to pay a fully franked dividend of 2.5 cents per share. The record date for determining the entitlement to this dividend is 29 September 2008.

<u>Impact of transactions occurring after the balance sheet date</u>

Snowball Group Limited announced on 29 July 2008 a merger of its accounting arm, Outlook Tax & Accounting Solutions (OTAS), with NSW-based accounting business Duncan Dovico (DD). Effective 1 July 2008, the two businesses will be amalgamated into one practice, offering the full suite of accounting services with a focus on servicing small to medium enterprises and high net worth individuals. Snowball will own around one-third of the merged entity, which will have an annual turnover approaching $10 million.

Snowball Group Limited expects the contribution to its 2009 financial year result from the investment in the merged entity to be, as a minimum, in line with the 2009 expected result of OTAS if it was to be retained on a standalone basis (excluding any profit or loss on the sale of OTAS to Duncan Dovico).

Except for the matters discussed above, no other matter or circumstance has arisen since 30 June 2008 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years; or
(b) the results of those operations in future financial years; or
(c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Acquisitions announced during the current year

During the 2008 financial year, Snowball Group Limited completed the following acquisitions:

- effective 1 January 2008, acquisition of the business assets of a financial advice business, IFP Financial Planning Pty Ltd;
- effective 1 May 2008, acquisition of a right to revenue generated by three well-established Sydney financial planning practices and a licensing arrangement with Cambrian Asset Management, a corporate superannuation practice;
- effective 1 June 2008, acquisition of the business assets of an accounting business, Yarra Consulting Group Pty Ltd;
- effective 1 July 2008, acquisition of the business assets of Mastertek Benefit Consultants Pty Limited (MBC), a specialist corporate superannuation business; and
- effective 1 August 2008, acquisition of the business assets of a financial planning business, Yarra Financial Group Pty Ltd (Yarra FP).

Impact of acquisitions on current year result and on future year performance

The acquisitions completed by Snowball Group Limited during the 2008 financial year, with the exception of MBC and Yarra FP, contributed EBITDA of $0.143m (net of one-off acquisition-related costs of $0.194m) to current year performance, all in the second half of the year. In the 2009 financial year, Snowball Group Limited will benefit from a contribution to performance by each of these businesses for the full year (11 months for Yarra FP).

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this annual financial report because the directors believe that it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to significant environmental regulation.

Information on directors

Quentin B Jones BA LLB. *Chairman – Non-Executive Director. Age 40.*

Experience and expertise

Mr Jones has been working in the Australian private equity and venture capital industry since 1994, when he joined the private equity investment division of AIDC Limited. Prior to that he worked as a lawyer in the insolvency and corporate divisions of Deacons.

He is a Partner of Equity Partners, a private equity investment manager. In addition to Snowball, Mr Jones represents Equity Partners as a director on the boards of a number of other companies in which Equity Partners has an interest. Mr Jones served as a director on the Board of the Australian Private Equity & Venture Capital Association (AVCAL) from 2002 to 2007, including as its Chairman in 2006.

Current directorships of other listed companies

None.

Former directorships of other listed companies in the last 3 years

None.

Special responsibilities

Chairman of the Remuneration Committee.
Member of the Audit Committee.

Interests in shares and options at the date of this report

Mr Jones is a director of Equity Partners Two Pty Ltd (EP2), the registered holder of 8,228,125 shares in Snowball Group Limited. EP2 holds those shares on trust for a number of institutional investors, being the investors in the Equity Partners 2 Fund. Mr Jones is also a director of Equity Partners Management Pty Limited (EPM), the registered holder of 30,488 ordinary shares in Snowball Group Limited and, as at the date of this report, entities associated with him own 50% of EPM. EPM may potentially benefit from a profit share arrangement with EP2 in relation to the ultimate sale of the shares in Snowball Group Limited held by EP2.

Information on directors (continued)

Anthony B McDonald BComm LLB. *Managing Director*. *Age 49.*

Experience and expertise

Mr McDonald started his career as a commercial lawyer, working with two of the major international law firms in Australia, London and New York.

Mr McDonald joined the financial services industry as General Manager for Pacific Mutual Australia Limited. During this period he was also a director of the Investment Funds Association and the Chairman of its Electronic Commerce Sub-Committee.

In 1996, he joined Jardine Fleming Holdings Limited in Hong Kong and returned to Australia in 1999 as a director of Spencer Stuart, the global executive search firm.

Mr McDonald joined the Snowball Group of companies in 2000 as Managing Director.

Current directorships of other listed companies
None.

Former directorships of other listed companies in the last 3 years
None.

Special responsibilities
Managing Director.

Interests in shares and options at the date of this report
2,043,872 shares in Snowball Group Limited.
1,500,000 options in Snowball Group Limited.

Information on directors (continued)

Maxwell N Campbell CPA FPS. *Executive Director. Age 62.*

Experience and expertise
Mr Campbell is a senior financial planner and Proper Authority holder with the Company's wholly owned subsidiary, Outlook Financial Solutions Pty Ltd. He has over 30 years' experience in the financial services industry.

Mr Campbell commenced his career as an accountant with Esso and Containers Limited. He started his own public accounting practice in 1977 and joined the financial planning industry in 1989. Mr Campbell is one of the founding partners of both the financial planning and accountancy businesses which are the foundation of the Snowball group of companies.

Current directorships of other listed companies
None.

Former directorships of other listed companies in the last 3 years
None.

Special responsibilities
None.

Interests in shares and options at the date of this report
2,231,083 shares in Snowball Group Limited.

Information on directors (continued)

Rajeev Dhawan BComm CA MBA. *Non-Executive Director*. *Age 42.*

Experience and expertise
Mr Dhawan is a Partner of Equity Partners.

Mr Dhawan has 15 years' venture capital and private equity experience. Prior to joining Equity Partners in 2005, he worked at Hambro-Grantham Management/CFSPE from 1993, where he focused on mid size expansion capital and buyouts. He was a Director from 1998 and led the majority of CFSPE's investments from then.

Prior to the private equity industry, Mr Dhawan was a Manager in the Financial Consulting Practice of Arthur Andersen.

Current directorships of other listed companies
FlexiGroup Limited (since November 2005).
Traffic Technologies (since May 2006) – alternate director.
Portland Orthopaedics Limited (since May 2006) – alternate director.

Former directorships of other listed companies in the last 3 years
None.

Special responsibilities
None.

Interests in shares and options at the date of this report
Mr Dhawan is a director of Equity Partners Two Pty Ltd (EP2), the registered holder of 8,228,125 shares in Snowball Group Limited. EP2 holds those shares on trust for a number of institutional investors, being the investors in the Equity Partners 2 Fund. Mr Dhawan is also a director of Equity Partners Management Pty Limited (EPM), the registered holder of 30,488 ordinary shares in Snowball Group Limited and, as at the date of this report, entities associated with him own 50% of EPM. EPM may potentially benefit from a profit share arrangement with EP2 in relation to the ultimate sale of the shares in Snowball Group Limited held by EP2.

Information on directors (continued)

David M Guy LLB M.App.Fin *Non-Executive Director. Age 35.*

Experience and expertise
Mr Guy is the Executive Chairman of Officium Group Pty Ltd (formerly Western Pacific Group Holdings Pty Ltd) and Managing Director and Chief Investment Officer of Officium Capital Ltd (a wholly owned subsidiary of Officium Group Pty Ltd engaged in funds management). Mr Guy has worked in the financial services industry since 1996, primarily in financial planning and funds management, and has extensive experience in those disciplines. Mr Guy is admitted as a Solicitor of the Supreme Court of Queensland and completed his Bachelor of Laws degree in 1993. In 2003, David completed a Masters degree in Applied Finance and Investment.

Current directorships of other listed companies
None.

Former directorships of other listed companies in the last 3 years
None.

Special responsibilities
Chairman of the Audit Committee.
Member of the Remuneration Committee.

Interests in shares and options at the date of this report
Mr Guy is the Executive Chairman of Officium Group Pty Ltd, and owns 16.9% of that company's shares at the date of this report. Officium Group Pty Ltd and its wholly owned subsidiaries hold 94,577,384 shares in Snowball Group Limited.

Company Secretary

The Company Secretary and Chief Operating Officer is Mr Carl F Scarcella BComm FCPA, who commenced employment with Snowball in 2000.

Mr Scarcella commenced his career in chartered accounting. In 1987, he joined Advance Asset Management Limited where he held senior finance and operations roles. Following the acquisition of Advance by St George Bank, Mr Scarcella was responsible for strategic planning as well as mergers and acquisitions for the funds management division, and in 1999 he was appointed a Director of Advance. During this time, Mr Scarcella served on a number of sub-committees for the Investment Funds Association.

Meetings of directors

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2008, and the number of meetings attended by each director, were:

	Full meetings of directors		Meetings of committees			
			Audit		Remuneration	
Director	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**
Q B Jones	10	10	5	5	7	7
A B McDonald	10	10	-	-	-	-
M N Campbell	10	10	-	-	-	-
R Dhawan	9	10	-	-	6	6
D M Guy	9	9	5	5	7	7
A J Brown	3	3	2	3	1	1

Remuneration report

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information.

The information provided in this remuneration report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

Remuneration report (continued)

A Principles used to determine the nature and amount of remuneration

The Remuneration Committee advises the Board on remuneration policies and practices generally. It makes specific recommendations on remuneration packages and other terms of employment for the Managing Director and the Chief Operating Officer, having regard to their performance, relevant comparative information, and if appropriate, independent expert advice.

As well as a base salary, remuneration packages may include retirement and termination entitlements, performance-related incentives and fringe benefits. The Remuneration Committee sets quantitative and qualitative objectives to be achieved by the Managing Director and the Chief Operating Officer. These objectives are consistent with the Group's strategic objectives and are linked to the at-risk component of the executives' remuneration. The Committee is responsible for assessing the performance of the Managing Director and the Chief Operating Officer against the predetermined quantitative and qualitative objectives.

The Remuneration Committee is also responsible for making recommendations to the Board in relation to the terms of any issue of equity-based remuneration to employees, as a part of their individual package, or a wider staff incentive and retention scheme, and for ensuring that any such issue is made in accordance with the ASX Listing Rules.

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time.

The Remuneration Committee's terms of reference include responsibility for reviewing any transactions between the Group and the directors, or any interest associated with the directors, to ensure the structure and the terms of the transaction are in compliance with the Corporations Act 2001 and are appropriately disclosed.

Remuneration report (continued)

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of the Group are set out in the following tables.

As explained in Note 1(a) to the Financial Statements, AASB 3 requires that consolidated financial statements prepared following a reverse acquisition shall be issued under the name of the legal parent (i.e. Snowball Group Limited), but be a continuation of the financial statements of the legal subsidiary (i.e. Western Pacific Financial Group Pty Ltd (WPFG) - the acquirer for accounting purposes).

Directors

The remuneration of directors disclosed is in respect of directors of Snowball Group Limited, the parent entity of the Group.

As the application of AASB 3 as set out in Note 1(a) to the Financial Statements only applies to the consolidated financial statements, the application of AASB 3 has no impact on the director remuneration disclosures. The disclosures therefore represent the remuneration of the directors of Snowball Group Limited for the 2008 financial year and comparative 2007 financial year.

Key Management Personnel

The implications of the application of AASB 3 on the Key Management Personnel disclosures are as follows:

- The 2008 disclosures represent 12 months of Snowball Group Limited.
- The 2007 disclosures represent 5 months of the combined WPFG and Outlook (from February 2007 to June 2007) and 7 months of WPFG (from July 2006 to January 2007).

Remuneration report (continued)

B Details of remuneration (continued)

In respect of the period July 2007 to June 2008, the following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly:

Name	**Position**	**Employer**
C Scarcella	Chief Operating Officer	Snowball Capital Pty Limited
S Quirk	Group Executive – Business Services	Snowball Capital Pty Limited
N Collett	Group Executive – Sales	Snowball Capital Pty Limited
D Raits	Senior Financial Planner	Snowball Capital Pty Limited
L Rodda	Senior Financial Planner	Snowball Capital Pty Limited

In respect of the period February to June 2007 i.e. 5 months of the combined WPFG and Outlook, the following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly:

Name	**Position**	**Employer**
C Scarcella	Chief Operating Officer	Snowball Capital Pty Limited
S Quirk	Group Executive – Business Services *	Snowball Capital Pty Limited
N Collett	Group Executive – Sales	Snowball Capital Pty Limited
S Forrest	General Counsel	Snowball Capital Pty Limited
K Wilson	Executive Manager – Dealer Services	Snowball Capital Pty Limited
R Ellis	Executive Manager – Accounting and Financial Compliance	Snowball Capital Pty Limited

** S Quirk was admitted to the executive team during May 2007 when he commenced employment with the Group.*

In respect of the period July 2006 to January 2007 i.e. 7 months of WPFG, the following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly:

Name	**Position**	**Employer**
D Guy	Executive Chairman	Officium Group Pty Ltd *
J Nunan	Chief Operating Officer to October 2006, Chief Executive Officer thereafter	Officium Group Pty Ltd *
G Pritchard	Chief Executive Officer until cessation of employment in October 2006	Officium Group Pty Ltd *
N Adams	Financial Controller	Officium Group Pty Ltd *

** Officium Group Pty Ltd was formerly Western Pacific Group Holdings Pty Ltd. Officium Group Pty Ltd was the parent entity of WPFG until 7 February 2007. Officium Group Pty Ltd is now the ultimate parent entity of Snowball Group Limited.*

Remuneration report (continued)

B Details of remuneration (continued)

Key Management Personnel of the Group

2008	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payment	
Name	Cash salary $	Bonus $	Director fees $	Super-annuation $	Termi-nation $	Long service leave $	Options $	Total $
Q Jones	-	-	50,000	-	-	-	-	50,000
R Dhawan	-	-	30,000	-	-	-	-	30,000
D Guy	-	-	30,000	-	-	-	-	30,000
A Brown (to 9/10/07)	-	-	15,000	-	-	-	-	15,000
Sub-total non-executive directors	**-**	**-**	**125,000**	**-**	**-**	**-**	**-**	**125,000**
Executive directors								
A McDonald	294,093	206,611	-	13,129	-	5,923	107,957	627,713
M Campbell	186,130	118,784	-	13,129	-	5,961	-	324,004
Other key management personnel								
C Scarcella *	243,050	188,628	-	13,129	-	4,852	107,957	557,616
S Quirk *	216,871	81,000	-	13,129	-	-	33,002	344,002
N Collett *	176,871	42,222	-	13,129	-	-	33,002	265,224
D Raits *	186,130	69,789	-	13,129	-	7,858	-	276,906
L Rodda *	166,871	36,009	-	13,129	-	2,765	-	218,774
Totals	**1,470,016**	**743,043**	**125,000**	**91,903**	**-**	**27,359**	**281,918**	**2,739,239**

** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 1 July 2007 to 30 June 2008.*

Remuneration report (continued)

B Details of remuneration (continued)

Key Management Personnel of the Group

2007	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payment	
Name	Cash salary $	Bonus $	Director fees $	Super-annuation $	Termi-nation $	Long service leave $	Options $	Total $
A Brown	-	-	60,000	-	-	-	-	60,000
R Dhawan	-	-	30,000	-	-	-	-	30,000
D Guy (from 7/02/07)	-	-	13,750	-	-	-	-	13,750
Q Jones	-	-	30,000	-	-	-	-	30,000
Sub-total non-executive directors	**-**	**-**	**133,750**	**-**	**-**	**-**	**-**	**133,750**
Executive directors								
A McDonald	274,237	225,000	-	12,665	-	-	53,344	565,246
M Campbell	167,640	71,097	-	12,665	-	3,656	-	255,058
Other key management personnel								
C Scarcella *	91,274	100,000	-	4,879	-	-	53,344	249,497
S Quirk *	25,075	-	-	1,464	-	-	11,028	37,567
N Collett *	64,836	20,000	-	4,879	-	-	11,028	100,743
S Forrest *	63,466	-	-	5,711	-	-	-	69,177
K Wilson *	35,286	12,615	-	4,311	-	-	-	52,212
R Ellis *	40,578	-	-	3,652	-	-	-	44,230
D Guy **	32,110	-	-	2,890	-	-	-	35,000
J Nunan **	35,321	24,770	-	5,408	-	-	-	65,499
G Pritchard **	59,058	56,000	-	2,537	900,000	-	-	1,017,595
N Adams **	51,338	11,908	-	5,296	-	-	-	68,542
Totals	**940,219**	**521,390**	**133,750**	**66,357**	**900,000**	**3,656**	**128,744**	**2,694,116**

** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 7 February to 30 June 2007.*
*** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 1 July 2006 to 6 February 2007. These persons were employed by Officium Group Pty Ltd, formerly Western Pacific Group Holdings Pty Ltd, which was the parent entity of WPFG until 7 February 2007. The amounts disclosed represent the amount incurred by WPFG, based on the approximate percentage of time spent by that employee on that entity.*

Remuneration report (continued)

B Details of remuneration (continued)

Page 29 identified the following as being key management personnel of the consolidated Snowball Group from 7 February to 30 June 2007:

- C Scarcella
- S Quirk
- N Collett
- S Forrest
- K Wilson
- R Ellis

The table on page 31 discloses the remuneration of the abovementioned for the period 7 February to 30 June 2007 only. The following table discloses the remuneration for the abovementioned for the entire 2007 financial year.

2007	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payment	
Name	Cash salary $	Bonus $	Director fees $	Super-annuation $	Termi-nation $	Long service leave $	Options $	Total $
A Brown	-	-	60,000	-	-	-	-	60,000
R Dhawan	-	-	30,000	-	-	-	-	30,000
D Guy (from 7/02/07)	-	-	13,750	-	-	-	-	13,750
Q Jones	-	-	30,000	-	-	-	-	30,000
Sub-total non-executive directors	-	-	**133,750**	-	-	-	-	**133,750**
Executive directors								
A McDonald	274,237	225,000	-	12,665	-	-	53,344	565,246
M Campbell	167,640	71,097	-	12,665	-	3,656	-	255,058
Other key management personnel								
C Scarcella	229,258	225,000	-	12,665	-	-	53,344	520,267
S Quirk *	25,075	-	-	1,464	-	-	11,028	37,567
N Collett	150,589	20,000	-	12,665	-	-	11,028	194,282
S Forrest **	63,466	-	-	5,711	-	-	-	69,177
K Wilson	91,567	33,257	-	11,234	-	-	-	136,058
R Ellis	98,977	18,119	-	10,539	-	-	-	127,635
Totals	**1,100,809**	**592,473**	**133,750**	**79,608**	**-**	**3,656**	**128,744**	**2,039,040**

** S Quirk commenced employment on 7 May 2007.*
*** S Forrest commenced employment on 8 February 2007.*

Remuneration report (continued)

B Details of remuneration (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk - STI		At risk – LTI	
	2008	2007	**2008**	2007	**2008**	2007
Executive directors of Snowball Group Limited						
A McDonald	**50%**	51%	**33%**	40%	**17%**	9%
M Campbell	**63%**	72%	**37%**	28%	-	-
Other key management personnel of the Group						
C Scarcella *^	**46%**	39%	**34%**	40%	**20%**	21%
S Quirk *^	**67%**	71%	**23%**	-	**10%**	29%
N Collett *^	**72%**	69%	**16%**	20%	**12%**	11%
D Raits *	**74%**	-	**26%**	-	-	-
L Rodda *	**83%**	-	**17%**	-	-	-
S Forrest ^	-	100%	-	-	-	-
K Wilson ^	-	76%	-	24%	-	-
R Ellis ^	-	100%	-	-	-	-
D Guy **	-	100%	-	-	-	-
J Nunan **	-	62%	-	38%	-	-
G Pritchard **	-	52%	-	48%	-	-
N Adams **	-	83%	-	17%	-	-

** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 1 July 2007 to 30 June 2008.*
^ As set out on page 29, this employee has been identified as a key management person of the consolidated group from 7 February to 30 June 2007.
*** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 1 July 2006 to 6 February 2007. These persons were employed by Officium Group Pty Ltd, formerly Western Pacific Group Holdings Pty Ltd, which was the parent entity of WPFG until 7 February 2007. The amounts disclosed represent the amount incurred by WPFG, based on the approximate percentage of time spent by that employee on that entity.*

Remuneration report (continued)

C Service agreements

Remuneration and other terms of employment for the two Executive Directors and each of the other key management personnel are formalised in service agreements. Each of these agreements provide for the provision of performance-related cash bonuses, other benefits, and participation, when eligible, in the Snowball Employee Share Option Plan. Other major provisions of the agreements relating to remuneration are set out below.

A McDonald, Managing Director
- Commenced 29 May 2000 for an indefinite term under current employment conditions.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $307,500, to be reviewed annually by the remuneration committee.

M Campbell, Executive Director
- Employment contract commenced 1 July 1983 and has an indefinite term.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $200,000, to be reviewed annually by the Group Executive – Sales.

C Scarcella, Chief Operating Officer
- Commenced 6 November 2000 for an indefinite term under current employment conditions.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $256,250, to be reviewed annually by the remuneration committee.

S Quirk, Group Executive – Business Services
- Employment contract commenced 7 May 2007 and has an indefinite term.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $230,000, to be reviewed annually by the Managing Director and Chief Operating Officer.

N Collett, Group Executive – Sales
- Employment contract commenced 10 April 2006 and has an indefinite term.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $190,000, to be reviewed annually by the Managing Director and Chief Operating Officer.

D Raits, Senior Financial Planner
- Employment contract commenced 21 June 1993 and has an indefinite term.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $200,000, to be reviewed annually by the Group Executive – Sales.

L Rodda, Senior Financial Planner
- Employment contract commenced 1 November 1994 and has an indefinite term.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $180,000, to be reviewed annually by the Group Executive – Sales.

Remuneration report (continued)

D Share-based compensation

Options

The establishment of the Snowball Group Limited Employee Share Option Plan was approved by shareholders at a general meeting of shareholders on 21 December 2001.

On 22 April 2002, 848,566 options were issued to 39 eligible employees of the Group who were entitled to be granted options pursuant to the abovementioned plan. Of the 848,566 options, 25% vested on the first anniversary of the date of issue, and the balance were to vest in equal monthly instalments over the two-year period commencing on the first anniversary of the date of issue. On termination of an employee's services for any reason, any options that had not vested were lapsed. All options that had not lapsed were fully vested on 22 April 2005. The exercise price for these options is $1.00, and the options expired on 22 April 2007.

On 2 July 2004, 3,500,000 options were issued to 21 eligible employees of the Group under a management and staff incentive scheme, who were entitled to be granted options pursuant to the abovementioned plan. The options were divided equally among three tranches, and on the vesting date for each tranche, those options vested if the listed price was greater than the target price. Partial vesting of the options occurred if, on the vesting date, the listed price was greater than the minimum vesting price, but lower than the target price. The exercise price for these options is $0.20, and the options expire five years after the vesting date for each of the tranches.

On 26 October 2005, 3,600,000 options were issued to 20 eligible employees of the Group under a management and staff incentive scheme, who were entitled to be granted options pursuant to the abovementioned plan. There were two vesting periods – the early vesting window and the normal vesting window. The options fully vested during the early vesting window, as the listed price was greater than the target price. Had the options not vested during the early vesting window the options would have vested in the normal vesting window if the listed price was greater than the target price, or partial vesting of the options would have occurred if, on the vesting date for the normal vesting window, the listed price was greater than the minimum vesting price, but lower than the target price. The exercise price for these options is $0.40, and the options expire five years after the vesting date.

On 7 February 2007, a total of 3,000,000 options were issued to Tony McDonald and Carl Scarcella, who were entitled to be granted options pursuant to the abovementioned plan. The options are divided equally among five tranches, and on the vesting date for each tranche, those options vest if the option holder is employed by Snowball Group Limited, or a subsidiary of it, at that vesting date. The exercise price for each tranche of options is $0.69, $0.79, $0.91, $1.05 and $1.21 respectively. The options within each tranche expire four years after vesting date for the first and second tranches, three years after vesting date for the third and fourth tranches, and two years after vesting date for the fifth tranche.

On 27 March 2007, a total of 1,000,000 options were issued to Simon Quirk and Nick Collett, who were entitled to be granted options pursuant to the abovementioned plan. The options are divided equally among five tranches, and on the vesting date for each tranche, those options vest if the option holder is employed by Snowball Group Limited, or a subsidiary of it, at that vesting date. The exercise price for each tranche of options is $0.83, $0.93, $1.04, $1.16 and $1.30 respectively. The options within each tranche expire four years after vesting date for the first and second tranches, three years after vesting date for the third and fourth tranches, and two years after vesting date for the fifth tranche.

Remuneration report (continued)

D Share-based compensation (continued)

Options (continued)

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant Date	Date vested and exercisable	Expiry Date	Exercise Price	Value per option at grant date
2 July 2004	Tranche 1: 31 December 2004 Tranche 2: 30 June 2005 Tranche 3: 30 June 2007	Tranche 1: 31 December 2009 Tranche 2: 30 June 2010 Tranche 3: 30 June 2011	$0.20	Tranche 1: Executive: $0.022; Non-Executive: $0.020 Tranche 2: Executive: $0.020; Non-Executive: $0.019 Tranche 3: Executive: $0.037; Non-Executive: $0.035
26 October 2005	14 April 2007	14 April 2012	$0.40	Executive $0.069; Non-Executive: $0.065
7 February 2007	Tranche 1: 31 December 2007 Tranche 2: 31 December 2008 Tranche 3: 31 December 2009 Tranche 4: 31 December 2010 Tranche 5: 31 December 2011	Tranche 1: 31 December 2011 Tranche 2: 31 December 2012 Tranche 3: 31 December 2012 Tranche 4: 31 December 2013 Tranche 5: 31 December 2013	Tranche 1: $0.69 Tranche 2: $0.79 Tranche 3: $0.91 Tranche 4: $1.05 Tranche 5: $1.21	Tranche 1: $0.243 Tranche 2: $0.227 Tranche 3: $0.198 Tranche 4: $0.173 Tranche 5: $0.136
27 March 2007	Tranche 1: 31 December 2007 Tranche 2: 31 December 2008 Tranche 3: 31 December 2009 Tranche 4: 31 December 2010 Tranche 5: 31 December 2011	Tranche 1: 31 December 2011 Tranche 2: 31 December 2012 Tranche 3: 31 December 2012 Tranche 4: 31 December 2013 Tranche 5: 31 December 2013	Tranche 1: $0.83 Tranche 2: $0.93 Tranche 3: $1.04 Tranche 4: $1.16 Tranche 5: $1.30	Tranche 1: $0.202 Tranche 2: $0.189 Tranche 3: $0.162 Tranche 4: $0.143 Tranche 5: $0.122

Remuneration report (continued)

D Share-based compensation (continued)

Options (continued)

Options granted under the plan carry no dividend or voting rights.

Details of options over ordinary shares in the Company provided as remuneration to each director of Snowball Group Limited and each of the key management personnel of the Group are set out below. When exercisable, each option is convertible into one ordinary share of Snowball Group Limited. Further information on the options is set out in Note 40 to the Financial Statements.

	Number of options granted during the year		**Number of options vested during the year**	
	2008	2007	**2008**	2007
Directors of Snowball Group Limited				
A McDonald	-	1,500,000	**300,000**	625,000
M Campbell	-	-	-	475,000
Other key management personnel of the Group				
C Scarcella *^	-	1,500,000	**300,000**	625,000
S Quirk *^	-	500,000	**100,000**	-
N Collett *^	-	500,000	**100,000**	-
D Raits *	-	-	-	-
L Rodda *	-	-	-	-
S Forrest ^	-	-	-	-
K Wilson ^	-	-	-	100,000
R Ellis ^	-	-	-	100,000
D Guy **	-	-	-	-
J Nunan **	-	-	-	-
G Pritchard **	-	-	-	-
N Adams **	-	-	-	-

** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 1 July 2007 to 30 June 2008.*
^ As set out on page 29, this employee has been identified as a key management person of the consolidated group from 7 February to 30 June 2007.
*** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 1 July 2006 to 6 February 2007.*

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Remuneration report (continued)

D Share-based compensation (continued)

Options (continued)

No options were granted during the year ended 30 June 2008.

The model inputs for options granted during the year ended 30 June 2007 included:

(a) 4,000,000 options are granted for no consideration.

(b) The options are divided equally among five tranches.

(c) The vesting date for each tranche is as follows: 31 December 2007, 31 December 2008, 31 December 2009, 31 December 2010 and 31 December 2011.

(d) On the vesting date for each tranche, the options vest if the option holder is employed by Snowball Group Limited, or a subsidiary of it, at that vesting date.

(e) Exercise price:

- For the options granted on 7 February 2007: the exercise price for each tranche of options is $0.69, $0.79, $0.91, $1.05 and $1.21.
- For the options granted on 27 March 2007: the exercise price for each tranche of options is $0.83, $0.93, $1.04, $1.16 and $1.30.

(f) Grant date: 7 February 2007 for 3,000,000 options, and 27 March 2007 for 1,000,000 options.

(g) Expiry date: Tranche 1 – 31 December 2011; Tranche 2 – 31 December 2012; Tranche 3 – 31 December 2012; Tranche 4 – 31 December 2013; and Tranche 5 – 31 December 2013.

(h) Share price at grant date: $0.85 at 7 February 2007 and $0.75 at 27 March 2007.

(i) Expected volatility of the Company's shares: 35%. The expected volatility is based on a consideration of the historic volatility of the share price of Snowball Group Limited shares, and the historical volatility of shares prices of Australian listed companies operating in the same or similar sectors as Snowball Group Limited.

(j) Expected dividend yield: assumed half a cent dividend growth rate per annum.

(k) Risk-free interest rate: 5.84%.

Remuneration report (continued)

D Share-based compensation (continued)

Options (continued)

Shares provided on exercise of remuneration options

Details of ordinary shares in the Company provided as a result of the exercise of remuneration options to each director of Snowball Group Limited and other key management personnel of the Group are set out below.

	Date of exercise of options	Amount paid per share on exercise of options	Number of ordinary shares issued on exercise of options during year	
			2008	2007
Directors of Snowball Group Limited				
A McDonald	5 September 2007	$0.20	**545,160**	-
A McDonald	5 September 2007	$0.40	**625,000**	-
M Campbell	14 September 2007	$0.20	**75,860**	400,000
M Campbell	14 September 2007	$0.40	**475,000**	-
Other Key Management Personnel of the Group				
C Scarcella	5 September 2007	$0.20	**540,540**	-
C Scarcella	5 September 2007	$0.40	**625,000**	-
D Raits	17 March 2008	$0.20	**365,000**	-
L Rodda	10 August 2007	$0.20	**369,600**	-

No amounts are unpaid on any shares issued on the exercise of options.

Employee share scheme

No shares were issued under the Company's employee share scheme during the financial years ended 30 June 2007 and 30 June 2008.

E Additional information

Principles used to determine the nature and amount of remuneration: relationship between remuneration and company performance

The overall level of executive reward takes into account the objectives of the Group over the short to longer term. Accordingly, all senior executives:

- Have an at-risk component of their salary which is subject to that person achieving pre-determined performance conditions set in consideration of the objectives of the Group as a whole; and
- Participate in a longer term incentive scheme in the form of equity based compensation, which has historically consisted of options. The options have vesting conditions which are tied to increases in the share prices of the Company and / or continuity of employment.

Remuneration report (continued)

E Additional information (continued)

Details of remuneration: cash bonuses and options

For each bonus and grant of options included in the tables on pages 30 to 32, 36 and 37, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, the percentage that was forfeited because the person did not meet the services and performance criteria, and the amount that is payable in future years, is set out below. The options vest when the vesting conditions are satisfied (see page 38). No options will vest if the conditions are not satisfied, hence the minimum value of the option yet to vest is nil. The maximum value of the options yet to vest has assumed that the target price is met for those options and / or the continuity of employment (see page 38).

	Cash Bonus		Options					
Name	Paid %	Forfeited %	Year granted	Vested % *	Forfeited % *	Financial years in which options may vest	Min. total value of grant yet to vest $	Max. total value of grant yet to vest $
A McDonald	100	-	2007	20%	-	2009 to 2012	Nil	89,214
M Campbell	100	-	-	-	-	-	-	-
C Scarcella *^	100	-	2007	20%	-	2009 to 2012	Nil	89,214
S Quirk *^	100	-	2007	20%	-	2009 to 2012	Nil	26,124
N Collett *^	100	-	2007	20%	-	2009 to 2012	Nil	26,124
D Raits *	100	-	-	-	-	-	-	-
L Rodda *	100	-	-	-	-	-	-	-
S Forrest ^	-	-	-	-	-	-	-	-
K Wilson ^	-	-	-	-	-	-	-	-
R Ellis ^	-	-	-	-	-	-	-	-
D Guy **	-	-	-	-	-	-	-	-
J Nunan **	-	-	-	-	-	-	-	-
G Pritchard **	-	-	-	-	-	-	-	-
N Adams **	-	-	-	-	-	-	-	-

** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 1 July 2007 to 30 June 2008.*
^ As set out on page 29, this employee has been identified as a key management person of the consolidated group from 7 February to 30 June 2007.
*** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 1 July 2006 to 6 February 2007.*

Remuneration report (continued)

E Additional information – (continued)

Details of remuneration: cash bonuses and options (continued)

Further details relating to options are set out below.

Name	A Remuneration consisting of options	B Value of options granted during the year $	C Value of options exercised during the year $	D Value of options lapsed during the year $	E Total of columns B-D $
A McDonald	17.36%	-	577,096	-	-
M Campbell	-	-	235,516	-	-
C Scarcella *	19.53%	-	574,324	-	-
S Quirk *	9.59%	-	-	-	-
N Collett *	12.44%	-	-	-	-
D Raits *	-	-	146,000	-	-
L Rodda *	-	-	225,456	-	-

A = The percentage of the value of remuneration consisting of options, based on the value at grant.

B = The value at grant date calculated in accordance with *AASB 2 Share-based Payment* of options granted during the year as part of remuneration.

C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year.

D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year.

** As set out on page 29, this employee has been identified as a key management person of the consolidated group from 1 July 2007 to 30 June 2008.*

Shares under option

Unissued ordinary shares of Snowball Group Limited under option at the date of this report are as follows:

Date options granted	Expiry Date	Exercise price of options	Number under option
2 July 2004	Tranche 1: 31 December 2009	$0.20	50,000
	Tranche 2: 30 June 2010	$0.20	32,167
	Tranche 3: 30 June 2011	$0.20	137,760
26 October 2005	14 April 2012	$0.40	1,445,000
7 February 2007	Tranche 1: 31 December 2011	$0.69	600,000
	Tranche 2: 31 December 2012	$0.79	600,000
	Tranche 3: 31 December 2012	$0.91	600,000
	Tranche 4: 31 December 2013	$1.05	600,000
	Tranche 5: 31 December 2013	$1.21	600,000
27 March 2007	Tranche 1: 31 December 2011	$0.83	200,000
	Tranche 2: 31 December 2012	$0.93	200,000
	Tranche 3: 31 December 2012	$1.04	200,000
	Tranche 4: 31 December 2013	$1.16	200,000
	Tranche 5: 31 December 2013	$1.30	200,000
			5,664,927

No option holder has any right under the options to participate in any other share issue of the company or of any other entity.

Shares issued on the exercise of options

The following ordinary shares of Snowball Group Limited were issued during the year ended 30 June 2008 on the exercise of options. No amounts are unpaid on any of the shares.

Date options granted	Issue price of shares	Number of shares issued
2 July 2004	$0.20	2,427,460
26 October 2005	$0.40	1,825,000
		4,252,460

Insurance of officers

During the financial year, the Group paid a premium to insure the directors, the secretary and executive officers of the Company and its Australian-based controlled entities. In accordance with normal commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with the advice received from the audit committee is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Non-audit services (continued)

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

	Consolidated	
	2008	2007
	$	$
(a) Audit services		
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	**225,000**	203,429
Non-PricewaterhouseCoopers audit firms for the audit or review of financial reports of any entity in the Group	**10,000**	-
Total remuneration for audit services	**235,000**	203,429
(b) Non-Audit services		
PricewaterhouseCoopers Australian firm		
Accounting advice	**70,000**	-
Total remuneration for non-audit services	**70,000**	-
(c) Taxation services		
PricewaterhouseCoopers Australian firm		
Tax consolidation advice	**7,000**	2,000
Other taxation advice	**20,800**	18,600
Total remuneration for taxation services	**27,800**	20,600

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 46.

Rounding of amounts

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

Q B Jones
Chairman
Sydney
26 September 2008

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
Telephone +61 2 8603 1000
Facsimile +61 2 8603 1999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the audit of Snowball Group Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Snowball Group Limited and the entities it controlled during the period.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
26 September 2008

Liability limited by a scheme approved under Professional Standards Legislation

The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance these objectives in the best interests of the Group as a whole. The focus of the Board is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

The Board draws on relevant corporate governance best practice principles to assist it to contribute to the performance of the Group. The Board adopted a number of new and revised policies and procedures in September 2006.

Snowball is committed to maintaining high standards of corporate governance appropriate to the size and operations of the Company and the Company complies with all Australian Stock Exchange ("ASX") Corporate Governance Council Best Practice Recommendations ('ASX Recommendations'), unless otherwise stated. All corporate governance documents noted in this Statement are available on the Company's website www.sno.com.au.

Day to day management of the Group's affairs and implementation of corporate strategy and policy initiatives are delegated by the Board to the Managing Director and the senior management team.

Principle 1: Lay solid foundations for management and oversight

The Board's Responsibilities

The Board is responsible for the overall corporate governance of the Group including its strategic direction, establishing goals and responsibilities for management and monitoring the achievement of these goals. To assist in the execution of its responsibilities, the Board has established an Audit Committee and a Remuneration Committee.

The Board formalised its roles, responsibilities and general operations through the adoption of a Board Charter in September 2006. The primary responsibilities of the Board are outlined in the Board Charter and include:

- Setting the criteria for Board membership and reviewing the composition of the Board;
- Establishing the long term goals of the Group, and working with management to develop strategic and business plans to achieve those goals;
- Monitoring implementation of the Group's strategic and business plans and its financial performance;
- Appointing, and assessing the performance of, the Managing Director and the Chief Operating Officer;
- Ensuring there is an effective internal control environment and appropriate monitoring activities in place to identify and manage any significant risks facing the Group;
- Approving major corporate initiatives;
- Approving the Group's annual and half-year financial reports;
- Enhancing and protecting the reputation of the organisation;
- Reporting to shareholders and the market; and
- Conducting an annual review of the Board Charter.

The Charter also includes details of:

- Its performance review process;
- The procedure for directors to seek independent professional advice at the Company's expense; and
- The responsibilities of the Chairman, Managing Director and Company Secretary.

Management's Responsibilities

The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and for implementing the policies and strategy set by the Board. In carrying out his responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial position and operational results. Clear lines of communication between the Chairman and the Managing Director are established and the Managing Director consults with the Chairman, in the first place, on matters which are sensitive, extraordinary or of a strategic nature.

The role of the senior management team is to support the Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Principle 2: Structure the board to add value

The Board

The Board's aim is to ensure the Company has an appropriate mix of executive and non-executive directors with relevant expertise and experience to enable the Board to perform its duties with an effective understanding of the business and the operating environment. Currently the Board comprises two executive directors, one of which is the Managing Director, and three non-executive directors, one of which is the Chairman.

The Board reviews the independence of its Directors at least annually and on an ad-hoc basis when circumstances change. The Company's definition of independence is in line with Box 2.1 of the ASX Recommendations applicable to this reporting year, and is outlined in the Board Charter.

Following the retirement of Mr Andrew Brown during the year, the three remaining non-executive directors (Mr Quentin Jones, Mr Rajeev Dhawan and Mr David Guy) are directly associated with substantial shareholders in the Company, and accordingly do not satisfy the test of independence. Furthermore, the Chairman does not satisfy the test of independence. The substantial shareholders that the non-executive directors are associated with represent the largest shareholders in the Company and it is therefore appropriate that these Directors are members of the Board. However, the Company has briefed search organisations with a view to appointing at least one independent non-executive director.

Whilst the composition of the Board does not have any independent directors, the Board believes that its composition has been appropriate to enable it to discharge its duties in the best interests of shareholders and the Company, particularly given the expertise, skills and experience that the non-executive directors bring to the Board. The experience of the members of the Board is set out in the Directors' Report.

It is the Board's policy to consider the appointment and retirement of non-executive directors on a case by case basis. In doing so, the Board will take into account the requirements of the ASX Listing Rules and the *Corporations Act* 2001.

Currently all directors other than the Managing Director are required to be re-elected by shareholders at least every three years and at least one-third of such directors must retire at each annual general meeting. Due to the requirement for shareholder re-election, directors are not appointed for a fixed term.

Board Meetings

Each director must declare any potential conflict of interest in relation to any matter for Board consideration, and must not participate in discussions or resolutions pertaining to any matter in which that director has a material personal interest.

In fulfilling their duties, each director and each committee of the Board dealing with corporate governance matters may obtain independent professional advice at the Group's expense, subject to prior written approval of the Chairman of the Company.

Nomination Committee

There was no Nomination Committee at year end. The Board Members decided that due to the size and composition of the Board, no efficiencies would be achieved by establishing a separate Nomination Committee. The whole Board carries out the functions which would otherwise be undertaken by the Nomination Committee.

Principle 3: Promote ethical and responsible decision-making

Integrity and Accountability

During the year the Company had a Code of Conduct in place which set out principles and practices to promote integrity and accountability and documented the underlying values of the Group which apply to all its business dealings. Further, in 2007 the Company adopted a set of core values which serve as a constant reference point for assessing the way in which individuals and the Company operate.

Due to its close knit and compliance-focused culture, the Company has also been able to promote integrity in its dealings and accountability of individuals for reporting unethical practices through the ability of its Board, the Managing Director and the senior management team to oversee the Company's operations. This integrity and accountability has continued following the successful integration of Western Pacific Financial Group.

In September 2006 the Company enhanced the Code by:

- Providing further guidance on the Company's principles and practices;
- Outlining the responsibility and accountability of individuals for reporting and investigating reports of unethical practices; and
- Confirming the Board and Senior Executive's commitment to the Code and to assisting employees to understand and comply with the Code.

The Code applies to all employees, directors and officers of Snowball and its subsidiary companies and references other Snowball policies and procedures to provide further guidance where necessary.

Ethical Standards

The Board endeavours to ensure that the directors, officers and employees of the Group act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The Company's ethical standards and expected ethical behaviour are discussed in the Code of Conduct, and cover the following general areas:

- Compliance with and respect of applicable laws;
- Respectful treatment of others;
- Honesty, fairness and integrity in dealings with others;
- Confidentiality of information;
- Responsible use of the Group's property;
- Personal accountability for actions and their consequences;
- Conflicts of interest; and
- Gifts and benefits.

Trading in Company Securities

Under the Company's share trading policy, directors, officers and employees may trade in the Company's securities during the following periods:

- 6 weeks after the announcement of half-year and annual profit results;
- 6 weeks after the Annual General Meeting; or
- Any other period declared by the Board, or in exceptional circumstances, the Chairman.

Further, all directors and employees must satisfy themselves that they are not in possession of any price sensitive information, which is not generally available to the public prior to trading in securities and regulates trading by directors and employees through the abovementioned trading windows.

Compliance with these policies is reviewed through the Quarterly Management Compliance Questionnaire and any significant issues are reported to the Board.

Specific procedural steps required prior to trading are set for directors, the Managing Director and Chief Operating Officer, Executive Managers (or equivalent) and all other employees which reflect their differing roles and potential exposure to inside information.

For example, directors must consult the Chairman (who confers with all Board members) prior to trading and must not trade unless in a specific trading window and until approval has been given.

This system also provides for a yearly review and audit procedure to ensure that:

- The System is compliant with existing legal obligations;
- Key staff comply with obligations under the System; and
- The System is meeting its purpose and is appropriate to the circumstances of the Company.

Principle 4: Safeguard integrity in financial reporting

Financial Reports

The Group Executive - Business Services and Executive Manager – Finance ensure that the Company's financial reports are prepared in accordance with relevant accounting standards and that monthly financial reports are distributed to the Board. The annual and half yearly financial reports, and any other financial reports for release to the market, are presented for review by the Audit Committee prior to their adoption by the Board.

All annual and half-yearly financial reports presented to the Board have been reviewed by the Managing Director and Chief Operating Officer who confirm in writing to the Board that the relevant report represents a true and fair view of the Company's financial position in all material respects and is in order for adoption by the Board.

Audit Committee

The Audit Committee, established in February 2002, currently consists of the following Directors of the Company:

- Mr David Guy (Non-Executive Director)
- Mr Quentin Jones (Non-Executive Director)

Details regarding the directors' qualifications, the number of meetings held and attendance at those meetings are contained on pages 21 to 25 of the Directors' Report. Mr David Guy was appointed Chairman of the Audit Committee during the course of the year.

At 30 June 2008, the composition of the Audit Committee did not comply with Recommendation 4.3 in that there were no independent directors and that there were only two members.

Although there was not strict compliance with Recommendation 4.3, as noted above under Principle 1, the Board considers that given the composition of the Board, and qualifications and availability of Board members, the existing Audit Committee had the best and most suitable composition to effectively carry out its functions. This situation is regularly reviewed by the Board and will reviewed when the Board composition changes.

The roles, responsibilities and general operations of the Audit Committee were formalised through the adoption of an Audit Committee Charter in September 2006. The main responsibilities of the Audit Committee include:

- Review and report to the Board on the annual full and concise reports, the half-year financial report and all other financial information published by the Company or released to the market;
- Consider the appropriateness of the Group's accounting policies and principles and any changes and methods of application;
- Assist the Board in reviewing the effectiveness of the organisation's internal control environment and oversee the operation of the risk management system;
- Recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and the auditor's independence;
- Review the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence;
- Referring matters of significant concern to the board; and
- Conducting a regular review of the Committee Charter.

The Charter also includes details of:

- Committee composition;
- Meetings;
- Role and Objectives; and
- Reporting to the Board.

In fulfilling its responsibilities, the Audit Committee receives regular reports from management and the external auditors. It also meets with the external auditors at least twice a year, or more frequently if necessary, and reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved. The external auditors have a clear line of direct communication at any time to either the Chairman of the Audit Committee or the Chairman of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The Committee also receives technical input and experience from the Chief Operating Officer, Group Executive – Business Services, and Executive Manager – Finance, who attend all meetings by invitation.

Principle 5: Make timely and balanced disclosure

Continuous Disclosure

As a company listed on the ASX, the Company is a disclosing entity under the *Corporations Act 2001*. As such, it has regular reporting and disclosure obligations to the ASX. In particular, the Company is required to disclose to the ASX information of which it is, or becomes, aware which concerns the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company, unless certain exceptions apply.

During the year the Company had in place a continuous disclosure compliance program which required timely disclosure through the ASX companies' announcement platform of information that could reasonably be expected to have a material effect on a person's consideration of whether to buy, hold, or sell the Company's shares. Under this program the Managing Director was the nominated continuous disclosure officer for the Company and reported directly to the Board on disclosure matters as well as consulting with directors and senior executives concerning these matters.

Through an internal review process, the Company ensures that ASX company announcements are presented in a factual and balanced manner to keep the market fully informed. The disclosure of financial results is usually accompanied by a commentary, which provides further details to assist investors.

The Company also uses the services of an external supplier of corporate secretarial services, Corporate Compliance Partners, to assist in the implementation and monitoring of the Company's continuous disclosure compliance program. Corporate Compliance Partners are engaged on a monthly retainer.

As part of the corporate governance review the Company has adopted a Continuous Disclosure System which applies to all employees and comprises policies and procedures and an audit system.

The policy outlines:

- The Company's continuous disclosure obligations under the ASX Listing Rules;
- A procedure for the notification of potential disclosure information to the Continuous Disclosure Manager (Managing Director) or Continuous Disclosure Officer (Company Secretary);
- Authorised persons to handle media and shareholder enquiries; and
- The accountabilities of employees, executives, senior management and the Continuous Disclosure Manager and Officer.

The audit system provides for:

- The completion of a statement confirming an understanding of, and compliance with, the Continuous Disclosure Policy by targeted employees; and
- The monitoring of procedures to ensure compliance with the Policy and the ASX Continuous Disclosure requirements by way of an annual audit and review of the System (similar in purpose and conduct to the review of the Securities Trading System).

A separate Handling Shareholder Enquiries Policy for guidance to front-line staff was also adopted by the Board in September 2006.

Principle 6: Respect the rights of shareholders

Communications Strategy

The Company is committed to providing shareholders and the market with relevant and timely information concerning its operations with a view to assisting shareholders assess the Company's performance and encouraging their effective participation at general meetings. It does this by:

- Continuously reporting developments through the ASX companies' announcements platform;
- Reporting through the Annual Report;
- Releasing appropriate information on its website;
- Providing shareholders with the opportunity to correspond by phone, in writing, as well as over the Internet; and
- Requesting the attendance of a representative from the Company's external auditor at the Annual General Meeting to answer questions about the audit and the preparation and content of the auditors' report.

A summary of this communications strategy is provided on the Company's website, www.sno.com.au.

The Company plans to enhance its website to facilitate further electronic shareholder communication and will be providing future Annual Reports to shareholders electronically from 2009. Hard copy reports will still be available to shareholders who elect to receive them.

Principle 7: Recognise and manage risk

Risk Assessment and Management

Risk management is an integral part of good business practice and the Board is committed to the highest standards of risk management. The Board is responsible for identifying and monitoring areas of significant business risks, with assistance from the Management Compliance Committee. Internal control measures include:

- A documented risk management system, a compliance manual and a Statement Regarding Systems Control;
- Notification, recording and monitoring of complaints and exceptions;
- Quarterly questionnaires to management seeking confirmation of compliance with Group policies and relevant law, including insider trading and continuous disclosure obligations;
- Regular reporting to the Board in respect of operations and the Group's financial position, with a monthly comparison of actual results against budget; and
- Reports to the Board by appropriate members of the senior management team, the external auditors and/or independent advisers, outlining the nature of particular risks.

The abovementioned Statement Regarding Systems Control was adopted in July 2005 and integrates existing compliance systems within Snowball. The Board believes the Statement is still appropriate for the Company.

The Board will ensure that any identified risks are properly assessed and that action is taken to implement any required enhancements to the internal control environment.

Financial Reporting

At the time of confirming the integrity of financial reports to the Board in compliance with Principle 4, the Managing Director and Chief Operating Officer confirm in writing that the reports are founded on a sound system of risk management, internal compliance and control which implements the policies adopted by the Board. In addition, they confirm in writing that the Company's risk management and control system is operating efficiently and effectively in all material aspects.

Principle 8: Encourage enhanced performance

Performance Evaluation

The Board evaluates the performance of the Audit and Remuneration Committees by reference to the published responsibilities for each Committee.

The Board recently conducted an external review of Board and Committee performance.

As noted in the discussion on Principle 1, the Board adopted a Board Charter which has formalised its assessment process. Performance evaluations of the Board, Audit Committee and Remuneration Committee are conducted through the following process:

- Comparing performance with the requirements of respective Charters;
- Setting goals and objectives for the upcoming year; and
- Effecting any improvements to the Board or Committee which are necessary or desirable.

At least annually, the Board, via the Remuneration Committee, sets quantitative and qualitative objectives to be achieved by the Managing Director and the Chief Operating Officer. The objectives are consistent with the Company's strategic objectives and are linked to the at-risk component of the executives' remuneration. The performance of the Managing Director and the Chief Operating Officer are measured against these objectives.

Members of the senior management team have key performance indicators which are agreed annually with the Managing Director, and which are linked to the at-risk component of the executives' remuneration. The performance of the executives in the senior management team is assessed annually against their key performance indicators by the Managing Director, as part of the Company's staff appraisal process.

Principle 9: Remunerate fairly and responsibly

Remuneration committee

The Remuneration Committee, established in February 2002, currently consists of the following directors:

- Mr Quentin Jones (Non-Executive Director)
- Mr David Guy (Non-Executive Director)

Although there was not strict compliance with Recommendation 9.2 in terms of the independence of directors and only having two members, as noted above under Principle 1. the Board considers that given the composition of the Board, and qualifications and availability of Board members, the existing Remuneration Committee had the best and most suitable composition to effectively carry out its functions. This situation is regularly reviewed by the Board and will be reviewed when the Board composition changes.

The Remuneration Committee advises the Board on remuneration policies and practices generally. It makes specific recommendations on remuneration packages and other terms of employment for non-executive directors, the Managing Director and the Chief Operating Officer, having regard to an individual's performance, relevant comparative information, and if appropriate, independent expert advice. As well as a base salary, remuneration packages may include retirement and termination entitlements, performance-related incentives and fringe benefits.

The Remuneration Committee's terms of reference include responsibility for reviewing any transactions between the Group and the directors, or any interest associated with the directors, to ensure the structure and the terms of the transaction are in compliance with the *Corporations Act 2001* and are appropriately disclosed.

As part of the corporate governance review, the Board adopted a Remuneration Committee Charter which outlines the roles and responsibilities, composition, authorities and operation of the Committee.

Executive Remuneration

The Remuneration Committee sets quantitative and qualitative objectives to be achieved by the Managing Director and the Chief Operating Officer. The aim of these objectives is to assist successful delivery on the Company's strategic objectives and therefore, these objectives are consistent with the Company's strategic objectives and are linked to the at-risk component of the executives' remuneration. The Committee is responsible for assessing the performance of the Managing Director and the Chief Operating Officer against the predetermined quantitative and qualitative objectives. The Remuneration Committee annually reviews whether the remuneration structure has been successful in achieving its aim and takes this into account in setting objectives.

Further information on Board and Executive Management remuneration is contained in the Remuneration Report.

The Remuneration Committee is also responsible for making recommendations to the Board in relation to the terms of any issue of equity-based remuneration to employees as a part of their individual package or a wider staff incentive and retention scheme, and for ensuring that any such issue is made in accordance with the ASX Listing Rules.

Non-Executive Director Remuneration

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time.

Principle 10: Recognise the legitimate interests of stakeholders

In addition to the core values discussed under Principle 3, the Company's Code of Conduct applies to all directors and employees without exception.

Code of Conduct

Intrinsic to all aspects of our business are our values:

- We act with integrity in all dealings with clients, shareholders, regulators, staff and markets;
- We are professional, and focus on developing and implementing carefully selected solutions that meet our clients' needs;
- We are reliable, and satisfy all our stakeholder groups by delivering consistent results; and
- We deliver personal service, and continue to foster and develop our relationship with all of the Company's stakeholders, old and new.

We will adhere to the following standards, policies and procedures which reflect our values and have been designed to enhance our performance and manage risk:

- Ethical Standards;
- The risk management system and compliance manual;
- Financial dealing policies, including trading in the Company's securities;
- Financial Planners Advisers Manual;
- Privacy policy; and
- Workplace and human resources policies, including health and safety.

Further to the above, the enhanced Code of Conduct clearly identifies the Company's key stakeholders and provides guidance on the above values and standards. The Code of Conduct also sets out a clear process for dealing with any non-compliance with the Code.

SNOWBALL GROUP LIMITED
Annual Financial Statement
30 June 2008

Contents

This financial report covers both Snowball Group Limited as an individual entity and the consolidated entity consisting of Snowball Group Limited and its controlled entities. The financial report is presented in the Australian currency.

Snowball Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Snowball Group Limited
70-76 Yarra Street
Heidelberg VIC 3084

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on pages 12 to 45, which are not part of this financial report.

This financial report was authorised for issue by the directors on 26 September 2008. The directors have the power to amend and reissue the financial report.

SNOWBALL GROUP LIMITED
Income Statements
30 June 2008

	Note	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Revenue from continuing operations	5	**28,510**	16,496	**9,206**	1,038
Amortisation expense		**(2,062)**	(670)	-	-
Commissions expense		**(285)**	(119)	-	-
Depreciation expense		**(339)**	(200)	**(38)**	-
Employee benefits expense		**(12,554)**	(6,085)	**(3,514)**	(138)
Finance costs	6	**(154)**	(65)	-	-
General administration expense		**(958)**	(480)	**(123)**	(18)
Occupancy expense		**(922)**	(423)	**(165)**	-
Professional fees		**(1,131)**	(749)	**(402)**	(305)
Reversal of prior impairment of amounts owing from controlled entities	6	**-**	-	**1,538**	4,379
Other expenses		**(1,862)**	(1,022)	**(362)**	(206)
Share of net profits of associates accounted for using the equity method		**191**	111	-	-
Profit before income tax		**8,434**	6,794	**6,140**	4,750
Income tax (expense)/revenue	7	**(2,525)**	(2,063)	**1,355**	147
Profit for the year		**5,909**	4,731	**7,495**	4,897
Profit is attributable to:					
Equity holders of Snowball Group Limited		**5,823**	4,715	**7,495**	4,897
Minority interest		**86**	16	-	-
		5,909	4,731	**7,495**	4,897

	Note	**Cents**	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	39	**3.90**	4.47
Diluted earnings per share	39	**3.84**	4.27

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

SNOWBALL GROUP LIMITED
Balance Sheets
As at 30 June 2008

	Note	Consolidated		Parent Entity	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	8	**4,412**	3,924	**-**	-
Trade and other receivables	9	**6,601**	6,002	**660**	64
Total current assets		**11,013**	9,926	**660**	64
Non-current assets					
Receivables	10	**-**	518	**14,360**	7,022
Investments accounted for using the equity method	11	**2,231**	2,262	**-**	-
Other financial assets	12	**-**	-	**68,912**	68,900
Property, plant and equipment	13	**1,318**	876	**482**	-
Deferred tax assets	14	**-**	-	**52**	-
Intangible assets	15	**62,087**	55,929	**-**	-
Total non-current assets		**65,636**	59,585	**83,806**	75,922
Total assets		**76,649**	69,511	**84,466**	75,986
LIABILITIES					
Current liabilities					
Trade and other payables	16	**3,848**	3,590	**-**	128
Borrowings	17	**400**	583	**-**	-
Current tax liabilities		**2,891**	1,705	**3,453**	1,779
Provisions	18	**970**	929	**-**	-
Provisions for deferred consideration	19	**2,379**	-	**-**	-
Total current liabilities		**10,488**	6,807	**3,453**	1,907
Non-current liabilities					
Trade and other payables	20	**-**	-	**1,166**	438
Borrowings	21	**710**	1,923	**-**	-
Deferred tax liabilities	22	**7,566**	7,472	**-**	-
Provisions	23	**129**	79	**-**	-
Total non-current liabilities		**8,405**	9,474	**1,166**	438
Total liabilities		**18,893**	16,281	**4,619**	2,345
Net assets		**57,756**	53,230	**79,847**	73,641
EQUITY					
Contributed equity	24	**56,180**	52,869	**107,457**	104,146
Reserves	25	**(4,389)**	(4,257)	**1,044**	1,173
Retained profits/(accumulated losses)	25	**5,292**	3,940	**(28,654)**	(31,678)
Capital and reserves attributable to equity holders of Snowball Group Limited		**57,083**	52,552	**79,847**	73,641
Minority interest	26	**673**	678	**-**	-
Total equity		**57,756**	53,230	**79,847**	73,641

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

SNOWBALL GROUP LIMITED
Statements of changes in equity
For the year ended 30 June 2008

	Note	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Total equity at the beginning of the year		**53,230**	2,618	**73,641**	4,276
Profit for the year		**5,909**	4,731	**7,495**	4,897
Total recognised income and expense for the year		**5,909**	4,731	**7,495**	4,897
Transactions with equity holders in their capacity as equity holders:					
Issue of equity, net of transaction costs	24	**3,310**	52,676	**3,310**	64,875
Dividends paid	27	**(4,471)**	(3,200)	**(4,471)**	(608)
Dividends paid to minority interest in subsidiaries		**(92)**	-	-	-
Employee share options	25	**329**	177	**329**	241
Movement in reserves for shares issued upon exercise of options under the Snowball Group Limited Employee Share Option Plan		**(195)**	-	**(195)**	-
Movement in the business combination reserve		-	(5,225)	-	-
Movement in the deferred consideration reserve		**(264)**	791	**(264)**	(40)
Minority interest on acquisition of subsidiary		-	662	-	-
		(1,383)	45,881	**(1,289)**	64,468
Total equity at the end of the year		**57,756**	53,230	**79,847**	73,641
Total recognised income and expense for the year is attributable to:					
Members of Snowball Group Limited		**5,823**	4,715	**7,495**	4,897
Minority interest		**86**	16	-	-
		5,909	4,731	**7,495**	4,897

The above statements of changes in equity should be read in conjunction with the accompanying notes.

SNOWBALL GROUP LIMITED
Cash Flow Statements
For the year ended 30 June 2008

	Note	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		**29,956**	15,114	**-**	-
Payments to suppliers and employees (inclusive of goods and services tax)		**(18,768)**	(10,398)	**(4,146)**	(751)
		11,188	4,716	**(4,146)**	(751)
Interest received		**313**	86	**57**	47
Borrowing costs		**(154)**	(65)	**-**	-
Income taxes paid		**(1,961)**	(662)	**(1,221)**	(242)
Net cash inflow/(outflow) from operating activities	37	**9,386**	4,075	**(5,310)**	(946)
Cash flows from investing activities					
Dividends received		**222**	149	**9,096**	991
Proceeds from sale of property, plant and equipment		**1**	10	**-**	-
Payments for property, plant and equipment		**(786)**	(66)	**(518)**	-
Payments for intangible assets – software		**(206)**	-	**-**	-
Payments for intangible assets – other separately identifiable assets		**(3,373)**	(137)	**-**	-
Payments for purchase of controlled entity, net of cash acquired		**-**	(1,368)	**-**	(5,200)
Proceeds of loans from related parties		**-**	1,905	**-**	3,341
Net cash (outflow)/inflow from investing activities		**(4,142)**	493	**8,578**	(868)
Cash flows from financing activities					
Proceeds from issues of shares		**1,203**	93	**1,203**	2,422
Proceeds from borrowings		**-**	1,092	**-**	-
Repayments of borrowings		**(1,388)**	(126)	**-**	-
Dividends paid to company's shareholders		**(4,471)**	(3,200)	**(4,471)**	(608)
Dividends paid to minority interest in subsidiaries		**(92)**	-	**-**	-
Repayments of finance lease		**(8)**	(30)	**-**	-
Net cash (outflow)/inflow from financing activities		**(4,756)**	(2,171)	**(3,268)**	1,814
Net increase in cash and cash equivalents		**488**	2,397	**-**	-
Cash and cash equivalents at the beginning of the financial year		**3,924**	1,527	**-**	-
Cash and cash equivalents at the end of the financial year	8	**4,412**	3,924	**-**	-
Financing arrangements	21				
Non-cash financing and investing activities	38				

The above cash flow statements should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Snowball Group Limited as an individual entity and the consolidated entity consisting of Snowball Group Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Snowball Group Limited is listed on the Australian Stock Exchange. Snowball Group Limited completed the legal acquisition of Western Pacific Financial Group Pty Ltd on 7 February 2007.

Western Pacific Financial Group will be referred to in this report as “WPFG”, the original Snowball prior to that date as “Outlook”, and the combined group as “Snowball Group Limited”.

Under the terms of AASB 3 Business Combinations, WPFG was deemed to be the accounting acquirer in the business combination and this transaction was therefore accounted for as a reverse acquisition under AASB 3. Accordingly, consolidated financial statements of the Snowball Group Limited group of entities are prepared as consolidated financial statements of WPFG. The comparative information from 1 July 2006 to 30 June 2007 presented in the consolidated financial statements is that of WPFG as a stand alone entity for the year plus the contribution from Outlook for the period 7 February 2007 to 30 June 2007. The results for the year ended 30 June 2008 are for the combined group (i.e. Snowball Group Limited).

The implications of the application of AASB 3 on each of the attached financial statements are as follows:
Income Statements:

- The Consolidated Income Statement for the year ended 30 June 2008 comprises 12 months of Snowball Group Limited.
- The Consolidated Income Statement for the year ended 30 June 2007 comprises 12 months of WPFG, and 5 months of Outlook.

Further, in respect of the Earnings Per Share disclosed in the Consolidated Income Statement:

Year ended 30 June 2008:

- The numerator, the net profit after tax, is as reported in the Consolidated Income Statement for the year ended 30 June 2008, comprising 12 months of Snowball Group Limited.
- The denominator, the Weighted Average Number of Ordinary Shares, is the actual number of ordinary shares (and options for the diluted Earnings Per Share calculation) of Snowball Group Limited outstanding during the period, being 149,442,506.

Note 1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Year ended 30 June 2007:

- The numerator, the net profit after tax, is as reported in the Consolidated Income Statement for the year ended 30 June 2007, comprising 12 months of WPFG and 5 months of Outlook.
- The denominator, the Weighted Average Number of Ordinary Shares, is determined as follows:
  - From 1 July 2006 to 7 February 2007: deemed to be the number of ordinary shares issued by Snowball Group Limited to the vendors of WPFG in the reverse acquisition, being 80,067,392.
  - From 7 February 2007 to 30 June 2007: the actual number of ordinary shares (and options for the diluted Earnings Per Share calculation) of Snowball Group Limited outstanding during that period.

Balance Sheets:

- The Consolidated Balance Sheet as at 30 June 2008 represents Snowball Group Limited.
- The Consolidated Balance Sheet as at 30 June 2007 represents Snowball Group Limited.

Statements of Changes in Equity:

- The Consolidated Statement of Changes in Equity for the year ended 30 June 2008 comprises 12 months of Snowball Group Limited.
- The Consolidated Statement of Changes in Equity for the year ended 30 June 2007 comprises:
  - The equity balance of WPFG at the beginning of the year.
  - The profit for the year and transactions with equity holders, being 12 months of WPFG and 5 months of Outlook.
  - The equity balance of WPFG and Outlook at the end of the year.

Cash Flow Statements:

- The Consolidated Cash Flow Statement for the year ended 30 June 2008 comprises 12 months of Snowball Group Limited.
- The Consolidated Cash Flow Statement for the year ended 30 June 2007 comprises:
  - The cash balance of WPFG at the beginning of the year.
  - The transactions for the year, being 12 months of WPFG, and 5 months of Outlook.
  - The cash balance of WPFG and Outlook at the end of the year.

As the reverse acquisition accounting principles outlined above apply only in the Consolidated financials, the Parent Entity financials will continue to represent Snowball Group Limited as a stand-alone entity for the 2008 and 2007 financial years.

Note 1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Snowball Group Limited complies with International Financial Reporting Standards (IFRS).

Historical cost convention
These financial statements have been prepared under the historical cost convention, except for certain assets which, as noted, are at valuation.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(b) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Snowball Group Limited ("company" or "parent entity") as at 30 June 2008 and the results of all subsidiaries for the year then ended. Snowball Group Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(g)).

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Snowball Group Limited.

Note 1. Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

(ii) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 35).

The Group's share of its associates' post acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on or behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Commission and fee revenue
Commission and fee revenue is recognised on an accrual basis to the extent that it is probable that the commission benefit will flow to the group and the revenue can be reliably measured.

Note 1. Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

(ii) Accounting fees
Accounting fees are recognised as revenue when the service has been performed.

(iii) Interest revenue
Interest revenue is recognised on a time proportion basis using the effective interest method, see note 1(k).

(iv) Dividends
Dividends are recognised as revenue when the right to receive payment is established.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

Snowball Group Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Snowball Group Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

Note 1. Summary of significant accounting policies (continued)

(e) Income tax (continued)

In addition to its own current and deferred tax amounts, Snowball Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 7.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(f) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 31). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term.

(g) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(m)(i)). If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Note 1. Summary of significant accounting policies (continued)

(g) Business combinations (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Refer to note 33 for further details of the business combinations effected during the current financial year.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of accounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

Note 1. Summary of significant accounting policies (continued)

(k) Investments and other financial assets

Classification

The Group classifies its financial assets in the following categories: investments in subsidiaries, and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Investment in subsidiaries
The Group determines the classification of its investments at initial recognition, depending on the purpose for which the investments were acquired, and re-evaluates this designation at each reporting date. At this reporting date, the Group has continued to carry investments in subsidiaries at cost less impairment write-downs in the parent entity.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non current assets. Loans and receivables are included in trade and other receivables (note 9) and receivables (note 10) in the balance sheet.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables are carried at amortised cost using effective interest method.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(l) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation on all property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, being between 5 and 15 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Note 1. Summary of significant accounting policies (continued)

(l) Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(m) Intangible assets

(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the Group's investment in each country of operation by each primary reporting segment (note 4).

(ii) Separately identifiable assets arising from business combinations
Separately identifiable assets arising from business combinations, comprising of customer contracts and related customer relationships, have a finite useful life not exceeding thirteen years and are carried at cost less accumulated amortisation and impaired losses. Amortisation is calculated using the straight line method to allocate the cost of separately identifiable assets over their estimated useful lives.

(iii) Other separately identifiable assets
Other separately identifiable assets comprises directly attributable costs incurred to purchase software, or to develop the Group's Green Game and website, which each have a finite useful life and are carried at cost less accumulated amortisation and impaired losses. Amortisation is calculated using the straight line method to allocate the cost over the estimated useful lives, which is generally 2.5 years. Costs which are incurred to maintain or update these assets do not meet the recognition criteria and are recognised as an expense when incurred.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Note 1. Summary of significant accounting policies (continued)

(p) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(q) Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(r) Employee benefits

(i) Wages and salaries, and annual leave
Liabilities for wages and salaries, including non monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Share based payments
Share based compensation benefits are provided to employees via the Snowball Employee Share Option Plan and an employee share scheme. Information relating to these schemes is set out in note 40.

The fair value of options granted under the Snowball Employee Share Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non market vesting conditions (for example, profitability and sales growth targets). Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

Note 1. Summary of significant accounting policies (continued)

(r) Employee benefits (continued)

(iv) Bonus plans
The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

(s) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(t) Dividends

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

(u) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Note 1. Summary of significant accounting policies (continued)

(w) Rounding of amounts

The company is of a kind referred to in Class order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 requires adoption of a "management approach" to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. There will be no impact on the financial report of the Group as the Group already adopts a "management approach" to segment reporting.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group already capitalises borrowing costs relating to qualifying assets.

(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. The Group intends to apply the revised standard from 1 July 2009.

Note 2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Executive Manager – Finance, in conjunction with the Group Executive Business Services, under policies approved by the Board of Directors.

(a) Market risk

The Group earns Financial Planning revenue based on the level of its Funds Under Advice (which varies between platforms and fund managers). This revenue is primarily in the form of commissions and rebates from the fund managers based on the level of the Funds Under Advice. The Funds Under Advice is subject to market risk in that, all other things being equal, the base will increase during periods of market growth, but decrease during periods of market decline.

(b) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that services are performed for customers with an appropriate credit history.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows.

Financing arrangements
The Group and the parent entity had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Variable rate				
- Expiring within one year (bank overdraft)	**350**	350	**-**	-
	350	350	**-**	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Note 2. Financial risk management (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities

The tables below analyse the Group's and the parent entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group – At 30 June 2008	Less than 6 months $'000	6 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-interest bearing	3,848	-	-	-	-	3,848	3,848
Floating variable rate	200	200	400	310	-	1,110	1,110
Total	4,048	200	400	310	-	4,958	4,958

Group – At 30 June 2007	Less than 6 months $'000	6 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-interest bearing	3,590	-	-	-	-	3,590	3,590
Floating variable rate	204	204	400	1,698	-	2,506	2,506
Total	3,794	204	400	1,698	-	6,096	6,096

Parent – At 30 June 2008	Less than 6 months $'000	6 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-interest bearing	-	-	-	-	-	-	-
Floating variable rate	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Parent – At 30 June 2007	Less than 6 months $'000	6 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-interest bearing	128	-	-	-	-	128	128
Floating variable rate	-	-	-	-	-	-	-
Total	128	-	-	-	-	128	128

Note 2. Financial risk management (continued)

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

The Group's main interest-rate risk arises from long-term borrowings. Borrowings issued at floating variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

As at the reporting date, the Group has the following floating variable rate borrowings outstanding:

	30 June 2008		30 June 2007	
	Weighted average interest rate %	**Balance $'000**	Weighted average interest rate %	Balance $'000
Bank overdrafts and bank loans	**8.48**	**1,110**	7.09	2,498
Total exposure to cash flow interest rate risk		**1,110**		2,498

Group sensitivity

For the year ended 30 June 2008, if average interest rates had changed by +/- 10%, assuming all other variables held constant, post-tax profit for the year would have been $12,000 lower/higher (2007 - $1,000 lower/higher).

(e) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example, investments in unlisted subsidiaries) is determined using valuation techniques. The Group uses estimated discounted cash flows to determine fair value for these financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar instruments.

Note 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Note 3. Critical accounting estimates and judgements (continued)

(a) Critical accounting estimates and assumptions (continued)

(i) Estimated impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(h). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of assumptions. Refer to note 15 for details of these assumptions and the potential impact of changes to the assumptions.

Note 4. Segment information

(a) Description of segments

Business segments

The consolidated entity is organised into the following divisions by service type:

- Financial Education and Advice
- Accountancy Services

Geographical segments

The consolidated entity operated only in Australia during the reporting period.

(b) Primary reporting format – business segments

Following the discussion in note 1(a) about the implication of the application of AASB 3 to the preparation of these financial statements, the application of AASB 3 has had the following implications on the segment revenues and results:

- The 2008 Segment revenue and results comprises 12 months of Snowball Group Limited.
- The 2007 Segment revenue and results comprises 12 months of WPFG and 5 months of Outlook.

Note 4. Segment information (continued)

(b) Primary reporting format – business segments (continued)

2008	Financial Education & Advice $'000	Accountancy Services $'000	Unallocated $'000	Consolidated $'000
Segment revenue				
Total segment revenue	**25,491**	**2,710**	**337**	**28,538**
Intersegment elimination				(28)
Consolidated Revenue				**28,510**
Segment result				
Segment result	**14,198**	**495**	**(6,259)**	**8,434**
Profit before income tax				8,434
Income tax expense				(2,525)
Profit for the year				**5,909**
Segment assets and liabilities				
Segment assets	**28,399**	**4,308**	**43,942**	**76,649**
Total assets				**76,649**
Segment liabilities	**12,709**	**3,911**	**2,273**	**18,893**
Total liabilities				**18,893**
Other segment information				
Investments in associates	-	-	2,231	2,231
Share of net profits of associates	-	-	191	191
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	6,814	1,631	593	9,038
Depreciation and amortisation expense	555	72	1,774	2,401
Impairment of trade receivables (note 9)	82	19	-	101

Note 4. Segment information (continued)

(b) Primary reporting format – business segments (continued)

2007	Financial Education & Advice $'000	Accountancy Services $'000	Unallocated $'000	Consolidated $'000
Segment revenue				
Total segment revenue	**15,479**	**948**	**118**	**16,545**
Intersegment elimination				(49)
Consolidated revenue				**16,496**
Segment result				
Segment result	**9,308**	**169**	**(2,683)**	**6,794**
Profit before income tax				6,794
Income tax expense				(2,063)
Profit for the year				**4,731**
Segment assets and liabilities				
Segment assets	**22,439**	**1,999**	**45,133**	**69,571**
Intersegment elimination				(60)
Total assets				**69,511**
Segment liabilities	**8,863**	**1,747**	**5,731**	**16,341**
Intersegment elimination				(60)
Total liabilities				**16,281**
Other segment information				
Investments in associates	-	-	2,262	2,262
Share of net profits of associates	-	-	111	111
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	107	2	119	228
Depreciation and amortisation expense	257	26	587	870
Impairment/(recovery) of trade receivables (note 9)	7	(23)	-	(16)

Note 4. Segment information (continued)

(c) Notes to and forming part of the segment information

(i) Accounting policies
Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and Accounting Standard AASB 114 Segment Reporting.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors, employee benefits and provision for service warranties. Segment assets and liabilities do not include income taxes.

(ii) Inter-segment transfers
Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's-length" basis and are eliminated on consolidation.

(iii) Equity-accounted investments
The Group owns 25% of QTCU Financial Planning Pty Ltd, a financial planning company which is not allocated to either of the business segments. QTCU Financial Planning Pty Ltd is accounted for using the equity method.

Note 5. Revenue

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
From continuing operations				
Sales revenue				
Financial Education & Advice	**25,491**	15,479	**-**	-
Accountancy Services	**2,682**	899	**-**	-
	28,173	16,378	**-**	-
Other revenue				
Interest	**313**	86	**57**	47
Dividends	**-**	-	**9,096**	991
Other	**24**	32	**53**	-
	337	118	**9,206**	1,038
	28,510	16,496	**9,206**	1,038

Note 6. Expenses

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Profit before income tax includes the following specific expenses:				
Rental expense relating to operating leases				
Minimum lease payments	**628**	276	**98**	-
Total rental expense relating to operating leases	**628**	276	**98**	-
Finance Costs				
Interest and finance charges paid/payable	**154**	65	-	-
Finance costs expensed	**154**	65	-	-
Impairment losses/(recoveries)				
Trade receivables	**101**	61	-	-
Reversal of prior impairment of amounts owing from controlled entities	**-**	-	**(1,538)**	(4,379)
Total impairment losses/(recoveries)	**101**	61	**(1,538)**	(4,379)

Note 7. Income tax expense

	Consolidated		Parent Entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
(a) Income tax expense/(revenue)				
Current income tax expense/(revenue)	**3,139**	1,989	**(1,303)**	(147)
Deferred tax expense/(revenue)	**(614)**	74	**(52)**	-
	2,525	2,063	**(1,355)**	(147)
Income tax expense/(revenue) is attributable to:				
Profit from continuing operations	**2,525**	2,063	**(1,355)**	(147)
Aggregate income tax expense/(revenue)	**2,525**	2,063	**(1,355)**	(147)

Note 7. Income tax expense (continued)

	Consolidated		Parent entity	
(b) Numerical reconciliation of income tax expense to prima facie income tax payable	**2008 $'000**	2007 $'000	**2008 $'000**	2007 $'000
Profit from continuing operations before income tax expense	**8,434**	6,794	**6,140**	4,750
Tax at the Australian tax rate of 30% (2007: 30%)	**2,530**	2,038	**1,842**	1,425
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Dividends received from members of tax consolidated group	**-**	-	**(2,662)**	(253)
Employee share options	**40**	52	**23**	-
Reversal of prior impairment of amounts owing from controlled entities	**-**	-	**(463)**	(1,314)
Share of net profit of associates	**(57)**	(33)	**(67)**	-
Other	**12**	6	**(28)**	(12)
	2,525	2,063	**(1,355)**	(154)
Tax effect of timing differences not recognised	**-**	-	**-**	7
Income tax expense/(revenue)	**2,525**	2,063	**(1,355)**	(147)

(c) Tax losses

There are no unused tax losses for which no deferred tax asset has been recognised.

As set out in the 2007 Annual Report, the Snowball Group Limited tax consolidated entity had unused tax losses for which no deferred tax asset had been recognised of $11.256 million at 30 June 2007. The potential tax benefit at 30% was $3.377 million.

Taxation losses can only be carried forward and offset against future assessable income when either the continuity of ownership test or the same business test has been passed. Following a comprehensive review of the Company's tax loss position, including consideration of specialist taxation advice from external consultants, management has formed the view that the Group is no longer able to pass these tests following the legal acquisition of Western Pacific Financial Group Pty Ltd.

Accordingly, the $3.377 million potential tax benefits that existed at 30 June 2007 are no longer available to the Group.

As a result, the Company's Board of Directors endorsed management's recommendation to cancel the Company's current balance of unused tax losses. The Australian Taxation Office was notified of the Group's decision to cancel these losses on 17 June 2008.

Note 7. Income tax expense (continued)

(d) Tax consolidation legislation

Snowball Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation from 1 July 2003. The accounting policy in relation to this legislation is set out in note 1(e).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Snowball Group Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Snowball Group Limited for any current tax payable assumed and are compensated by Snowball Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Snowball Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

Note 8. Current assets – Cash and cash equivalents

	Consolidated		**Parent entity**	
	2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Cash at bank and in hand	**4,362**	3,729	-	-
Term deposits	**50**	195	-	-
	4,412	3,924	-	-

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	**4,412**	3,924	-	-
Balances per statement of cash flows	**4,412**	3,924	-	-

(b) Interest rate risk exposure

The Group's and the parent entity's exposure to interest rate risk is discussed in note 2.

Note 9. Current assets – Trade and other receivables

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Trade receivables	**1,070**	726	**-**	15
Provision for impairment of receivables (note (a))	**(102)**	(80)	**-**	-
	968	646	**-**	15
Work in progress	**540**	386	**-**	-
Provision for non-recovery of work in progress	**(54)**	(39)	**-**	-
	486	347	**-**	-
Loans to other related parties	**575**	-	**575**	-
Accrued income	**3,916**	4,855	**-**	-
Other receivables (note (c))	**361**	92	**68**	-
Prepayments	**295**	62	**17**	49
	6,601	6,002	**660**	64

Further information relating to loans to other related parties is set out in note 32.

(a) Impaired trade receivables

As at 30 June 2008 current trade receivables of the Group with a nominal value of $101,956 (2007 – $79,571) were impaired. The amount of the provision was $101,956 (2007 – $79,571). The individually impaired receivables mainly relate to retail clients, which are in unexpectedly difficult economic situations. There were no impaired trade receivables for the parent in 2008 or 2007.

The ageing of these receivables is as follows:

	Consolidated	
	2008	2007
	$'000	$'000
3 to 4 months	**10**	-
Over 4 months	**92**	80
	102	80

Movements in the provision for impairment of receivables are as follows:

At 1 July	**80**	-
Provision for impairment recognised during the year	**101**	61
Receivables written off during the year as uncollectible	**-**	(5)
Unused amount reversed	**(79)**	24
	102	80

Note 9. Current assets – Trade and other receivables (continued)

(a) Impaired trade receivables (continued)

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As of 30 June 2008, trade receivables of $251,562 (2007 – $242,568) were past due but not impaired. These relate to a number of independent clients for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated		**Parent entity**	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
1 to 3 months	**76**	102	**-**	-
Over 3 months	**175**	140	**-**	-
	251	242	**-**	-

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group.

(d) Interest rate risk

Information about the Group's and parent entity's exposure to interest rate risk in relation to trade and other receivables is provided in note 2.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

There is no significant concentration of credit risk, as the Group has a large number of clients. Refer to note 2 for more information on the risk management policy of the Group.

Note 10. Non-current assets - Receivables

	Consolidated		**Parent entity**	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Loans to subsidiaries	**-**	-	**15,417**	9,098
Provision for impairment of receivables*	**-**	-	**(1,057)**	(2,594)
Loans to other related parties	**-**	518	**-**	518
	-	518	**14,360**	7,022

** The movement in the provision has been recorded to adjust the carrying value of the receivables to their recoverable amount.*

Further information relating to loans to subsidiaries and other related parties is set out in note 32.

(a) Impaired receivables and receivables past due

None of the non-current receivables are impaired or past due but not impaired.

(b) Fair values

The fair values and carrying values of non-current receivables are as follows:

	2008		2007	
Group	**Carrying amount $'000**	**Fair value $'000**	Carrying amount $'000	Fair value $'000
Loans to other related parties	**-**	**-**	518	518
	-	**-**	518	518
Parent entity				
Loans to subsidiaries	**15,417**	**15,417**	9,098	9,098
Provision for impairment of receivables	**(1,057)**	**(1,057)**	(2,594)	(2,594)
Loans to other related parties	**-**	**-**	518	518
	14,360	**14,360**	7,022	7,022

The fair value of non-current receivables equals their carrying amount as the impact of discounting is not considered significant.

(c) Risk exposure

Information about the Group's and the parent entity's exposure to credit risk and interest rate risk is provided in note 2.

Note 11. Non-current assets – Investments accounted for using the equity method

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Shares in associates (note 35)	**2,231**	2,262	-	-
	2,231	2,262	-	-

(a) Shares in associates

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the parent entity (refer to note 12).

Note 12. Non-current assets – Other financial assets

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Shares in subsidiaries (note 34) *	-	-	**87,091**	87,079
Provision for diminution in value **	-	-	**(19,401)**	(19,401)
Shares in associates (note 35) *	-	-	**1,222**	1,222
	-	-	**68,912**	68,900

** These financial assets are carried at cost.*

*** The provision has been recorded to adjust the carrying value of the investment to recoverable amount.*

Note 13. Non-current assets – Property, plant and equipment

Consolidated	Furniture and fittings $'000	Office equipment $'000	**Total $'000**
At 1 July 2006			
Cost	350	311	**661**
Accumulated depreciation	(102)	(91)	**(193)**
Net book amount	248	220	**468**
Year ended 30 June 2007			
Opening net book amount	248	220	**468**
Acquisition of subsidiary – at cost	745	1,203	**1,948**
Acquisition of subsidiary – accumulated depreciation	(411)	(978)	**(1,389)**
Additions	-	49	**49**
Depreciation charge	(91)	(109)	**(200)**
Closing net book amount	491	385	**876**
At 30 June 2007			
Cost	1,095	1,563	**2,658**
Accumulated depreciation	(604)	(1,178)	**(1,782)**
Net book amount	491	385	**876**
Year ended 30 June 2008			
Opening net book amount	491	385	**876**
Additions	569	260	**829**
Disposals	(47)	(1)	**(48)**
Depreciation charge	(73)	(266)	**(339)**
Closing net book amount	940	378	**1,318**
At 30 June 2008			
Cost	1,561	1,810	**3,371**
Accumulated depreciation	(621)	(1,432)	**(2,053)**
Net book amount	940	378	**1,318**

Note 13. Non-current assets – Property, plant and equipment (continued)

Parent	Furniture and fittings	Office equipment	**Total**
	$'000	$'000	**$'000**
At 30 June 2007			
Cost	-	-	-
Accumulated depreciation	-	-	-
Net book amount	-	-	-
Year ended 30 June 2008			
Opening net book amount	-	-	-
Additions	419	101	**520**
Depreciation charge	(17)	(21)	**(38)**
Closing net book amount	402	80	**482**
At 30 June 2008			
Cost	419	101	**520**
Accumulated depreciation	(17)	(21)	**(38)**
Net book amount	402	80	**482**

(a) Leased assets

Furniture and fittings includes the following amounts where the Group is a lessee under a finance lease:

	Consolidated		**Parent Entity**	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Leased plant and equipment				
Cost	**86**	86	-	-
Accumulated depreciation	**(86)**	(80)	-	-
Net book amount	-	6	-	-

Note 14. Non-current assets – Deferred tax assets

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
The balance comprises temporary differences attributable to:				
Employee benefits	**-**	-	**50**	-
Accrued expenses	**-**	-	**7**	-
Total deferred tax assets	**-**	-	**57**	-
Set-off of deferred tax liabilities pursuant to set-off provisions:				
Prepayments	**-**	-	**(5)**	-
Net deferred tax assets	**-**	-	**52**	-

Note 15. Non-current assets – Intangible assets

Consolidated	**Good-will** $'000	**Brand names and other rights** $'000	**Software and website** $'000	**Client contracts and related client relationships** $'000	**Total** **$'000**
At 1 July 2006					
Cost	-	-	-	-	**-**
Accumulated amortisation and impairment	-	-	-	-	**-**
Net book amount	-	-	-	-	**-**
Year ended 30 June 2007					
Opening net book amount	-	-	-	-	**-**
Additions – acquisition	-	-	147	32	**179**
Acquisition of subsidiary	33,238	1,020	129	22,033	**56,420**
Amortisation charge	-	(151)	(47)	(472)	**(670)**
Closing net book amount	33,238	869	229	21,593	**55,929**
At 30 June 2007					
Cost	33,238	1,020	2,560	22,065	**58,883**
Accumulated amortisation and impairment	-	(151)	(2,331)	(472)	**(2,954)**
Net book amount	33,238	869	229	21,593	**55,929**
Year ended 30 June 2008					
Opening net book amount	33,238	869	229	21,593	**55,929**
Additions – acquisition	5,550	403	206	2,061	**8,220**
Amortisation charge	-	(93)	(144)	(1,825)	**(2,062)**
Closing net book amount	38,788	1,179	291	21,829	**62,087**
At 30 June 2008					
Cost	38,788	1,424	2,766	24,126	**67,104**
Accumulated amortisation and impairment	-	(245)	(2,475)	(2,297)	**(5,017)**
Net book amount	38,788	1,179	291	21,829	**62,087**

Note 15. Non-current assets – Intangible assets (continued)

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A segment-level summary of the goodwill allocation is presented below.

	2008 **$'000**	2007 $'000
Financial education & advice – Western Pacific Financial Group sub-unit	**18,469**	16,442
Financial education & advice – Outlook Financial Solutions sub-unit	**18,205**	15,600
Accountancy services	**2,114**	1,196
	38,788	33,238

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

(b) Key assumptions used for value-in-use calculations

	Revenue growth*		Expense growth*		Discount rate **	
	2008 **%**	2007 %	**2008** **%**	2007 %	**2008** **%**	2007 %
Financial education & advice	**7.5**	10.0	**3.1**	6.0	**16.5**	19.0
Accountancy services	**6.0**	7.5	**3.1**	5.0	**16.5**	19.0

** These growth rates were assumed for subsequent years in order to extrapolate cash flows beyond the budget period.*
***In performing the value-in-use calculations for each CGU, which covered a five year period with terminal values, the Group has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The equivalent pre-tax discount rates are disclosed above.*

The value-in-use calculations concluded that the recoverable amount of the goodwill for each CGU exceeds the carrying amount of goodwill.

(c) Impact of possible changes in key assumptions

Given the reasonable basis on which the value-in-use calculations for each CGU were prepared, management does not consider a change in any of the key assumptions to be likely.

(d) Impairment charge

There was no impairment in the carrying amount of goodwill for any of the CGUs in both the 2007 and 2008 financial years.

Note 16. Current liabilities – Trade and other payables

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Trade payables	**439**	498	-	-
Other payables	**736**	265	-	16
Accrued expenses	**2,673**	2,827	-	112
	3,848	3,590	-	128

Note 17. Current liabilities – Borrowings

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Secured				
Bills payable	**400**	575	-	-
Lease liabilities (note 31)	**-**	8	-	-
Total secured current borrowings	**400**	583	-	-
Total current borrowings	**400**	583	-	-

(a) Security and fair value disclosures

Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in note 21.

(b) Risk exposures

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 2.

Note 18. Current liabilities – Provisions

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Employee benefits – annual leave	**605**	555	-	-
Employee benefits – long service leave	**365**	374	-	-
	970	929	-	-

Note 19. Current liabilities – Provision for deferred consideration

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Deferred consideration – acquisition of other separately identifiable intangible assets	**2,279**	-	-	-
Deferred consideration – acquisition of net tangible assets	**100**			
	2,379	-	-	-

Note 20. Non-current liabilities – Trade and other payables

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Loans from related parties	**-**	-	**1,166**	438
	-	-	**1,166**	438

Further information relating to loans from subsidiaries and other related parties is set out in note 32.

Note 21. Non-current liabilities – Borrowings

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Secured				
Bills payable	**710**	1,923	-	-
Total secured non-current borrowings	**710**	1,923	-	-

(a) Secured liabilities and assets pledged as security

The total secured liabilities (current and non-current) are as follows:

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Bills payable	**1,110**	2,498	-	-
Lease liabilities (note 31)	**-**	8	-	-
Total secured liabilities	**1,110**	2,506	-	-

Note 21. Non-current liabilities – Borrowings (continued)

(a) Secured liabilities and assets pledged as security (continued)

The bills payable of the Group are secured by:

(i) a first registered fixed and floating charge over all the assets and undertakings of the Group*;

(ii) unlimited guarantee and indemnity given by all members of the Group*;

(iii) a registered equitable mortgage over encumbered assets of the Group*; and

(iv) a negative pledge over all assets of the Group*.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Consolidated *		**Parent entity**	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Current				
Fixed and floating charge				
Cash and cash equivalents	**4,289**	3,388	**-**	-
Receivables	**4,652**	3,988	**660**	64
Total current assets pledged as security	**8,941**	7,376	**660**	64
Non-current				
Fixed and floating charge				
Receivables	**-**	518	**14,360**	7,022
Investments accounted for using the equity method	**2,231**	2,262	**-**	-
Other financial assets	**-**	-	**68,912**	68,900
Property, plant and equipment	**1,028**	532	**482**	-
Intangible assets	**59,405**	55,881	**-**	-
Total non-current assets pledged as security	**62,664**	59,193	**83,754**	75,922
Total assets pledged as security	**71,605**	66,569	**84,414**	75,986

** Snowball Group Limited completed the legal acquisition of Western Pacific Financial Group Pty Ltd on 7 February 2007. As at the date of this financial report, Western Pacific Financial Group Pty Ltd is not party to the above and its assets are excluded from those pledged as security.*

Note 21. Non-current liabilities – Borrowings (continued)

(b) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	Consolidated		Parent entity	
	2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Credit standby arrangements				
Total facilities				
Temporary bank overdraft facility	**350**	350	-	-
	350	350	-	-
Used at balance date				
Temporary bank overdraft facility	-	-	-	-
	-	-	-	-
Unused at balance date				
Temporary bank overdraft facility	**350**	350	-	-
	350	350	-	-
Bill acceptance facilities				
Total facilities	**1,110**	2,498	-	-
Used at balance date	**1,110**	2,498	-	-
Unused at balance date	-	-	-	-

The bank loan facilities are subject to periodic reviews and compliance certificates, and the continuance of satisfactory credit ratings.

Restricted access was available at balance date to a $3,750,000 acquisition facility, which has not been drawn down to date. Various conditions must be met by the Group should it request a draw down on this facility.

Subsequent to 30 June 2008, the Group has negotiated a new $10 million facility to replace the current facility existing at reporting date. Various conditions must be met by the Group should it request a draw down on this facility.

Note 21. Non-current liabilities – Borrowings (continued)

(c) Fair value

The carrying amounts and fair values of borrowings at balance date are:

Group	**2008 Carrying amount $'000**	**2008 Fair value $'000**	2007 Carrying amount $'000	2007 Fair value $'000
On-balance sheet (i)				
Non-traded financial liabilities				
Bills payable	**1,110**	**1,110**	2,498	2,498
Lease liabilities	**-**	**-**	8	8
	1,110	**1,110**	2,506	2,506

(i) On-balance sheet

The fair value of borrowings is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for liabilities with similar risk profiles.

(d) Risk exposures

Information about the Group's and parent entity's exposure to interest rate changes is provided in note 2.

Note 22. Non-current liabilities – Deferred tax liabilities

	Consolidated		**Parent entity**	
	2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Intangible assets	**6,904**	6,729	-	-
Accrued income	**1,193**	1,714	-	-
Work in progress	**146**	104	-	-
Prepayments	**88**	20	-	-
Other	**-**	9	-	-
Total deferred tax liabilities	**8,331**	8,576	-	-
Set-off of deferred tax assets pursuant to set-off provisions:				
Accrued expenses	**(404)**	(787)	-	-
Employee entitlements	**(330)**	(293)	-	-
Provision for doubtful debts	**(31)**	(24)	-	-
Net deferred tax liabilities	**7,566**	7,472	-	-

Note 22. Non-current liabilities – Deferred tax liabilities (continued)

Movements – Consolidated	**Intangible assets $'000**	**Accrued income $'000**	**Work in progress $'000**	**Other $'000**	**Total $'000**
At 1 July 2006	-	-	-	-	-
Charged/(credited) to the income statement	-	1,714	104	29	1,847
Acquisition of a subsidiary	6,729	-	-	-	6,729
At 30 June 2007	6,729	1,714	104	29	8,576
Charged/(credited) to the income statement	-	(521)	42	59	(420)
Acquisition of a business	175	-	-	-	175
At 30 June 2008	6,904	1,193	146	88	8,331

Note 23. Non-current liabilities – Provisions

	Consolidated		**Parent entity**	
	2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Employee benefits – long service leave	**129**	79	-	-
	129	79	-	-

Note 24. Contributed equity

(a) Parent entity

	Parent entity		**Parent entity**	
	2008 Shares	2007 Shares	**2008 $'000**	2007 $'000
(i) Share capital				
Ordinary shares				
Fully paid	**152,311,391**	144,985,960	**107,457**	104,146

Note 24. Contributed equity (continued)

(a) Parent entity (continued)

(ii) Movements in ordinary share capital

Date	Details	Notes	Number of shares	Issue Price	$'000
1 July 2006	Opening balance		60,295,855		39,271
7 August 2006	Exercise of options	(e)	54,534	$0.20	11
14 August 2006	Exercise of options	(e)	41,580	$0.20	8
6 October 2006	Ordinary share placement	(c)	365,399	$0.57	209
15 January 2007	Exercise of options	(e)	23,100	$0.20	5
30 January 2007	Ordinary share placement	(c)	3,500,000	$0.60	2,100
7 February 2007	Ordinary share placement	(c)	80,067,392	$0.78	62,453
13 February 2007	Exercise of options	(e)	165,000	$0.40	66
4 May 2007	Exercise of options	(e)	23,100	$0.20	5
4 May 2007	Exercise of options	(e)	50,000	$0.40	20
29 June 2007	Exercise of options	(e)	400,000	$0.20	80
					104,228
	Less: 2007 Transaction costs				(82)
30 June 2007	Balance		144,985,960		104,146
31 July 2007	Exercise of options	(e)	69,300	$0.20	14
10 August 2007	Exercise of options	(e)	50,000	$0.40	20
10 August 2007	Exercise of options	(e)	69,300	$0.20	14
10 August 2007	Exercise of options	(e)	369,600	$0.20	74
5 September 2007	Exercise of options	(e)	545,160	$0.20	109
5 September 2007	Exercise of options	(e)	625,000	$0.40	250
5 September 2007	Exercise of options	(e)	540,540	$0.20	108
5 September 2007	Exercise of options	(e)	625,000	$0.40	250
14 September 2007	Exercise of options	(e)	75,860	$0.20	15
14 September 2007	Exercise of options	(e)	475,000	$0.40	190
20 September 2007	Exercise of options	(e)	50,000	$0.40	20
26 September 2007	Ordinary share placement	(c)	325,276	$0.81	263
10 January 2008	Exercise of options	(e)	69,300	$0.20	14
21 January 2008	Exercise of options	(e)	184,800	$0.20	37
17 March 2008	Exercise of options	(e)	69,300	$0.20	14
17 March 2008	Exercise of options	(e)	365,000	$0.20	73
19 March 2008	Exercise of options	(e)	69,300	$0.20	14
1 May 2008	Ordinary share placement	(c)	2,747,695	$0.60	1,648
					107,273
	Less: 2008 Transaction costs				(11)
	Add: Movement in reserves for shares issued upon exercise of options under the Snowball Group Limited Employee Share Option Plan				195
30 June 2008	Balance		152,311,391		107,457

Note 24. Contributed equity (continued)

(b) Consolidated

As explained in note 1(a), consolidated financial statements of the Snowball Group Limited group of entities are prepared as consolidated financial statements of WPFG. The comparative information from 1 July 2006 to 30 June 2007 presented in the consolidated financial statements is that of WPFG as a stand alone entity for the year plus the contribution from Outlook for the period 7 February 2007 to 30 June 2007. The results for the year ended 30 June 2008 are for the combined Group (ie. Snowball Group Limited). See a reconciliation below of the consolidated contributed equity for the 2007 and 2008 financial years.

	Notes	**Consolidated** **2008 Shares**	Consolidated 2007 Shares	**Consolidated** **2008 $'000**	Consolidated 2007 $'000
(i) Share capital					
Ordinary shares	(b), (c)				
Fully paid		**152,311,391**	144,985,960	**56,180**	52,869

(ii) Movements in ordinary share capital

Date	**Details**	Notes	**Number of shares**	**Issue Price**	**$'000**
1 July 2006	Opening balance		305,000		193
7 February 2007	Elimination of existing WPFG shares on acquisition		(305,000)		-
7 February 2007	Existing Snowball Group Limited shares on acquisition of WPFG		64,280,468		-
7 February 2007	Issue of Snowball Group Limited shares on acquisition of WPFG		80,067,392		53,244
13 February 2007	Exercise of options	(e)	165,000	$0.40	66
4 May 2007	Exercise of options	(e)	23,100	$0.20	5
4 May 2007	Exercise of options	(e)	50,000	$0.40	20
29 June 2007	Exercise of options	(e)	400,000	$0.20	80
					53,608
	Less: 2007 Transaction costs				(77)
30 June 2007	Balance		144,985,960		53,531

Note 24. Contributed equity (continued)

(b) Consolidated (continued)

(ii) Movements in ordinary share capital (continued)

Date	Details	Notes	Number of shares	Issue Price	$'000
31 July 2007	Exercise of options	(e)	69,300	$0.20	14
10 August 2007	Exercise of options	(e)	50,000	$0.40	20
10 August 2007	Exercise of options	(e)	69,300	$0.20	14
10 August 2007	Exercise of options	(e)	369,600	$0.20	74
5 September 2007	Exercise of options	(e)	545,160	$0.20	109
5 September 2007	Exercise of options	(e)	625,000	$0.40	250
5 September 2007	Exercise of options	(e)	540,540	$0.20	108
5 September 2007	Exercise of options	(e)	625,000	$0.40	250
14 September 2007	Exercise of options	(e)	75,860	$0.20	15
14 September 2007	Exercise of options	(e)	475,000	$0.40	190
20 September 2007	Exercise of options	(e)	50,000	$0.40	20
26 September 2007	Ordinary share placement	(c)	325,276	$0.81	263
10 January 2008	Exercise of options	(e)	69,300	$0.20	14
21 January 2008	Exercise of options	(e)	184,800	$0.20	37
17 March 2008	Exercise of options	(e)	69,300	$0.20	14
17 March 2008	Exercise of options	(e)	365,000	$0.20	73
19 March 2008	Exercise of options	(e)	69,300	$0.20	14
1 May 2008	Ordinary share placement	(c)	2,747,695	$0.60	1,648
					56,658
	Less: 2008 Transaction costs				(11)
	Add: Movement in reserves for shares issued upon exercise of options under the Snowball Group Limited Employee Share Option Plan				195
30 June 2008	Balance		152,311,391		56,842

The consolidated share capital is attributable to:	2008 $'000	2007 $'000
Parent entity interest in share capital	**56,180**	52,869
Minority interest in share capital (refer to note 26)	**662**	662
Consolidated share capital	**56,842**	53,531

Note 24. Contributed equity (continued)

(c) Ordinary shares

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

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

(d) Employee share scheme

Information relating to the Snowball Group Limited Employee Share Plan, including details of shares issued under the scheme, is set out in note 40.

(e) Options

Information relating to the Snowball Group Limited Employee Share Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 40.

(f) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with others in the industry, the Group and the parent entity monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet (including minority interest) plus net debt.

The gearing ratios at 30 June 2008 and 30 June 2007 were as follows:

		Consolidated		Parent entity	
		2008	2007	**2008**	2007
	Notes	**$'000**	$'000	**$'000**	$'000
Total borrowings	17, 21	**1,110**	2,506	**-**	-
Less: cash and cash equivalents	8	**(4,412)**	(3,924)	**-**	-
Net debt		**(3,302)**	(1,418)	**-**	-
Total equity		**57,756**	53,230	**79,847**	73,641
Total capital		**54,454**	51,812	**79,847**	73,641
Gearing ratio		**(6%)**	(3%)	**-**	-

Note 25. Reserves and retained profits

(a) Reserves

		Consolidated		Parent entity	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
Business combination reserve	(i)	**(5,225)**	(5,225)	**-**	-
Deferred consideration reserve	(ii)	**527**	791	**527**	791
Share-based payments reserve	(iii)	**309**	177	**517**	382
		(4,389)	(4,257)	**1,044**	1,173

Movements:

	Consolidated 2008	Consolidated 2007	Parent entity 2008	Parent entity 2007
(i) Business combination reserve				
Balance 1 July	**(5,225)**	-	**-**	-
Reverse acquisition equity movement	**-**	(5,225)	**-**	-
Balance 30 June	**(5,225)**	(5,225)	**-**	-
(ii) Deferred consideration reserve				
Balance 1 July	**791**	-	**791**	832
Additional deferred consideration recognised for acquisition of a business	**-**	791	**-**	168
Issuance of shares	**(264)**	-	**(264)**	(209)
Balance 30 June	**527**	791	**527**	791
(iii) Share-based payments reserve				
Balance 1 July	**177**	-	**382**	141
Employee share options expense	**327**	177	**330**	241
Movement in reserves for shares issued upon exercise of options under the Snowball Group Limited Employee Share Option Plan	**(195)**	-	**(195)**	-
Balance 30 June	**309**	177	**517**	382

(b) Retained profits

Movements in retained profits were as follows:

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Balance 1 July	**3,940**	2,425	**(31,678)**	(35,967)
Net profit attributable to members of Snowball Group Limited	**5,823**	4,715	**7,495**	4,897
Dividends	**(4,471)**	(3,200)	**(4,471)**	(608)
Balance 30 June	**5,292**	3,940	**(28,654)**	(31,678)

Note 25. Reserves and retained profits (continued)

(c) Nature and purpose of reserves

(i) Business combination reserve

The business combination reserve is made up of:

1.1 The cash paid out of the consolidated group by the accounting acquiree, Snowball Group Limited, to the ultimate parent, Officium Group Pty Ltd (formerly Western Pacific Group Holdings Pty Ltd), as part-consideration for the acquisition of Western Pacific Financial Group Pty Ltd; and

1.2 Costs incidental to this acquisition.

(ii) Deferred consideration reserve

This reserve recognises the deferred consideration to be paid for business acquisitions, to be settled in Snowball Group Limited shares. For further information, refer to note 1(g).

(iii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued but not exercised.

Note 26. Minority interest

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Interest in:				
Share capital	662	662	-	-
Retained profits	11	16	-	-
	673	678	-	-

Note 27. Dividends

(a) Ordinary shares`

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Final dividend for the six months ended 31 December 2006 of $10.49 per share				
Fully franked based on tax paid @ 30% - $10.49 per share	-	3,200	-	-
Final dividend for the year ended 30 June 2007 of 2 cents (2006 – 1 cent) per fully paid share paid on 22 October 2007 (2006 – 6 October 2006)				
Fully franked based on tax paid @ 30% - 2 cents (2006 – 1 cent) per share	**2,976**	-	**2,976**	608
Interim dividend for the year ended 30 June 2008 of 1 cent per fully paid share paid on 23 April 2008				
Fully franked based on tax paid @ 30% - 1 cent per share	**1,495**	-	**1,495**	-
	4,471	3,200	**4,471**	608

As explained in note 1(a) to the Financial Statements, consolidated financial statements of the Snowball Group Limited group of entities are prepared as consolidated financial statements of WPFG**.** The comparative information from 1 July 2006 to 30 June 2007 presented in the consolidated financial statements is that of WPFG as a stand alone entity for the year plus the contribution from Outlook for the period **7** February 2007 to 30 June 2007. The results for the year ended 30 June 2008 are for the combined Group (i.e. Snowball Group Limited).

As disclosed in the Statement of Changes in Equity on page 59, the consolidated group paid a dividend of $4,471,756 in the 2008 financial year. A dividend of $3,200,000 was paid in the 2007 financial year (prior to 7 February 2007), representing the dividend paid by WPFG to its then shareholders.

(b) Dividends not recognised at year end

	Parent entity	
	2008	2007
	$'000	$'000
In addition to the above dividends, since the end of the financial year the directors have recommended the payment of a final dividend of 2.5 cents per fully paid ordinary share, (2007 – 2 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 20 October 2008 out of current year profits for 30 June 2008, but not recognised as a liability at year end, is	**3,808**	2,976

Note 27. Dividends (continued)

(c) Franked dividends

The franked portions of the final dividends recommended after 30 June 2008 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in respect of the year ending 30 June 2008.

	Parent entity	
	2008	2007
	$’000	$’000
Franking credits available for subsequent financial years based on a tax rate of 30% (2007: 30%)	**3,739**	2,367
	3,739	2,367

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $1,631,908 (2007: $1,275,480).

Note 28. Key management personnel disclosures

(a) Directors

The following persons were directors of Snowball Group Limited during the financial year:

(i) Chairman – non-executive	A J Brown (until 9 October 2007)
	Q B Jones (from 9 October 2007)
(ii) Executive directors	A B McDonald, Managing Director
	M N Campbell, Senior Financial Planner
(iii) Non-executive directors	R Dhawan
	D Guy
	Q B Jones (until 9 October 2007)

Note 28. Key management personnel disclosures (continued)

(b) Other key management personnel

As explained in note 1(a) to the Financial Statements, AASB 3 requires that consolidated financial statements prepared following a reverse acquisition shall be issued under the name of the legal parent (i.e. Snowball Group Limited), but be a continuation of the financial statements of the legal subsidiary (i.e. Western Pacific Financial Group Pty Ltd (WPFG) - the acquirer for accounting purposes).

Directors

The remuneration of directors disclosed is in respect of directors of Snowball Group Limited, the parent entity of the Group.

As the application of AASB 3 as set out in note 1(a) to the Financial Statements only applies to the consolidated financial statements, the application of AASB 3 has no impact on the director remuneration disclosures. The disclosures therefore represent the remuneration of the directors of Snowball Group Limited for the 2008 financial year and comparative 2007 financial year.

Key Management Personnel

The implications of the application of AASB 3 on the Key Management Personnel disclosures are as follows:

- The 2008 disclosures represent 12 months of Snowball Group Limited.
- The 2007 disclosures represent 5 months of the combined WPFG and Outlook (from February 2007 to June 2007) and 7 months of WPFG (from July 2006 to January 2007).

In respect of the period July 2007 to June 2008, the following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly:

Name	Position	Employer
C Scarcella	Chief Operating Officer	Snowball Capital Pty Limited
S Quirk	Group Executive – Business Services	Snowball Capital Pty Limited
N Collett	Group Executive – Sales	Snowball Capital Pty Limited
D Raits	Senior Financial Planner	Snowball Capital Pty Limited
L Rodda	Senior Financial Planner	Snowball Capital Pty Limited

In respect of the period February to June 2007 i.e. 5 months of the combined WPFG and Outlook, the following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly:

Name	Position	Employer
C Scarcella	Chief Operating Officer	Snowball Capital Pty Limited
S Quirk	Group Executive – Business Services*	Snowball Capital Pty Limited
N Collett	Group Executive – Sales	Snowball Capital Pty Limited
S Forrest	General Counsel	Snowball Capital Pty Limited
K Wilson	Executive Manager – Dealer Services	Snowball Capital Pty Limited
R Ellis	Executive Manager – Accounting and Financial Compliance	Snowball Capital Pty Limited

** S Quirk was admitted to the executive team during May 2007 when he commenced employment with the Group.*

Note 28. Key management personnel disclosures (continued)

(b) Other key management personnel (continued)

In respect of the period July 2006 to January 2007 i.e. 7 months of WPFG, the following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly:

Name	**Position**	**Employer**
D Guy	Executive Chairman	Officium Group Pty Ltd *
J Nunan	Chief Operating Officer to October 2006, Chief Executive Officer thereafter	Officium Group Pty Ltd *
G Pritchard	Chief Executive Officer until cessation of employment in October 2006	Officium Group Pty Ltd *
N Adams	Financial Controller	Officium Group Pty Ltd *

** Officium Group Pty Ltd was formerly Western Pacific Group Holdings Pty Ltd. Officium Group Pty Ltd was the parent entity of WPFG until 7 February 2007. Officium Group Pty Ltd is now the ultimate parent entity of Snowball Group Limited.*

(c) Key management personnel compensation

	Consolidated		**Parent entity**	
	2008	2007	**2008**	2007
	$	$	**$**	$
Short-term employee benefits	2,338,059	1,595,359	-	-
Post-employment benefits	91,903	966,357	-	-
Long-term benefits	27,359	3,656	-	-
Share-based payments	281,918	128,744	-	-
	2,739,239	2,694,116	-	-

Detailed remuneration disclosures are provided in sections A-C of the remuneration report on pages 27 to 34.

(d) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in section D of the remuneration report on report on pages 35 to 39.

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Snowball Group Limited and the key management personnel of the Group identified on pages 107 and 108, including their personally related parties, are set out below:

Note 28. Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel (continued)

(ii) Option holdings (continued)

2008 Name	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Snowball Group Limited							
Q Jones	-	-	-	-	-	-	-
A McDonald	2,670,160	-	(1,170,160)	-	1,500,000	300,000	1,200,000
M Campbell	550,860	-	(550,860)	-	-	-	-
R Dhawan	-	-	-	-	-	-	-
D Guy	-	-	-	-	-	-	-
A Brown (to 9/10/07)	-	-	-	-	-	-	-
Other key management personnel of the Group							
C Scarcella *	2,665,540	-	(1,165,540)	-	1,500,000	300,000	1,200,000
S Quirk *	500,000	-	-	-	500,000	100,000	400,000
N Collett *	500,000	-	-	-	500,000	100,000	400,000
D Raits *	852,760	-	(365,000)	-	487,760	487,760	-
L Rodda *	719,600	-	(369,600)	-	350,000	350,000	-

** As set out on page 107, this employee has been identified as a key management person of the consolidated group from 1 July 2007 to 30 June 2008.*

2007 Name	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Snowball Group Limited							
A Brown	-	-	-	-	-	-	-
A McDonald	1,170,160	1,500,000	-	-	2,670,160	1,170,160	1,500,000
M Campbell	950,860	-	(400,000)	-	550,860	550,860	-
R Dhawan	-	-	-	-	-	-	-
D Guy (from 7/02/07)	-	-	-	-	-	-	-
Q Jones	-	-	-	-	-	-	-
Other key management personnel of the Group							
C Scarcella *	1,165,540	1,500,000	-	-	2,665,540	1,165,540	1,500,000
S Quirk *	-	500,000	-	-	500,000	-	500,000
N Collett *	-	500,000	-	-	500,000	-	500,000
S Forrest *	-	-	-	-	-	-	-
K Wilson *	154,233	-	-	(8,033)	146,200	146,200	-
R Ellis *	100,000	-	-	-	100,000	100,000	-
D Guy **	-	-	-	-	-	-	-
J Nunan **	-	-	-	-	-	-	-
G Pritchard **	-	-	-	-	-	-	-
N Adams **	-	-	-	-	-	-	-

Note 28. Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel (continued)

(ii) Option holdings (continued)

** As set out on page 107, this employee has been identified as a key management person of the consolidated group from 7 February to 30 June 2007.*

*** As set out on page 108, this employee has been identified as a key management person of the consolidated group from 1 July 2006 to 6 February 2007. These persons were employed by Officium Group Pty Ltd, formerly Western Pacific Group Holdings Pty Ltd, which was the parent entity of WPFG until 7 February 2007. The amounts disclosed represent the amount incurred by WPFG, based on the approximate percentage of time spent by that employee on that entity.*

(iii) Share holdings

The numbers of ordinary shares in the Company held during the financial year by each director of Snowball Group Limited and the key management personnel of the Group identified on pages 107 and 108, including their personally related parties, are set out below.

2008 Name	Balance at the start of the year	Granted during year as remuneration	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Snowball Group Limited					
Q Jones [1]	-	-	-	-	-
A McDonald	865,712	-	1,170,160	8,000	2,043,872
M Campbell	1,658,653	-	550,860	21,570	2,231,083
R Dhawan [1]	-	-	-	-	-
D Guy (from 7/02/07) [2]	-	-	-	-	-
A Brown (to 9/10/07)	-	-	-	-	-
Other key management personnel of the Group					
C Scarcella *	644,000	-	1,165,540	4,500	1,814,040
S Quirk *	-	-	-	-	-
N Collett *	-	-	-	-	-
D Raits *	722,782	-	365,000	-	1,087,782
L Rodda *	679,000	-	369,600	-	1,048,600

** As set out on page 107, this employee has been identified as a key management person of the consolidated group from 1 July 2007 to 30 June 2008.*

1 Mr Dhawan and Mr Jones are directors of Equity Partners Two Pty Ltd (EP2), the registered holder of 8,228,125 shares in Snowball Group Limited at 30 June 2008. EP2 holds those shares on trust for a number of institutional investors, being the investors in the Equity Partners 2 Fund. Mr Dhawan and Mr Jones are also directors of Equity Partners Management Pty Limited (EPM), the registered holder of 30,488 ordinary shares in the Snowball Group Limited at 30 June 2008 and, as at the date of this report, entities associated with each of them own 50% of EPM. EPM may potentially benefit from a profit share arrangement with EP2 in relation to the ultimate sale of the shares in Snowball Group Limited held by EP2.

2 Mr Guy is the Executive Chairman of Officium Group Pty Ltd, and owns 16.9% of that company's shares at 30 June 2008. Officium Group Pty Ltd, and its wholly owned subsidiaries, hold 94,577,384 shares in Snowball Group Limited at 30 June 2008.

Note 28. Key management personnel disclosures (continued)

(d) Equity instrument disclosures relating to key management personnel (continued)

(iii) Share holdings (continued)

2007 Name	Balance at the start of the year	Granted during year as remuneration	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Snowball Group Limited					
A Brown [1]	-	-	-	-	-
A McDonald	865,712	-	-	-	865,712
M Campbell	1,258,653	-	400,000	-	1,658,653
R Dhawan [2]	-	-	-	-	-
D Guy (from 7/02/07) [3]	-	-	-	-	-
Q Jones [2]	-	-	-	-	-
Other key management personnel of the Group					
C Scarcella *	644,000	-	-	-	644,000
S Quirk *	-	-	-	-	-
N Collett *	-	-	-	-	-
S Forrest *	-	-	-	-	-
K Wilson *	1,000	-	-	-	1,000
R Ellis *	-	-	-	-	-
D Guy ** [3]	-	-	-	-	-
J Nunan **	-	-	-	-	-
G Pritchard **	-	-	-	-	-
N Adams **	-	-	-	-	-

** As set out on page 107, this employee has been identified as a key management person of the consolidated group from 7 February to 30 June 2007.*

*** As set out on page 108, this employee has been identified as a key management person of the consolidated group from 1 July 2006 to 6 February 2007. These persons were employed by Officium Group Pty Ltd, formerly Western Pacific Group Holdings Pty Ltd, which was the parent entity of WPFG until 7 February 2007. The amounts disclosed represent the amount incurred by WPFG, based on the approximate percentage of time spent by that employee on that entity.*

1 *Mr Brown is the Managing Director of Tidewater Investments Limited, and owns 23.9% of that company's shares at 30 June 2007. Tidewater Investments Limited, and its wholly owned subsidiaries, hold 1,506,975 shares in Snowball Group Limited at 30 June 2007.*

2 *Mr Dhawan and Mr Jones are directors of Equity Partners Two Pty Ltd (EP2), the registered holder of 8,228,125 shares in Snowball Group Limited at 30 June 2007. EP2 holds those shares on trust for a number of institutional investors, being the investors in the Equity Partners 2 Fund. Mr Dhawan and Mr Jones are also directors of Equity Partners Management Pty Limited (EPM), the registered holder of 30,448 ordinary shares in Snowball Group Limited at 30 June 2007 and, as at the date of this report, entities associated with each of them own 33.33% of EPM. EPM may potentially benefit from a profit share arrangement with EP2 in relation to the ultimate sale of the shares in Snowball Group Limited held by EP2.*

3 *Mr Guy is the Executive Chairman of Officium Group Pty Ltd, and owns 16.98% of that company's shares at 30 June 2007. Officium Group Pty Ltd, and its wholly owned subsidiaries, hold 92,067,392 shares (12,000,000 at 7 February 2007, being the date that Mr Guy became a director) in Snowball Group Limited at 30 June 2007*

Note 28. Key management personnel disclosures (continued)

(e) Loans to key management personnel

No loans to directors of Snowball Group Limited or to the other key management personnel of the Group were made during the year, including to their personally related parties.

(f) Other transactions with key management personnel

There were no other transactions with the directors of Snowball Group Limited or with the other key management personnel of the Group during the year, including with their personally related parties.

Note 29. Remuneration of auditors

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

	Consolidated		Parent entity	
	2008 **$**	2007 $	**2008** **$**	2007 $
(a) Audit services				
PricewaterhouseCoopers Australian firm				
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	**225,000**	203,429	**128,593**	217,500
Non-PricewaterhouseCoopers audit firms for the audit or review of financial reports of any entity in the Group	**10,000**	-	-	-
Total remuneration for audit services	**235,000**	203,429	**128,593**	217,500
(b) Non-Audit services				
PricewaterhouseCoopers Australian firm				
Accounting advice	**70,000**	-	-	-
Total remuneration for non-audit services	**70,000**	-	-	-
(c) Taxation services				
PricewaterhouseCoopers Australian firm				
Tax consolidation advice	**7,000**	2,000	**7,000**	2,000
Other taxation advice	**20,800**	18,600	**20,800**	18,600
Total remuneration for taxation services	**27,800**	20,600	**27,800**	20,600

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

Note 30. Contingencies

Contingent liabilities

The parent entity and Group had contingent liabilities at 30 June 2008 in respect of:

Financial guarantees
The parent entity has given financial guarantees, secured by a fixed and floating charge over all the assets and undertakings of the Group*, in respect of the following:

(i) Australian Securities and Investment Commission for the purpose of maintaining AFSL requirements amounting to $20,000 (2007: $60,000).
(ii) rental contract guarantees totalling $375,904 (2007: $306,079).

** Snowball Group Limited completed the legal acquisition of Western Pacific Financial Group Pty Ltd on 7 February 2007. As at the date of this financial report, Western Pacific Financial Group Pty Ltd is not party to the above.*

No liability was recognised by the parent entity or the consolidated entity in relation to these guarantees.

Note 31. Commitments

(a) Contract commitments

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Commitments for various services contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	-	81	-	4
	-	81	-	4

(b) Lease commitments: Group company as lessee

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Non-cancellable operating leases	**2,780**	2,872	-	-
	2,780	2,872	-	-

Note 31. Commitments (continued)

(i) Operating leases

The Group leases various offices under non-cancellable operating leases expiring within six years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	**777**	682	-	-
Later than one year but not later than five years	**2,003**	2,046	-	-
Later than five years	-	144	-	-
	2,780	2,872	-	-

(ii) Finance leases

The Group has no finance leases as at 30 June 2008.

The Group had equipment with a carrying amount of $6,188 under finance leases as at 30 June 2007, expiring within one year.

	Consolidated		Parent entity	
	2008	2007	**2007**	2008
	$'000	$'000	**$'000**	$'000
Commitments in relation to finance leases are payable as follows:				
Within one year	-	8	-	-
Later than one year but not later than 5 years	-	-	-	-
Minimum lease payments	-	8	-	-
Future finance charges	-	-	-	-
Recognised as a liability	-	8	-	-
Representing lease liabilities:				
Current	-	8	-	-
Non-current	-	-	-	-
	-	8	-	-

The weighted average interest rate implicit in the leases is nil (2007: 17%)

Note 32. Related party transactions

(a) Parent entities

The parent entity within the Group is Snowball Group Limited. The ultimate Australian parent entity is Officium Group Pty Ltd which at 30 June 2008 owned 62.09% (2007: 63.16%) of the issued ordinary shares of Snowball Group Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 34.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 28.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$	$	**$**	$
Sales of services				
Performance fee rebate received from a subsidiary of the ultimate parent entity	**406,875**	448,507	**-**	-
Cost reimbursements by the ultimate parent entity	**34,263**	111,681	**-**	-
Sponsorship of conference by a subsidiary of the ultimate parent entity	**30,000**	30,000	**-**	-
Finance support services provided to the ultimate parent entity	**-**	13,333	**-**	-
IT support services provided to a subsidiary of the ultimate parent entity	**46,666**	12,000	**-**	-
IT support services provided to the ultimate parent entity	**-**	8,430	**-**	-
Cost reimbursements by a subsidiary of the ultimate parent entity	**1,048**	749	**-**	-
Purchases of services				
Commissions paid to related parties of the Key Management Personnel	**-**	3,258,167	**-**	-
Service fees paid to the ultimate parent entity	**-**	795,927	**-**	-
Research services provided by the ultimate parent entity	**75,000**	75,000	**-**	-
Secondment of Steven Forrest, General Counsel, from the ultimate parent entity	**81,426**	69,177	**-**	-
Tax consolidation legislation				
Current tax payable assumed from wholly-owned tax consolidated entities	**-**	-	**1,833,876**	1,924,819

Note 32. Related party transactions (continued)

(d) Transactions with related parties (continued)

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$	**$**	**$**	$
Dividend revenue				
Subsidiaries	**-**	**-**	**8,873,809**	842,019
Associates	**-**	**-**	**222,500**	149,000
Superannuation contributions				
Contributions to superannuation funds on behalf of employees	**763,422**	604,472	**-**	-
Other transactions				
Dividends paid to the ultimate parent entity	**2,402,022**	3,200,000	**2,402,022**	-
Dividends paid to a subsidiary of the ultimate parent entity	**360,000**	**-**	**360,000**	120,000
Remuneration paid to directors of the ultimate parent entity	**30,000**	12,500	**30,000**	12,500
Paid by the consolidated group to the ultimate Australian parent entity as part-consideration for the acquisition of WPFG (the accounting acquirer)	-	4,434,649	-	-

(e) Outstanding balances arising from sales/purchases of services

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$	$	**$**	$
Current receivables (sales of services)				
Ultimate parent entity	**9,662**	37,692	**-**	-
Subsidiaries of the ultimate parent entity	**5,968**	2,200	**-**	-
Current payables (purchases of services)				
Ultimate parent entity	**6,875**	22,455	**-**	-
Directors	**2,500**	16,500	**-**	-

Note 32. Related party transactions (continued)

(f) Loans to related parties

	Consolidated		Parent entity	
	2008 **$**	2007 $	**2008** **$**	2007 $
Loans to subsidiaries				
Loans at the beginning of the year	-	-	9,098,157	10,308,805
Movements in loans during the year	-	-	6,318,345	(1,210,648)
Loans at the end of the year	-	-	15,416,502	9,098,157
Provision for impairment at the beginning of the year	-	-	2,594,252	6,973,116
Provision for impairment expense	-	-	(1,537,579)	(4,378,864)
Provision for impairment at the end of the year	-	-	1,056,673	2,594,252
Loans to subsidiaries, net of provision for impairment	-	-	14,359,829	6,503,905
Loans to other related parties				
Beginning of the year	518,056	1,780,000	518,056	-
Loans advanced	-	470,851	-	470,851
Loan repayments received	-	(1,780,000)	-	-
Interest charged	56,882	47,205	56,882	47,205
Loans at the end of the year	574,938	518,056	574,938	518,056

(g) Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

The terms and conditions of the tax funding agreement are set out in note 7.

The loan between the parent entity and its other related parties as disclosed above is payable on 30 June 2009, or as otherwise agreed in writing. Interest is applied to the outstanding portion of the loan at the 90 day bank bill rate plus 3.75% per annum.

Outstanding balances are unsecured and are repayable in cash.

Note 33. Business combinations

(a) Summary of acquisitions

During the 2008 financial year, Snowball Group Limited completed the following acquisitions:

- Effective 1 January 2008, the Group acquired the business assets of a financial advice business, IFP Financial Planning Pty Ltd.
- Effective 1 May 2008, the Group acquired the rights to revenue generated by three well-established financial planning practices based in Sydney (North Sydney Practices).
- Effective 1 June 2008, the Group acquired the business assets of an accounting business, Yarra Consulting Group Pty Ltd.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	IFP Financial Planning $'000	North Sydney Practices $'000	Yarra Consulting Group $'000	Total $'000
Purchase consideration				
Cash paid	1,750	750	650	3,150
Direct costs relating to the acquisition	116	71	7	194
Total cash consideration	1,866	821	657	3,344
Issue of equity as consideration * (note 24)	-	1,648	-	1,648
Deferred consideration (note 19)	1,620	-	759	2,379
Total purchase consideration	3,486	2,469	1,416	7,371
Fair value of net identifiable assets acquired (refer to (b) below)	881	455	498	1,834
Goodwill (refer to (b) below and note 15)	2,605	2,014	918	5,537

* *On 1 May 2008, Snowball Group Limited issued 2,747,695 ordinary shares at an issue price of $0.60 to the vendors of the North Sydney Practices as part consideration for the acquisition of the rights to revenue generated by these businesses.*

During the financial year, the Group also completed the following acquisitions which come into effect after the reporting date:

- Effective 1 July 2008, the Group acquired the business assets of Mastertek Benefit Consultants Pty Ltd, a specialist corporate superannuation business.
- Effective 1 August 2008, the Group acquired the business assets of Yarra Financial Group Pty Ltd, a financial planning business.

Note 33. Business combinations (continued)

(b) Assets and liabilities acquired

The assets and liabilities arising from the acquisitions are as follows:

(i) IFP Financial Planning Pty Ltd	**Acquiree's carrying amount $'000**	**Fair value $'000**
Intangible assets – client contracts and related client relationships	**-**	**904**
Intangible assets – other rights	**-**	**275**
Plant and equipment	**55**	**55**
Deferred tax liability	**-**	**(353)**
Net identifiable assets acquired	**55**	**881**

(ii) North Sydney Practices		
Intangible assets – client contracts and related client relationships	**-**	**650**
Deferred tax liability	**-**	**(195)**
Net identifiable assets acquired	**-**	**455**

(iii) Yarra Consulting Group Pty Ltd		
Intangible assets – client contracts and related client relationships	**-**	**435**
Intangible assets – other rights	**-**	**129**
Trade receivables	**54**	**54**
Work in progress	**107**	**107**
Deferred tax liability	**-**	**(169)**
Provision for employee benefits	**(58)**	**(58)**
	103	**498**

The goodwill is attributable to the profitability of the acquired businesses and synergies expected to arise after the Group's acquisition of these businesses.

The fair value of assets and liabilities acquired are based on discounted cash flow models. No acquisition provisions were created.

Note 34. Subsidiaries

The following are the entities that are the legal subsidiaries of Snowball Group Limited, the parent entity of the Group.

The consolidated financial statements for the year ended 30 June 2008 incorporate the assets, liabilities and results of the subsidiaries listed below in accordance with the accounting policy described in note 1(b) however, as explained in note 1(a), consolidated financial statements of the Snowball Group Limited group of entities are prepared as consolidated financial statements of WPFG. As a result, the comparative information from 1 July 2006 to 30 June 2007 presented in the consolidated financial statements is that of WPFG as a stand alone entity for the year plus the contribution from Outlook for the period 7 February 2007 to 30 June 2007.

Note 34. Subsidiaries (continued)

Name of entity	Country of incorporation	Class of shares	Equity * Holding 2008 %	2007 %
Snowball Capital Pty Ltd	Australia	Ordinary	100	100
Snowball Financial Pty Ltd	Australia	Ordinary	100	100
Snowball Investment Research Pty Ltd	Australia	Ordinary	100	100
Campbell Wallis Moule & Co Pty Ltd	Australia	Ordinary	100	100
Outlook Financial Solutions Pty Ltd	Australia	Ordinary	100	100
Outlook Tax & Accounting Solutions Pty Ltd	Australia	Ordinary	83**	75
Outlook Financial Planning Pty Ltd	Australia	Ordinary	100	100
Western Pacific Financial Group Pty Ltd	Australia	Ordinary	100	100

** The proportion of ownership interest is equal to the proportion of voting power held.*

*** On 1 June 2008, Outlook Tax & Accounting Solutions Pty Ltd acquired the business assets of Yarra Consulting Group Pty Ltd for total consideration of $1,416,000 (refer note 33). The acquisition was funded on behalf of Outlook Tax & Accounting Solutions Pty Ltd by Campbell Wallis Moule & Co Pty Ltd via its immediate parent entity, Snowball Capital Pty Ltd. Consideration paid for undertaking this funding activity was the issue of 756 shares or 8% of the share capital in Outlook Tax & Accounting Solutions Pty Ltd to Campbell Wallis Moule & Co Pty Ltd for $1,416,000.*

Note 35. Investments in associates

(a) Carrying amounts

As explained in note 1(a) to the Financial Statements, consolidated financial statements of the Snowball Group Limited group of entities are prepared as consolidated financial statements of WPFG. The comparative information from 1 July 2006 to 30 June 2007 presented in the consolidated financial statements is that of WPFG as a stand alone entity for the year plus the contribution from Outlook for the period 7 February 2007 to 30 June 2007. The results for the year ended 30 June 2008 are for the combined Group (i.e. Snowball Group Limited).

Therefore, despite the fact that the 25% interest in the QTCU Financial Planning Pty Ltd associate has been held by the parent entity since 1 October 2005, only the $111,235 (net of the amortisation of separately identifiable intangibles arising on the acquisition of the ownership interest) contributed by the investment post 7 February 2007 has been recognised in respect of the comparative period in the consolidated columns below.

Note 35. Investments in associates (continued)

(a) Carrying amounts (continued)

Information relating to the associate is set out below.

Name of company	Principal activity	Ownership interest		Consolidated		Parent entity	
		2008 %	2007 %	**2008 $'000**	2007 $'000	**2008 $'000**	2007 $'000
Unlisted							
QTCU Financial Planning Pty Ltd	Financial advice	**25**	* 25	**2,231**	2,262	**1,222**	1,222
				2,231	2,262	**1,222**	1,222

** As explained above, the investment has been owned by the parent entity since 1 October 2005, but due to the application of reverse acquisition principles, by the consolidated entity since 7 February 2007.*

The above associate is incorporated in Australia.

	Consolidated	
	2008 $'000	2007 $'000
(b) Movements in carrying amounts		
Carrying amount at the beginning of the financial year	**2,262**	-
Acquisition of ownership interest	**-**	2,300
Dividends received	**(222)**	(149)
Share of profits after income tax accrued (refer (c) & (d) below)	**223**	127
Dividend received in excess of accrual	**18**	5
Amortisation of separately identifiable intangibles arising on the acquisition of the ownership interest	**(50)**	(21)
Carrying amount at the end of the financial year	**2,231**	2,262

The investment is carried at cost by the parent entity (refer to note 12), but for the year ended 30 June 2007 it was fair valued in the consolidated accounts (refer note 11), which resulted in an uplift in the value of the investment by $923,000 following the acquisition of Western Pacific Financial Group Pty Ltd. The investment was independently fair valued by PKF Corporate Advisory at 7 February 2007 using the dividend yield method, cross checked by reference to capitalisation of future maintainable earnings method.

	Consolidated	
	2008 $'000	2007 $'000
(c) Share of associates' profits or losses		
Profit before income tax	**318**	181
Income tax expense	**(95)**	(54)
Profit after income tax	**223**	127

Note 35. Investments in associates (continued)

(d) Summarised financial information of associates

The Group's share of the results of its principal associates and its aggregated assets (including goodwill) and liabilities are as follows:

	Group's share of:			
	Assets $'000	**Liabilities $'000**	**Revenues $'000**	**Profit $'000**
2008				
QTCU Financial Planning Pty Ltd	**368**	**131**	**851**	**223**
	368	**131**	**851**	**223**
2007				
QTCU Financial Planning Pty Ltd	437	201	* 381	*127
	437	201	381	127

**As explained on page 121, despite the fact that the 25% interest in the QTCU Financial Planning Pty Ltd associate has been held by the parent entity since 1 October 2005, only the amounts contributed by the investment post 7 February 2007 have been recognised in the comparative information.*

Note 36. Events occurring after the balance sheet date

(a) Dividends

Subsequent to the end of the financial year, the directors have resolved to pay a final ordinary dividend of 2.5 cents per share, fully franked. The record date for determining the entitlement to this dividend is 29 September 2008.

(b) Acquisitions

On 29 July 2008 Snowball Group Limited announced a merger of its accounting practice, Outlook Tax & Accounting Solutions Pty Ltd ("OTAS"), with NSW-based accounting firm of Duncan Dovico Chartered Accountants. Effective 1 July 2008, the two businesses will be amalgamated into one practice, offering the full suite of accounting services with a focus on servicing small to medium enterprises and high net worth individuals. Snowball will own around one-third of the merged entity, which will have an annual turnover approaching $10 million.

Snowball Group Limited expects the contribution to its 2009 financial year result from the investment in the merged entity to be, as a minimum, in line with the 2009 expected result of OTAS if it was to be retained on a standalone basis (excluding any profit or loss on the sale of OTAS to Duncan Dovico).

Note 37. Reconciliation of profit after income tax to net cash flows from operating activities

	Consolidated		Parent entity	
	2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Profit for the year	**5,909**	4,731	**7,495**	4,897
Amortisation	**2,062**	670	**-**	-
Depreciation	**339**	200	**38**	-
Loss on sale of fixed assets	**4**	-	**-**	-
Dividends recognised as investing receipt	**(222)**	(149)	**(222)**	(991)
Impairment/(reversal) of prior impairment of amounts owing from controlled entities	**-**	-	**(1,538)**	(4,379)
Non-cash employee benefits expense - share based payments	**329**	177	**273**	-
Share of profits of associates not received as dividends	**-**	38	**-**	-
Change in operating assets and liabilities:				
(Increase) decrease in trade and other receivables	**(268)**	90	**14**	(12)
(Increase) decrease in WIP	**(31)**	181	**-**	-
(Increase) decrease in prepayments	**(527)**	91	**(103)**	(47)
Decrease (increase) in accrued income	**938**	(518)	**-**	-
(Increase) decrease in other receivables	**-**	(71)	**-**	1
(Increase) decrease in deferred tax assets	**-**	-	**(52)**	-
(Decrease) increase in trade and other payables	**(60)**	(3,018)	**-**	-
Increase (decrease) in current tax liabilities	**469**	152	**1,642**	(388)
Increase (decrease) in other provisions	**32**	207	**-**	-
Increase (decrease) in net intercompany balances	**-**	-	**(12,729)**	-
Increase (decrease) in deferred tax liabilities	**94**	-	**-**	-
Increase (decrease) in other operating liabilities	**318**	1,294	**(128)**	(27)
Net cash inflow/(outflow) from operating activities	**9,386**	4,075	**(5,310)**	(946)

Note 38. Non-cash investing and financing activities

Acquisitions of entities by means of a component of equity issue are shown in note 33.

Options issued to employees under the Snowball Group Limited Employee Share Option Plan for no cash consideration are shown in note 40.

Note 39. Earnings per share

	Consolidated	
	2008 **Cents**	2007 Cents
(a) Basic earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company	**3.90**	4.47
Profit attributable to the ordinary equity holders of the Company	**3.90**	4.47
(b) Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company	**3.84**	4.27
Profit attributable to the ordinary equity holders of the Company	**3.84**	4.27

(c) Reconciliations of earnings used in calculating earnings per share

	Consolidated	
	2008 **$'000**	2007 $'000
Basic earnings per share		
Profit from continuing operations	**5,909**	4,731
Profit from continuing operations attributable to minority interests	**(86)**	(16)
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**5,823**	4,715
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**5,823**	4,715
Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**5,823**	4,715
Profit from continuing operations attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	**5,823**	4,715
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	**5,823**	4,715

Note 39. Earnings per share (continued)

(d) Weighted average number of shares used as the denominator

	Consolidated	
	2008 Number	2007 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	149,442,506	105,502,253
Adjustments for calculation of diluted earnings per share:		
Options	1,460,624	3,962,662
Shares to be issued as deferred consideration for the acquisition of a controlled entity	835,863	1,053,893
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	151,738,993	110,518,808

Further to note 1(a) to the financial statements and the implications of the application of AASB 3, the 2007 Weighted Average Number of Ordinary Shares is determined as follows:

Year ended 30 June 2008:

- the actual number of ordinary shares (and options for the diluted earnings per share calculation) of Snowball Group Limited outstanding during the period, being 149,442,506.

Year ended 30 June 2007:

- From 1 July 2006 to 7 February 2007: deemed to be the number of ordinary shares issued by Snowball Group Limited to the vendors of WPFG in the reverse acquisition, being 80,067,392.
- From 7 February 2007 to 30 June 2007: the actual number of ordinary shares (and options for the diluted Earnings per Share calculation) of Snowball Group Limited outstanding during that period.

(e) Information concerning the classification of securities

(i) Options

Options granted to employees under the Snowball Group Limited Employee Share Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. Options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 40.

Note 40. Share-based payments

(a) Employee Option Plan

The establishment of the Snowball Group Limited Employee Share Option Plan was approved by shareholders at a general meeting of shareholders on 21 December 2001.

On 22 April 2002, 848,566 options were issued to 39 eligible employees of the Group who were entitled to be granted options pursuant to the abovementioned plan. Of the 848,566 options, 25% vested on the first anniversary of the date of issue, and the balance were to vest in equal monthly instalments over the two-year period commencing on the first anniversary of the date of issue. On termination of an employee's services for any reason, any options that had not vested were lapsed. All options that had not lapsed were fully vested on 22 April 2005. The exercise price for these options is $1.00, and the options expired on 22 April 2007.

On 2 July 2004, 3,500,000 options were issued to 21 eligible employees of the Group under a management and staff incentive scheme, who were entitled to be granted options pursuant to the abovementioned plan. The options were divided equally among three tranches, and on the vesting date for each tranche, those options vested if the listed price was greater than the target price. Partial vesting of the options occurred if, on the vesting date, the listed price was greater than the minimum vesting price, but lower than the target price. The exercise price for these options is $0.20, and the options expire five years after the vesting date for each of the tranches.

On 26 October 2005, 3,600,000 options were issued to 20 eligible employees of the Group under a management and staff incentive scheme, who were entitled to be granted options pursuant to the abovementioned plan. There were two vesting periods – the early vesting window and the normal vesting window. The options fully vested during the early vesting window, as the listed price was greater than the target price. Had the options not vested during the early vesting window, the options would have vested in the normal vesting window if the listed price was greater than the target price, or partial vesting of the options would have occurred if, on the vesting date for the normal vesting window, the listed price was greater than the minimum vesting price, but lower than the target price. The exercise price for these options is $0.40, and the options expire five years after the vesting date.

On 7 February 2007, 3,000,000 options were issued to Tony McDonald and Carl Scarcella, who were entitled to be granted options pursuant to the abovementioned plan. The options are divided equally among five tranches, and on the vesting date for each tranche, those options vest if the option holder is employed by Snowball Group Limited, or a subsidiary of it, at that vesting date. The exercise price for each tranche of options is $0.69, $0.79, $0.91, $1.05 and $1.21 respectively. The options within each tranche expire four years after vesting date for the first and second tranches, three years after vesting date for the third and fourth tranches, and two years after vesting date for the fifth tranche.

On 27 March 2007, 1,000,000 options were issued to Simon Quirk and Nick Collett, who were entitled to be granted options pursuant to the abovementioned plan. The options are divided equally among five tranches, and on the vesting date for each tranche, those options vest if the option holder is employed by Snowball Group Limited, or a subsidiary of it, at that vesting date. The exercise price for each tranche of options is $0.83, $0.93, $1.04, $1.16 and $1.30 respectively. The options within each tranche expire four years after vesting date for the first and second tranches, three years after vesting date for the third and fourth tranches, and two years after vesting date for the fifth tranche.

Note 40. Share-based payments (continued)

(a) Employee Option Plan (continued)

Set out below are summaries of options granted under the plan.

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
Parent entity - 2008								
27 Mar 2007	Tranche:	Tranche:						
	1: 31 Dec 2011	1: $0.83	200,000	-	-	-	200,000	200,000
	2: 31 Dec 2012	2: $0.93	200,000	-	-	-	200,000	-
	3: 31 Dec 2012	3: $1.04	200,000	-	-	-	200,000	-
	4: 31 Dec 2013	4: $1.16	200,000	-	-	-	200,000	-
	5: 31 Dec 2013	5: $1.30	200,000	-	-	-	200,000	-
7 Feb 2007	Tranche:	Tranche:						
	1: 31 Dec 2011	1: $0.69	600,000	-	-	-	600,000	600,000
	2: 31 Dec 2012	2: $0.79	600,000	-	-	-	600,000	-
	3: 31 Dec 2012	3: $0.91	600,000	-	-	-	600,000	-
	4: 31 Dec 2013	4: $1.05	600,000	-	-	-	600,000	-
	5: 31 Dec 2013	5: $1.21	600,000	-	-	-	600,000	-
26 Oct 2005	14 Apr 2012	$0.40	3,270,000	-	(1,825,000)	-	1,445,000	1,445,000
2 Jul 2004	5 years after vesting	$0.20	2,647,387	-	(2,427,460)	-	219,927	219,927
22 Apr 2002	22 Apr 2007	$1.00	-	-	-	-	-	-
			9,917,387	-	(4,252,460)	-	5,664,927	2,464,927
Weighted average exercise price			$0.57	-	$0.29	-	$0.79	$0.49

Note 40. Share-based payments (continued)

(a) Employee Option Plan (continued)

Set out below are summaries of options granted under the plan.

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
Parent entity – 2007								
27 Mar 2007	Tranche:	Tranche:						
	1: 31 Dec 2011	1: $0.83	-	200,000	-	-	200,000	-
	2: 31 Dec 2012	2: $0.93	-	200,000	-	-	200,000	-
	3: 31 Dec 2012	3: $1.04	-	200,000	-	-	200,000	-
	4: 31 Dec 2013	4: $1.16	-	200,000	-	-	200,000	-
	5: 31 Dec 2013	5: $1.30	-	200,000	-	-	200,000	-
7 Feb 2007	Tranche:	Tranche:						
	1: 31 Dec 2011	1: $0.69	-	600,000	-	-	600,000	-
	2: 31 Dec 2012	2: $0.79	-	600,000	-	-	600,000	-
	3: 31 Dec 2012	3: $0.91	-	600,000	-	-	600,000	-
	4: 31 Dec 2013	4: $1.05	-	600,000	-	-	600,000	-
	5: 31 Dec 2013	5: $1.21	-	600,000	-	-	600,000	-
26 Oct 2005	14 Apr 2012	$0.40	3,600,000	-	(215,000)	(115,000)	3,270,000	3,270,000
2 Jul 2004	5 years after vesting	$0.20	3,189,701	-	(542,314)	-	2,647,387	2,647,387
22 Apr 2002	22 Apr 2007	$1.00	595,800	-	-	(595,800)	-	-
			7,385,501	4,000,000	(757,314)	(710,800)	9,917,387	5,917,387
Weighted average exercise price			$0.36	$0.96	$0.26	$0.90	$0.57	$0.31

Note 40. Share-based payments (continued)

(a) Employee Option Plan (continued)

No options were forfeited during the periods covered by the above tables.

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2008 was $0.77 (2007: $0.79).

The weighted average remaining contractual life of employee share options outstanding at the end of the period was 4.39 years (2007: 4.73 years).

Fair value of options granted

No options were granted during the year ended 30 June 2008.

The assessed fair value at grant date of options granted during the year ended 30 June 2007 was between $0.12 and $0.24 per share, depending on the tranche to which the option relates. The fair value at grant date was independently determined using a binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2007 included:

(a) 4,000,000 options are granted for no consideration.

(b) The options are divided equally among five tranches.

(c) The vesting date for each tranche is as follows: 31 December 2007, 31 December 2008, 31 December 1 2009, 31 December 2010 and 31 December 2011.

(d) On the vesting date for each tranche, the options vest if the option holder is employed by Snowball Group Limited, or a subsidiary of it, at that vesting date.

(e) Exercise price:

- o For the options granted on 7 February 2007: the exercise price for each tranche of options is $0.69, $0.79, $0.91, $1.05 and $1.21.
- o For the options granted on 27 March 2007: the exercise price for each tranche of options is $0.83, $0.93, $1.04, $1.16 and $1.30.

(f) Grant date: 7 February 2007 for 3,000,000 options, and 27 March 2007 for 1,000,000 options.

(g) Expiry date: Tranche 1 – 31 December 2011; Tranche 2 – 31 December 2012; Tranche 3 – 31 December 2012; Tranche 4 – 31 December 2013; and Tranche 5 – 31 December 2013.

(h) Share price at grant date: $0.85 at 7 February 2007 and $0.75 at 27 March 2007.

(i) Expected volatility of the Company's shares: 35%. The expected volatility is based on a consideration of the historic volatility of the share price of Snowball Group Limited shares, and the historical volatility of shares prices of Australian listed companies operating in the same or similar sectors as Snowball Group Limited.

(j) Expected dividend yield: assumed half a cent dividend growth rate per annum.

(k) Risk-free interest rate: 5.84%.

Note 40. Share-based payments (continued)

(b) Employee share scheme

The establishment of the Snowball Group Limited Employee Share Plan was approved by shareholders on 18 April 2002.

On 18 April 2002, 41,000 shares were issued to 41 eligible employees of the Group who were entitled to be granted shares pursuant to the abovementioned plan. Each employee received $1,000 worth of fully-paid ordinary shares in Snowball Group Limited for no cash consideration.

No shares were issued under the Company's employee share scheme during the financial years ended 30 June 2007 and 30 June 2008.

(c) Expenses arising from share-based payment transactions

As explained in note 1(a) to the Financial Statements, AASB 3 requires that consolidated financial statements prepared following a reverse acquisition shall be issued under the name of the legal parent (i.e. Snowball Group Limited), but be a continuation of the financial statements of the legal subsidiary (i.e. Western Pacific Financial Group Pty Ltd (WPFG) - the acquirer for accounting purposes).

Therefore, despite the fact that the employees of Snowball Group Limited's subsidiaries recognised expenses arising from share-based payment transactions during the period 1 July 2006 to 6 February 2007, only the $177,000 expensed post 7 February 2007 has been recognised in respect of the comparative period in the consolidated columns below.

	Consolidated		**Parent entity**	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Options issued under employee option plan	**329**	177	**273**	241
	329	177	**273**	241

SNOWBALL GROUP LIMITED
Directors' declaration
30 June 2008

In the directors' opinion:

(a) the financial statements and notes set out on pages 57 to 130 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the financial year ended on that date; 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; and

(c) the audited remuneration disclosures set out on pages 26 to 41 of the directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*; and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of Snowball Group Limited identified in note 34 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 21.

The directors have been given the declarations by the Chief Executive Officer and the Chief Operating Officer required by section 295A of the *Corporations Act 2001*.

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

Q B Jones

Director

Sydney

26 September 2008

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
Telephone +61 2 8603 1000
Facsimile +61 2 8603 1999
www.pwc.com/au

Independent auditor's report to the members of Snowball Group Limited

Report on the financial report

We have audited the accompanying financial report of Snowball Group Limited (the company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Snowball Group Limited and the Snowball Group Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the 30 June year's end.

Directors' responsibility for the financial report

The directors of the company, Snowball Group Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

PRICEWATERHOUSECOOPERS

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

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

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

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

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 41 of the directors' report for the year ended 30 June 2008. 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 Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Snowball Group Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Charles Christie
Partner

Melbourne
26 September 2008

SNOWBALL GROUP LIMITED
Shareholder information
30 June 2008

The shareholder information set out below was applicable as at 15 September 2008.

A Distribution of equity securities
Analysis of numbers of security holders by size of holding:

	Class of equity security	
	Ordinary shares	**Options**
1 – 1,000	180	-
1,001 – 5,000	203	-
5,001 – 10,000	63	2
10,001 – 100,000	144	6
100,001 and over	68	9
	658	17

There were 72 holders of less than a marketable parcel of 834 ordinary shares.

B Equity security holders
Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

		Ordinary shares	
		Number held	**Percentage of issued shares**
1.	Officium Group Pty Ltd and subsidiaries	94,577,384	61.89
2.	Citicorp Nominees Pty Limited	8,626,901	5.65
3.	Equity Partners Two Pty Limited	8,228,125	5.39
4.	National Nominees Limited	3,955,409	2.59
5.	Loftus Lane Investments Pty Ltd	1,506,975	0.99
6.	ANZ Nominees Limited	1,457,547	0.95
7.	Jawcamb Management Services Pty Ltd	1,373,826	0.90
8.	Mr Maxwell Norman Campbell & Mrs Lynette Jean Campbell	1,267,000	0.83
9.	Mr Tony McDonald	1,230,750	0.81
10.	Mr Carl Frank Scarcella	1,165,540	0.76
11.	Mr Philip Hedley Kelly & Mrs Elizabeth Mary Kelly	1,107,423	0.72
12.	Ms Lynnette Ann Leitis	1,048,600	0.68
13.	Equity Trustees Limited	993,330	0.65
14.	Mr Albert Brouwer, Mrs Marilyn Brouwer & Mr Scott Brouwer	917,488	0.60
15.	FNL Investments Pty Ltd	907,841	0.59
16.	Pindimara Holdings Pty Ltd	895,690	0.59
17.	Pindimara Holdings Pty Ltd	833,333	0.55
18.	Macnab Clarke Properties Pty Ltd	719,482	0.47
19.	Mr Ronald Maurice Smith & Mrs Coralie Smith Smith	682,298	0.45
20.	Mr Carl Frank Scarcella & Mrs Roslyn Elizabeth Scarcella	644,000	0.42
Total ordinary shares quoted on ASX held by the top 20 holders		**132,138,942**	**86.48**

SNOWBALL GROUP LIMITED
Shareholder information (continued)
30 June 2008

B Equity security holders (continued)

Unquoted equity securities

Options	**Number on Issue**
Options issued under the Management and Staff Incentive Scheme	219,927
Options issued under the Employee Option Plan	5,445,000
	5,664,927

Comprising:

Group 4	219,927
Group 7	1,445,000
Group 8	3,000,000
Group 9	1,000,000
Total	5,664,927

C Substantial holders

Substantial holders in the Company are set out below:

	Number held	**Percentage**
Officium Group Pty Ltd and subsidiaries	94,577,384	61.89
Citicorp Nominees Pty Ltd	8,626,901	5.65
Equity Partners Two Pty Ltd	8,228,125	5.39

D Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options
No voting rights.