

d) A brief explanation of any of the figures reported above necessary to enable the figures to be understood

Snowball Group Limited (Snowball) announced on 29 July 2008 a merger of its accounting arm, Outlook Tax & Accounting Solutions (OTAS), with NSW-based accounting business Duncan Dovico Pty Ltd, effective 1 July 2008. Snowball owns 31.8% of the merged entity, Duncan Dovico Holdings Pty Ltd (DDH), and the contribution to the Group's consolidated profit after income tax from DDH is similar to that provided by the Group's interest in OTAS as a stand-alone entity prior to the merger.

Adoption of different accounting treatment is required in respect of the Group's shareholding in the merged entity (as detailed below) and, as a result, Snowball's reported consolidated revenue and expenses from ordinary activities in the current reporting period appear lower than those reported in the prior corresponding period. This is further explained in section 14(e) below, including the provision of re-classified comparatives to assist users of the Preliminary Final Report to better assess the performance of the combined group.

Upon application of the terms of Australian Accounting Standards, the merger:

- is deemed to be a disposal of OTAS from the Snowball Group Limited group of entities (from which Snowball realised a significant pre-tax profit of \$0.770m); and
- requires the investment in the merged entity (ie. an 'associate') to be 'equity-accounted' (ie. consistent with the treatment of Snowball's investment in QTCU Financial Planning Pty Ltd) as the terms of the agreement effectively give Snowball the power to exert 'significant influence', but not 'control', over the merged entity. Thus, DDH does not form part of the Snowball Group Limited group of entities and, as such, its revenue and expenses are not 'consolidated' into the financial statements of Snowball.

Accordingly, the impact of the application of Australian Accounting Standards on the consolidated financial statements in this Report is as follows:

- For the year ended 30 June 2009:
 - The consolidated balance sheet details Snowball's investment in DDH (ie. share of assets and liabilities) in the single line item 'Investments accounted for using the equity method'.
 - The consolidated income statement details the results of Snowball with its share of post acquisition profits from the investment in DDH 'equity-accounted' – that is, Snowball's share of 'profit after income tax' from DDH is included in the single line item 'Share of net profits of associates accounted for using the equity method' in the consolidated income statement.
- For the year ended 30 June 2008:
 - The consolidated balance sheet details Snowball with all of the individual assets and liabilities of OTAS included in each of the various classes of assets and liabilities.
 - The consolidated income statement details the results of Snowball with revenue and expenses from OTAS accounted for on a consolidated basis – that is, OTAS generated revenue, expenses, interest, depreciation, amortisation and income tax expense are included in each of these separate line items in the consolidated income statement.

3. Consolidated Income Statement

For the year ended 30 June 2009

	2009	2008
	\$'000	\$'000
Revenue from continuing operations	24,646	28,510
Other income	770	-
Amortisation expense	(2,220)	(2,062)
Commissions expense	(149)	(285)
Depreciation expense	(321)	(339)
Employee benefits expense	(11,260)	(12,554)
Finance costs	(285)	(154)
General administration expense	(896)	(958)
Occupancy expense	(829)	(922)
Professional fees	(1,207)	(1,131)
Other expenses	(1,577)	(1,862)
Share of net profits of associates accounted for using the equity method	503	191
Profit before income tax	7,175	8,434
Income tax expense	(1,876)	(2,525)
Profit for the year	5,299	5,909
Profit attributable to minority interest	-	(86)
Profit attributable to members of Snowball Group Limited	5,299	5,823
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share	3.47	3.90
Diluted earnings per share	3.45	3.84

4. Consolidated Balance Sheet and Statement of Changes in Equity

Consolidated Balance Sheet As at 30 June 2009

	2009	2008
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	2,280	4,412
Receivables	4,679	6,601
Total current assets	6,959	11,013
Non-current assets		
Receivables	86	-
Investments accounted for using the equity method	5,548	2,231
Property, plant and equipment	1,156	1,318
Intangible assets	69,672	62,087
Total non-current assets	76,462	65,636
Total assets	83,421	76,649
LIABILITIES		
Current liabilities		
Payables	2,834	3,848
Interest bearing liabilities	800	400
Current tax liabilities	753	2,891
Provisions	882	970
Deferred consideration	3,868	2,379
Total current liabilities	9,137	10,488
Non-current liabilities		
Interest bearing liabilities	7,800	710
Deferred tax liabilities	8,317	7,566
Provisions	71	129
Deferred consideration	886	-
Total non-current liabilities	17,074	8,405
Total liabilities	26,211	18,893
Net assets	57,210	57,756
EQUITY		
Contributed equity	56,489	56,180
Reserves	(4,522)	(4,389)
Retained profits	5,243	5,292
Parent entity interest	57,210	57,083
Minority interest	-	673
Total equity	57,210	57,756

Consolidated Statement of Changes in Equity
For the year ended 30 June 2009

	2009 \$'000	2008 \$'000
Total equity at the beginning of the year	<u>57,756</u>	53,230
Profit for the year	<u>5,299</u>	5,909
Total recognised income and expense of the year	<u>5,299</u>	5,909
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity, net of transaction costs	310	3,310
Dividends paid to company's shareholders	(5,348)	(4,471)
Dividends paid to minority interest in subsidiaries	-	(92)
Employee share options	130	329
Movement in reserves for shares to be issued as deferred consideration for the acquisition of a business	(264)	(264)
Movement in minority interest share of equity	(673)	-
Movement in reserves for shares issued upon exercise of options under the Snowball Group Limited Employee Share Option Plan	-	(195)
	<u>(5,845)</u>	<u>(1,383)</u>
Total equity at the end of the year	<u>57,210</u>	57,756
Total recognised income and expense for the year is attributable to:		
Members of Snowball Group Limited	5,299	5,823
Minority interest	-	86
	<u>5,299</u>	<u>5,909</u>

5. Consolidated Statement of Cash Flows

For the year ended 30 June 2009

	2009	2008
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	28,249	29,956
Payments to suppliers and employees (inclusive of goods and services tax)	(19,169)	(18,768)
	9,080	11,188
Interest received	107	313
Borrowing costs	(285)	(154)
Income taxes paid	(4,381)	(1,961)
Net cash inflow from operating activities	4,521	9,386
Cash flows from investing activities		
Dividends received	207	222
Proceeds from sale of property, plant and equipment	-	1
Payments for property, plant and equipment	(263)	(786)
Payments for intangible assets – software	(246)	(206)
Payments for intangible assets – other	(8,407)	(3,373)
Loans to associates	(86)	-
Net cash inflow from investing activities	(8,795)	(4,142)
Cash flows from financing activities		
Proceeds from issues of shares	-	1,203
Proceeds from borrowings	7,990	-
Repayments of borrowings	(500)	(1,388)
Dividends paid to company's shareholders	(5,348)	(4,471)
Dividends paid to minority interest in subsidiaries	-	(92)
Repayments of finance lease	-	(8)
Net cash outflow from financing activities	2,142	(4,756)
Net increase in cash and cash equivalents	(2,132)	488
Cash and cash equivalents at the beginning of the financial year	4,412	3,924
Cash and cash equivalents at the end of the financial year	2,280	4,412

6. Details of individual and total dividends or distributions and dividend or distribution payments

Snowball Group Limited paid a final fully franked dividend of 2.5 cents per share, in respect of the previous corresponding reporting period, on 20 October 2008, which was equal to a total dividend payment of \$3,819,547.

Snowball Group Limited paid an interim fully franked dividend of 1.0 cent per share, in respect of the current reporting period, on 30 April 2009, which was equal to a total dividend payment of \$1,528,919.

Subsequent to the end of the year, the directors have resolved to pay a final fully franked dividend of 2.0 cents per share in respect of the current reporting period. The record date for determining the entitlement to this dividend is 30 September 2009.

7. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan

Not applicable.

8. A statement of retained earnings showing movements

	2009	2008
	\$'000	\$'000
Retained profits at the beginning of the financial year	5,292	3,940
Net profit attributable to members of Snowball Group Limited	5,299	5,823
Dividends Paid	(5,348)	(4,471)
Retained profits at the end of the financial year	5,243	5,292

9. Net tangible assets per security with the comparative figure for the previous corresponding period

	2009	2008
Net tangible asset backing per ordinary security *	(3.09) cents	1.57 cents

* The decrease in net tangible asset backing per ordinary security, compared to the prior corresponding period, is due to the acquisition of intangible assets associated with businesses purchased subsequent to 30 June 2008. The carrying value of the Group's intangible assets (net of associated deferred tax liabilities) is excluded from the above calculations and has resulted in a negative outcome for the current period.

10. Details of entities over which control has been gained or lost during the year

a) Control gained over entities

Not applicable.

b) Control lost over entities

Name of the entity	Outlook Tax & Accounting Solutions Pty Ltd
The date control was lost	1 July 2008
Snowball Group Limited announced on 29 July 2008 a merger of its accounting arm, Outlook Tax and Accounting Solutions Pty Ltd, with NSW-based accounting business Duncan Dovico Pty Ltd, to take effect from 1 July 2008. Snowball Group Limited owns 31.8% of the merged entity, Duncan Dovico Holdings Pty Ltd.	
The contribution of the entity to the reporting entity's profit from ordinary activities during the current period	\$Nil
The contribution of the entity to the reporting entity's profit from ordinary activities during the prior corresponding period	\$345,270

11. Details of associates and joint venture entities

a) Associates

(i) QTCU Financial Planning Pty Ltd

Name of the entity	QTCU Financial Planning Pty Ltd
Ownership interest	25.0% of the ordinary shares
The date of the ownership interest	7 February 2007
The contribution of the entity to the reporting entity's profit from ordinary activities during the current period	Pre-amortisation: \$94,716 * [^] Post-amortisation: \$44,364
The contribution of the entity to the reporting entity's profit from ordinary activities during the prior corresponding period	Pre-amortisation: \$240,985 * [^] Post-amortisation: \$190,633

* The decrease in contribution to Snowball Group Limited's profit from ordinary activities, compared to the prior corresponding period, is due to the impact of the downturn in investment markets on QTCU Financial Planning Pty Ltd's average levels of funds under advice.

[^] In addition to this share of profit, Snowball Group Limited earns additional revenue from the services that it provides to QTCU Financial Planning Pty Ltd pursuant to a Services Agreement.

(ii) Duncan Dovico Holdings Pty Ltd

Name of the entity	Duncan Dovico Holdings Pty Ltd
Ownership interest	31.8% of the ordinary shares
The date of acquisition of the ownership interest	1 July 2008
The contribution of the entity to the reporting entity's profit from ordinary activities during the current period	Pre-amortisation: \$408,021 Post-amortisation: \$264,791
The contribution of the entity to the reporting entity's profit from ordinary activities during the prior corresponding period	Pre-amortisation: N/A Post-amortisation: N/A

(iii) Big Sky Financial Solutions Pty Ltd

Name of the entity	Big Sky Financial Solutions Pty Ltd
Ownership interest	49.0% of the ordinary shares
The date of acquisition of the ownership interest	17 September 2008
The contribution of the entity to the reporting entity's profit from ordinary activities during the current period	Pre-amortisation: \$Nil * [^] Post-amortisation: \$Nil
The contribution of the entity to the reporting entity's profit from ordinary activities during the prior corresponding period	Pre-amortisation: N/A Post-amortisation: N/A

* As this operation has only recently commenced, there has been minimal activity and, as a result, no profit or loss from ordinary activities has been generated for the Group during the current period.

[^] Snowball Group Limited earns additional revenue from the services that it provides to Big Sky Financial Solutions Pty Ltd pursuant to a Services Agreement.

b) Joint venture entities

Not applicable.

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

Please refer to section 2(d) "A brief explanation of any of the figures reported above necessary to enable the figures to be understood" and 14(e) "A discussion of trends in performance".

13. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards)

Not applicable.

14. A commentary on the results for the period

a) The earnings per security and the nature of any dilution aspects

Refer to section 3 for the calculation of Basic Earnings per Share and Diluted Earnings per Share for both the current and previous year. It is noted that a dilution of Earnings per Share exists in respect of both the current and previous year, reflecting the impact on 'weighted average number of ordinary shares' (used as the denominator in calculating Diluted Earnings per Share) of: (1) 'in-the-money' options outstanding as at balance date; and (2) shares to be issued as deferred consideration for the acquisition of a business.

b) Returns to shareholders including distributions and buy backs

Refer to section 6 for details of total dividends and dividend payments.

c) Significant features of operating performance

Refer to 14(e) “A discussion of trends in performance”.

d) The results of segments that are significant to an understanding of the business as a whole

Geographical segments

The consolidated entity operated only in Australia.

Business segments

The consolidated entity provides the following by products and service type:

- Financial Education and Advice

In the prior corresponding period, the consolidated entity also provided accountancy services through its subsidiary OTAS. Effective 1 July 2008, OTAS merged with a NSW-based accounting business Duncan Dovico Pty Ltd. Upon application of the terms of Australian Accounting Standards, the merger is deemed to be a disposal of OTAS from the Snowball Group Limited group of entities (*refer section 2(d) above for further detail of this transaction*).

	Financial Education & Advice	Accountancy Services	Unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000
2009				
Segment revenue				
Total segment revenue	24,374	-	272	24,646
Intersegment elimination				-
Consolidated revenue				24,646
Segment result				
Segment result	11,528	-	(4,353)	7,175
Profit before income tax				7,175
Income tax expense				(1,876)
Profit for the year				5,299

	Financial Education & Advice	Accountancy Services	Unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000
2008				
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

e) A discussion of trends in performance

Consolidated Financial Results

The revenue from continuing operations for the 2009 financial year is \$24.646m, a decrease of \$3.864m (14%) on the prior corresponding period.

EBITDA (earnings before interest, tax, depreciation and amortisation) for the 2009 financial year is \$10.001m, a decrease of \$0.988m (9%) on the prior corresponding period.

The profit after income tax attributable to equity holders of Snowball for the 2009 financial year is \$5.299m, a decrease of \$0.524m (9%) on the prior corresponding period.

The above results include the favourable impact of a one-off after-tax profit on the disposal of OTAS of \$0.732m (\$0.770m pre-tax).

As explained in section 2(d) above, the results for the current period, and the commentary on those results in the above paragraphs, comprise 12 months of Snowball with its share of profits from the investment in DDH 'equity-accounted' (in accordance with AASB128), with the comparatives for the corresponding prior period comprising 12 months of Snowball with revenue and expenses from OTAS accounted for on a consolidated basis. Given the differing accounting treatment required to record Snowball's profit share from its 'Accountancy Services' segment following the merger of OTAS with Duncan Dovico, the directors are of the view that the provision of additional comparatives for the prior corresponding period (the 're-classified comparatives') will assist users of the Preliminary Final Report to better assess the performance of the combined group.

*Please note that the re-classified comparatives **do not** change the reported 'profit after income tax' in respect of the comparative period, rather they present a re-classification of the reported comparatives to allow for an assessment of the combined group on a 'like for like' basis.*

Re-classified comparatives

Accordingly, the re-classified comparatives for the 12 months to 30 June 2008 (as shown in column (5) below) have been calculated by taking the Consolidated Income Statement presented on page 4 of Snowball's Preliminary Final Report for the period ended 30 June 2008 (as shown in column (1) below), and adjusting for:

- 'equity-accounting' the Accountancy Services segment (ie. OTAS) result, as presented on page 17 of Snowball's Preliminary Final Report for the period ended 30 June 2008 (as shown in column (2) below);
- 'equity-accounting' the interest, tax, depreciation and amortisation associated with the Accountancy Services segment (as shown in column (3) below); and
- a change in accounting treatment presentation in respect of the amortisation of separately identifiable intangible assets associated with investments in associates (as shown in column (4) below);

as set out in the following table:

	(1)	(2)	(3)	(4)	(5)
	12 mths to 30 Jun 08 \$'000	Accounting Services EBITDA 12 mths to 30 Jun 08 \$'000	Accounting Services ITDA ⁽¹⁾ 12 mths to 30 Jun 08 \$'000	Change in accounting treatment presentation 12 mths to 30 Jun 08 \$'000	Re-classified comparatives 12 mths to 30 Jun 08 \$'000
Revenue from continuing operations	28,510	(2,710)	-	-	25,800
Total operating costs	(17,712)	2,143	-	-	(15,569)
Share of associates' profit	191	567	(222)	50	586
Operating EBITDA	10,989	-	(222)	50	10,817
Interest, Tax, Depr'n and Amort'n	(5,080)	-	222	(50)	(4,908)
Profit after income tax	5,909	-	-	-	5,909
<i>Profit attributable to:</i>					
<i>Equity holders of Snowball</i>	5,823	-	-	-	5,823
<i>Minority interest</i>	86	-	-	-	86
<i>Profit after income tax</i>	5,909	-	-	-	5,909

⁽¹⁾ Interest, tax, depreciation and amortisation associated with the Accountancy Services segment.

Comparison of current period results to re-classified comparatives

The table below compares Snowball's results for the current reporting period to the re-classified comparatives so as to facilitate an assessment of the combined group on a 'like for like' basis.

	12 mths to 30 Jun 09 \$'000	Re-classified comparatives 12 mths to 30 Jun 08 \$'000	% Increase/ (decrease)
Revenue from continuing operations	24,646	25,800	(4)%
Share of associates' profit	503	586	(14)%
Total operating costs	(15,918)	(15,569)	(2)%
Operating EBITDA	9,231	10,817	(15)%
Profit on disposal of OTAS	770	-	n/a
EBITDA	10,001	10,817	(8)%
Interest, Tax, Depr'n and Amort'n	(4,702)	(4,908)	4%
Profit after income tax	5,299	5,909	(10)%
<i>Profit attributable to:</i>			
<i>Equity holders of Snowball</i>	5,299	5,823	(9)%
<i>Minority interest</i>	-	86	(100)%
<i>Profit after income tax</i>	5,299	5,909	(10)%
Basic earnings per share – cents ⁽¹⁾	3.47	3.90	(11)%
Earnings (excl. amortisation) per share – cents ⁽¹⁾	4.49	4.88	(8)%
EBITDA per share – cents	6.55	7.24	(10)%
Operating cost to income ratio ⁽²⁾	63%	59%	
Cost to income ratio ⁽³⁾	61%	59%	

⁽¹⁾ Calculations are based on profit attributable to equity holders of Snowball.

⁽²⁾ Calculated as 'total operating costs' divided by 'revenue from continuing operations' plus 'share of associates' profit'.

⁽³⁾ Calculated as 'total operating costs' divided by 'revenue from continuing operations' plus 'share of associates' profit' plus 'profit on disposal of OTAS'.

The commentary below provides an analysis of the results for the year ended 30 June 2009 compared to the re-classified comparatives for the year ended 30 June 2008, as set out in the table above.

EBITDA

EBITDA has decreased by \$0.816m (8%) compared to the re-classified 2008 financial year.

Operating EBITDA (EBITDA, excluding the impact of the pre-tax profit on the disposal of OTAS) has decreased by \$1.586m (15%) compared to the re-classified 2008 financial year. Operating EBITDA in the second half of the year (excluding the contribution from acquisitions made during this period) increased by 14%, compared to the first half.

The operating EBITDA result for the 2009 financial year reflects:

- the adverse impact on the Group's funds under advice (FUA), and consequently revenue, from the continued downturn in investment markets (refer below);

partly offset by:

- the benefit of judicious cost containment;
- protection from the full effect of market declines due to the Group's diversified business (financial advice, insurance, corporate superannuation and accounting) and conservatively managed portfolios; and
- an EBITDA contribution from businesses acquired during the second half of the year (*refer section 14(f) below for further detail of acquisitions made in the 2009 financial year*).

Achievement of market guidance

At Snowball's Annual General Meeting on 24 November 2008, guidance was provided that the Group expected to achieve EBITDA in 2009 that was at least 90% of the reported result in 2008.

Snowball's EBITDA result for the 2009 financial year of \$10.001m is 91% of the reported result achieved in 2008 of \$10.989m, and 92% of the re-classified result in 2008 of \$10.817m, thus exceeding market guidance originally provided.

Impact of downturn in investment markets on FUA

As a result of the downturn in investment markets that commenced in November 2007, the All Ordinaries index at the end of June 2009 was 26% below its level at the end of the prior year. However, Snowball's FUA did not suffer to the same extent due to the Group's diversified portfolios and contribution from acquisitions, and, at the end of the reporting period, was in line with levels at the end of June 2008. Further, whilst the All Ordinaries index for the current reporting period was, on average, 32% below levels experienced during the 2008 financial year, Snowball average FUA for the current period (excluding additional FUA from acquisitions) was only 18% lower than in the prior corresponding period.

Revenue from continuing operations

As a large proportion of Snowball's revenue remains directly linked to FUA, the impact of adverse market conditions on the Group's FUA has resulted in a decrease in FUA-based revenue. However, the additional contribution to revenue of \$2.781m from acquisitions, together with the benefit of continued strong performances from insurance and corporate super (which, combined, contribute around 25% of the Group's revenue), has helped cushion the effects of unfavourable markets. As a result, the Group's revenue from continuing operations has only fallen 4%, or \$1.154m, compared to the re-classified 2008 financial year. Excluding the contribution from acquisitions, the Group's revenue decreased by 15% year on year.

Share of associates' profit

Contribution to the Group result from investments in associates is \$0.503m, a decrease of \$0.083m (14%) compared to the re-classified 2008 financial year. This reflects:

- a reduced contribution from QTCU Financial Planning, reflecting the impact of the downturn in investment markets on average levels of FUA;

partly offset by:

- an increased contribution from the Group's Accountancy Services 'segment', primarily due to: (1) the contribution from a newly acquired accounting business (ie. Yarra Consulting Group) in the second half of the 2008 financial year; and (2) a continued focus on increasing the level of strategic and business advisory work provided to clients, in addition to the provision of standard compliance-related services.

Operating costs

Snowball responded to the deterioration in investment market conditions, and resulting unfavourable impact on revenue, by increasing cost control. Total operating costs for the period were \$15.918m, of which \$1.335m related to newly acquired businesses. Therefore:

- total operating costs, including expenses relating to newly acquired businesses, increased by 2%, or \$0.349m; and
- total operating costs, excluding expenses relating to newly acquired businesses, decreased by 6%, or \$0.986m.

The decrease in total operating costs, excluding expenses relating to acquisitions, reflects:

- operating efficiencies, which have enabled the non-replacement of some vacated positions and other resulting cost savings; and
- the impact of one-off expenditure incurred in the 2008 financial year, relating to the integration of the Outlook and WPFG businesses.

On the back of increased efficiency and continued focus on expense reduction, operating costs for the second half of the year were 9% less than those in the first half. As a result, the Group's cost to income ratio reduced from 63% in the first half to 61% for the full year, notwithstanding average FUA in the second half being 6% below levels in the first six months.

The increase in the Group's cost to income ratio from 59% in the 2008 financial year is a direct result of the downturn in investment markets adversely impacting on levels of revenue. Given Snowball's proven ability to leverage its scale and contain costs, the Group is well positioned to benefit from the resumption of favourable investment market conditions.

Note to the Consolidated Balance Sheet

As at 30 June 2009, the Group had a technical working capital deficiency which reflects the 'current' classification of its liability for deferred consideration associated with recent business acquisitions. The Group will draw on available funds from its existing \$14.7m financing facility, principally established to fund such acquisitions, to discharge the deferred consideration obligations.

Note to the Consolidated Cash Flow Statement

Net cash inflow from operating activities in the current reporting period, as presented in the Group's consolidated cash flow statement on page 6, has been impacted by a significant final tax payment made in respect of the 2008 financial year, resulting from the initial tax instalments being based on the income tax payable in respect of the 2007 financial year (a considerably lower amount).

- f) Any other factors which have affected the results in period or which are likely to affect results in the future, including those where the effect could not be quantified

Recent acquisitions

During the 2008 financial year, Snowball completed a number of acquisitions in respect of financial planning, corporate superannuation and accountancy businesses. In the 2009 financial year, Snowball has benefited from a contribution to performance by each of these businesses for the full period (except Yarra Financial Planning, which has contributed since 1 August 2008).

During the 2009 financial year, Snowball completed the following acquisitions:

- effective 1 February 2009, acquisition of the business assets of a financial planning business, Money Mentors (Qld) Pty Ltd;
- effective 1 March 2009, acquisition of the corporate superannuation business of Hood Sweeney Securities Pty Limited; and
- effective 1 March 2009, acquisition of the corporate superannuation business of Thornton Group (SA) Pty Ltd.

The abovementioned acquisitions have performed in line with expectations, with expense savings partly reducing the adverse impact of investment markets.

In addition, through:

- the merger of the OTAS and Duncan Dovico businesses into a single merged entity, Duncan Dovico Holdings Pty Ltd (effective 1 July 2008); and
- the joint venture between Outlook Financial Solutions and Big Sky Credit Union, Big Sky Financial Solutions (effective 1 October 2008),

further revenue-generating opportunities (both financial planning and accounting) are expected to be created, as the Group extends provision of its integrated financial service offering to a wider range of customers.

15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed

This report is based on accounts to which one of the following applies:

- | | | | |
|-------------------------------------|--|--------------------------|---|
| <input type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |

16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification

Not applicable.

17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification

Not applicable.



Q B Jones
Director

18 August 2009