



**BURNS PHILP FINANCE
NEW ZEALAND LIMITED**

173 CAPTAIN SPRINGS ROAD
ONEHUNGA
AUCKLAND 1061
NEW ZEALAND
(PRIVATE BAG 92-106, AUCKLAND 1142)
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27 March 2009

Market Information Services
New Zealand Exchange Limited
Level 2, NZX Centre
11 Cable Street
WELLINGTON, NEW ZEALAND

**Burns Philp Finance New Zealand Limited
Annual Report for year ended 31 December 2008**

Pursuant to Listing Rule 10.8.2, please find attached a letter dated 27 March 2009 addressed to the holders of the Capital Notes issued by Burns Philp Finance New Zealand Limited ("the Company") which was sent to holders today with a copy of the Annual Report of the Company and the Annual Report of Burns, Philp & Company Pty Limited ("Burns Philp") for the year ended 31 December 2008.

It is noted that a copy of the printed version of the Company's Annual Report was provided to the NZX on 17 March 2009. Attached is a copy of Burns Philp's Annual Report.

Yours faithfully

A handwritten signature in black ink, appearing to be "Helen Golding", written over a faint circular stamp or watermark.

HELEN GOLDING
Company Secretary
Burns, Philp & Company Pty Limited

Encl



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27 March 2009

Dear Noteholder

Burns Philp Finance New Zealand Limited Capital Notes

Pursuant to Listing Rule 10.5.1 and clause 5.5(d) of the Restated Trust Deed dated 30 April 2003 for the Capital Notes, please find enclosed the Annual Report of Burns Philp Finance New Zealand Limited ("the Company") and the Annual Report of Burns, Philp & Company Pty Limited ("Burns Philp") for the year ended 31 December 2008.

Should you have any enquiries in relation to your holding of Burns Philp Finance New Zealand Limited Capital Notes, please contact the Capital Notes Registrar:

Computershare Investor Services Limited
Level 2
159 Hurstmere Road
Takapuna, North Shore City 0620
(Private Bag 92119, Auckland 1142)
Telephone: +64 9 488 8777
Facsimile: +64 9 488 8787
Email: enquiry@computershare.co.nz
Website: www.computershare.co.nz

Yours faithfully

HELEN GOLDING
Company Secretary
Burns, Philp & Company Pty Limited

Encl

***Burns
Philp***

2008 | Annual Report

BURNS, PHILP & COMPANY PTY LIMITED

Directory

Burns, Philp & Company Pty Limited

ACN 000 000 359

Registered Office

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Citigroup Centre

2 Park Street

Sydney NSW 2000

Australia

(GPO Box 543, Sydney NSW 2001)

Telephone: +61 2 9268 6600

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Managing Director & Chief Executive Officer

Thomas J Degnan

Company Secretaries

Helen Golding

Robyn Charnock

Auditor

KPMG

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Directors' Report

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008

The Directors present their report together with the financial report of Burns, Philp & Company Pty Limited ("Burns Philp" or "the Company") and the consolidated financial report of the consolidated entity, being the Company and its subsidiaries ("the Group") for the twelve month period ended December 31, 2008 and the auditor's report thereon.

1. Directors

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

Graeme Hart
Thomas Degnan
Bryce Murray
Helen Golding
Mark Dunkley

All of the Directors have been in office for the whole of the reporting period.

2. Principal activities

During the period the principal activity of the Group was the provision of legal, financial and administrative services to its ultimate parent entity, Rank Group Limited. Previously, the Group's principal activity was investing in businesses that manufacture, market and distribute food ingredients and consumer branded food and related products.

There were no other significant changes in the nature of the activities of the Group during the period, other than as set out in the operating and financial review section of this report.

3. State of affairs

Changes in the state of affairs of the Group during the period under review are included in the operating and financial review section below.

4. Consolidated result

The net consolidated result attributable to members of the Company for the financial period was a profit of AU\$93.6 million (six months ended December 31, 2007: profit of AU\$77.5 million).

5. Change in financial reporting period

In 2007, the Group changed its financial reporting period resulting in the comparative financial reporting period being for the six months ended December 31, 2007. The change in the financial reporting period is consistent with and aligns the Company and its subsidiaries with the financial reporting period of its ultimate parent entity, Rank Group Limited.

6. Change in shareholder

On December 15, 2008 Kintron Developments Limited, the then sole shareholder of the Company, amalgamated with Nerva Investments Limited, the current sole shareholder of the Company.

7. Operating and financial review

During the period under review, the Group continued with initiatives to achieve its goal of maximising shareholder return.

The Company entered into an agreement with FSB Holdings Australia Pty Limited on February 4, 2008 to sell its investment in Fresh Start Bakeries Australia Pty Limited ("Fresh Start Bakeries"). Proceeds of AU\$37.8 million were received on the date of completion being February 20, 2008, resulting in a gain on disposal of AU\$25.7 million.

On December 15, 2008 a wholly owned subsidiary of the Company, Burns Philip Finance New Zealand Limited, redeemed capital notes with a principal value of AU\$145.2 million (NZ\$173.7 million).

8. Environmental regulation

Following the disposal of its remaining operation described in the operating and financial review section of this report, the Group is not subject to any significant environmental regulations.

Prior to the disposal of this remaining operation, the Group had corporate and locally based procedures in place to monitor potential or actual environmental risks and manage compliance with existing and new environmental regulations as they came into force. Prior to and up to the date of the disposal, the Directors were not aware of any significant environmental liabilities having been incurred.

9. Dividends

On February 15, 2008 an unfranked ordinary dividend of AU\$331.8 million was declared by the Company and paid on February 20, 2008 to Kintron Developments Limited (the sole shareholder of the Company until December 15, 2008 when it amalgamated with Nerva Investments Limited, the current sole shareholder of the Company).

There were no other dividends paid or declared during the financial period.

10. Options over unissued shares or interests

There were no options for ordinary shares on issue during the financial period and none are on issue as at the date of this report.

No employee options are on issue as at the date of this report.

11. Events subsequent to reporting date

On March 9, 2009 Burns Philp GF Investments Pty Limited (a wholly owned subsidiary of the Company) assigned AU\$547.2 million of a loan owing from Building Supplies Group Holdings Pty Limited to the Company. The Company also received a dividend of AU\$163.8 million from Burns Philp GF Investments Pty Limited, which offset part of the intercompany payable owing to Burns Philp GF Investments Pty Limited as a result of the debt assignment. The Company then effected a forgiveness of debt in favour of Building Supplies Group Holdings Pty Limited for AU\$1,000.0 million. In order to facilitate this loan forgiveness, a capital reduction of AU\$343.7 million was effected.

Had these transactions occurred on December 31, 2008 the impact on the Group would have been to reduce total equity to AU\$162.6 million and the impact on the Company would have been to reduce total equity to AU\$126.6 million.

No other events have occurred subsequent to balance date that would have a material effect on the financial statements as at December 31, 2008 or the Group's state of affairs, operations or results in future financial years.

12. Likely developments

Further information about likely developments in the operations of the Company or the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company or the Group.

13. Indemnification and insurance of officers and auditors

Indemnification

To the extent permitted by law, the Company's constitution requires the Company to indemnify each person who has been a director, secretary, other officer or employee of the Company or any of its subsidiaries for liability and for legal costs incurred in defending an action, resulting from facts or circumstances occurring after March 13, 2000 incurred as a director, secretary, other officer or employee.

The Company has agreed to indemnify the current Directors, Company Secretaries and Chief Financial Officer of the Company, and former Directors, Mr A McGregor (who is now deceased), Mr F Smith and Mr M Burrows, and a former Company Secretary, Mr P West, against losses incurred in their role as director, secretary, executive or other employee of the Company or its subsidiaries subject to certain exclusions, including to the extent that such an indemnity is prohibited by the Corporations Act or any other law. The agreement stipulates that the Company will meet the full amount of any such losses, costs and expenses (including legal expenses).

By a Deed Poll dated December 18, 1997 (as amended on November 3, 2000) the Company agreed to indemnify each director and company secretary of a subsidiary of the Company against any liability incurred as a result of having served as a director, secretary or employee of a subsidiary. The indemnity is subject to certain exclusions including to the extent that such an indemnity is prohibited by the Corporations Act or any other law. The agreement stipulates that the Company will meet the full amount of any such liabilities, costs and expenses (including legal fees).

By two separate Deeds of Indemnity authorised by the Board on November 14, 2005, the Company agreed to indemnify each of Mr H E Perrett and Mr M Ould on a full indemnity basis (subject to certain specified limitations) and to the full extent permitted by law against any liability incurred by either of them in their capacity as a director of Goodman Fielder Limited in relation to certain specified matters in connection with the divestment by Burns Philp of its Baking, Spreads & Oils businesses and the initial public offering of ordinary shares in Goodman Fielder Limited.

Directors' Report (continued)

Each of the indemnities referred to above provide that the Company must maintain directors' and officers' insurance for a specified period and pay such premiums to the extent permitted by the law.

The Company has not been advised of any claims under any of the above indemnities.

Insurance

During the financial period the Company's ultimate parent entity, Rank Group Limited, paid insurance premiums for a directors' and officers' liability (and legal expenses) insurance contract that provides cover for the current and former Directors, secretaries and executive officers of both the Company and its subsidiaries. The Directors have not included details of the nature of the liabilities covered in this contract or the amount of the premium paid, as disclosure is prohibited under the terms of the contract.

Indemnification of auditors

From time to time the Group engages its external auditor, KPMG, to conduct non-statutory audit work and provide other services. The terms of engagement include an indemnity in favour of KPMG:

- (a) against all losses, claims, costs, demands, actions, damages, liabilities or any proceedings ("liabilities") incurred by KPMG in respect of third party claims arising from a breach by the Group under the engagement terms; and
- (b) for all liabilities KPMG has to the Group or any third party as a result of reliance on information provided by the Group which is false, misleading or incomplete.

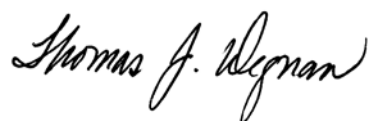
14. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the financial period ended December 31, 2008.

15. Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated July 10, 1998 (as amended) and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest tenth of a million dollars, unless otherwise stated.

This report has been made in accordance with a resolution of the Directors of the Company.



Thomas J Degnan
Managing Director

March 17, 2009

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

To the directors of Burns, Philp & Company Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended December 31, 2008 there have been:

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



KPMG



Duncan McLennan

Partner

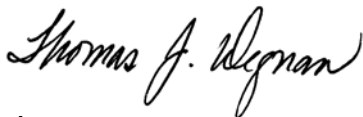
Sydney, Australia

March 17, 2009

Directors' Declaration

1. In the opinion of the Directors of Burns, Philp & Company Pty Limited ("the Company"):
 - (a) the financial statements and notes, set out on pages 10 to 52, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at December 31, 2008 and of their performance for the twelve months ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2; and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the controlled entities identified in note 31 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those controlled entities pursuant to ASIC Class Order 98/1418.

Signed in accordance with a resolution of the Directors:



Thomas J Degnan
Managing Director

March 17, 2009

Independent Audit Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURNS, PHILP & COMPANY PTY LIMITED

Report on the financial report

We have audited the accompanying financial report of Burns, Philp & Company Pty Limited (the Company), which comprises the statements of financial position as at December 31, 2008, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 34 and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

Independence

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

Independent Audit Report (continued)

Auditor's opinion

In our opinion:

- (a) the financial report of Burns, Philp & Company Pty Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and the Group's financial position as at December 31, 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.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.



KPMG



Duncan McLennan

Partner

Sydney, Australia

March 17, 2009

Financial Report

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Statements of Comprehensive Income

FOR THE PERIOD ENDED

In millions of AU\$	Note	Consolidated December 31		Company December 31	
		2008	2007*	2008	2007*
Revenue		-	-	-	-
Cost of sales		-	-	-	-
Gross profit		-	-	-	-
Gain on disposal of investment in Goodman Fielder Ltd	7	-	171.8	-	-
Gain on disposal of investment in Fresh Start Bakeries	8	25.7	-	21.2	-
Other income	9	14.5	4.3	13.2	-
General and administration expenses	10	(22.8)	(14.4)	(10.9)	(8.4)
Other expenses	11	-	-	(76.0)	-
Share of profits of associates, net of tax	23	-	17.9	-	-
Profit (loss) from operating activities		17.4	179.6	(52.5)	(8.4)
Financial income	13	141.0	49.3	84.2	38.5
Financial expenses	13	(30.4)	(99.4)	(5.1)	-
Net financial income (expenses)		110.6	(50.1)	79.1	38.5
Profit (loss) before income tax		128.0	129.5	26.6	30.1
Income tax (expense)	14	(34.4)	(52.0)	(31.3)	(1.6)
Profit (loss) for the period		93.6	77.5	(4.7)	28.5
Other comprehensive (expense) income for the period net of income tax					
Exchange differences on translating foreign operations		(10.8)	18.8	-	-
Amounts reclassified to net profit on disposal of investment in Goodman Fielder Limited		-	8.9	-	-
Total other comprehensive (expense) income for the period net of income tax	15	(10.8)	27.7	-	-
Total comprehensive income (expense) for the period		82.8	105.2	(4.7)	28.5
Profit (loss) attributable to:					
Equity holders of the Company		93.6	77.5	(4.7)	28.5
Minority interest		-	-	-	-
		93.6	77.5	(4.7)	28.5
Total other comprehensive (expense) income attributable to:					
Equity holders of the Company		(10.8)	27.7	-	-
Minority interest		-	-	-	-
		(10.8)	27.7	-	-

* Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Group's election during this prior period to change its balance date from June to December.

Statements of Financial Position

AS AT

In millions of AU\$	Note	Consolidated December 31		Company December 31	
		2008	2007	2008	2007
Assets					
Cash and cash equivalents	16	70.9	866.9	2.1	1.2
Other receivables	17	45.5	10.0	535.7	725.6
Prepayments		0.8	1.1	0.8	1.1
Assets held for sale	18	-	12.0	-	-
Current tax assets	21	1.1	-	1.1	-
Other assets		0.1	0.1	-	-
Total current assets		118.4	890.1	539.7	727.9
Investments in subsidiaries	19	-	-	175.9	251.9
Other receivables	17	1,982.6	1,521.2	462.9	420.7
Deferred tax assets	21	1.2	39.0	0.4	6.0
Property, plant and equipment	20	1.4	1.2	0.5	0.3
Intangible assets	22	1.5	1.4	1.5	1.4
Total non-current assets		1,986.7	1,562.8	641.2	680.3
Total assets		2,105.1	2,452.9	1,180.9	1,408.2
Liabilities					
Trade and other payables	24	8.1	106.2	5.3	100.6
Interest bearing borrowings	25	17.1	164.3	-	-
Current tax liabilities	21	5.7	4.4	-	1.9
Employee benefits	26	3.1	2.6	0.9	0.8
Provisions	27	16.7	15.6	1.4	1.1
Total current liabilities		50.7	293.1	7.6	104.4
Other payables	24	764.6	696.6	125.3	-
Interest bearing borrowings	25	112.7	33.2	81.0	-
Deferred tax liabilities	21	1.0	1.1	-	-
Employee benefits	26	0.4	0.4	0.4	0.4
Provisions	27	13.1	16.9	3.8	4.1
Total non-current liabilities		891.8	748.2	210.5	4.5
Total liabilities		942.5	1,041.3	218.1	108.9
Net assets		1,162.6	1,411.6	962.8	1,299.3
Equity and reserves					
Share capital	28	470.3	470.3	470.3	470.3
Reserves	28	(1.2)	9.6	-	-
Retained earnings		693.5	931.7	492.5	829.0
Equity attributable to equity holders of the Company		1,162.6	1,411.6	962.8	1,299.3
Minority interest		-	-	-	-
Total equity		1,162.6	1,411.6	962.8	1,299.3

Statements of Changes in Equity

FOR THE PERIOD ENDED

Consolidated

In millions of AU\$	Note	Share capital	Foreign currency translation reserve	Hedge reserve	Retained earnings	Total equity
Balance at July 1, 2007		470.3	(21.1)	3.0	854.2	1,306.4
Total comprehensive income for the period		-	30.7	(3.0)	77.5	105.2
Dividends paid	28	-	-	-	-	-
Balance at December 31, 2007 *		470.3	9.6	-	931.7	1,411.6
Balance at January 1, 2008		470.3	9.6	-	931.7	1,411.6
Total comprehensive income for the period		-	(10.8)	-	93.6	82.8
Dividends paid	28	-	-	-	(331.8)	(331.8)
Balance at December 31, 2008		470.3	(1.2)	-	693.5	1,162.6

Company

In millions of AU\$	Note	Share capital	Foreign currency translation reserve	Hedge reserve	Retained earnings	Total equity
Balance at July 1, 2007		470.3	-	-	800.5	1,270.8
Total comprehensive income for the period		-	-	-	28.5	28.5
Dividends paid	28	-	-	-	-	-
Balance at December 31, 2007 *		470.3	-	-	829.0	1,299.3
Balance at January 1, 2008		470.3	-	-	829.0	1,299.3
Total comprehensive (expense) for the period		-	-	-	(4.7)	(4.7)
Dividends paid	28	-	-	-	(331.8)	(331.8)
Balance at December 31, 2008		470.3	-	-	492.5	962.8

* Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Group's election during this prior period to change its balance date from June to December.

Statements of Cash Flows

FOR THE PERIOD ENDED

In millions of AU\$	Note	Consolidated December 31		Company December 31	
		2008	2007*	2008	2007*
Cash flows from operating activities					
Cash paid to suppliers and employees		(14.8)	(16.7)	(11.1)	(9.9)
Management fees received from related parties		11.9	1.7	7.2	-
Interest received		14.9	13.0	52.2	24.8
Interest paid		(26.7)	(12.7)	-	-
Dividends received		-	21.3	-	-
Settlement of cross currency swaps		9.4	-	-	-
Settlement of foreign currency contracts		-	(63.3)	-	-
Income taxes refunded (paid)		(2.7)	1.1	(2.4)	-
Net cash from (used in) operating activities		(8.0)	(55.6)	45.9	14.9
Cash flows from investing activities					
Acquisition of property, plant and equipment		(0.4)	(0.2)	(0.4)	(0.2)
Proceeds from sale of property, plant and equipment		0.1	1.0	0.1	-
Acquisition of intangible assets		(0.8)	(1.4)	(0.8)	(1.4)
Proceeds from sale of Goodman Fielder Limited investment, net of costs		-	554.8	-	-
Proceeds from sale of investment in Fresh Start Bakeries, net of costs		37.7	-	37.7	-
Proceeds from the sale of other investments		0.4	0.7	-	-
Net cash from (used in) investing activities		37.0	554.9	36.6	(1.6)
Cash flows from financing activities					
Repayment of NZ Capital Notes		(145.2)	-	-	-
Loan to subsidiary		-	-	-	(12.8)
Repayment of loan by subsidiary		-	-	182.8	-
Loans to other related parties		(414.3)	-	(10.0)	-
Dividend paid to the sole shareholder		(254.4)	-	(254.4)	-
Net cash from (used in) financing activities		(813.9)	-	(81.6)	(12.8)
Net (decrease) increase in cash and cash equivalents					
Cash and cash equivalents at beginning of financial period		866.9	367.5	1.2	0.7
Effect of exchange rate fluctuations on cash held		(11.1)	0.1	-	-
Cash and cash equivalents at December 31	16	70.9	866.9	2.1	1.2

* Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Group's election during this prior period to change its balance date from June to December.

Statements of Cash Flows (continued)

In millions of AU\$	Consolidated December 31		Company December 31	
	2008	2007*	2008	2007*
Reconciliation of the profit for the period with the net cash from operating activities				
Profit (loss) for the period	93.6	77.5	(4.7)	28.5
Adjustments for:				
Depreciation	0.2	0.1	0.2	0.1
Amortisation of intangible assets	0.7	-	0.7	-
Impairment losses on investments in subsidiaries	-	-	76.0	-
Dividend received from subsidiary	-	-	(5.2)	-
Gain on sale of properties held for sale	(0.1)	(0.6)	(0.1)	-
Gain on sale of investments	(26.1)	(172.5)	(21.2)	-
Net financing (income) expense	(110.6)	50.1	(79.1)	(38.5)
Share of profit of associates	-	3.4	-	-
Income tax expense	34.4	52.0	31.3	1.6
Interest paid	(26.7)	(12.7)	-	-
Interest received	14.9	13.0	52.2	24.8
Proceeds received on settlement of cross currency swaps	9.4	-	-	-
Payments made to settle foreign currency contracts	-	(63.3)	-	-
Income tax (paid) refunded	(2.7)	1.1	(2.4)	-
Change in trade and other receivables	(2.2)	(1.7)	(0.7)	-
Changes in provisions and employee benefits	(4.8)	-	0.1	(0.9)
Changes in other assets and liabilities	12.0	(2.0)	(1.2)	(0.7)
Net cash (used in) from operating activities	(8.0)	(55.6)	45.9	14.9

Significant non-cash financing and investing activities

On February 15, 2008 an unfranked ordinary dividend of AU\$331.8 million was declared by the Company in favour of Kintron Developments Limited (the then sole shareholder). The dividend was funded to the extent of AU\$254.4 million out of the Group's cash resources with the AU\$77.4 million balance paid on behalf of the Company by a fellow subsidiary of Rank Group Limited, resulting in a corresponding increase in the amount owing to that fellow subsidiary, which remains unpaid at December 31, 2008.

There were no other significant non-cash financing and investing activities during the current or prior period.

* Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Group's election during this prior period to change its balance date from June to December.

Notes to the Financial Statements

1. REPORTING ENTITY

Burns, Philp & Company Pty Limited ("Burns Philp" or the "Company") is a proprietary company domiciled in Australia.

The consolidated financial statements of the Company as at and for the period ended December 31, 2008 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The Group is principally engaged to provide legal, financial and administrative services to its ultimate parent entity and is primarily based in Australia.

The address of the registered office of the Company is Suite 2502, Level 25, Citigroup Centre, 2 Park Street, Sydney NSW 2000, Australia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. They comply with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

The financial statements were approved by the Board of Directors (the "Directors") on March 17, 2009.

2.2 Going concern

The financial statements have been prepared using the going concern assumption.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for derivatives which are measured at fair value. The methods used to measure fair values are discussed further in note 5.

Information as disclosed in the statements of comprehensive income, changes in equity, cash flows and related notes for the current period is for the 12 month period ended December 31, 2008. Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Company's election during this prior period to change its balance date from June to December.

2.4 Presentation currency

The financial statements are presented in Australian dollars ("AU\$"), which is the Group's presentation currency. The Group is of a kind referred to in ASIC Class Order 98/100 dated July 10, 1998 (as amended) and in accordance with that Class Order, amounts in the financial statements and Directors' Report have been rounded to the nearest tenth of a million dollars, unless otherwise stated.

2.5 Use of estimates and judgements

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is described in note 4.

Notes to the Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the parent of the Group. Control exists when the parent of the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control (or effective control) commences until the date that control ceases.

(b) Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies (generally accompanying a shareholding of between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting (equity accounted investees) and are initially recognised at cost. Investments in associates include goodwill identified on acquisition, net of accumulated impairment losses (if any).

The Group's share of its associates' post-acquisition profits or losses and movements in other comprehensive income is recognised in the Group's statement of comprehensive income (after adjustments (as required) are made to align the accounting policies of the associate with those of the Group). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(c) Joint ventures

Joint ventures are those operations, entities or assets in which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Interests in jointly controlled entities are accounted for using the equity method of accounting (as described in note 3.1(b)).

Interests in jointly controlled assets and operations are reported in the financial statements by including the Group's share of assets employed in the joint venture, the share of liabilities incurred in relation to the joint venture and the share of any expenses incurred in relation to the joint venture in their respective classification categories.

(d) Transactions between entities under common control

Certain transactions between entities that are under common control may not be transacted on an arm's length basis and accordingly, any gains or losses on these transactions are recognised directly in equity. Examples of such transactions include but are not limited to:

- debt forgiveness transactions;
- transfer of assets for greater than or less than fair value; and
- acquisition or disposal of subsidiaries for no consideration or consideration greater than or less than fair value.

Acquisitions of entities under common control are accounted for as follows:

- goodwill or discount on acquisition is calculated as the difference between the total consideration paid including transaction costs and the fair value of the percentage of net assets acquired and is recognised directly in equity; and
- the results of operations and cash flows of the acquired entity are included in the financial statements from the date of acquisition to the end of the financial period.

(e) Transactions eliminated on consolidation

Intra-group balances and unrealised items of income and expense arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same manner as gains, but only to the extent that there is no evidence of impairment.

(f) Investments in subsidiaries

Investments in subsidiaries are carried at cost less any impairment losses in the Company's financial statements.

3.2 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Australian dollars, which is the presentation currency of the Group.

(b) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of the respective entities at the exchange rate on that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency of the respective entities at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency of the respective entities at the exchange rate on the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in the statement of comprehensive income, except for differences arising on the translation of available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation (see (c) below).

(c) Foreign operations

The results and financial position of those entities that have a functional currency different from the presentation currency of the Group are translated into the Group's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate on the reporting date of the statement of financial position;
- (ii) Income and expense items for each profit and loss item are translated at average exchange rates;
- (iii) Items of other comprehensive income are translated at the rates on the dates the transactions occurred and;
- (iv) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments are recognised as a component of equity and included in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated on this basis.

3.3 Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, receivables, trade and other payables and interest bearing borrowings.

A non-derivative financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Non-derivative financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Non-derivative financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Upon initial acquisition the Group classifies its financial instruments in one of the following categories, which is dependent on the purpose for which the financial instruments were acquired.

(a) Financial instruments at fair value through the profit and loss

An instrument is classified as fair value through the profit and loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as fair value through the profit and loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition at the trade date, attributable transaction costs are recognised in the statement of other comprehensive income. Subsequent to initial recognition, financial instruments at fair value through the profit and loss are measured at fair value, and changes therein are recognised in the statement of comprehensive income.

Notes to the Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Non-derivative financial instruments (continued)

(b) 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 instruments with maturities greater than 12 months from the reporting date, which are classified as non-current assets.

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments with maturities less than three months. Bank overdrafts are included within borrowings in current liabilities in the statement of financial position except where these are repayable on demand, in which case they are included as a component of cash and cash equivalents.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intention to hold to maturity. If the Group has the positive intention and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and allocating the interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument, or, where appropriate, a shorter period.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Available-for-sale financial assets are measured at fair value on initial recognition. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the statement of comprehensive income.

(e) Other liabilities

Other liabilities comprise all non-derivative financial liabilities that are not disclosed as fair value through the profit and loss. Other liabilities 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. The Group's other liabilities comprise trade and other payables and interest bearing borrowings, including related parties, and are measured as follows:

(i) Trade and other payables

Subsequent to initial recognition trade and other payables are stated at cost.

(ii) Interest bearing borrowings including related parties

Subsequent to initial recognition interest-bearing loans and borrowings are measured at amortised cost using the effective interest rate method.

3.4 Derivative financial instruments

A derivative financial instrument is recognised if the Group becomes a party to the contractual provisions of an instrument at the trade date.

Derivative financial instruments are initially recognised at fair value and transaction costs are expensed as incurred. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised in the statement of comprehensive income unless it qualifies for hedge accounting. Where a derivative financial instrument qualifies for hedge accounting, recognition of any resulting gain or loss depends on the nature of the hedging relationship (see below).

Derivative financial assets are derecognised if the Group's contractual right to the cash flows from the instrument expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Derivative financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

(a) Cash flow hedges

Changes in the fair value of a derivative financial instrument designated as a cash flow hedge are recognised directly in equity (as a component of other comprehensive income) to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of comprehensive income as a component of the profit or loss for the period.

If a hedging instrument no longer meets the criteria for hedge accounting or it expires, is sold, terminated or exercised, then hedge accounting is discontinued prospectively. At this point in time, the cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In all other cases the amount recognised in equity is transferred within the statement of comprehensive income in the same period that the hedged item affects this statement and is recognised as part of financial income or expenses. If the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred within the statement of comprehensive income and is recognised as part of financial income or expenses.

(b) Fair value hedges

Changes in the fair value of a derivative financial instrument designated as a fair value hedge are recognised in the statement of comprehensive income as a component of financial income or expenses together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

3.5 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of property, plant and equipment acquired in a business combination is determined by reference to its fair value at the date of acquisition (see note 3.1(a)). The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Assets under construction

Assets under construction are transferred to the appropriate asset category when they are ready for their intended use. Assets under construction are not depreciated but tested for impairment at least annually.

(c) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an item of property, plant and equipment are capitalised until such time as the assets are substantially ready for their intended use. The interest rate used equates to the effective interest rate on debt where general borrowings are used or the relevant interest rate where specific borrowings are used.

(d) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

(e) Depreciation

Depreciation is recognised in the statement of comprehensive income using a method that reflects the pattern in which the economic benefits embodied within the asset are consumed. Generally this is on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the material classes of property, plant and equipment are as follows:

- Buildings 40 to 50 years
- Plant and equipment 3 to 33 years

Depreciation methods, useful lives and residual values are reassessed on an annual basis.

Gains and losses on the disposal of items of property, plant and equipment are determined by comparing the proceeds (if any) at the time of disposal with the carrying amount of the asset.

3.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases, and are recognised as an expense in the statement of comprehensive income over the term of the associated lease agreement or the life of the leased asset (whichever is shorter).

Notes to the Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates, joint ventures and business operations and represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (discount on acquisition), it is recognised immediately in the statement of comprehensive income.

Goodwill is measured at cost less accumulated impairment losses (if any) and is tested at least annually for impairment. Goodwill is not amortised and is allocated to cash generating units ("CGUs") for the purpose of impairment testing. The allocation is made to the CGUs that are expected to benefit from the business combination in which the goodwill arose after the finalisation of the allocation of purchase consideration is completed.

In respect of joint ventures and investments accounted for using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment and is tested for impairment at least annually as part of the overall investment balance.

(b) Other intangible assets

Other intangible assets comprise computer system development projects. Other intangible assets have finite useful lives and are carried at cost less accumulated amortisation and impairment losses (if any).

(c) Subsequent expenditure

Subsequent expenditure in respect of intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and it can be reliably measured. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of comprehensive income as incurred.

(d) Amortisation

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and trademarks, from the date that they are available for use.

The estimated useful lives of the material classes of intangible assets are as follows:

- Computer software 2.5 years

3.8 Impairment

The carrying amounts of the Group's assets are reviewed regularly and at least annually to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of comprehensive income.

(a) Impairment of loans and receivables

The recoverable amount of the Group's loans and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at the date of initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on individual instruments that are considered significant are determined on an individual basis through an evaluation of the specific instruments' exposures. For trade receivables which are not significant on an individual basis, impairment is assessed on a portfolio basis taking into consideration the number of days overdue and the historical loss experiences on a portfolio with a similar number of days overdue.

(b) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at least annually to determine whether there is any indication of impairment. If any such indicators exist then the asset or CGU's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amounts are estimated at least annually and whenever there is an indication that they may be impaired.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other non-financial assets in the CGU on a pro-rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

In respect of assets, other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Assets and liabilities classified as held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter the assets (or disposal groups) are measured at the lower of their carrying amount or fair value less costs to sell. Upon reclassification the Group ceases to depreciate or amortise non-current assets classified as held for sale. Any impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets or employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the statement of comprehensive income. Gains are not recognised in excess of any cumulative impairment loss.

3.10 Employee benefits

(a) Pension obligations

The Group operates defined contribution and defined benefit plans.

(i) Defined contribution plans

A defined contribution plan is a plan under which the employee and the Group pay fixed contributions to a separate entity. The Group has no legal or constructive obligation to pay further contributions in relation to an employee's service in the current and prior periods. The contributions are recognised in the statement of comprehensive income as and when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on factors such as age, years of service and compensation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefits that employees have earned in return for their service in the current and prior periods. These benefits are then discounted to determine the present value of the Group's obligations and are then adjusted for the impact of any unrecognised past service costs. The Group's net obligation is then determined with reference to the fair value of the plan assets (if any). The discount rate used is the yield on bonds that are denominated in the currency in which the benefits will be paid and that have maturity dates approximating the terms of the Group's obligations. The calculations are performed by qualified actuaries using the projected unit credit method.

Past service costs are recognised immediately in the profit or loss, unless the changes to the plans are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past service costs are amortised on a straight-line basis over the vesting period.

To the extent that any cumulative unrecognised actuarial gains and losses exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognised in the statement of comprehensive income.

(b) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the profit or loss as the related services are provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans and outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(c) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits, other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related costs, discounted to determine the present value of the Group's obligation. The discount rate is the yield at the reporting date on bonds that have maturity dates approximating the terms of the Group's obligations.

Notes to the Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Employee benefits (continued)

(d) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision for the passage of time is recognised as a component of financial expenses in the statement of comprehensive income.

3.12 Self-insured workers' compensation

The Group was a self-insurer under the Victorian Accident Compensation Act for the period to August 2006 and was a self-insurer under the New South Wales Workers' Compensation Act for the period April 2001 to April 2004. Provisions have been made in respect of all employees in Victoria and New South Wales for all assessed workers' compensation liabilities incurred and both reported and not reported, for the relevant periods of self-insurance based on independent actuarial assessments plus a prudential margin. The actuarial assessments are based on a number of assumptions including those related to the long term nature of certain claims, the frequency and value of claims and a discount rate that is based on Australian Commonwealth Government Bond yields. In compliance with the relevant state schemes, workers' compensation risk for all Australian employees, other than for the periods of self-insurance outlined above, has been transferred via insurance to third party insurers.

3.13 Dividends

Dividends to the Group's shareholder are recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

3.14 Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3.15 Revenue

(a) Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Management fees

Income from management fees is recognised on an accruals basis.

3.16 Lease payments

Minimum lease payments made under finance leases are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges which are recognised in the statement of comprehensive income are allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for in the periods that they are incurred.

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent lease payments arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into an operating lease, such incentives are deferred and recognised as a liability. The aggregated benefits of the lease incentive are recognised as a reduction to the lease expenses on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.17 Financial income and expenses

Financial income comprises interest income, foreign currency gains and gains on derivative instruments that are recognised in the statement of comprehensive income. Interest income is recognised as it accrues using the effective interest rate method.

Financial expenses comprise interest expense, foreign currency losses, impairment losses recognised on financial assets (except for trade receivables) and losses on derivative instruments that are recognised in the statement of comprehensive income. All borrowing costs not qualifying for capitalisation are recognised in the statement of comprehensive income using the effective interest rate method.

3.18 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised with the associated items on a net basis.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised using the balance sheet method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised. Deferred income tax assets and liabilities in the same jurisdiction are off-set in the statement of financial position only to the extent where the right to off-set legally exists.

(a) Tax consolidation

Up until December 18, 2006, the Company was the head entity in a tax consolidated group, comprising the Company and its wholly-owned Australian resident entities. On December 19, 2006, the company and its wholly-owned Australian resident entities became part of the Rank Group Australia Pty Limited (which has been subsequently renamed Building Supplies Group Holdings Pty Limited ("BSGH")) tax-consolidated group, with BSGH being the head entity.

Carter Holt Harvey Australia Pty Limited ("CHHA") and its wholly owned Australian subsidiaries became part of this tax consolidated group on March 30, 2007.

With effect from July 1, 2007, Burns Philp assumed the role as the head entity of the tax consolidated group. From that date, current tax expense/(income), deferred tax liabilities and deferred tax assets arising from temporary differences of the tax consolidated group are recognised in the separate financial statements of the members of the group using a group allocation method by reference to the carrying amounts in the separate financial statements of each entity and the tax values applicable under tax consolidation.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the head entity (Burns Philp), and are transferred via loan accounts.

Any current tax liabilities/(assets) and deferred tax assets arising from unused tax losses are assumed by the head entity from the subsidiaries in the tax consolidated group and are recognised in conjunction with any tax funding arrangements (refer below). Any difference between these amounts is recognised by the head entity as an equity contribution to, or distribution from, the controlled entity. Distributions first reduce the carrying amount of the investment in the controlled entity and are then recognised as revenue.

The head entity of the tax consolidated group recognises deferred tax assets arising from unused tax losses of the group to the extent that it is probable that future taxable profits of the group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses assumed from subsidiaries are recognised by the head entity only.

Notes to the Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Income tax (continued)

(b) Nature of funding arrangements and tax sharing agreements

The members of the Burns Philp tax consolidated group have entered into a tax funding arrangement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) in the separate financial statements of the members of the tax consolidated group equal in amount to the tax liability/(asset) assumed. The inter-entity receivable/(payable) is at call.

The head entity recognises the assumed current tax amounts as current tax liabilities/(assets), adding to its own current tax amounts, since they are also due to or from the same taxation authority. The current tax liabilities/(assets) are equivalent to the tax balances generated by external transactions entered into by the tax consolidated group. Contributions to fund the current tax liabilities are payable as per the tax funding arrangements and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The members of the tax consolidated group have also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as the likelihood of a requirement to make a payment of any amounts under the tax sharing agreement is considered remote.

3.19 Sales tax, value added tax and goods and services tax

All amounts (excluding cash flows) are shown exclusive of sales tax, value added tax ("VAT") and goods and services tax ("GST") to the extent reclaimable, except for receivables and payables that are stated inclusive of sales tax, VAT and GST.

3.20 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary or business acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

3.21 Segment reporting

The Group's operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM") of the ultimate parent company, Rank Group Limited, in order to allocate resources to the segment and to assess its performance.

3.22 New and revised standards and interpretations

(a) Interpretations and amendments to existing standards effective in 2008

The following interpretations and standards were mandatory for the Group effective for the period ended December 31, 2008:

- Interpretation 12 "Service concession arrangements" (effective from January 1, 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. In adopting this interpretation the Group has noted no impact as none of the Group's companies provide for public sector services.
- Interpretation 14 AASB 119 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective January 1, 2008) clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements ("MFR") on such assets. It also addresses when a MFR might give rise to a liability. In adopting this interpretation the Group has noted no impact.
- AASB 2008-4 "Amendments to Australia Accounting Standard – Key Management Personnel ("KMP") Disclosures by Disclosing Entities" (effective from June 30, 2008) provides relief for those companies classified as disclosing entities from providing detailed KMP disclosures in both the Remuneration Report and notes to the financial statements. In adopting this amendment the Group has noted no impacted as presently it is not classified as a disclosing entity.
- Interpretation 1003 " Australian Petroleum Resource Rent Tax ("PRRT")" (effective from June 30, 2008) which provides the AASB's view that Australian PRRT is within the scope of AASB 112 "Income Taxes" and should be measured and recognised within the context of this standard. In adopting this interpretation the Group has noted no impacted as presently it is not engaged in activities that give rise to PRRT obligations.

(b) Early adoption of new standard, interpretations and amendments

The Group has elected to adopt the following standards, interpretations and amendments to existing standards in advance of their effective dates:

- Revised AASB 101 "Presentation of Financial Statements" (effective from January 1, 2009) and related amendment standards introduces "total comprehensive income" (i.e. changes in equity during a period, other than those changes resulting from transactions with owners in their capacity as owners), which is presented either in:
 - (i) one statement (i.e. a statement of comprehensive income); or
 - (ii) two statements (i.e. an income statement and a statement beginning with profit or loss and displaying components of other comprehensive income).

The statement of comprehensive income requirement in the revised standard represents a change from the current AASB 101 requirement to present an income statement and a statement of changes in equity showing either all changes in equity or changes in equity other than those arising from transactions with equity holders acting in their capacity as equity holders (a statement of recognised income and expense). The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other Australian accounting standards. In early adopting this amendment the Group has also early adopted AASB 2007-8 "Amendments to Australian Accounting Standards arising from AASB 101", AASB 2007-10 "Further amendments to Australian Accounting Standards arising from AASB 101" (effective from January 1, 2009) and AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101" (effective from January 1, 2009) and disclosed the requisite comparative information.

- AASB 8 "Operating Segments" (effective from January 1, 2009) and related amendment standard AASB 2007-3 "Amendments to Australian Accounting Standards arising from AASB 8" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the CODM in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard AASB 114 ("Segment Reporting") required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. In early adopting this standard the Group has disclosed the requisite comparative information.
- Revised AASB 123 "Borrowing Costs" (effective from January 1, 2009) and related amendment standard AASB 2007-6 "Amendments to Australian Accounting Standards arising from the amendments to AASB 123" requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. In early adopting this amendment the Group has noted that there is no impact, as it currently does not hold any qualifying assets.
- AASB 2008-1 "Amendments to Australian Accounting Standards - Share based payments: vesting conditions and cancellations" (effective from January 1, 2009). This amendment requires changes to the measurements of share-based payments that contain non-vesting conditions. In early adopting this amendment the Group has noted no impact, as it currently does not operate any share based payment schemes.
- AASB 2008-2 "Amendment to puttable financial instruments and obligations arising on liquidation" (effective from January 1, 2009). This amendment provides further guidance to the criteria to be met when considering the classification of these instruments as either debt or equity. In early adopting this amendment the Group has noted no impact as it does not hold any puttable financial instruments.
- AASB 2008-10 "Amendments to AASB 139 and AASB 7 "Reclassification of Financial Assets" (effective from July 1, 2008). These amendments permit financial instruments to be reclassified out of the "fair value through profit or loss" or "available for sale" categories in certain limited circumstances. In adopting this amendment the Group has noted no impact as no instruments have been reclassified during the current and previous financial periods.
- AASB 2008-8 Amendments to Australian Accounting Standards AASB 139 "Financial Instruments: Recognition and Measurement – Eligible Hedged Items" (effective from July 1, 2009). This amendment clarifies that inflation may only be hedged in the instance where changes in inflation are a contractually-specified portion of cash flows of a recognised financial instrument, and clarifies the accounting treatment for hedging with options. In early adopting this amendment the Group has noted no impact as it does not designate inflation as a hedged items or use options as hedging instruments.
- Interpretation 13 "Customer Loyalty Programmes" (effective from July 1, 2008) addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted good or services. In early adopting this interpretation the Group has noted no impact, as it currently does not operate any customer loyalty programmes.

Notes to the Financial Statements (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 New and revised standards and interpretations (continued)

(b) Early adoption of new standard, interpretations and amendments (continued)

- Interpretation 15 "Agreements for the Construction of Real Estate" (effective from January 1, 2009) aims to standardise the accounting practice across jurisdictions for the recognition of revenue by real estate developers for 'off the plan' sales, while providing guidance as to whether an agreement for the construction of real estate is in accordance with the requirements of AASB 111 "Construction Contracts" or AASB 118 "Revenue". In early adopting this interpretation the Group has noted that there is no impact, as it currently does not undertake activities of this nature.
- Interpretation 16 "Hedges of a Net Investments in a Foreign Operation" (effective from October 1, 2008) provides guidance on the accounting for net investment hedging including: which foreign currency risks qualify for hedge accounting and what amount can be designated; where within the group the hedging instrument can be held; and what amount should be reclassified to the statement of comprehensive income when the hedged foreign operation is disposed of. In early adopting this interpretation the Group has noted that there is no impact, as it currently does not undertake activities of this nature.

(c) Amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at December 31, 2008, but have not been applied in preparing this financial report:

- AASB 2008-7 Amendments to Australian Accounting Standards arising "Amendments to cost of investment in a subsidiary, jointly controlled entity or associate" (effective from January 1, 2009).
- AASB 3 "Business combinations (revised)" (effective from January 1, 2010) and related amendment standards.
- AASB 127 "Consolidated and separate financial statements (revised)" (effective from January 1, 2010).
- AASB 2008-5 "Amendments to Australian Accounting Standards arising from the Annual Improvements Project" (July 2008) (effective January 1, 2009).
- AASB 2008-6 "Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process" (July 2008) (effective from January 1, 2010).
- Interpretation 17 "Distributions of Non-cash Assets to Owners" (effective from July 1, 2009).

The Directors anticipate that the above amendments and interpretations (with the exception of the revisions to AASB 3 and related amendment standards) will not have a material impact on the financial statements of the Group in the period of initial application. On the initial adoption of the revisions to AASB 3 the Group will be required to account for each business combination transaction from this date under the requirements of the revised standard. The impact of this will be to change the way in which the Group is required to measure the cost of each business combination, while also prescribing different methods for the accounting for items such as contingent consideration that may exist within an agreement. Transaction costs, other than equity and debt issue costs, will be expenses as incurred. These changes will impact the statement of comprehensive income in the period of each transaction and potentially in each subsequent reporting period.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In the process of applying the Group's accounting policies, management has made certain estimates and assumptions regarding the carrying values of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. Management has not made any significant judgements apart from those involving estimations (as discussed below). The key assumptions concerning the future and other key sources of uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

4.1 Impairment of assets

(a) Investments in subsidiaries

Investments in subsidiaries are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(b) Other assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

4.2 Realisation of deferred tax assets

The Group assesses the recoverability of deferred tax assets with reference to estimates of future taxable income. To the extent that actual taxable income differs to management's estimate of future taxable income, this may affect the value of recognised deferred tax assets. Deferred tax assets have been recognised to offset deferred tax liabilities to the extent that the deferred tax assets and liabilities are expected to be realised in the same jurisdiction and reporting period. Deferred tax assets have also been recognised based on management's best estimate of the recovery of these assets against future taxable income.

4.3 Self-insured workers' compensation liabilities

The Group has entered into self-insured workers' compensation arrangements in respect of its past business operations. Provisions for these liabilities are based on actuarial assessments (as performed by qualified independent experts) plus a prudential margin. See note 3.12 for information regarding the estimates and assumptions used in valuing these liabilities.

5. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and associated disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

5.1 Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. These quotes are tested by discounting the estimated future cash flows based on the terms and maturity of each contract using market interest rates for a similar instrument at the measurement date.

The fair value of commodity and other price derivatives is based on a valuation model. The valuation model discounts estimated future cash flows based on the terms and maturity of each contract and using forward curves and market interest rates at the reporting date.

5.2 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated by discounting the future contractual cash flows at the current market interest rates that are available for similar financial instruments.

6. SEGMENT REPORTING

The Group has not operated in any business segment since the disposal of its New Zealand snack business, Bluebird Foods Limited, on January 4, 2007 with its income since then derived principally from its equity investments in Goodman Fielder Limited (until its disposal on October 25, 2007) and Fresh Start Bakeries (until its disposal on February 20, 2008), and its short term cash deposits.

All of the Group's assets and liabilities represent unallocated/corporate items. Consequently no business segment information has been provided in respect of the current or prior period.

For both the current and prior periods, the Group's activities have been based primarily in Australia and New Zealand.

Notes to the Financial Statements (continued)

7. GAIN ON DISPOSAL OF INVESTMENT IN GOODMAN FIELDER LIMITED

In millions of AU\$	Consolidated		Company	
	For the period ended December 31			
	2008	2007*	2008	2007*
Sale proceeds	-	561.8	-	-
Carrying amount of investment	-	(374.1)	-	-
Gross gain on disposal	-	187.7	-	-
Costs associated with the sale	-	(7.0)	-	-
Amounts reclassified from reserves				
Foreign currency translation reserve	-	(11.9)	-	-
Hedge reserve	-	3.0	-	-
Gain on disposal	-	171.8	-	-

8. GAIN ON DISPOSAL OF INVESTMENT IN FRESH START BAKERIES

In millions of AU\$	Consolidated		Company	
	For the period ended December 31			
	2008	2007*	2008	2007*
Sale proceeds	37.8	-	37.8	-
Carrying amount of investment	(12.0)	-	(16.5)	-
Gross gain on disposal	25.8	-	21.3	-
Costs associated with the sale	(0.1)	-	(0.1)	-
Gain on disposal	25.7	-	21.2	-

9. OTHER INCOME

In millions of AU\$	Consolidated		Company	
	For the period ended December 31			
	2008	2007*	2008	2007*
Dividend received from subsidiary	-	-	5.2	-
Gain on disposal of property held for sale	0.1	0.6	0.1	-
Gain on disposal of other investments	0.4	0.7	-	-
Net foreign currency exchange gain	-	1.1	-	-
Management fees received from other related parties	14.0	1.7	7.9	-
Other	-	0.2	-	-
Total other income	14.5	4.3	13.2	-

* Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Group's election during this prior period to change its balance date from June to December.

10. GENERAL AND ADMINISTRATION EXPENSES

The following items of expenditure are included in general and administration expenses:

In millions of AU\$	Consolidated For the period ended December 31		Company For the period ended December 31	
	2008	2007*	2008	2007*
Operating lease rental expense	0.6	0.3	0.6	0.3
Depreciation and amortisation:				
Property, plant and equipment	0.2	0.1	0.2	0.1
Intangible assets	0.7	-	0.7	-
Total depreciation and amortisation	0.9	0.1	0.9	0.1

In thousands of AU\$	Consolidated For the period ended December 31		Company For the period ended December 31	
	2008	2007*	2008	2007*
Auditor's remuneration to KPMG comprising:				
Audit fees	177.0	182.8	157.0	139.0
Other audit related fees	6.7	9.7	-	-
Tax fees	85.3	17.7	85.3	17.7
Total auditor's remuneration	269.0	210.2	242.3	156.7

11. OTHER EXPENSES

In millions of AU\$	Consolidated For the period ended December 31		Company For the period ended December 31	
	2008	2007*	2008	2007*
Impairment losses on investments in subsidiaries	-	-	(76.0)	-
Total other expenses	-	-	(76.0)	-

12. PERSONNEL EXPENSES

In millions of AU\$	Consolidated For the period ended December 31		Company For the period ended December 31	
	2008	2007*	2008	2007*
Wages and salaries	9.2	5.2	4.9	3.0
Contributions to defined contribution plans	0.1	0.1	0.1	0.1
Increase (decrease) in liability for long service leave	0.1	0.1	0.1	(0.1)
Other	0.7	0.4	0.4	0.3
Total personnel expenses	10.1	5.8	5.5	3.3

* Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Group's election during this prior period to change its balance date from June to December.

Notes to the Financial Statements (continued)

13. FINANCIAL INCOME AND EXPENSES

In millions of AU\$	Consolidated		Company	
	For the period ended December 31			
	2008	2007*	2008	2007*
Interest income on bank accounts	13.2	13.5	0.2	0.2
Interest income on loan to subsidiary	-	-	52.0	24.6
Interest income on loans to other related parties	84.8	35.8	32.0	13.7
Net change in fair value of derivative instruments at fair value through the profit or loss	36.3	-	-	-
Net foreign currency exchange gain	6.7	-	-	-
Financial income	141.0	49.3	84.2	38.5
Interest expense on financial liabilities measured at amortised cost				
NZ Capital Notes	(16.8)	(9.0)	-	-
Related parties	(5.4)	-	(5.1)	-
Other	(6.4)	(4.5)	-	-
Amortisation of deferred debt transaction costs	(1.8)	(0.9)	-	-
Net change in fair value of derivative instruments at fair value through the profit or loss	-	(61.9)	-	-
Net foreign currency exchange loss	-	(23.1)	-	-
Financial expenses	(30.4)	(99.4)	(5.1)	-
Net financial income (expenses)	110.6	(50.1)	79.1	38.5

14. INCOME TAX EXPENSE

In millions of AU\$	Consolidated		Company	
	For the period ended December 31			
	2008	2007*	2008	2007*
Current tax expense				
Current period	(30.4)	(6.5)	(28.1)	(8.8)
Adjustment for prior periods	1.7	(0.3)	2.4	0.1
	(28.7)	(6.8)	(25.7)	(8.7)
Deferred tax expense				
Origination and reversal of temporary differences	(9.5)	(52.6)	(2.3)	(0.3)
Benefit of prior period tax losses recognised	-	9.6	-	9.6
Benefit of prior period temporary differences recognised	7.1	-	-	-
Reversal of tax losses previously recognised	(3.3)	-	(3.3)	-
Adjustment for prior periods	-	(2.2)	-	(2.2)
	(5.7)	(45.2)	(5.6)	7.1
Total income tax expense	(34.4)	(52.0)	(31.3)	(1.6)

* Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Group's election during this prior period to change its balance date from June to December.

14.1 Reconciliation of effective tax rate

In millions of AU\$	Consolidated		Company	
	For the period ended December 31			
	2008	2007*	2008	2007*
Profit before income tax	128.0	129.5	26.6	30.1
Income tax using the Group's domestic tax rate of 30% (2007: 30%)	(38.4)	(38.9)	(8.0)	(9.0)
Deferred tax asset derecognised on disposal of investment in Goodman Fielder	-	(13.8)	-	-
Effect of tax rates in foreign jurisdictions	0.4	(7.8)	-	-
Recognition of previously unrecognised temporary differences	7.1	-	-	-
Effect of tax losses recognised	-	9.6	-	9.6
Reversal of tax losses previously recognised	(3.3)	-	(3.3)	-
Current period losses for which no deferred tax asset has been recognised	(1.2)	(0.2)	-	-
Dividend received from subsidiary not taxable	-	-	1.6	-
Impairment losses on investments in subsidiaries	-	-	(22.8)	-
Over (under) provided in prior periods	1.7	(2.5)	2.4	(2.1)
Other	(0.7)	1.6	(1.2)	(0.1)
Total income tax expense	(34.4)	(52.0)	(31.3)	(1.6)

15. OTHER COMPREHENSIVE INCOME

Within the statement of comprehensive income the Group has disclosed certain items of other comprehensive income net of the associated income tax expense or benefit. The pre-tax amount of each of these items and the associated tax effect is as follows:

In millions of AU\$	Consolidated			
	For the period ended December 31			
	2008		2007*	
	Pre-tax	Tax effect	Pre-tax	Tax effect
Exchange differences on translating foreign operations	(10.8)	-	18.8	-
Amounts reclassified to net profit on disposal of investment in Goodman Fielder Limited	-	-	8.9	-
Total other comprehensive income	(10.8)	-	27.7	-

16. CASH AND CASH EQUIVALENTS

In millions of AU\$	Consolidated		Company	
	As at December 31			
	2008	2007	2008	2007
Cash at bank and on hand	5.5	3.0	2.1	1.2
Short-term deposits	65.4	863.9	-	-
Total cash and cash equivalents	70.9	866.9	2.1	1.2

* Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Group's election during this prior period to change its balance date from June to December.

Notes to the Financial Statements (continued)

17. OTHER RECEIVABLES

In millions of AU\$	Consolidated		Company	
	As at December 31			
	2008	2007	2008	2007
Related party receivables	45.4	9.3	535.6	725.4
Other receivables	0.1	0.7	0.1	0.2
Total current receivables	45.5	10.0	535.7	725.6
Related party receivables ⁽ⁱ⁾	1,982.6	1,521.2	462.9	420.7
Total non-current receivables	1,982.6	1,521.2	462.9	420.7

⁽ⁱ⁾ Refer note 34 in respect of events subsequent to the end of the reporting period.

18. ASSETS HELD FOR SALE

In millions of AU\$	Consolidated		Company	
	As at December 31			
	2008	2007	2008	2007
Investment in Fresh Start Bakeries	-	12.0	-	-
Total assets held for sale	-	12.0	-	-

19. INVESTMENTS IN SUBSIDIARIES

In millions of AU\$	Consolidated		Company	
	As at December 31			
	2008	2007	2008	2007
Shares in subsidiaries				
Cost	-	-	305.8	305.8
Provision for impairment loss	-	-	(129.9)	(53.9)
Total investments in subsidiaries	-	-	175.9	251.9

20. PROPERTY, PLANT AND EQUIPMENT

In millions of AU\$	Consolidated			Company	
	Land and buildings	Plant and equipment	Total	Plant and equipment	Total
Cost	0.9	1.7	2.6	1.7	1.7
Accumulated depreciation	-	(1.2)	(1.2)	(1.2)	(1.2)
Carrying amount at December 31, 2008	0.9	0.5	1.4	0.5	0.5
Cost	0.9	1.4	2.3	1.4	1.4
Accumulated depreciation	-	(1.1)	(1.1)	(1.1)	(1.1)
Carrying amount at December 31, 2007	0.9	0.3	1.2	0.3	0.3
Cost at January 1, 2008	0.9	1.4	2.3	1.4	1.4
Accumulated depreciation at January 1, 2008	-	(1.1)	(1.1)	(1.1)	(1.1)
Carrying amount at January 1, 2008	0.9	0.3	1.2	0.3	0.3
Additions	-	0.4	0.4	0.4	0.4
Depreciation for the period	-	(0.2)	(0.2)	(0.2)	(0.2)
Carrying amount at December 31, 2008	0.9	0.5	1.4	0.5	0.5
Cost at July 1, 2007	0.9	1.2	2.1	1.2	1.2
Accumulated depreciation at July 1, 2007	-	(1.0)	(1.0)	(1.0)	(1.0)
Carrying amount at July 1, 2007	0.9	0.2	1.1	0.2	0.2
Additions	-	0.2	0.2	0.2	0.2
Depreciation for the period	-	(0.1)	(0.1)	(0.1)	(0.1)
Carrying amount at December 31, 2007	0.9	0.3	1.2	0.3	0.3

The depreciation charge of AU\$0.2 million for the period (2007: AU\$0.2 million) is recognised in the statement of comprehensive income as a component of general and administration expenses.

21. CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

The current tax asset for the Group of AU\$1.1 million (2007: nil) represents the amount of income taxes refundable to the Australian tax consolidated group.

The current tax liability for the Group at December 31, 2008 of AU\$5.7 million represents the amount of income taxes payable in foreign jurisdictions in respect of current and prior financial periods. The current tax liability for the Group at December 31, 2007 represents the amount of income taxes payable in foreign jurisdictions (AU\$2.5 million) and by the Australian tax consolidated group (AU\$1.9 million) in respect of current and prior financial periods.

21.1 Unrecognised deferred tax assets and liabilities

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

In millions of AU\$	Consolidated		Company	
	As at December 31		2008	2007
	2008	2007	2008	2007
Deductible temporary differences				
Derivative financial instruments	8.1	15.2	-	-
Investment in subsidiaries	130.4	130.4	-	-
Tax losses	103.9	109.1	103.9	109.1
Total unrecognised deferred tax assets	242.4	254.7	103.9	109.1

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefit.

Notes to the Financial Statements (continued)

21.2 Movement in recognised deferred tax assets and liabilities Consolidated

In millions of AU\$	Balance at June 30, 2007	Recognised in profit for the period	Recognised in equity combination	Acquired in business combination	Other movements	Balance at December 31, 2007	Recognised in profit for the period	Recognised in equity combination	Acquired in business combination	Other movements	Balance at December 31, 2008
Employee benefits	0.6	(0.1)	-	-	-	0.5	(0.1)	-	-	-	0.4
Unrealised foreign currency exchange losses	1.0	(0.7)	-	-	-	0.3	0.5	-	-	-	0.8
Tax loss carry-forwards	7.6	33.5	-	-	(0.7)	40.4	(8.4)	-	-	(32.0)	-
Investment in Goodman Fielder	94.0	(75.5)	-	-	(18.5)	-	-	-	-	-	-
Investment in Fresh start Bakeries	-	(2.2)	-	-	-	(2.2)	2.2	-	-	-	-
Other items	(0.9)	(0.2)	-	-	-	(1.1)	0.1	-	-	-	(1.0)
Net tax assets (liabilities)	102.3	(45.2)	-	-	(19.2)	37.9	(5.7)	-	-	(32.0)	0.2

Company

In millions of AU\$	Balance at June 30, 2007	Recognised in profit for the period	Recognised in equity combination	Acquired in business combination	Other movements	Balance at December 31, 2007	Recognised in profit for the period	Recognised in equity combination	Acquired in business combination	Other movements	Balance at December 31, 2008
Employee benefits	0.4	(0.2)	-	-	-	0.2	-	-	-	-	0.2
Tax loss carry-forwards	-	9.6	-	-	(2.0)	7.6	(7.6)	-	-	-	-
Investment in Fresh start Bakeries	-	(2.2)	-	-	-	(2.2)	2.2	-	-	-	-
Other items	0.5	(0.1)	-	-	-	0.4	(0.2)	-	-	-	0.2
Net tax assets (liabilities)	0.9	7.1	-	-	(2.0)	6.0	(5.6)	-	-	-	0.4

21.3 Movement in unrecognised deferred tax assets and liabilities
Consolidated

	Balance at June 30, 2007	Additions (usage)	Recognised in equity	(Recognised) derecognised in profit for the period	Other movements	Balance at December 31, 2007	Additions (usage)	Recognised in equity	(Recognised) derecognised in profit for the period	Other movements	Balance at December 31, 2008
In millions of AU\$											
Deductible temporary differences	114.8	30.8	-	-	-	145.6	-	-	(7.1)	-	138.5
Tax losses	-	118.7	-	(9.6)	-	109.1	(8.5)	-	3.3	-	103.9
Total unrecognised deferred tax assets	114.8	149.5	-	(9.6)	-	254.7	(8.5)	-	(3.8)	-	242.4

Company

	Balance at June 30, 2007	Additions (usage)	Recognised in equity	(Recognised) derecognised in profit for the period	Other movements	Balance at December 31, 2007	Additions (usage)	Recognised in equity	(Recognised) derecognised in profit for the period	Other movements	Balance at December 31, 2008
In millions of AU\$											
Tax losses	-	118.7	-	(9.6)	-	109.1	(8.5)	-	3.3	-	103.9
Total unrecognised deferred tax assets	-	118.7	-	(9.6)	-	109.1	(8.5)	-	3.3	-	103.9

Notes to the Financial Statements (continued)

22. INTANGIBLE ASSETS

In millions of AU\$	Consolidated		Company	
	Computer software	Total	Computer software	Total
Cost	2.2	2.2	2.2	2.2
Accumulated amortisation	(0.7)	(0.7)	(0.7)	(0.7)
Carrying amount at December 31, 2008	1.5	1.5	1.5	1.5
Cost	1.4	1.4	1.4	1.4
Accumulated amortisation	-	-	-	-
Carrying amount at December 31, 2007	1.4	1.4	1.4	1.4
Cost at January 1, 2008	1.4	1.4	1.4	1.4
Accumulated amortisation at January 1, 2008	-	-	-	-
Carrying amount at January 1, 2008	1.4	1.4	1.4	1.4
Additions	0.8	0.8	0.8	0.8
Amortisation for the period	(0.7)	(0.7)	(0.7)	(0.7)
Carrying amount at December 31, 2008	1.5	1.5	1.5	1.5
Cost at July 1, 2007	-	-	-	-
Accumulated amortisation at July 1, 2007	-	-	-	-
Carrying amount at July 1, 2007	-	-	-	-
Additions	1.4	1.4	1.4	1.4
Amortisation for the period	-	-	-	-
Carrying amount at December 31, 2007	1.4	1.4	1.4	1.4

The amortisation charge of AU\$0.7 million for the period (2007: nil) is recognised in the statement of comprehensive income as a component of general and administration expenses.

23. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (EQUITY ACCOUNTED)

Summary of financial information not adjusted for the percentage ownership held by the Group for associates and joint ventures (equity accounted):

In millions of AU\$	Country of incorporation	% interest held	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Expenses	Profit (loss) after tax
2008											
Fresh Start Bakeries Australia Pty Limited ⁽ⁱ⁾	Australia	-	-	-	-	-	-	-	9.6	(9.6)	-
2007											
Fresh Start Bakeries Australia Pty Limited ⁽ⁱ⁾	Australia	50.0	17.6	55.7	73.3	12.2	28.0	40.2	37.7	(33.9)	3.8
Goodman Fielder Limited	Australia	-	-	-	-	-	-	-	835.3	(759.8)	75.5
			17.6	55.7	73.3	12.2	28.0	40.2	873.0	(793.7)	79.3

All associates and joint ventures (equity method) have a reporting date of June 30. The Group elected to alter its balance date from June to December during the prior period and therefore the associates have a different reporting date to the Group.

⁽ⁱ⁾ The investment in Fresh Start Bakeries Australia Pty Ltd was classified as an asset held for sale from December 31, 2007 (refer note 18) and was subsequently sold on February 20, 2008.

Movements in carrying values of investments in associates and joint ventures (equity accounted)

In millions of AU\$	Consolidated For the period ended December 31	
	2008	2007
Balance at the beginning of the period	-	389.4
Share of profit, net of tax	-	17.9
Dividends received	-	(21.3)
Disposal of investment	-	(374.1)
Classified as held for sale	-	(12.0)
Other	-	0.1
Balance at the end of the period	-	-

Notes to the Financial Statements (continued)

24. TRADE AND OTHER PAYABLES

In millions of AU\$	Consolidated		Company	
	As at December 31			
	2008	2007	2008	2007
Trade payables	0.2	0.3	0.2	0.3
Related party payables	6.3	99.8	4.7	99.5
Accrued Interest	1.1	4.7	-	-
Non-trade payables and accrued expenses	0.5	1.4	0.4	0.8
Total current trade and other payables	8.1	106.2	5.3	100.6
Related party payables	739.5	644.6	125.3	-
Derivatives	25.1	52.0	-	-
Total non-current payables	764.6	696.6	125.3	-

25. INTEREST BEARING BORROWINGS

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 29.

In millions of AU\$	Consolidated		Company	
	As at December 31			
	2008	2007	2008	2007
NZ Capital Notes ⁽ⁱ⁾	-	151.3	-	-
Related party loan – Evergreen Packaging Inc	16.7	12.7	-	-
Related party loan – Evergreen Packaging Canada Limited	0.4	0.3	-	-
Current interest bearing borrowings	17.1	164.3	-	-
Related party loan – Building Supplies Group Holdings Pty Limited	81.0	-	81.0	-
NZ Capital Notes ⁽ⁱ⁾	31.7	33.2	-	-
Non-current interest bearing borrowings	112.7	33.2	81.0	-
⁽ⁱ⁾ NZ Capital Notes payable	32.4	187.1	-	-
Transaction costs	(0.7)	(2.6)	-	-
Carrying amount	31.7	184.5	-	-

Terms and debt repayment schedule

In millions of AU\$	Currency	Nominal interest rate	Year of maturity	Consolidated			
				As at December 31			
				2008	2008	2007	2007
				Face value	Carrying amount	Face value	Carrying amount
NZ Capital Notes	NZ\$	9.75%	2008	-	-	152.9	151.3
NZ Capital Notes	NZ\$	9.95%	2011	32.4	31.7	34.2	33.2
Related party loan – Building Supplies Group Holdings Pty Limited	AU\$	7.42%		81.0	81.0	-	-
Related party loan – Evergreen Packaging Inc	US\$	2.20%		16.7	16.7	12.7	12.7
Related party loan – Evergreen Packaging Canada Limited	CA\$	5.00%		0.4	0.4	0.3	0.3
				130.5	129.8	200.1	197.5

Burns Philp Finance New Zealand Limited ("Burns Philp Finance New Zealand"), a subsidiary of the Company, issued capital notes with a principal value of NZ\$212.5 million ("NZ Capital Notes"). The NZ Capital Notes were issued in two series, one series which had an initial election date of December 15, 2008 and bore an interest rate of 9.75% per annum ("2008 Capital Notes") and the other series which has an initial election date of November 15, 2011 and bears an interest rate of 9.95% per annum ("2011 Capital Notes").

On December 15, 2008 Burns Philp Finance New Zealand redeemed all of the 2008 Capital Notes.

The 2011 Capital Notes are and, until their redemption the 2008 Capital Notes were, guaranteed by the Company and one of its subsidiaries, BPC Foods International Pty Limited. The NZ Capital Notes and the guarantees are unsecured and subordinated obligations of Burns Philp Finance New Zealand and the guarantors, ranking behind all their other secured liabilities. Under a Deed of Subordination dated February 15, 2008 the Company may not make any repayment to Building Supplies Group Holdings Pty Limited, of certain intercompany loans, until the NZ Capital Notes have been repaid in full.

26. EMPLOYEE BENEFITS

In millions of AU\$	Consolidated		Company	
	As at December 31			
	2008	2007	2008	2007
Provision for annual leave	2.5	2.1	0.3	0.4
Provision for long service leave	0.4	0.4	0.4	0.4
Other	0.6	0.5	0.6	0.4
Total employee benefits	3.5	3.0	1.3	1.2
Current	3.1	2.6	0.9	0.8
Non-current	0.4	0.4	0.4	0.4
Total employee benefits	3.5	3.0	1.3	1.2

26.1 Pension benefits

The Company sponsors the Burns Philp Group Superannuation Plan that services the retirement benefits for a group of retired employees of the Company. This plan has been closed to new members since 1999. As advised by the plan actuary, the Company has been on a contribution holiday since 1989. This position is regularly reviewed by the Company, in consultation with the plan actuary.

The accrued benefits, plan assets at net market value and vested benefits of the Burns Philp Group Superannuation Plan as at December 31, 2008 and December 31, 2007, based on the most recent financial statements of the plan, are set out in the table below. Accrued benefits are benefits which the plan is presently obliged to pay at some future date as a result of membership of the plan. Vested benefits are benefits which are not conditional upon continued membership of the plan or any factor, other than resignation from the plan.

At December 31, 2008, the Directors, based on the advice of the trustees of the Burns Philp Group Superannuation Plan, are not aware of any changes in circumstances since the date of the most recent financial statements of the plan which would have a material impact on the overall financial position of the plan.

In millions of AU\$	Accrued benefits		Plan assets at net market value		Funded status – overfunded		Vested benefits	
	As at December 31		As at December 31		As at December 31		As at December 31	
	2008	2007	2008	2007	2008	2007	2008	2007
Burns Philp Group Superannuation Plan	5.1	5.2	6.4	9.6	1.3	4.4	5.1	5.2

Under the terms of the Trust Deed governing the Burns Philp Group Superannuation Plan, the Company is only entitled to the benefit of the plan surplus in limited circumstances. As of December 31, 2008 and December 31, 2007 the circumstances are such that the Company does not expect to benefit from the plan surplus in the foreseeable future. Therefore the net asset has not been recognised.

26.2 Defined contribution plans

Employer contributions to defined contribution plans are based on various percentages of those eligible employees gross salaries. The consolidated entity contributed AU\$0.1 million to defined contribution plans during the current period (2007: AU\$ 0.1 million).

Notes to the Financial Statements (continued)

27. PROVISIONS

Consolidated

In millions AU\$	Workers' compensation	Legal and warranty claims	Other	Total
Balance at the beginning of the period	21.1	10.9	0.5	32.5
Provisions made during the period	0.5	0.1	-	0.6
Provisions used during the period	(2.7)	(1.0)	-	(3.7)
Provisions reversed during the period	(1.4)	-	(0.3)	(1.7)
Effect of movement in exchange rates	-	2.1	-	2.1
Balance at December 31, 2008	17.5	12.1	0.2	29.8
Current	4.4	12.1	0.2	16.7
Non-current	13.1	-	-	13.1
Total provisions	17.5	12.1	0.2	29.8

Company

In millions AU\$	Workers' compensation	Legal and warranty claims	Other	Total
Balance at the beginning of the period	5.0	0.2	-	5.2
Provisions made during the period	0.5	-	-	0.5
Provisions used during the period	(0.5)	-	-	(0.5)
Balance at December 31, 2008	5.0	0.2	-	5.2
Current	1.2	0.2	-	1.4
Non-current	3.8	-	-	3.8
Total provisions	5.0	0.2	-	5.2

(a) Workers' compensation

The Company was a self-insurer under the Victorian Accident Compensation Act. BPC Foods Pty Limited ("BPC Foods", formerly Goodman Fielder Limited), a subsidiary of the Company, originally obtained a licence to self-insure in Victoria on July 14, 2001. Subsequent to its takeover of BPC Foods, Burns, Philp & Company Pty Limited obtained a licence and the BPC Foods' licence was handed back. Subsequent to June 30, 2006, the Burns, Philp & Company Pty Limited licence was handed back. However, the Group has retained the liabilities and the majority of the obligations of a self-insurer for claims incurred from September 1, 1985 to August 19, 2006.

The self-insurance licence for the Group's former New South Wales operations was held from April 1, 2001 and was handed back on April 30, 2004. Provisions have been maintained in respect of the period of self-insurance in New South Wales from April 1, 2001 until April 30, 2004 as the Group has retained this liability.

Provisions have been made in respect of all employees in New South Wales and Victoria for all assessed workers' compensation liabilities incurred and both reported and not reported, for the relevant periods of self-insurance, based on independent actuarial assessments plus a prudential margin.

In compliance with the relevant state schemes, workers' compensation risk for all Australian employees other than for the periods of self-insurance outlined above, has been transferred via insurance to third party insurers.

(b) Legal and warranty claims

The Group is subject to litigation in the ordinary course of operations and has provided indemnities and warranties to purchasers in respect of the sale of discontinued operations. Provisions for legal claims are recognised when estimated costs associated with settling current legal proceedings and indemnity and warranty claims are considered probable. Provisions include estimated legal and other fees associated with settling these claims. Refer to note 33 for further details of the Group's contingent liabilities.

28. EQUITY AND RESERVES

28.1 Share capital

In millions of shares	Company As at December 31	
	2008	2007
Balance at the beginning of the period	1,629.3	1,629.3
Balance at December 31	1,629.3	1,629.3

All issued shares are fully paid and have no par value.

The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. All shares rank equally with regard to the Group's residual assets in the event of a wind-up.

28.2 Reserves

In millions of AU\$	Consolidated As at December 31		Company	
	2008	2007	2008	2007
Reserves				
Foreign currency translation reserve (a)	(1.2)	9.6	-	-
Balance at December 31	(1.2)	9.6	-	-

(a) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

28.3 Dividends

On February 15, 2008 an unfranked ordinary dividend of AU\$331.8 million was declared by the Company and paid on February 20, 2008 to Kintron Developments Limited (the former sole shareholder).

28.4 Capital management

The Directors are responsible for monitoring and managing the Group's capital structure.

The Directors' policy is to maintain an acceptable capital base to promote the confidence of its financiers and creditors and to sustain the future development of the business. The Directors monitor the Group's financial position to ensure that it complies at all times with its financial and other covenants as set out in its financing arrangements.

29. FINANCIAL RISK MANAGEMENT

29.1 Overview

This note presents information about the Group's exposure to market risk, credit risk and liquidity risk, and where applicable, the Group's objectives, policies and procedures for managing these risks.

Exposure to market, credit and liquidity risks arise in the normal course of the Group's business. The Directors of the Group (and the ultimate parent entity) have overall responsibility for the establishment and oversight of the Group's risk management framework.

The respective boards have established a treasury policy that identifies risks faced by the Group and sets out policies and procedures to mitigate those risks. Risk management is primarily carried out by a centralised treasury function at the Rank Group level (ultimate parent). The Directors have delegated authority levels and authorised the use of various financial instruments to a restricted number of personnel within the treasury function.

Monthly consolidated treasury reports are prepared at the Rank Group level for the Directors, who ensure compliance with risk management policies and procedures.

29.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices will affect the Group's cash flows or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Notes to the Financial Statements (continued)

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign exchange risk

As a result of the Group's international operations foreign exchange risk exposures exist on sales, purchases, assets and borrowings that are denominated in foreign currencies (i.e. currencies other than Australian Dollars). The currencies in which these transactions primarily are denominated are the New Zealand Dollar, the US Dollar, the Euro and the Canadian Dollar.

In accordance with the Group's treasury policy, the Group takes advantage of natural offsets to the extent possible. Therefore, when commercially feasible, the Group borrows in the same currencies in which cash flows from operations are generated. Generally the Group does not use forward exchange contracts to hedge residual foreign exchange risk arising from customary receipts and payments denominated in foreign currencies. However, when considered appropriate the Group may enter into forward exchange contracts to hedge foreign exchange risk arising from specific transactions.

(i) Exposure to foreign exchange risk

In millions of AU\$	USD	EUR	CAD	NZD
December 31, 2008				
Cash and cash equivalents	1.2	-	42.7	16.0
Trade and other receivables	1.2	-	0.4	31.1
Non-current receivables	-	-	-	789.0
Trade and other payables	(4.3)	-	-	(611.8)
Other liabilities	(1.4)	-	(0.2)	(0.5)
Loans and borrowings				
NZ Capital Notes	-	-	-	(31.7)
Loans from related parties	(16.8)	-	(0.4)	-
Total exposure	(20.1)	-	42.5	192.1
Effect of derivative contracts	128.6	(113.9)	(38.5)	-
Net exposure	108.5	(113.9)	4.0	192.1
December 31, 2007				
Cash and cash equivalents	823.5	-	40.4	0.3
Trade and other receivables	-	-	0.4	-
Non-current receivables	-	-	-	421.2
Trade and other payables	(0.5)	(0.1)	-	(645.9)
Other liabilities	(0.8)	-	(0.2)	-
Loans and borrowings				
NZ Capital Notes	-	-	-	(184.5)
Loans from related parties	(12.6)	-	(0.4)	-
Total exposure	809.6	(0.1)	40.2	(408.9)
Effect of derivative contracts	282.4	(93.6)	(37.6)	-
Net exposure	1,092.0	(93.7)	2.6	(408.9)

(ii) Significant exchange rates

The following significant exchange rates applied during the period:

	Average rate for the period ended December 31		As at December 31	
	2008	2007	2008	2007
USD	0.8528	0.8757	0.6919	0.8817
NZD	1.1984	1.1564	1.1964	1.1355
EUR	0.5750	0.6149	0.4912	0.5979
CAD	0.8996	0.8819	0.8432	0.8623

(iii) Sensitivity analysis

A change in exchange rates would impact future payments and receipts on the Group's assets and liabilities denominated in foreign currencies. A 10 % strengthening / weakening of the Australian Dollar against the following currencies at the reporting date would have increased (decreased) the statement of comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The same basis has been applied for all periods presented.

In millions of AU\$	As at December 31	
	2008	2007
10% strengthening of AU\$		
USD	(9.9)	(99.3)
NZD	(17.5)	37.2
EUR	10.4	8.5
CAD	(7.4)	(0.2)

In millions of AU\$	As at December 31	
	2008	2007
10% weakening of AU\$		
USD	12.0	121.3
NZD	21.3	(45.4)
EUR	(12.7)	(10.4)
CAD	9.0	0.3

(b) Interest rate risk

The Group's policy is to manage interest rate risk through the use of both fixed and floating rate debt. The Group's primary exposure is to interest rates in the United States, Australia and New Zealand.

The Group's debt is primarily comprised of the NZ\$212.5 million NZ Capital Notes (of which one series matured in 2008 and bore interest at a fixed rate of 9.75%, and the second series matures in 2011 and bears interest at a fixed rate of 9.95%), and related party debt which bears interest at floating rates.

In addition to this debt, the Group currently holds a significant amount of cash on deposit and has interest bearing loans due from related parties, both of which earn interest at floating rates. Interest earned on these are subject to changes in interest rates, primarily in the United States and Australia. The Group does not currently intend to hedge its exposure to movements in interest rates earned on cash on deposit or from related party loans.

The following table sets out the Group's interest rate risk repricing profile:

Consolidated

In millions of AU\$	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2008						
Fixed rate instruments						
Loans and borrowings						
NZ Capital Notes	(31.7)	-	-	-	(31.7)	-
Total fixed rate instruments	(31.7)	-	-	-	(31.7)	-
Floating rate instruments						
Cash and cash equivalents	70.9	70.9	-	-	-	-
Loans and borrowings						
Receivable from related party	1,206.1	-	-	-	1,206.1	-
Payable to related party	(98.1)	(17.1)	-	-	(81.0)	-
Total floating rate instruments	1,178.9	53.8	-	-	1,125.1	-
Total	1,147.2	53.8	-	-	1,093.4	-

Notes to the Financial Statements (continued)

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

In millions of AU\$	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2007						
Fixed rate instruments						
Loans and borrowings						
NZ Capital Notes	(184.5)	-	(151.3)	-	(33.2)	-
Total fixed rate instruments	(184.5)	-	(151.3)	-	(33.2)	-
Floating rate instruments						
Cash and cash equivalents	866.9	866.9	-	-	-	-
Loans and borrowings						
Receivable from related party	1,100.0	-	-	-	1,100.0	-
Payable to related party	(13.0)	(13.0)	-	-	-	-
Total floating rate instruments	1,953.9	853.9	-	-	1,100.0	-
Total	1,769.4	853.9	(151.3)	-	1,066.8	-

Company

In millions of AU\$	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2008						
Floating rate instruments						
Cash and cash equivalents	2.1	2.1	-	-	-	-
Loans and borrowings						
Receivable from subsidiaries	505.1	505.1	-	-	-	-
Receivable from other related party	452.8	-	-	-	452.8	-
Total floating rate instruments	960.0	507.2	-	-	452.8	-

In millions of AU\$	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2007						
Floating rate instruments						
Cash and cash equivalents	1.2	1.2	-	-	-	-
Loans and borrowings						
Receivable from subsidiaries	716.5	716.5	-	-	-	-
Receivable from other related party	420.7	-	-	-	420.7	-
Total floating rate instruments	1,138.4	717.7	-	-	420.7	-

The Group's sensitivity to interest rate risk can be expressed in two ways:

(i) Fair value sensitivity analysis

A change in interest rates impacts the fair value of the Group's fixed rate borrowings. Given all debt instruments are carried at amortised cost, a change in interest rates would not impact the statement of comprehensive income.

(ii) Cash flow sensitivity analysis

A change in interest rates would impact on future interest payments and receipts on the Group's floating rate assets and liabilities. An increase in interest rates of 100 basis points at the reporting date would increase (decrease) the statement of comprehensive income result and equity by the amounts shown below, based on the assets and liabilities held at the reporting date, and a one year time frame. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for comparative periods.

In millions of AU\$	Consolidated		Company	
	2008	2007	2008	2007
100 basis point parallel increase in interest rates	11.8	19.5	9.6	11.4
100 basis point parallel decrease in interest rates	(11.8)	(19.5)	(9.6)	(11.4)

29.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and related entities.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. Demographically there are no concentrations of credit risk.

The carrying amount of financial assets represents the maximum credit exposure.

The Group limits its exposure to credit risk by making deposits and entering into derivative instruments with counterparties that have a credit rating of at least AA- from Standard & Poor's. Given these high credit ratings, management does not expect any such counterparty to fail to meet its obligations.

29.4 Liquidity risk

Liquidity risk is the risk that the Group will not meet its contractual obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due and comply with bank covenants.

The Group evaluates its liquidity requirements on an ongoing basis using a 13 week rolling forecast and ensures that it has sufficient cash on demand to meet expected operating expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities.

The following table sets out contractual cash flows for all financial liabilities including derivatives.

In millions of AU\$	Carrying Amount	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2008							
Non-derivative financial liabilities							
Trade and other payables	747.6	747.6	8.1	-	-	739.5	-
Loans and borrowings							
Advances from related parties	98.1	98.1	17.1	-	-	81.0	-
NZ Capital Notes	31.7	31.7	-	-	-	31.7	-
	877.4	877.4	25.2	-	-	852.2	-
Derivative financial liabilities							
Cross currency swaps	25.1	25.1	-	-	-	25.1	-
	25.1	25.1	-	-	-	25.1	-
Total	902.5	902.5	25.2	-	-	877.3	-
December 31, 2007							
Non-derivative financial liabilities							
Trade and other payables	750.8	750.8	106.2	-	-	644.6	-
Loans and borrowings							
Advances from related parties	13.0	13.0	13.0	-	-	-	-
NZ Capital Notes	184.5	184.5	-	151.3	-	33.2	-
	948.3	948.3	119.2	151.3	-	677.8	-
Derivative financial liabilities							
Cross currency swaps	52.0	52.0	-	-	-	52.0	-
	52.0	52.0	-	-	-	52.0	-
Total	1,000.3	1,000.3	119.2	151.3	-	729.8	-

Notes to the Financial Statements (continued)

29.5 Classification and fair values of financial assets and liabilities

In millions of AU\$	Fair value through the profit and loss	Available for sale	Held to maturity	Loans and receivables	Other liabilities	Total carrying amount	Fair value
December 31, 2008							
Assets							
Cash and cash equivalents	-	-	-	70.9	-	70.9	70.9
Trade and other receivables	-	-	-	2,028.1	-	2,028.1	2,028.1
Total assets	-	-	-	2,099.0	-	2,099.0	2,099.0
Liabilities							
Trade and other payables	-	-	-	-	747.6	747.6	747.6
Derivative financial liabilities							
Cross currency swaps	25.1	-	-	-	-	25.1	25.1
Loans and borrowings							
NZ Capital Notes	-	-	31.7	-	-	31.7	32.4
Advances from related parties	-	-	-	-	98.1	98.1	98.1
Total liabilities	25.1	-	31.7	-	845.7	902.5	903.2

In millions of AU\$	Fair value through the profit and loss	Available for sale	Held to maturity	Loans and receivables	Other liabilities	Total carrying amount	Fair value
December 31, 2007							
Assets							
Cash and cash equivalents	-	-	-	866.9	-	866.9	866.9
Trade and other receivables	-	-	-	1,531.2	-	1,531.2	1,531.2
Total assets	-	-	-	2,398.1	-	2,398.1	2,398.1
Liabilities							
Trade and other payables	-	-	-	-	750.8	750.8	750.8
Derivative financial liabilities							
Cross currency swaps	52.0	-	-	-	-	52.0	52.0
Loans and borrowings							
NZ Capital Notes	-	-	184.5	-	-	184.5	187.1
Advances from related parties	-	-	-	-	13.0	13.0	13.0
Total liabilities	52.0	-	184.5	-	763.8	1,000.3	1,002.9

The methods used in determining fair values of financial instruments are discussed in note 5.

30. RELATED PARTIES

Parent and ultimate controlling party

Until December 15, 2008 Kintron Developments Limited was the immediate parent of the Group, and on that date Kintron Developments Limited was amalgamated with Nerva Investments Limited, which then became the immediate parent. The ultimate controlling entity of the Group is Rank Group Limited and the ultimate shareholder is Mr G.R. Hart.

Transactions with key management personnel

As a result of the disposal of the Group's operating assets during the year ended June 30, 2007, key management personnel of the Group, who are also key management personnel of the wider Rank organisation have focussed their time and efforts on other parts of Rank's operations. Such operations are outside of the Burns Philp consolidated entity. On this basis key management personnel costs, although borne by the Group, have been notionally allocated to those operations where key management personnel are actively involved, resulting in a 0% allocation being made to the Group with respect to those key management personnel.

There were no outstanding loans to key management personnel at either December 31, 2008, December 31, 2007 or at any time during the year ended December 31, 2008 or the six months ended December 31, 2007.

Related party transactions

The entities, the nature of the relationship and the types of transactions with which the Group entered into material related party transactions during the period are detailed below:

Entity name	Nature of relationship	Nature of transactions
Rank Group Limited	Ultimate parent entity	Management fees charged
Rank Group Limited	Ultimate parent entity	Non-interest bearing receivable
Nerva Investments Limited	Immediate parent	Interest bearing receivable
Rank Group Holdings Limited	Other related party	Non-interest bearing receivable
Building Supplies Group Holdings Pty Limited	Other related party	Interest bearing borrowing
Building Supplies Group Holdings Pty Limited	Other related party	Transfer of tax balances
Carter Holt Investments	Other related party	Non interest bearing payable
Carter Holt Harvey Australia Pty Limited	Other related party	Transfer of tax balances
Carter Holt Harvey Woodproducts (Southern Region) Pty Limited	Other related party	Non interest bearing receivable
Carter Holt Harvey Woodproducts Southern Region) Pty Limited	Other related party	Transfer of tax balances
Fernbrook Investments Limited	Other related party	Transfer of tax balances
BPC Holdings Limited	Other related party	Transfer of tax balances
Evergreen Packaging Inc	Other related party	Interest bearing borrowing

In millions of AU\$	Transaction values for the period ended December 31		Balances outstanding as at December 31	
	2008	2007	2008	2007
Transactions with the ultimate parent entity				
Rank Group Limited – management fees charged	7.9	0.1	0.7	-
Rank Group Limited – non-interest bearing receivable	366.7	-	366.7	-
Transactions with immediate parent				
Nerva Investments Limited – interest bearing receivable	22.5	-	22.5	-
Transactions with other related parties				
Rank Group Holdings Limited	-	-	399.8	421.2
Building Supplies Group Holdings Pty Limited – interest bearing receivable	83.7	35.8	1,183.7	1,100.0
Building Supplies Group Holdings Pty Limited – interest bearing borrowing	(81.0)	-	(81.0)	-
Building Supplies Group Holdings Pty Limited – non-interest bearing payable (transfer of tax balances)	(25.8)	(164.2)	(125.3)	(99.5)
Fernbrook Investments Limited	4.7	-	4.7	-
Carter Holt Investments	-	-	(611.8)	(644.6)
BPC Holdings Limited	24.5	-	24.5	-
Evergreen Packaging Inc	(0.3)	(0.3)	(16.8)	(12.7)
Carter Holt Harvey Australia Pty Limited – non-interest bearing receivable (transfer of tax balances)	2.7	8.9	11.6	8.9
Carter Holt Harvey Woodproducts (Southern Region) Pty Limited – non-interest bearing receivable	10.0	-	10.0	-
Carter Holt Harvey Woodproducts (Southern Region) Pty Limited – non-interest bearing receivable (transfer of tax balances)	(3.8)	-	(3.8)	-

Notes to the Financial Statements (continued)

31. GROUP ENTITIES

	Reporting date	Country of incorporation	Ownership interest (%)	
			As at December 31 2008	As at December 31 2007
BPC Commercial Australia Pty Ltd ^{(a)(c)}	December 31	Australia	100	100
BPC Field Operations Pty Ltd ^{(a)(d)}	December 31	Australia	100	100
BPC Finance Pty Ltd ^{(a)(d)}	December 31	Australia	100	100
BPC Foods International Pty Ltd ^{(a)(c)(e)}	December 31	Australia	100	100
BPC Foods Nominees Pty Ltd	December 31	Australia	100	100
BPC Foods Pty Ltd ^{(a)(d)}	December 31	Australia	100	100
BPC Group Services Pty Ltd ^{(a)(d)}	December 31	Australia	100	100
BPC1 Pty Ltd ^{(a)(d)}	December 31	Australia	100	100
Burns Philp Australia Pty Ltd ^{(a)(d)}	December 31	Australia	100	100
Burns Philp Custodians Pty Ltd ^(a)	December 31	Australia	100	100
Burns Philp GF Investments Pty Ltd ^(a)	December 31	Australia	100	100
Burns Philp Overseas Holdings Pty Ltd ^{(a)(d)}	December 31	Australia	100	100
Burns Philp Shipping Holdings Pty Ltd	December 31	Australia	100	100
Burns Philp Treasury (Australia) Pty Ltd ^{(a)(d)}	December 31	Australia	100	100
Gillespie Bros Holdings Pty Ltd	December 31	Australia	100	100
LQ24 (GFDA) Pty Ltd	December 31	Australia	100	100
LQ53 (BPFOI) Pty Ltd ^{(a)(c)(f)}	December 31	Australia	100	100
LQ54 (BPA) Ltd ^{(a)(c)(f)}	December 31	Australia	100	100
LQ55 (BPCH) Pty Ltd ^{(a)(c)(f)}	December 31	Australia	100	100
Mowbray Industries Pty Ltd ^{(a)(c)}	December 31	Australia	100	100
QB6 Pty Ltd ^{(a)(c)}	December 31	Australia	100	100
Burns Philp A & B Ltd	June 30	Bangladesh	51	51
Burns Philp Canada Group Ltd	December 31	Canada	100	100
Burns Philp Alimentos S de RL de CV	June 30	Mexico	100	100
Burns Philp Mexico, SA de CV	June 30	Mexico	100	100
Burns Philp Treasury (Europe) BV	December 31	The Netherlands	100	100
BPC Finance (N.Z.) Ltd	December 31	New Zealand	100	100
Burns Philp Finance New Zealand Ltd ^(d)	December 31	New Zealand	100	100
Burns Philp (New Zealand) Ltd ^(d)	December 31	New Zealand	100	100
BPC Insurance & Risk Management Services Pte Ltd	December 31	Singapore	100	100
BPC International (Singapore) Pte Ltd	June 30	Singapore	100	100
BPC (QB Asia) Pte Ltd	June 30	Singapore	100	100
Goodman Fielder International (S.I.) Ltd	June 30	Solomon Islands	97	97
Burns Philp Pension Plan Ltd	March 31	UK	100	100
BPC United States Inc	December 31	USA	100	100
Burns Philp Treasury (United States) Inc	December 31	USA	100	100
Subsidiaries in voluntary liquidation at December 31, 2008				
Consolidated Stevedores Pty Ltd ⁽ⁱ⁾	June 30	Australia	100	100
Consolidated Stevedores Holdings Pty Ltd	June 30	Australia	100	100
Consolidated Stevedores (Qld) Pty Ltd	June 30	Australia	100	100
LQ16 (BEV) Pty Ltd	December 31	Australia	100	100
Fitamar S.A.	June 30	Uruguay	100	100
Subsidiaries at December 31, 2007 dissolved during the period^(g)				
LQ37 (TF) Pty Limited	December 31	Australia	-	100
LQ38 (ING) Pty Limited	December 31	Australia	-	100
LQ39 (CAP) Pty Limited	December 31	Australia	-	100
LQ40 (BPFH) Pty Limited ^(b)	December 31	Australia	-	100
LQ41 (BPFS) Pty Limited ^(b)	December 31	Australia	-	100
Subsidiaries at December 31, 2007 disposed of during the period				
BP Fresh Pty Limited ⁽ⁱ⁾	December 31	Australia	-	100
NZ Margarine Holdings Ltd ^(h)	December 31	New Zealand	-	100

- (a) Entities which are party to the Burns Philp Deed of Cross Guarantee. Pursuant to Class Order 98/1418, relief from the preparation and lodgement of financial statements, directors' reports and auditor's reports has been granted to the entities which are party to a Deed of Cross Guarantee. Pursuant to the Burns Philp Deed of Cross Guarantee dated May 13, 1992 (as amended) ("Deed"), Burns Philp has guaranteed to pay any deficiency in the event of winding up of controlled entities subject to the Deed. The entities have also given a similar guarantee in the event that Burns Philp is wound up. Burns Philp Custodians Pty Limited is the Trustee appointed under this Deed of Cross Guarantee but is not granted relief from specified accounting requirements in accordance with ASIC Class Order 98/1418
- (b) Entered into a Deed of Revocation with the Company and Burns Philp Custodians Pty Limited dated August 22, 2007 whereby the Deed of Cross Guarantee ceased to apply to such company effective March 1, 2008.
- (c) Entered into a Deed of Revocation with the Company and Burns Philp Custodians Pty Limited dated October 23, 2008 whereby the Deed of Cross Guarantee will cease to apply to such company effective May 1, 2009.
- (d) Entities which have granted guarantees and security in relation to amounts owing under certain financing documents. These guarantees and securities currently secure bank guarantees and cross-currency swaps (refer notes 29 and 33).
- (e) Entities which have guaranteed the obligations of Burns Philp Finance New Zealand Limited in respect of the NZ Capital notes (refer note 25).
- (f) Name changes during the current period:
- | Current Name | Former Name |
|----------------------|---|
| LQ53 (BPF0I) Pty Ltd | Burns Philp Food Overseas Investments Pty Ltd |
| LQ54 (BPA) Pty Ltd | BPC Australia Pty Ltd |
| LQ55 (BPCH) Pty Ltd | BPC Commercial Holding Company Pty Ltd |
- (g) Entities voluntarily liquidated during the year. There was no profit or loss on the voluntary liquidation of these entities.
- (h) Amalgamated into BPC Finance (N.Z.) Limited during the year.
- (i) Entity sold during the year.
- (j) Liquidated entity reinstated by Court Order to enable legal proceedings to be instituted against Workers Compensation insurer. Consolidated Stevedores Pty Limited was subsequently deregistered on January 19, 2009.

32. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

In millions of AU\$	Consolidated		Company	
	As at December 31			
	2008	2007	2008	2007
Less than one year	0.7	0.6	0.7	0.6
Between one and five years	1.5	0.2	1.5	0.2
More than five years	-	-	-	-
	2.2	0.8	2.2	0.8

During the period ended December 31, 2008 AU\$ 0.6 million was recognised as an expense in the statement of comprehensive income as a component of general and administration expenses in respect of operating leases (2007: AU\$ 0.3 million).

Notes to the Financial Statements (continued)

33. CONTINGENCIES

33.1 Litigation and legal proceedings

The Group is subject to litigation in the ordinary course of operations, for which a provision of AU\$12.1 million has been recognised in the consolidated financial statements as of December 31, 2008 (refer to note 27). The Group does not believe that it is engaged in any other legal proceedings for which provision has not been made which would be likely to have a material affect on its business, financial position or results of operations.

33.2 Indemnities and warranties in respect of discontinued operations and business disposals

As part of the agreements for the sale of its businesses, certain entities within the Group provided certain warranties and indemnities to the respective purchasers as set out in the respective sale agreements. These warranties and indemnities are subject to various terms and conditions affecting the duration and total amount of the indemnities.

As of December 31, 2008 the Group is not aware of any material claims under these agreements that would give rise to any present or contingent liabilities that are not currently provided for.

33.3 Security and guarantee arrangements

- (i) The Company and BPC Foods International Pty Limited have provided guarantees in respect of the NZ Capital Notes (refer note 25).
- (ii) The Company and certain of its subsidiaries have granted guarantees and securities in relation to amounts owing under certain financing documents. These guarantees and securities currently secure bank guarantees and cross-currency swaps (refer note 29).

33.4 Deed of cross guarantee

The Company and certain of its wholly owned subsidiaries identified in note 31 have entered into a Deed of Cross Guarantee ("Deed"). The effect of the Deed is that Burns Philp guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If winding up occurs under other provisions of the Corporations Act 2001, Burns Philp will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that Burns Philp is wound up.

Consolidated condensed income statements for periods ended December 31, 2008 and December 31, 2007 and consolidated condensed balance sheets as at December 31, 2008 and December 31, 2007, comprising Burns Philp and subsidiaries which are a party to the Deed, after eliminating all transactions between parties to the Deed, are set out below:

Consolidated condensed income statements

In millions of AU\$	For the period ended December 31	
	2008	2007*
Profit before tax	113.7	27.0
Income tax (expense) benefit	(31.0)	1.7
Net profit after tax	82.7	28.7

Consolidated condensed balance sheets

In millions of AU\$	As at December 31	
	2008	2007
Assets		
Cash and cash equivalents	11.8	271.3
Receivables	14.1	10.8
Current tax assets	1.1	-
Other assets	0.9	13.2
Total current assets	27.9	295.3
Receivables	1,193.6	1,100.0
Current tax assets	1.1	-
Other financial assets	248.8	232.8
Property, plant and equipment	1.3	1.2
Intangible assets	1.5	1.4
Deferred tax assets	1.1	6.5
Total non-current assets	1,446.3	1,341.9
Total assets	1,474.2	1,637.2
Liabilities		
Payables	25.2	121.0
Current tax liabilities	2.5	4.3
Employee benefits	1.4	1.5
Provisions	16.7	15.5
Total current liabilities	45.8	142.3
Payables	150.4	52.0
Interest bearing borrowings	81.0	-
Deferred tax liabilities	0.8	1.1
Employee benefits	0.4	0.4
Provisions	13.1	16.9
Total non-current liabilities	245.7	70.4
Total liabilities	291.5	212.7
Net assets	1,182.7	1,424.5
Equity and reserves		
Share capital	470.3	470.3
Retained earnings and reserves	712.4	954.2
Total equity	1,182.7	1,424.5

* Information for the comparative period is for the six month period ended December 31, 2007 as a result of the Group's election during this prior period to change its balance date from June to December.

34. SUBSEQUENT EVENTS

On March 9, 2009 Burns Philp GF Investments Pty Limited (a wholly owned subsidiary of the Company) assigned AU\$547.2 million of a loan owing from Building Supplies Group Holdings Pty Limited to the Company. The Company also received a dividend of AU\$163.8 million from Burns Philp GF Investments Pty Limited, which offset part of the intercompany payable owing to Burns Philp GF Investments Pty Limited as a result of the debt assignment. The Company then effected a forgiveness of debt in favour of Building Supplies Group Holdings Pty Limited for AU\$1,000.0 million. In order to facilitate this loan forgiveness, a capital reduction of AU\$343.7 million was effected.

Had these transactions occurred on December 31, 2008 they would have had the following impact on the Group's and the Company's financial results for the period ended and financial position as at December 31, 2008:

Consolidated

In millions of AU\$	Per financial statements	Impact of debt assignment	Impact of dividend	Impact of debt forgiveness	Pro forma financial statements
Total comprehensive income	82.8	-	-	(1,000.0)	(917.2)
Non current loans due from related parties	1,982.6	-	-	(1,000.0)	982.6
Total assets	2,105.1	-	-	(1,000.0)	1,105.1
Total equity and net assets	1,162.6	-	-	(1,000.0)	162.6

Company

In millions of AU\$	Per financial statements	Impact of debt assignment	Impact of dividend	Impact of debt forgiveness	Pro forma financial statements
Total comprehensive income	(4.7)	-	163.8	(1,000.0)	(840.9)
Non current loans due from related parties	462.9	547.2	-	(1,000.0)	10.1
Total assets	1,180.9	547.2	-	(1,000.0)	891.9
Non current loans due to related parties	(125.3)	(547.2)	163.8	-	(508.7)
Total liabilities	(218.1)	(547.2)	163.8	-	(765.3)
Total equity and net assets	962.8	-	163.8	(1,000.0)	126.6

No other events have occurred subsequent to balance date that would have a material effect on the financial statements as at December 31, 2008 or the Group's state of affairs, operations or results in future financial years.

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