

# F.F.I. HOLDINGS LTD

a.b.n. 32 009 155 328

## ASX PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30TH JUNE 2009 (APPENDIX 4E)

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**F.F.I. HOLDINGS LIMITED**  
(ABN 32 009 155 329)  
**ASX PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**CHAIRMAN'S ADDRESS**

On behalf of the Directors I am pleased to report a record profit for the year ended 30<sup>th</sup> June 2009.

Contribution to profit (EBIT) from the Company's food operations was up by 47 % to \$2.3 million compared with the previous year. These results were significantly boosted by a further \$3.8 million increase in the value of the Company's property investment. After allowing for income tax, profit attributable to shareholders increased by 39% to \$4,069,000.

**Food Operations**

The record result from the food business was particularly pleasing given all the improvements were achieved in the last half of the year, traditionally the least profitable period.

The Company successfully undertook a number of initiatives during the year to restore profit margins, control costs and improve operating efficiencies. These initiatives included upgrades to capital equipment and factory facilities. The full year benefit of the significant capital expenditure incurred in these areas will be reflected in next year's results.

**Property Investment**

In previous years land held for investment purposes has been valued by the directors based on the discounted present value of a proposed 22 lot subdivision development to be undertaken over a five year period.

In view of the current market conditions and the uncertainty of such a development the Directors have now obtained an independent licensed valuation of the land in its current form.

On the basis of this valuation the carrying value of land held for investment purposes has increased by \$3.8 million and has boosted profits after tax by \$2.66 million.

The Directors are mindful of the need to create a cash flow from this significant asset and will continue to carefully assess all opportunities in order to maximize the long term value for shareholders.

**Dividend**

The Directors have resolved to declare a final dividend of 11 cents per share. This brings the total dividend for the year to 18 cents fully franked, unchanged from the previous year.

**F.F.I. HOLDINGS LIMITED**  
(ABN 32 009 155 329)  
**ASX PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**CHAIRMAN'S ADDRESS - CONTINUED**

**Outlook**

The future outlook is very positive. The factors that negatively impacted on the previous year results from food operations have now been addressed and the benefits of the significant capital improvements undertaken this year are expected to continue to flow through to next year.

While profit increases from the Company's property investment will depend on further developments and /or an improvement in market conditions, the Directors are confident that this quality asset has the potential to continue to make a significant contribution to shareholder value going forward.

**About the Company**

F.F.I. Holdings Ltd is a West Australian based food company with manufacturing, processing and packing operations covering the following areas –

- ◆ “Chocolate Products of Australia” – industrial supply of chocolate and chocolate compounds.
- ◆ “Nemar Cake Toppings” – cake toppings and confectionery products.
- ◆ “Prepact”- contract packing and blending.
- ◆ “Olympic Fine Foods” – nuts, dried fruits, snacks, muesli and popcorn.
- ◆ “Fresh Food Industries” – bakers jams and fruit fillings.
- ◆ “Tradition Smallgoods” – fresh sausages, bacon and processed meat products.

**Rodney Moonen**  
**Chairman**  
**26th August 2009**

**F.F.I. HOLDINGS LIMITED**  
(ABN 32 009 155 329)

**ASX APPENDIX 4E DISCLOSURE**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

Movement from the previous corresponding period (12 months ended 30 June 2008) for;

Revenue from ordinary activities	up 14.6% to	\$27,149,085
Profit / (loss) from ordinary activities after tax attributable to members	up 39.2% to	\$4,069,245
Net profit/(loss) attributable to members	up 39.2% to	\$4,069,245

<b><u>DIVIDENDS</u></b>	Amount per <u>security</u>	Franked amount <u>per security</u>
Final dividend this period - proposed	11.00 cents	11.00 cents
Final dividend previous corresponding period	11.00 cents	11.00 cents
Interim dividend - paid 28th April 2009	7.00 cents	7.00 cents
Interim dividend previous corresponding period	7.00 cents	7.00 cents
Record date for determining entitlements to the dividend;		5th November 2009
Payment date for the dividend;		12th November 2009

The Company's Dividend Reinvestment Plan (DRP) will remain in operation for the final dividend payable on the 12<sup>th</sup> November 2009. Elections to participate in the DRP for the final dividend or an amendment to an existing notice of election must be received by close of business on the 5th November 2009. Previously lodged elections to participate in the DRP remain valid for the dividend.

<b><u>NET TANGIBLE ASSETS</u></b>	Current <u>period</u>	Previous corresponding <u>period</u>
Net tangible assets per security	\$3.01	\$2.42

**F.F.I. HOLDINGS LIMITED - PRELIMINARY FINAL REPORT 30 JUNE 2009**  
**CONSOLIDATED INCOME STATEMENT**  
**for the year ended 30th June 2009**

	Note	Economic Entity	
		2009 \$	2008 \$
Revenue	2	27,149,085	23,694,674
Other income	2	3,881,196	2,903,734
Changes in inventories of finished goods and work in progress		578,686	142,025
Raw materials and consumables used		(14,839,791)	(12,744,608)
Employee benefits expense		(6,044,448)	(5,368,324)
Depreciation and amortisation expense	3	(429,041)	(402,896)
Repairs and maintenance		(635,440)	(800,598)
Freight		(1,386,631)	(1,110,952)
Finance costs	3	(209,490)	(172,647)
Other expenses from ordinary activities		<u>(2,192,389)</u>	<u>(1,854,883)</u>
Profit from ordinary activities before income tax expense	3	<u>5,871,737</u>	<u>4,285,525</u>
Income tax expense relating to ordinary activities	4	<u>(1,725,889)</u>	<u>(1,288,929)</u>
Profit from ordinary activities after related income tax expense		<u>4,145,848</u>	<u>2,996,596</u>
Profit for the year		<u>4,145,848</u>	<u>2,996,596</u>
Profit attributable to minority equity interests		<u>(76,603)</u>	<u>(73,613)</u>
Profit attributable to members of the parent entity		<u>4,069,245</u>	<u>2,922,983</u>
Basic earnings per share (cents per share)	5	61.9	45.7
Diluted earnings per share (cents per share)	5	61.9	45.7

The accompanying notes form part of these accounts.

**F.F.I. HOLDINGS LIMITED - PRELIMINARY FINAL REPORT 30 JUNE 2009**  
**CONSOLIDATED BALANCE SHEET**  
**as at the 30th June 2009**

	Note	Economic Entity	
		2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	24	92,491	41,748
Trade and other receivables	7	3,859,968	3,288,270
Inventories	8	3,578,671	2,850,353
Other current assets	9	40,856	31,742
<b>TOTAL CURRENT ASSETS</b>		<b>7,571,986</b>	<b>6,212,113</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7	477,602	544,664
Financial assets	12	41,906	41,906
Property plant and equipment	10	11,325,815	8,651,160
Investment property	11	13,047,500	9,248,334
Deferred tax asset	13	314,048	313,765
Intangibles assets	14	262,530	262,530
<b>TOTAL NON-CURRENT ASSETS</b>		<b>25,469,401</b>	<b>19,062,359</b>
<b>TOTAL ASSETS</b>		<b>33,041,387</b>	<b>25,274,472</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	2,756,843	2,391,210
Short-term borrowings	16	274,190	1,591,536
Current tax liabilities	17	189,539	78,903
Short term provisions	18	698,828	663,384
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,919,400</b>	<b>4,725,033</b>
<b>NON CURRENT LIABILITIES</b>			
Long-term borrowings	16	3,000,153	911,253
Deferred tax liabilities	17	5,271,739	3,681,951
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,271,892</b>	<b>4,593,204</b>
<b>TOTAL LIABILITIES</b>		<b>12,191,292</b>	<b>9,318,237</b>
<b>NET ASSETS</b>		<b>20,850,095</b>	<b>15,956,235</b>
<b>EQUITY</b>			
Issued capital	19	5,720,289	4,805,631
Retained earnings	20	11,281,116	8,358,167
Reserves	21	3,655,500	2,584,500
Parent equity interest		20,656,905	15,748,298
Outside equity interest	22	193,190	207,937
<b>TOTAL EQUITY</b>		<b>20,850,095</b>	<b>15,956,235</b>

The accompanying notes form part of these accounts.

**F.F.I. HOLDINGS LIMITED - PRELIMINARY FINAL REPORT 30 JUNE 2009**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**as at the 30th June 2009**

ECONOMIC ENTITY	\$	\$	\$	\$
	<b>Share Capital</b>			
	<b>Ordinary</b>	<b>Retained Profits</b>	<b>Reserves</b>	<b>Minority Interests</b>
<b>Balance at 1.7.2007</b>	4,717,881	6,586,294	2,584,500	154,574
Shares issued	87,750	-	-	-
Profit attributable to members of parent entity	-	2,922,983	-	-
Profit attributable to minority shareholders	-	-	-	73,613
Transfers to and from retained earnings	-	-	-	-
Revaluation increment	-	-	-	-
<b>Sub-total</b>	<b>4,805,631</b>	<b>9,509,277</b>	<b>2,584,500</b>	<b>228,187</b>
Dividends paid or provided for	-	(1,151,110)	-	(20,250)
<b>Balance at 30.6.2008</b>	<b>4,805,631</b>	<b>8,358,167</b>	<b>2,584,500</b>	<b>207,937</b>
<b>Balance at 1.7.2008</b>	4,805,631	8,358,167	2,584,500	207,937
Shares issued during the year	940,608	-	-	-
Profit attributable to members of parent entity	-	4,069,245	-	-
Profit attributable to minority shareholders	-	-	-	76,603
Transfers to and from retained earnings	(25,950)	25,950	-	-
Revaluation increment	-	-	1,071,000	-
<b>Sub-total</b>	<b>5,720,289</b>	<b>12,453,362</b>	<b>3,655,500</b>	<b>284,540</b>
Dividends paid or provided for	-	(1,172,246)	-	(91,350)
<b>Balance at 30.6.2009</b>	<b>5,720,289</b>	<b>11,281,116</b>	<b>3,655,500</b>	<b>193,190</b>

The accompanying notes form part of these financial statements.

**F.F.I. HOLDINGS LIMITED - PRELIMINARY FINAL REPORT 30 JUNE 2009**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**for the year ended 30th June 2009**

	Note	Economic Entity	
		2009 \$	2008 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		26,546,886	23,294,941
Payments to suppliers and employees		(24,699,606)	(21,638,798)
Interest received		2,934	8,274
Dividend received		5,278	2,538
Interest and cost of finance paid		(209,490)	(172,647)
Income tax paid		(484,748)	(716,313)
Net cash provided by operating activities	23	<u>1,161,254</u>	<u>777,995</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of intangible assets		-	(85,000)
Proceeds from sale of property plant and equipment		82,030	20,400
Purchase of property plant and equipment		(1,708,170)	(670,748)
Net cash provided by (used in ) investment activities		<u>(1,626,140)</u>	<u>(735,348)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		940,608	-
Repayment of borrowings		-	-
Proceeds from borrowings		2,088,900	-
Dividend paid by parent entity		(1,172,245)	(1,566,447)
Dividend paid by controlled entities to outside equity interests		(91,350)	(20,250)
Proceeds from repayment of investments		-	-
Proceeds from employee share plan		67,062	85,233
Net cash provided by (used in) financing activities		<u>1,832,975</u>	<u>(1,501,464)</u>
Net increase (decrease) in cash held		1,368,089	(1,458,817)
Cash at 1st July 2008		(1,549,788)	(90,971)
Cash at 30th June 2009	24	<u>(181,699)</u>	<u>(1,549,788)</u>

The accompanying notes form part of these accounts.

**F.F.I. HOLDINGS LIMITED**  
**NOTES TO THE PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2009**

**1. BASIS OF PREPARATION OF THE PRELIMINARY FINAL REPORT**

This financial report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The accounting policies have been consistently applied, unless otherwise stated.

The financial report covers the economic entity of F.F.I. Holdings Limited and controlled entities.

The financial statements of the economic entity have been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

F.F.I. Holdings Limited is a listed public company, incorporated and domiciled in Australia.

**F.F.I. HOLDINGS LIMITED**  
**NOTES TO THE PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2009**

	<b>Economic Entity</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>2. REVENUE</b>		
<b>Sales Revenue</b>		
Sales of goods	27,140,873	23,683,862
Interest received	5,278	8,274
Dividends received	2,934	2,538
Rental revenue	-	-
Management fees received	-	-
Other revenue	-	-
<b>Total Revenue</b>	<b>27,149,085</b>	<b>23,694,674</b>
(a) Dividend revenue from		
Wholly-owned entities	-	-
Other controlled entities	-	-
Other corporations	2,934	2,538
	<u>2,934</u>	<u>2,538</u>
(b) Interest revenue from		
Partly owned controlled entities	-	-
Other corporations	5,278	8,274
<b>Total interest revenue</b>	<b>5,278</b>	<b>8,274</b>
<b>Other Income</b>		
Unrealised gains on investment property	3,799,166	2,883,334
Proceeds on disposal of non-current assets	82,030	20,400
<b>Total Other Income</b>	<b>3,881,196</b>	<b>2,903,734</b>
<b>3. OPERATING PROFIT FROM ORDINARY ACTIVITIES</b>		
Operating profit from ordinary activities before income tax has been determined after:		
( a ) Expenses :		
Cost of sales	21,380,001	18,960,151
Borrowing costs - other persons	209,490	172,647
Depreciation of non - current assets		
Buildings	36,691	32,661
Plant and equipment	392,350	370,235
Amortisation of formation and listing expenses	-	-
Bad and doubtful debts -trade debtors	-	-
Rental expenses on operating leases	52,720	49,171
Write-down of non-current investments to recoverable amount	-	-
	<u>-</u>	<u>-</u>
( b ) Revenue and Net Gains		
Net gain / (loss) on sale of non-current assets :		
Property, plant and equipment	(74,733)	(1,952)
	<u>(74,733)</u>	<u>(1,952)</u>

**F.F.I. HOLDINGS LIMITED**  
**NOTES TO THE PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2009**

	Economic Entity	
	2009	2008
	\$	\$
<b>4. INCOME TAX</b>		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows :		
Prima facie tax payable on profit from ordinary activities before income tax at 30 %	1,761,521	1,285,657
Add tax effect of :		
Non-deductible depreciation and amortisation	11,117	9,896
Other non-allowable items	2,133	1,514
Under provision for income tax in prior year	-	-
	<u>1,774,771</u>	<u>1,297,067</u>
Less tax effect of :		
Rebatable fully franked dividends	366	323
Over provision for income tax in prior year	-	-
Other tax benefits	48,516	7,815
Income tax expenses applicable to operating profit from ordinary activities before tax	<u>1,725,889</u>	<u>1,288,929</u>

**5. EARNINGS PER SHARE**

Basis earnings per share (cents per share)	61.9	45.7
Diluted earnings per share (cents per share)	61.9	45.7
(a) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	6,574,968	6,396,908

(b) Classification of securities

Diluted earnings per share is calculated after classifying all options on issue (if any) at balance date as potential ordinary shares.

There were no options outstanding as at 30th June 2009.

**F.F.I. HOLDINGS LIMITED**  
**NOTES TO THE PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2009**

	<b>Economic Entity</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>6. DIVIDENDS PAID AND PROPOSED</b>		
Final ordinary dividend of 11.00 cents per share (fully franked) paid on the 14th November 2008	704,364	702,879
Interim ordinary dividend of 7.00 cents per share ( fully franked ) paid on the 28th April 2009	467,881	448,231
	<u>1,172,245</u>	<u>1,151,110</u>
Proposed final ordinary dividend of 11.00 cents per share (fully franked) payable on the 12th November 2009	745,103	704,364
Under provision for final dividend in previous year	-	-
<b>7. RECEIVABLES</b>		
Current		
Trade debtors	3,907,968	3,336,270
Less : Provision for doubtful debtors	48,000	48,000
	<u>3,859,968</u>	<u>3,288,270</u>
Dividends receivable from controlled entities	-	-
	<u>3,859,968</u>	<u>3,288,270</u>
Non-Current		
F.F.I. Holdings Ltd -Employee share plan	477,602	544,664
Loans to controlled entities	-	-
	<u>477,602</u>	<u>544,664</u>
<b>8. INVENTORIES</b>		
Raw materials and stores	2,117,305	1,967,673
Finished goods	1,461,366	882,680
	<u>3,578,671</u>	<u>2,850,353</u>
<b>9. OTHER CURRENT ASSETS</b>		
Unexpired expenses	40,856	31,742
	<u>40,856</u>	<u>31,742</u>

**F.F.I. HOLDINGS LIMITED**  
**NOTES TO THE PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2009**

	<b>Economic Entity</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land at fair value	5,152,500	3,622,500
Total freehold land	<u>5,152,500</u>	<u>3,622,500</u>
Buildings at fair value	1,753,773	1,332,779
Less provision for depreciation	398,105	361,414
Total freehold land and buildings	<u>1,355,668</u>	<u>971,365</u>
Plant and equipment at cost	8,475,663	7,349,356
Less provision for depreciation	3,658,016	3,292,061
Total plant and equipment	<u>4,817,647</u>	<u>4,057,295</u>
Total property, plant and equipment	<u>11,325,815</u>	<u>8,651,160</u>
A directors valuation of freehold land was undertaken on 30 June 2009. The valuation was based on an assessment of the properties current market value.		
Movements in Carrying Amounts -		
Freehold land		
Balance at the beginning of year	3,622,500	3,622,500
Additions	-	-
Revaluation increments	1,530,000	-
	<u>5,152,500</u>	<u>3,622,500</u>
Buildings		
Balance at the beginning of year	971,365	967,350
Buildings additions at cost	420,994	36,676
Depreciation	(36,691)	(32,661)
Carrying amount at end of year	<u>1,355,668</u>	<u>971,365</u>
Plant and equipment		
Balance at the beginning of year	4,057,295	3,815,810
Additions	1,287,176	634,072
Disposals	(134,474)	(22,352)
Depreciation expense	(392,350)	(370,235)
Carrying amount at end of year	<u>4,817,647</u>	<u>4,057,295</u>
Total carrying amount at end of year	<u>11,325,815</u>	<u>8,651,160</u>
<b>11. INVESTMENT PROPERTY</b>		
Balance at beginning of year	9,248,334	6,365,000
Fair value adjustments	3,799,166	2,883,334
Balance at end of year	<u>13,047,500</u>	<u>9,248,334</u>
<b>12. OTHER FINANCIAL ASSETS</b>		
(a) Financial assets comprise:-		
Shares in unlisted corporations at cost	39,926	39,926
Shares in corporations listed on a prescribed stock exchange at cost	1,980	1,980
Shares in controlled entities	-	-
	<u>41,906</u>	<u>41,906</u>
(b) Market value of investments listed on a prescribed stock exchange		
	<u>2,034</u>	<u>2,544</u>

**F.F.I. HOLDINGS LIMITED**  
**NOTES TO THE PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2009**

	<b>Economic Entity</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>13. DEFERRED TAX ASSETS</b>		
The future income tax benefit is made up of the following estimated tax benefits :-		
Tax losses	90,000	90,000
Timing differences	224,048	223,765
	<u>314,048</u>	<u>313,765</u>
<b>14. INTANGIBLE ASSETS</b>		
Preliminary and listing expenses at cost	129,540	129,540
Less provision for amortisation	129,540	129,540
	<u>-</u>	<u>-</u>
Other - Trademarks and Goodwill	262,530	262,530
	<u>262,530</u>	<u>262,530</u>
<b>15. PAYABLES</b>		
<b>CURRENT</b>		
Unsecured Trade Creditors	2,756,843	2,391,210
	<u>2,756,843</u>	<u>2,391,210</u>
<b>16. INTEREST BEARING LIABILITIES</b>		
<b>CURRENT</b>		
Bank Overdraft	274,190	1,591,536
<b>NON-CURRENT</b>		
Bank Loan	3,000,153	911,253
	<u>3,000,153</u>	<u>911,253</u>
<b>17. TAX LIABILITIES</b>		
<b>CURRENT</b>		
Income tax	189,539	78,903
<b>NON-CURRENT</b>		
Provision for deferred income tax	5,271,739	3,681,951
	<u>5,271,739</u>	<u>3,681,951</u>
<b>18. PROVISIONS</b>		
<b>CURRENT</b>		
Employee benefits	698,828	663,384
Other	-	-
Dividends	-	-
	<u>698,828</u>	<u>663,384</u>

**F.F.I. HOLDINGS LIMITED**  
**NOTES TO THE PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2009**

	<b>Economic Entity</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>19. CONTRIBUTED EQUITY</b>		
6,773,664 (2008: 6,403,307) fully paid ordinary shares	5,720,289	4,805,631
<b>20. RETAINED EARNINGS</b>		
Retained earnings at the beginning of the financial year	8,358,167	6,586,294
Net profit attributable to members of the parent entity	4,069,245	2,922,983
Transfer to retained earnings	25,950	-
Dividends provided for or paid	(1,172,246)	(1,151,110)
Retained earnings at the end of the financial year	11,281,116	8,358,167
<b>21. RESERVES</b>		
Capital Reserves		
Movements during the year		
Opening balance	2,526,650	2,526,650
Movement	1,071,000	-
	3,597,650	2,526,650
General Reserve		
Premium on contributed equity attributable to members of the parent entity, resulting from the issue of shares in controlled entity	57,850	57,850
	3,655,500	2,584,500
<b>22. OUTSIDE EQUITY INTEREST IN CONTROLLED ENTITIES</b>		
Outside equity interest comprises		
Share capital ( a )	23,200	23,200
Retained profits ( b )	169,990	184,737
	193,190	207,937
( a ) Outside equity interest in issued and paid-up capital of controlled entities		
Issued ordinary shares of \$1 each fully paid Tradition Smallgoods Pty Ltd.	2,250	2,250
( b ) Retained profits		
Opening balance of retained profits	184,737	131,374
Share of retained profits acquired by outside equity interest on issue of shares	-	-
Share of operating profit	76,603	73,613
Dividend paid or provided	(91,350)	(20,250)
	169,990	184,737

**F.F.I. HOLDINGS LIMITED**  
**NOTES TO THE PRELIMINARY FINAL REPORT**  
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	<b>Economic Entity</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>23. CASH FLOW INFORMATION</b>		
Reconciliation of cash flow from operations with operating profit from ordinary activities after income tax		
Profit from ordinary activities after income tax	4,145,848	2,996,596
Non-cash flows in profit from ordinary activities		
Unrealised gains on investments	(3,799,166)	(2,883,334)
Amortisation	-	-
Depreciation	429,041	402,896
Increases in provisions	35,444	122,656
(Profit) / loss on sale of property, plant and equipment	74,733	1,952
Loss on write-off of investment	-	-
Dividend income reinvested	-	-
Decrease (increase) in trade debtors	(593,987)	(411,273)
Decrease (increase) in unexpired expenses	(9,113)	(6,282)
Decrease (increase) in inventories	(728,318)	(528,377)
Increase (decrease) in creditors and accruals	365,634	510,545
Increase in deferred tax asset	(283)	(36,797)
Movements in income tax payable	110,633	(247,211)
Movements in deferred tax payable	1,130,788	856,624
Cash flow from operations	<u>1,161,254</u>	<u>777,995</u>
<b>24. RECONCILIATION OF CASH</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows -		
Cash at bank	92,491	41,748
Overdrafts	(274,190)	(1,591,536)
	<u>(181,699)</u>	<u>(1,549,788)</u>
<b>25. AUDIT STATUS</b>		
This report is based on accounts which are in the process of being audited.		
At the date of this report, the directors are not aware of any matter that will result in a qualification of the audit report.		

**F.F.I. HOLDINGS LIMITED**  
**NOTES TO THE PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2009**

**26. FINANCIAL REPORTING BY SEGMENTS**

<u>2009</u>	Bakery Segment \$	Smallgoods Segment \$	Unall- ocated \$	Economic Entity \$
<b>REVENUE</b>				
Sales Revenue	19,658,185	7,482,683	-	27,140,868
Unallocated Revenue	-	-	90,247	90,247
Total Revenue from Ordinary Activities				<u>27,231,115</u>
Other Income - Unrealised Gains on Investment Property	-	-	3,799,166	<u>3,799,166</u>
<b>RESULT</b>				
Profit from Ordinary Activities before Income Tax Expense	1,467,152	544,995	6,074,990	8,087,137
Less Eliminations				<u>(2,215,400)</u>
				5,871,737
Income Tax expense				<u>(1,725,889)</u>
Profit from Ordinary Activities after Income Tax Expense				<u>4,145,848</u>
<b>ASSETS</b>				
Segment Assets	10,984,197	1,955,226	24,101,970	37,041,393
Less Eliminations				<u>(4,000,006)</u>
Total Assets				<u>33,041,387</u>
<b>LIABILITIES</b>				
Segment Liabilities	9,799,334	989,274	5,178,298	15,966,906
Less Eliminations				<u>(3,775,614)</u>
Total Liabilities				<u>12,191,292</u>
 <u>2008</u>				
<b>REVENUE</b>				
Sales Revenue	16,877,038	6,829,176	-	23,706,214
Unallocated Revenue	-	-	8,860	8,860
Total Revenue from Ordinary Activities				<u>23,715,074</u>
Other Income - Unrealised Gains on Investment Property	-	-	2,883,334	<u>2,883,334</u>
<b>RESULT</b>				
Profit from Ordinary Activities before Income Tax Expense	896,103	525,311	2,945,111	4,366,525
Less Eliminations				<u>(81,000)</u>
				4,285,525
Income Tax expense				<u>(1,288,929)</u>
Profit from Ordinary Activities after Income Tax Expense				<u>2,996,596</u>
<b>ASSETS</b>				
Segment Assets	9,120,148	1,621,469	16,763,469	27,505,086
Less Eliminations				<u>(2,230,614)</u>
Total Assets				<u>25,274,472</u>
<b>LIABILITIES</b>				
Segment Liabilities	7,149,206	581,782	3,543,894	11,274,882
Less Eliminations				<u>(1,956,645)</u>
Total Liabilities				<u>9,318,237</u>