fresh food industries

FFI HOLDINGS LIMITED

ABN 32 009 155 328

ANNUAL REPORT 2009

CONTENTS

F.F.I. HOLDINGS LTD is a Western Australian based food processing company which was listed on the Australian Stock Exchange in 1986.

Driven by a management philosophy which focuses on efficiency, reliability and innovation as key goals, the Company has expanded steadily and it's operations now cover the following areas.

FOOD OPERATIONS

> **Chocolate Products of Australia**
> Specialises in the manufacture of cooking chocolate, hazelnut spreads, chocolate coated confectionery, sugar confectionery and cake decorations for the retail market. Incorporates products manufactured under Supermarkets' "Own Brands" Labels and also the company's own proprietary retail brand name "**Nemar**".

> **Olympic Fine Foods**
> Processing and packaging a wide range of fruit and nut products for the confectionery, snack foods and home cooking needs market sectors. The majority of products are distributed to the retail market under the well recognised "**Olympic**", "**Prepact**" and "**Golden Popcorn**" brand names.

> **Fresh Food Industries Pty Ltd - Bakery Products**
> Includes the processing and manufacture of apple products, baker's fillings, chocolate, specialty chocolate compounds and cake decoration toppings for the bakery and pastrycooks industry.

> **Tradition Smallgoods Pty Ltd**
> Specialises in the manufacture and wholesale of fresh sausages, bacon and other processed meat products.

INVESTMENT PROPERTY

> The Company owns approximately 67,000 square metres of prime industrial/commercial land which is held for investment purposes. The land holding adjoins the Company's existing food factories, is adjacent to the rapidly developing Cockburn Central Town Centre and is ideally suited for further subdivision and development. The Company is pursuing a number of strategies regarding the management of this asset in order to maximise returns to shareholders.

From this sound and diverse trading base the Company is well positioned to continue to expand and provide shareholders with a maximum return on shareholders funds.

FINANCIAL SUMMARY

for year ended 30 June 2009

	2009	2008	2007	2006	2005
Revenue from Operating Activities	27,149,085	23,694,674	22,312,292	20,215,255	20,146,043
Revenue from Non-Operating Activities	82,030	20,400	14,000	45,000	130,500
Total Revenue	27,231,115	23,715,074	22,326,292	20,260,255	20,276,543
Unrealised Gains on Investment Properties	3,799,166	2,883,334	2,339,660	939,246	670,890
Operating Profit Before Significant Items and Tax	5,871,737	4,285,525	4,199,859	2,224,243	2,348,086
Significant Items Before tax	-	-	-	-	(627,909)
Income Tax	(1,725,889)	(1,288,929)	(1,264,446)	(672,589)	(521,698)
Operating Profit After Income Tax	4,145,848	2,996,596	2,935,413	1,551,654	1,198,479
Earnings per Share (cents)	61.9	45.7	45.8	24.0	19.20
Dividend per Share (cents) (Including recommended final dividend)	18.00	18.00	17.50	13.25	13.25
Total Shareholders Equity	20,850,095	15,956,235	14,043,249	9,514,379	8,644,072
Net Tangible Asset Backing Per Share (cents)	301	242	214	149	138

On behalf of the Directors I am pleased to present this report to shareholders for the year ended 30th June 2009. The net profit attributable to members of $ 4,069,245 is a record result for the Company.

There were a number of financial highlights that were achieved during the year under review –

- Record profit to members up 39% to $ 4.1 million.
- Record revenue from operations up 14.6% to $ 27.1 million.
- Record contribution (EBIT) from food operations up 47% to $ 2.3 million.
- Property investment value up $ 3.8 million to $ 13 million.
- Net tangible assets per share up 24% to $ 3.01 per share.
- Shareholders equity up 31% to $ 20.8 million.
- Dividend maintained at 18 cents per share.

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.

Going forward the Company will continue to focus on increasing revenue, improving efficiency and expanding production capability with the development of new products and processes.

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 undeveloped form.

On the basis of this valuation the carrying value of land held for investment purposes has increased by $3.8 million to $13 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.

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.

The Company is in a very sound financial position with low debts and quality assets. From this position the directors will continue to look for opportunities to maximise shareholder value.

Rodney Moonen
Chairman

25th September 2009

Your Directors have pleasure in presenting their report on the company and its controlled entities for the financial year ended 30 June 2009.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:
Mr Rodney G Moonen
Mr Geoffrey W Nicholson
Mr Christopher D J Langdon
Mr Ronald W Warr (retired 17th November 2008)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:
Mr Rodney G Moonen. (Refer to Information on Directors for experience and qualification details).

PRINCIPAL ACTIVITIES

The activities of the economic entity during the year were:

- the manufacture of bakers jam fillings, processed apple, stabilised fruit products and other products for the bakery and pastry cooks industries.
- the production of fresh sausages, bacon and other smallgoods.
- the manufacture of chocolate and confectionery products.
- the processing and packaging of nut, dried fruit, snack food and home cooking needs products.

There were no significant changes in the nature of the economic entity's activities during the year.

OPERATING RESULTS

The consolidated profit of the economic entity after income tax and eliminating outside equity interests amounted to $4,069,245 (2008: $2,922,983).

DIVIDENDS PAID OR RECOMMENDED

Dividends paid or recommended for payment are as follows:-

- Final ordinary dividend paid on the 14th November 2008, as recommended in last year's report - $704,364.
- Interim ordinary dividend at 7.00 cents per share paid on the 28th April 2009 - $467,881.
- Final ordinary dividend of 11.00 cents per share recommended by the Directors - $745,103.

REVIEW OF OPERATIONS

A review of the operations of the economic entity is set out in the Chairman's Review on page 3.

FINANCIAL POSITION

A review of the financial position of the economic entity is set out in the Chairman's Review on page 3 and in the Financial Summary on page 2.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

A review of significant changes in the state of affairs is set out in the Chairman's Review on page 3.

In addition to the items detailed in the Chairman's Review, the parent entity also issued the following shares during the year; On the 8th December 2008, the company issued 280,716 ordinary shares, being 166,800 ordinary shares issued at $2.50 each pursuant to the company's Share Purchase Plan and 113,916 ordinary shares issued at $2.70 each pursuant to the company's Dividend Reinvestment Plan. On the 5th May 2009 the company issued 89,641 ordinary shares at $2.41 each pursuant to the company's Dividend Reinvestment Plan. All shares issued rank equally for dividends paid after the issue date of the shares.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely developments, future prospects and business strategies of the operations of the economic entity and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the economic entity.

INFORMATION ON DIRECTORS

Rodney G Moonen
Chairman, Managing Director

Qualifications
Bachelor of Business Studies (Curtin University)
Appointed Chairman and Managing Director on 1st January 1990. Board member since the 4th January 1988. Over thirty five years experience in management and finance.

Interest in Shares
Beneficial owner of 1,850,011 fully paid ordinary shares in the Company.

Geoffrey W Nicholson
Director, General Manager

Experience
Board member since the Company commenced trading on the 2nd September 1986. Over thirty two years experience in the food processing industry.

Interest in Shares
Beneficial owner of 648,256 fully paid ordinary shares in the Company.

Christopher D J Langdon
Director (Non-Executive)

Qualifications
B.Com (Econ)
Appointed to the Board on the 10th November 2006. Over twenty five years of corporate finance and management experience and has had extensive experience in investment banking in Australia and overseas. He is the Chief Executive Officer of HJ Langdon & Co Pty Ltd, a family owned business based in Melbourne involved in the food industry.

Interest in Shares
Beneficial owner of 180,000 fully paid ordinary shares in the Company.

Directorships in other listed entities
Current director of Panoramic Resources Ltd (formerly Sally Malay Mining Limited) since 4 August 2004.

Ronald W Warr (retired 17th November 2008)
Director (Non-Executive)

Experience
Appointed to the Board on the 1st January 1990. A Director of Midland Exports Pty Ltd. Over twenty eight years experience in the meat and export industry. Retired from the Board on the 17th November 2008.

Interest in Shares
Beneficial owner of 451,023 fully paid ordinary shares in the Company.

CORPORATE GOVERNANCE REPORT

This statement sets out the main corporate governance practices that the Company had in place throughout the financial year.

It is the role of the board to govern the company. It is the role of management to manage the company in accordance with the overall directions of the board. The board is responsible for the corporate governance of the company.

The Company is committed to implementing the highest practical standard of corporate governance. In pursuit of this the Company makes reference to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. Unless disclosed below, the Company believes it has met these Best Practice Recommendations.

The board of directors consists of three directors. There are two executive directors and one non-executive director. The two executive directors hold key management roles within the Company. The names, details and qualifications of the directors are included in this report.

The current structure of the board has been designed to provide the most effective composition, size and commitment from it's members. This, we believe, ensures that the board performs it's function to the optimum, and meets all corporate governance criteria relevant to the Company's current size and scope of operations.

In light of the Company's approach to board composition and function, the following Best Practice Recommendations have not been adopted;

The majority of the board are not independent directors.
The Chairman is not an independent director.
The Chairman also performs the role of Chief Executive Officer.

Given the current size of the Company, the board does not consider it appropriate to establish a nomination committee. The board as a whole effectively performs this function.

The Company adheres to all ASX and Corporate Law requirements regarding the trading by Directors and employees of shares in the Company.

The company does not have an audit committee. All external audit reports are reviewed by the whole board to ensure appropriate action is taken by management regarding any areas which are identified as a weakness in internal control. The names and qualifications of the board are included in this report.

Given the current size of the Company, the board does not consider it appropriate to establish a remuneration committee. The board as a whole effectively performs this function. Increases in directors fees are subject to shareholders approval. Individual directors have the right to seek independent professional legal advice in the furtherance of their duties as directors at the Company's expense. The chairman's prior approval of such expenditure is required. Further details on remuneration are detailed in note 5 to the accounts.

Given the current size of the Company, the board does not consider it appropriate to establish a board performance evaluation committee. Board performance is open to evaluation by shareholders at the annual general meeting. At every annual general meeting one director retires from office and is eligible to offer himself for re-election. No director may retain office for more than three years without submitting himself for re-election.

The board has opted to not establish a formal code of conduct as it believes that this would not be in the best interests of the Company. It believes that such as prescriptive code would interfere with the ability of the company's employees to best meet obligations to stakeholders.

The board is responsible for identifying areas of significant business risk, implementing procedures to manage such risk and to manage and maintain appropriate ethical standards.

Management has confirmed to the Board the effectiveness of the Company's management of it's material risks and the Chief Executive Officer and the Chief Financial Officer have provided a declaration in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards (refer to Directors' Declaration). The Chief Executive Officer and the Chief Financial Officer have provided a statement in writing to the Board that the declaration is founded on a sound system of risk management and internal compliance and control which implements the policies of the Board, and that the system is operating efficiently and effectively in all material respects.

The board meets on a regular basis and reviews management operational reports regarding the financial performance of the economic entity. In addition the board reviews all capital expenditure and business strategies.

The directors do not believe that any Best Practice Recommendations that have been disclosed above as not having been adopted, in any way disadvantages the effectiveness with which the board operates. The board remains clearly focused on the best interests of the company and it's shareholders and shall willingly adopt further Corporate Governance Best Practice Recommendations as the circumstances and need of the company require them.

ENVIRONMENTAL ISSUES

The economic entity's operations are subject to environmental regulation under the Environmental Protection Act 1986.

The economic entity complied with the requirements of all relevant environmental regulations during the year.

REMUNERATION REPORT

This report details the remuneration arrangements for key management, directors and executives of the F.F.I. Holdings Limited Group.

Remuneration Policy

The remuneration policy of F.F.I. Holdings Limited is effectively controlled by the board of directors. The board of F.F.I. Holdings Limited believes the remuneration policy to be appropriate and effective in it's ability to attract and retain the best executives and directors to run and manage the economic entity, as well as maintaining goal congruence between directors, executives and shareholders.

The remuneration structure for directors and executive officers is not directly related to the financial performance of the Group. It is based on a number of factors, including length of service, qualifications, proven management skills and the experience of the individual concerned.

Executive directors may receive a combination of a directors fee, base salary, superannuation and fringe benefits. Increases in directors fees are subject to shareholder approval. Non-executive directors may receive directors fees. Executives may receive a combination of a base salary, superannuation and fringe benefits. Directors and executives are also eligible to participate in the company's Executive Share Plan upon an invitation being made from the appropriate committee. The table below details the remuneration of directors and executives for the year ended 30 June 2009.

Directors Remuneration 2009	RG Moonen	GW Nicholson	RW Warr	CDJ Langdon	Total
Short term benefits					
Cash, Salary, and Commissions	62,004	103,940	-	25,000	190,944
Cash Profit Share	-	-	-	-	-
Non-Cash Benefits	-	19,410	-	-	19,410
Other	-	-	-	-	-
Post Employment Benefits	-	-	-	-	-
Superannuation	99,996	58,507	-	-	158,503
Other Long Term Benefits	-	-	-	-	-
Other	-	-	-	-	-
Share Based Payment	-	-	-	-	-
Equity	-	-	-	-	-
Options	-	-	-	-	-
Other	4,408	14,055	-	-	18,463
TOTAL	166,408	195,912	-	25,000	387,320
Performance Related %	-	-	-	-	-

Executives Remuneration 2009		RG Strong	BR Matthews	D Doherty	Total
Short term benefits					
Cash, Salary, and Commissions		89,279	133,373	93,189	315,841
Cash Profit Share		-	-	-	-
Non-Cash Benefits		5,555	9,426	11,401	26,382
Other		-	-	-	-
Post Employment Benefits		-	-	-	-
Superannuation		37,816	14,859	8,387	61,062
Other Long Term Benefits		-	-	-	-
Other		-	-	-	-
Share Based Payment		-	-	-	-
Equity		-	-	-	-
Options		-	-	-	-
Other		7,228	12,478	2,639	22,345
TOTAL		139,878	170,136	115,616	425,630
Performance Related %	-	-	-	-	-

Directors Remuneration 2008	RG Moonen	GW Nicholson	RW Warr	CDJ Langdon	Total
Short term benefits					
Cash, Salary, and Commissions	62,004	114,708	-	22,500	199,212
Cash Profit Share	-	-	-	-	-
Non-Cash Benefits	-	13,602	-	-	13,602
Other	-	-	-	-	-
Post Employment Benefits	-	-	-	-	-
Superannuation	99,996	19,337	-	-	119,333
Other Long Term Benefits	-	-	-	-	-
Other	-	-	-	-	-
Share Based Payment	-	-	-	-	-
Equity	-	-	-	-	-
Options	-	-	-	-	-
Other	7,045	20,641	-	-	27,686
TOTAL	169,045	168,288	-	22,500	359,833
Performance Related %	-	-	-	-	-

Executives Remuneration 2008		RG Strong	BR Matthews	D Doherty	Total
Short term benefits					
Cash, Salary, and Commissions		80,009	113,936	93,056	287,001
Cash Profit Share		-	-	-	-
Non-Cash Benefits		17,768	9,426	4,457	31,651
Other		-	-	-	-
Post Employment Benefits		-	-	-	-
Superannuation		24,452	10,661	8,375	43,488
Other Long Term Benefits		-	-	-	-
Other		-	-	-	-
Share Based Payment		-	-	-	-
Equity		-	-	-	-
Options		-	-	-	-
Other		9,981	17,152	3,157	30,290
TOTAL		132,210	151,175	109,045	392,430
Performance Related %	-	-	-	-	-

MEETINGS OF DIRECTORS

During the financial year, 2 meetings of Directors were held.
Attendances were:-

	Number eligible to attend	Number attended
Rodney G Moonen	2	2
Geoffrey W Nicholson	2	2
Christopher D J Langdon	2	2
Ronald W Warr (retired 17/11/2008)	Nil	Nil

SHARE OPTIONS

No entity in the economic entity has granted an option to any person entitling that person to take up unissued shares of the entity or of any other body corporate.

NON-AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001.

Details of the auditors remuneration are included in Note 6 accompanying the Financial Statements.

DIRECTORS' BENEFITS

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the chief entity or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest, other than the benefits as disclosed in note 27 in the notes to and forming part of the accounts. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in the company's accounts, or the fixed salary of a full-time employee of the chief entity, controlled entity, or related body corporate.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 47 of the annual report.

Signed in accordance with a resolution of the Board of Directors.

R G Moonen

G W Nicholson

Dated this 25th day of September, 2009.

for the year ended 30th June 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue	2	27,149,085	23,694,674	2,768,379	487,866
Other income	2	3,881,196	2,903,734	3,799,166	2,883,334
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)	(162,000)	(162,000)
Depreciation and amortisation expense		(429,041)	(402,896)	(53,482)	(55,090)
Repairs and Maintenance		(635,440)	(800,598)	(6,502)	(3,942)
Freight		(1,386,631)	(1,110,952)	-	-
Finance costs		(209,490)	(172,647)	-	-
Other expenses		(2,192,389)	(1,854,883)	(270,571)	(205,057)
Profit before income tax	3	5,871,737	4,285,525	6,074,990	2,945,111
Income tax expense	4	(1,725,889)	(1,288,929)	(1,160,678)	(862,812)
Profit for the year		4,145,848	2,996,596	4,914,312	2,082,299
Profit attributable to minority equity interest		(76,603)	(73,613)	-	-
Profit attributable to members of the parent entity		4,069,245	2,922,983	4,914,312	2,082,299
Overall Operations					
Basic earnings per share (cents per share)	8	61.9	45.7		
Diluted earnings per share (cents per share)	8	61.9	45.7		

The accompanying notes form part of these financial statements.

as at the 30th June 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	9	92,491	41,748	11,060	5,033
Trade and other receivables	10	3,859,968	3,288,270	1,722	1,722
Inventories	11	3,578,671	2,850,353	-	-
Other current assets	17	40,856	31,742	-	-
TOTAL CURRENT ASSETS		7,571,986	6,212,113	12,782	6,755
NON-CURRENT ASSETS					
Trade and other receivables	10	477,602	544,664	3,880,402	2,224,139
Financial assets	12	41,906	41,906	236,586	236,586
Property, plant and equipment	14	11,325,815	8,651,160	6,548,088	4,650,578
Investment property	15	13,047,500	9,248,334	13,047,500	9,248,334
Intangible assets	16	262,530	262,530	-	-
Deferred tax assets	20	314,048	313,765	90,000	100,350
TOTAL NON-CURRENT ASSETS		25,469,401	19,062,359	23,802,576	16,459,987
TOTAL ASSETS		33,041,387	25,274,472	23,815,358	16,466,742
CURRENT LIABILITIES					
Trade and other payables	18	2,756,843	2,391,210	63,429	66,829
Short-term borrowings	19	274,190	1,591,536	-	-
Current tax liabilities	20	189,539	78,903	8,292	5,854
Short-term provisions	21	698,828	663,384	-	-
TOTAL CURRENT LIABILITIES		3,919,400	4,725,033	71,721	72,683
NON-CURRENT LIABILITIES					
Long-term borrowings	19	3,000,153	911,253	-	-
Deferred tax liabilities	20	5,271,739	3,681,951	5,139,784	3,543,880
TOTAL NON-CURRENT LIABILITIES		8,271,892	4,593,204	5,139,784	3,543,880
TOTAL LIABILITIES		12,191,292	9,318,237	5,211,505	3,616,563
NET ASSETS		20,850,095	15,956,235	18,603,853	12,850,179
EQUITY					
Issued capital	22	5,720,289	4,805,631	5,720,289	4,779,681
Reserves	23	3,655,500	2,584,500	3,597,650	2,526,650
Retained earnings		11,281,116	8,358,167	9,285,914	5,543,848
Parent interest		20,656,905	15,748,298	18,603,853	12,850,179
Minority equity interest		193,190	207,937	-	-
TOTAL EQUITY		20,850,095	15,956,235	18,603,853	12,850,179

The accompanying notes form part of these financial statements.

for the year ended 30th June 2009

Economic Entity

	Note	Ordinary Share Capital $	Retained Earnings $	Reserves $	Minority Equity Interests $	Total $
Balance at 1 July 2007		4,717,881	6,586,294	2,584,500	154,574	14,043,249
Profit attributable to members of parent entity		-	2,922,983	-	-	2,922,983
Profit attributable to minority shareholders		-	-	-	73,613	73,613
Transfers to and from reserves		-	-	-	-	-
Revaluation increment		-	-	-	-	-
Capital profit on sale of investments transferred from retained earnings		-	-	-	-	-
Shares issued during the year		87,750	-	-	-	87,750
Transfers from retained earnings		-	-	-	-	-
Sub-total		4,805,631	9,509,277	2,584,500	228,187	17,127,595
Dividends paid or provided for	7	-	(1,151,110)	-	(20,250)	(1,171,360)
Balance at 30 June 2008		4,805,631	8,358,167	2,584,500	207,937	15,956,235
Shares issued during the year		940,608	-	-	-	940,608
Transaction costs		-	-	-	-	-
Shares bought back during the year		-	-	-	-	-
Issue of shares		-	-	-	-	-
Profit attributable to members of parent entity		-	4,069,245	-	-	4,069,245
Profit attributable to outside shareholders		-	-	-	76,603	76,603
Revaluation increment		-	-	1,071,000	-	1,071,000
Transfers to and from reserves		-	-	-	-	-
Transfers to and from retained earnings		(25,950)	25,950	-	-	-
Sub-total		5,720,289	12,453,362	3,655,500	284,540	22,113,691
Dividends paid or provided for	7	-	(1,172,246)	-	(91,350)	(1,263,596)
Balance at 30 June 2009		5,720,289	11,281,116	3,655,500	193,190	20,850,095

The accompanying notes form part of these financial statements.

for the year ended 30th June 2009

Parent Entity

	Note	Ordinary Share Capital $	Retained Earnings $	Reserves $	Total $
Balance at 1 July 2007		4,691,931	4,612,659	2,526,650	11,831,240
Profit attributable to members of parent entity		-	2,082,299	-	2,082,299
Transfers to and from reserves		-	-	-	-
Revaluation increment		-	-	-	-
Capital profit on sale of investments transferred from retained earnings		-	-	-	-
Shares issued during the year		87,750	-	-	87,750
Transfers from retained earnings		-	-	-	-
Sub-total		4,779,681	6,694,958	2,526,650	14,001,289
Dividends paid or provided for	7	-	(1,151,110)	-	(1,151,110)
Balance at 30 June 2008		4,779,681	5,543,848	2,526,650	12,850,179
Shares issued during the year		940,608	-	-	940,608
Transaction costs		-	-	-	-
Shares bought back during the year		-	-	-	-
Issue of shares					
Profit attributable to members of parent entity		-	4,914,312	-	4,914,312
Revaluation increment		-	-	1,071,000	1,071,000
Transfers to and from reserves		-	-	-	-
Transfers from retained earnings		-	-	-	-
Sub-total		5,720,289	10,458,160	3,597,650	19,776,099
Dividends paid or provided for	7	-	(1,172,246)	-	(1,172,246)
Balance at 30 June 2009		5,720,289	9,285,914	3,597,650	18,603,853

The accompanying notes form part of these financial statements.

For the year ended 30th June 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		26,546,886	23,294,941	547,005	393,000
Payments to suppliers and employees		(24,699,606)	(21,638,798)	(442,474)	(379,150)
Dividends received		5,278	2,538	2,216,254	81,755
Interest received		2,934	8,274	5,120	13,111
Finance costs		(209,490)	(172,647)	-	-
Income tax paid		(484,748)	(716,313)	(10,986)	(21,099)
Net cash provided by (used in) operating activities	25	1,161,254	777,995	2,314,919	87,617
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		82,030	20,400	-	-
Loans to controlled entities		-	-	(1,723,325)	1,115,470
Purchase of property, plant and equipment		(1,708,170)	(670,748)	(420,992)	(36,678)
Purchase of intangible assets		-	(85,000)	-	-
Net cash provided by (used in) operating activities		(1,626,140)	(735,348)	(2,144,317)	1,078,792
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		417,000	-	417,000	-
Proceeds from borrowings		2,088,900	-	-	-
Proceeds from employee share plan		67,062	85,233	67,062	85,233
Proceeds from repayment of investments		-	-	-	-
Dividends paid by parent entity		(648,637)	(1,566,447)	(648,637)	(1,566,447)
Dividends paid by controlled entities to outside equity interests		(91,350)	(20,250)	-	-
Net cash provided by (used in) financing activities		1,832,975	(1,501,464)	(164,575)	(1,481,214)
Net increase in cash held		1,368,089	(1,458,817)	6,027	(314,805)
Cash at beginning of financial year		(1,549,788)	(90,971)	5,033	319,838
Cash at end of financial year	9	(181,699)	(1,549,788)	11,060	5,033

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of F.F.I. Holdings Ltd and controlled entities ('Economic Entity'), and the separate financial statements and notes of F.F.I. Holdings Ltd as an individual parent entity ('Parent Entity').

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

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. All monetary amounts in the financial report are stated in Australian dollars.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity F.F.I. Holdings Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 13 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the first in first out basis.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, valuations by directors, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Buildings	2.50%
Plant and equipment	5 - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Investment Property

Investment property comprises land held for future development. Investment property is carried at fair value determined annually by directors and/or independent licensed valuers. Changes to fair value are recorded in the income statement as other income.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(g) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

The group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(h) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Superannuation

Contributions are made to superannuation funds on behalf of employees and are charged as expenses when incurred.

(k) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(m) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when received except for dividend from controlled entities which are brought to account when they are proposed by the controlled entity.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key estimates – Investment Property

A key estimate in the financial statements was made on Investment Property. Investment properties are revalued annually by directors at each balance date. Values for the year ended 30th June 2009 are based on an open market value and a valuation performed by a licensed independent valuer (Refer to Note 15 for further information).

Key estimates – Land Held for Own Use

A key estimate in the financial statements was made on Land Held for Own Use. A directors valuation was undertaken on 30 June 2009 on land held for own use. The valuation was based on an estimate of the properties current market value. (Refer to Note 14 for further information).

Key Judgment – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

		Economic Entity		**Parent Entity**	
	Note	**2009**	**2008**	**2009**	**2008**
		$	**$**	**$**	**$**
Note 2: Revenue					
Sales revenue					
sale of goods		27,140,873	23,683,862	-	-
dividends received	2(a)	2,934	2,538	2,216,254	81,755
interest received	2(b)	5,278	8,274	5,120	13,111
rental and services revenue		-	-	547,000	393,000
sundry		-	-	5	117,000
Total Revenue		27,149,085	23,694,674	2,768,379	487,866
(a) Dividend revenue from:					
wholly-owned subsidiaries		-	-	-	-
partly owned subsidiaries		-	-	2,215,400	81,000
other corporations		2,934	2,538	854	755
Total dividend revenue		2,934	2,538	2,216,254	81,755
(b) Interest revenue from:					
wholly-owned controlled entities		-	-	-	-
partly owned subsidiaries		-	-	5,120	13,111
directors		-	-	-	-
other corporations		5,278	8,274	-	-
Total interest revenue		5,278	8,274	5,120	13,111
Other Income					
Unrealised gains on investment property		3,799,166	2,883,334	3,799,166	2,883,334
Proceeds on disposal of non-current assets		82,030	20,400	-	-
Total Other Income		3,881,196	2,903,734	3,799,166	2,883,334

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Note 3: Profit for the year					
(a) Expenses					
Cost of sales		21,380,001	18,960,151	-	-
Finance costs:					
external		209,490	172,647	-	-
Total finance costs		209,490	172,647	-	-
Depreciation of non-current assets:					
buildings		36,691	32,661	36,691	32,661
plant and equipment		392,350	370,235	16,791	22,429
Amortisation of formation and listing expenses		-	-	-	-
Bad and doubtful debts:					
trade receivables		-	-	-	-
Total bad and doubtful debts		-	-	-	-
Rental expense on operating leases		52,720	49,171	-	-
Employee benefits:					
Superannuation		491,290	419,780	99,996	99,996

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Note 4: Income Tax Expense					
(a) The components of tax expense comprise:					
Current tax		595,384	469,102	13,424	1,950
Deferred tax	20	1,130,505	819,827	1,147,254	860,862
		1,725,889	1,288,929	1,160,678	862,812
(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% (2008: 30%)					
economic entity		1,761,521	1,285,657	-	-
parent entity		-	-	1,822,497	883,533
Add:					
Tax effect of:					
non-deductible depreciation and amortisation		11,007	9,896	11,007	9,798
other non-allowable items		2,133	1,514	1,739	1,474
		1,774,661	1,297,067	1,835,243	894,805
Less:					
Tax effect of:					
rebateable fully franked dividends		256	323	664,876	24,527
other tax benefits		48,516	7,815	9,689	7,466
Income tax attributable to parent entity		1,725,889	1,288,929	1,160,678	862,812
The applicable weighted average effective tax rates are as follows:		29%	30%	19%	29%

5. Key Management Personnel Compensation

(a) For the purpose of this note key management personnel are classified as directors and other key management personnel of the economic entity. Names and positions held of parent entity directors and specified executives in office at any time during the financial year are:

Directors

Rodney G Moonen	Chairman - Executive Director
Geoffrey W Nicholson	Managing Director of Subsidiary - Executive Director
Christopher D J Langdon	Non-Executive Director
Ronald W Warr	Non-Executive Director - Retired 17th November 2008

Other Key Management Personnel

Robert G Strong	Managing Director of Subsidiary - Executive Director
Brett R Matthews	Finance Manager
Daniel Doherty	National Sales & Marketing Manager

(b) Directors' Compensation

2009	RG Moonen	GW Nicholson	RW Warr	CDJ Langdon	Total
Short term benefits					
Cash, Salary and Commissions	62,004	103,940	-	25,000	190,944
Non-Cash Benefits	-	19,410	-	-	19,410
Post Employment Benefits	-	-	-	-	-
Superannuation	99,996	58,507	-	-	158,503
Equity	-	-	-	-	-
Other	4,408	14,055	-	-	18,463
TOTAL	166,408	195,912	-	25,000	387,320
Performance related %	-	-	-	-	-

2008	RG Moonen	GW Nicholson	RW Warr	CDJ Langdon	Total
Short term benefits					
Cash, Salary, and Commissions	62,004	114,708	-	22,500	199,212
Non-Cash Benefits	-	13,602	-	-	13,602
Post Employment Benefits	-	-	-	-	-
Superannuation	99,996	19,337	-	-	119,333
Equity	-	-	-	-	-
Other	7,045	20,641	-	-	27,686
TOTAL	169,045	168,288	-	22,500	359,833
Performance related %	-	-	-	-	-

5. Key Management Personnel Compensation (continued)

(c) Other Key Management Personnel Remuneration

2009	RG Strong	BR Matthews	D Doherty	Total
Short term benefits				
Cash, Salary, and Commissions	89,279	133,373	93,189	315,841
Non-Cash Benefits	5,555	9,426	11,401	26,382
Post Employment Benefits	-	-	-	-
Superannuation	37,816	14,859	8,387	61,062
Equity	-	-	-	-
Other	7,228	12,478	2,639	22,345
TOTAL	139,878	170,136	115,616	425,630
Performance related %	-	-	-	-

Detailed Key management personnel remuneration has also been included in the Remuneration Report section of the Directors Report.

2008	RG Strong	BR Matthews	D Doherty	Total
Short term benefits				
Cash, Salary, and Commissions	80,009	113,936	93,056	287,001
Non-Cash Benefits	17,768	9,426	4,457	31,651
Post Employment Benefits	-	-	-	-
Superannuation	24,452	10,661	8,375	43,488
Equity	-	-	-	-
Other	9,981	17,152	3,157	30,290
TOTAL	132,210	151,175	109,045	392,430
Performance related %	-	-	-	-

(d) Loans

	Loan Balance 1/7/08	Interest Charged	Interest Not Charged (+)	Provision Impairment	Loan Balance 30/6/08	Highest Balance During Period
Rodney G Moonen	56,500	-	4,408	-	47,217	56,500
Geoffrey W Nicholson	179,030	-	14,055	-	151,670	179,030
Ronald W Warr	-	-	-	-	-	-
Christopher D J Langdon	-	-	-	-	-	-
Brett R Matthews	154,850	-	12,478	-	138,740	154,850
Robert G Strong	90,475	-	7,228	-	79,585	90,475
Daniel Doherty	31,905	-	2,639		30,195	31,905
	512,760	-	40,808	-	447,407	512,760

All loans were made pursuant to the Company's Executive Share Plan and were duly approved by shareholders where required.

(+) Loans are interest free and non-recourse. Amounts for interest not charged have been estimated based upon likely interest payable if the loans had been made under normal commercial conditions.

5. Key Management Personnel Compensation (continued)

(e) Shareholdings

	Number of Shares Held			
	Balance 1/7/08	Executive Share Plan (*)	Net Change Other (^)	Balance 30/6/09
Rodney G Moonen	1,712,740	-	137,271	1,850,011
Geoffrey W Nicholson	635,698	-	12,558	648,256
Ronald W Warr (retired 17/11/2008)	454,678	-	(3,655)	451,023
Christopher D J Langdon	180,000	-	-	180,000
Brett R Matthews	160,127	-	-	160,127
Robert G Strong	167,335	-	11,697	179,032
Daniel Doherty	9,500	-	-	9,500
	3,320,078	-	157,871	3,477,949

(*) Denotes shares issued pursuant to the Company's Executive Share Plan.

(^) Net Change Other denotes shares purchased or sold during the financial year at current market rates.

(f) The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows -

The remuneration structure for executive officers is not directly related to the financial performance of the Group. It is based on a number of factors, including length of service, qualifications, proven management skills and the experience of the individual concerned.

	Economic Entity		**Parent Entity**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Note 6: Auditors' Remuneration				
Remuneration of the auditor of the parent entity for:				
auditing or reviewing the financial report	41,000	30,000	41,000	30,000
	41,000	30,000	41,000	30,000
Note 7: Dividends				
Final fully franked ordinary dividend of 11.00 cents per share paid on 14th November 2008.	704,364	702,879	704,364	702,879
Interim fully franked ordinary dividend of 7.00 (2008: 7.00) cents per share franked at the tax rate of 30% (2008: 30%) paid on the 28th April 2009	467,881	448,231	467,881	448,231
	1,172,245	1,151,110	1,172,245	1,511,110
(a) Proposed final fully franked ordinary dividend of 11.00 (2008: 11.00) cents per share franked at the tax rate of 30% (2008: 30%) payable on the 12th November 2009 not yet brought into account in the financial statements	745,103	704,364	745,103	704,364

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Note 7: Dividends (continued)				
(b) Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables and franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years	3,580,185	3,454,553	1,388,980	314,502
Subsequent to year end, the franking account would be reduced by the proposed dividend per 7(a) above.				

	Economic Entity 2009 $	Economic Entity 2008 $
Note 8: Earnings per Share		
(a) Reconciliation of Earnings to Profit or Loss		
Profit	4,145,848	2,996,596
Profit attributable to minority equity interest	(76,603)	(73,613)
Earnings used to calculate basic EPS	4,069,245	2,922,983
Dividends on converting preference shares	-	-
Earnings used in the calculation of dilutive EPS	4,069,245	2,922,983

	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	6,574,968	6,396,908
Weighted average number of options outstanding	-	-
Weighted average number of converting preference shares on issue	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	6,574,968	6,396,908

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Note 9: Cash Assets					
Cash at bank and in hand		92,491	41,748	11,060	5,033
Short-term bank deposits		-	-	-	-
		92,491	41,748	11,060	5,033
Reconciliation of cash					
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 and cash equivalents		92,491	41,748	11,060	5,033
Bank overdrafts	19	(274,190)	(1,591,536)	-	-
		(181,699)	(1,549,788)	11,060	5,033
Note 10: Receivables					
CURRENT					
Trade receivables		3,907,968	3,336,270	1,722	1,722
Provision for impairment of receivables		(48,000)	(48,000)	-	-
		3,859,968	3,288,270	1,722	1,722
Dividend receivable from controlled entities		-	-	-	-
		3,859,968	3,288,270	1,722	1,722
Aging of past due but not impaired receivables					
60 - 90 days		292,245	250,711	-	-
90 - 120 days		29,739	37,662	-	-
Total		321,984	288,373	-	-
NON-CURRENT					
F.F.I. Holdings Ltd Employee Share Plan- refer to remuneration note for loans		477,602	544,664	477,602	544,664
Loans to controlled entities		-	-	3,402,800	1,679,475
		477,602	544,664	3,880,402	2,224,139

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Note 11: Inventories					
CURRENT					
At cost					
Raw materials and stores		2,117,305	1,967,673	-	-
Finished goods		1,461,366	882,680	-	-
		3,578,671	2,850,353	-	-
Note 12: Financial Assets					
Available-for-sale financial assets comprise:					
shares in unlisted corporations at cost		39,926	39,926	10,214	10,214
shares in corporations listed on a prescribed stock exchange at cost		1,980	1,980	1,980	1,980
shares in controlled entities		-	-	224,392	224,392
		41,906	41,906	236,586	236,586
Market value of investments listed on a prescribed stock exchange		2,034	2,544	2,034	2,544

Note 13: Controlled Entities

(a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)* 2009	Percentage Owned (%)* 2008
Parent Entity:			
F.F.I. Holdings Limited	Australia		
Subsidiaries of F.F.I. Holdings Limited:			
Fresh Food Industries Pty Ltd	Australia	100	100
Chocolate Products of Australia Pty Ltd	Australia	100	100
Tradition Smallgoods Pty Ltd	Australia	80	80

* Percentage of voting power is in proportion to ownership

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Note 14: Property, Plant and Equipment					
LAND AND BUILDINGS					
Freehold land at:					
Fair value		5,152,500	3,622,500	5,152,500	3,622,500
Total Land		5,152,500	3,622,500	5,152,500	3,622,500
Buildings at:					
Fair value		1,753,773	1,332,779	1,753,773	1,332,799
Less accumulated depreciation		(398,105)	(361,414)	(398,105)	(361,414)
Total Buildings		1,355,668	971,365	1,355,668	971,365
Total Land and Buildings		6,508,168	4,593,865	6,508,168	4,593,865
PLANT AND EQUIPMENT					
Plant and Equipment:					
At cost		8,475,663	7,394,566	1,076,416	1,076,416
Accumulated depreciation		(3,658,016)	(3,337,271)	(1,036,496)	(1,019,705)
Accumulated impairment losses		-	-	-	-
		4,817,647	4,057,295	39,920	56,711
Total property, plant and equipment		11,325,815	8,651,160	6,548,088	4,650,578

The Group's land was revalued at 30 June 2009 by a licensed independent valuer. Valuations were made on the basis of open market value. The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders equity.

Note 14: Property, Plant and Equipment (continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold Land	Buildings	Plant and Equipment	Total
	$	$	$	$
Economic Entity:				
Balance at the beginning of year	3,622,500	971,365	4,057,295	8,651,160
Additions	-	420,994	1,287,176	1,708,170
Disposals	-	-	(134,474)	(134,474)
Additions through acquisition of entity	-	-	-	-
Revaluation increments/ (decrements)	1,530,000		-	1,530,000
Depreciation expense	-	(36,691)	(392,350)	(429,041)
Carrying amount at the end of year	5,152,500	1,355,668	4,817,647	11,325,815
Parent Entity:				
Balance at the beginning of year	3,622,500	971,365	56,711	4,650,576
Additions	-	420,994	-	420,994
Disposals	-	-	-	-
Revaluation increments/ (decrements)	1,530,000		-	1,530,000
Depreciation expense	-	(36,691)	(16,791)	(53,482)
Carrying amount at the end of year	5,152,500	1,355,668	39,920	6,548,088

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Note 15: Investment Property				
Balance at beginning of year	9,248,334	6,365,000	9,248,334	6,365,000
Acquisitions	-	-	-	-
Fair value adjustments	3,799,166	2,883,334	3,799,166	2,883,334
Balance at end of year	13,047,500	9,248,334	13,047,500	9,248,334

The fair value model is applied to all investment property. Investment properties are revalued annually by directors at each balance date. Values for the year ended 30th June 2009 are based on an active open market value, and a valuation performed by a licensed independent valuer.

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Note 16: Intangible Assets					
Goodwill					
Cost		210,000	210,000	-	-
Accumulated impaired losses		-	-	-	-
Net carrying value		210,000	210,000	-	-
Trademarks and Licences					
Cost		50,000	50,000	-	-
Accumulated amortisation and impairment		-	-	-	-
Net carrying value		50,000	50,000	-	-
Other					
Net carrying value		2,530	2,530	-	-
Total intangibles		262,530	262,530	-	-

	Goodwill $	Trademarks & Licences $	Other at Cost $	Total $
Economic Entity:				
Year ended 30 June 2008				
Balance at the beginning of year	125,000	50,000	2,530	177,530
Additions	-	-	-	-
Acquisitions through business combinations	85,000	-	-	85,000
Disposals	-	-	-	-
Amortisation charge	-	-	-	-
Impairment losses	-	-	-	-
Closing carrying value at 30 June 2008	210,000	50,000	2,530	262,530
Year ended 30 June 2009				
Balance at the beginning of year	210,000	50,000	2,530	262,530
Additions	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Disposals	-	-	-	-
Amortisation charge	-	-	-	-
Impairment losses	-	-	-	-
Closing carrying value at 30 June 2009	210,000	50,000	2,530	262,530

Intangible assets, other than goodwill and trademarks have finite useful lives. The current amortisation charges in respect of intangible assets are included under depreciation and amortisation expense per the income statement. Goodwill has an infinite life.

Note 16: Intangible Assets (continued)

Impairment Disclosures

Goodwill is allocated to cash-generating units which are based on the group's reporting segments.

	Note	2009 $	2008 $
Bakery segment		210,000	210,000
Smallgoods segment		-	-
Total		210,000	210,000

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 10 year period with the period extending beyond 5 years extrapolated using an estimated growth rate. The cash flows are discounted using the yield of 10-year government bonds at the beginning of the budget period.

The following assumptions were used in the value-in-use calculations:

	Growth Rate	Discount Rate
Bakery segment	7.50%	5.30%
Smallgoods segment	N/A	N/A

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use expected future growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period which are consistent with inflation rates applicable to the locations in which the segments operate.

		Economic Entity		Parent Entity	
	Note	2009 $	2008 $	2009 $	2008 $
Note 17: Other Assets					
CURRENT					
Prepayments		40,856	31,742	-	-
Note 18: Trade and Other Payables					
CURRENT					
Unsecured liabilities		2,756,843	2,391,210	63,429	66,829
Note 19: Borrowings					
CURRENT					
Unsecured liabilities					
Bank overdrafts		274,190	1,591,536	-	-
NON- CURRENT					
Secured liabilities					
Bank loans		3,000,153	911,253	-	-

The bank loan and bank overdraft have no fixed maturity dates. All bank borrowings are reviewed annually by the company's management and the company's bank and may be paid out at any time at the company's discretion.

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Note 20: Tax					
(a) Liabilities					
CURRENT					
Income Tax		189,539	78,903	8,292	5,854
NON-CURRENT					
Deferred tax liability comprises:					
Tax allowances relating to property, plant and equipment		129,295	138,257	(2,660)	186
Revaluation adjustments taken directly to equity		2,154,022	1,695,022	2,154,022	1,695,022
Fair value gain adjustments		2,988,422	1,848,672	2,988,422	1,848,672
Total		5,271,739	3,681,951	5,139,784	3,543,880
(b) Assets					
Deferred tax assets comprise:					
tax losses		90,000	90,000	90,000	90,000
timing differences		224,048	223,765	-	10,350
		314,048	313,765	90,000	100,350
(c) Reconciliations					
(i) Gross Movements					
The overall movement in the deferred tax account is as follows:					
Opening balance		(3,368,186)	(2,548,359)	(3,443,530)	(2,582,668)
(Charge) / credit to income statement	4	(1,130,505)	(819,827)	(1,147,254)	(860,862)
Charge to equity		(459,000)	-	(459,000)	-
Closing balance		(4,957,691)	(3,368,186)	(5,049,784)	(3,443,530)

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Note 20: Tax (continued)					
(ii) Deferred Tax Liability					
The movement in deferred tax liability for each temporary difference during the year is as follows:					
Tax allowances relating to property, plant and equipment:					
Opening balance		138,257	146,633	186	4,324
Charged to the income statement		(8,962)	(8,376)	(2,846)	(4,138)
Closing balance		129,295	138,257	(2,660)	186
Tangible assets revaluation adjustments taken directly to equity					
Opening balance		1,695,022	1,695,022	1,695,022	1,695,022
Net revaluations during the current period		459,000	-	459,000	-
Closing balance		2,154,022	1,695,022	2,154,022	1,695,022
Fair value gain adjustments					
Opening balance		1,848,672	983,672	1,848,672	983,672
Charged to the income statement		1,139,750	865,000	1,139,750	865,000
Closing balance		2,988,422	1,848,672	2,988,422	1,848,672
(iii) Deferred Tax Assets					
The movement in deferred tax assets for each temporary difference during the year is as follows:					
Provisions					
Opening balance		223,765	186,968	10,350	10,350
Credited to the income statement		283	36,797	(10,350)	-
Closing balance		224,048	223,765	-	10,350
Other					
Opening balance		90,000	90,000	90,000	90,000
Credited/ (charged) to the income statement		-	-	-	-
Closing balance		90,000	90,000	90,000	90,000

Note 21: Provisions

Economic Entity	Employee Entitlements $	Dividends $	Total $
Opening balance at 1 July 2008	663,384	-	663,384
Additional provisions	35,444	-	35,444
Amounts used/paid	-	-	-
Balance at 30 June 2009	698,828	-	698,828
Parent Entity			
Opening balance at 1 July 2008	-	-	-
Additional provisions	-	-	-
Amounts used/paid	-	-	-
Balance at 30 June 2009	-	-	-

Analysis of Total Provisions

	Economic Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Current	698,828	663,384	-	-
Non-current	-	-	-	-
	698,828	663,384	-	-

Note 22: Issued Capital

6,773,664 (2008: 6,403,307) fully paid ordinary shares with no par value	5,720,289	4,805,631	5,720,289	4,779,681

(a) Ordinary shares

At the beginning of reporting period	6,403,307	6,389,807	6,403,307	6,389,807
Shares issued during the year				
8th December 2008	280,716	-	280,716	-
5th May 2009	89,641	-	89,641	-
20th December 2007	-	13,500	-	13,500
Shares bought back during year				
Nil	-	-	-	-
At reporting date	6,773,664	6,403,307	6,773,664	6,403,307

On the 8th December 2008 the company issued 280,716 ordinary shares, being 166,800 ordinary shares issued at $2.50 each pursuant to the company's Share Purchase Plan and 113,916 ordinary shares issued at $2.70 each pursuant to the company's Dividend Reinvestment Plan. On the 5th May 2009 the company issued 89,641 ordinary shares at $2.41 each pursuant to the company's Dividend Reinvestment Plan. All shares issued rank equally for dividends paid after the issue date of the shares.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 22: Issued Capital (continued)

(b) Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Total borrowings	18, 19	6,031,186	4,893,999	63,429	66,829
Less cash and cash equivalents	9	(92,491)	(41,748)	(11,060)	(5,033)
Net debt		5,938,695	4,852,251	52,369	61,796
Total equity		20,850,095	15,956,235	18,603,853	12,850,179
Total capital		26,788,790	20,808,486	18,656,222	12,911,975

Note 23: Reserves

(a) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

(b) General Reserve

The general reserve records funds set aside for future expansion of the economic entity.

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Asset Revaluation Reserve					
Opening balance		2,526,650	2,526,650	2,526,650	2,526,650
Movements during the year		1,071,000	-	1,071,000	-
		3,597,650	2,526,650	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	3,597,650	2,526,650

Note 24: Financial Reporting by Segments

2009	Bakery Segment	Smallgoods Segment	Unall-ocated	Economic Entity
REVENUE				
Sales Revenue	19,658,185	7,482,683	-	27,140,868
Unallocated Revenue	-	-	90,247	90,247
Total Revenue from Ordinary Activities				27,231,115
Other Income - Unrealised Gains on Investment Property	-	-	3,799,166	3,799,166
RESULT				
Profit from Ordinary Activities before Income Tax Expense	1,467,152	544,995	6,074,990	8,087,137
Less Eliminations				(2,215,400)
				5,871,737
Income Tax expense				(1,725,889)
Profit from Ordinary Activities after Income Tax Expense				4,145,848
ASSETS				
Segment Assets	10,984,197	1,955,226	24,101,970	37,041,393
Less Eliminations				(4,000,006)
Total Assets				33,041,387
LIABILITIES				
Segment Liabilities	9,799,334	989,274	5,178,298	15,966,906
Less Eliminations				(3,775,614)
Total Liabilities				12,191,292
OTHER				
Acquisition of non-current segment assets	1,163,907	123,269	420,994	1,708,170
Depreciation and amortisation of segment assets	315,702	59,857	53,482	429,041

Note 24: Financial Reporting by Segments

2008	Bakery Segment	Smallgoods Segment	Unall-ocated	Economic Entity
REVENUE				
Sales Revenue	16,877,038	6,829,176	-	23,706,214
Unallocated Revenue	-	-	8,860	8,860
Total Revenue from Ordinary Activities				23,715,074
Other Income - Unrealised Gains on Investment Property	-	-	2,883,334	2,883,334
RESULT				
Profit from Ordinary Activities before Income Tax Expense	896,103	525,311	2,945,111	4,366,525
Less Eliminations				(81,000)
				4,285,525
Income Tax expense				(1,288,929)
Profit from Ordinary Activities after Income Tax Expense				2,996,596
ASSETS				
Segment Assets	9,120,148	1,621,469	16,763,469	27,505,086
Less Eliminations				(2,230,614)
Total Assets				25,274,472
LIABILITIES				
Segment Liabilities	7,149,206	581,782	3,543,894	11,274,882
Less Eliminations				(1,956,645)
Total Liabilities				9,318,237
OTHER				
Acquisition of non-current segment assets	532,345	101,726	36,676	670,747
Depreciation and amortisation of segment assets	293,012	54,794	55,090	402,896

Geographical Segments

The consolidated group's business segments operate entirely within the one geographical segment of Australia.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Note 25: Cash Flow Information				
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	4,914,312	2,082,299
Non-cash flows in profit from ordinary activities				
Unrealised gains on investments	(3,799,166)	(2,883,334)	(3,799,166)	(2,883,334)
Amortisation	-	-	-	-
Depreciation	429,041	402,896	53,482	55,090
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)	-	3,309
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	(3,400)	(11,460)
Increase in deferred tax asset	(283)	(36,797)	10,350	-
Movements in income tax payable	110,633	(247,211)	2,438	(19,149)
Movements in deferred tax payable	1,130,788	856,624	1,136,903	860,862
Cash flow from operations	1,161,254	777,995	2,314,919	87,617

(a) Credit Standby Arrangements with Banks

	2009	2008
Credit facility	4,000,000	2,600,000
Amount utilised	3,274,343	2,502,789
	725,657	97,211

The major facilities are summarised as follows;

- Bank overdraft and fixed loan facilities are arranged with general trading terms and conditions being set annually. Interest rates are variable and subject to change.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Note 25: Cash Flow Information (continued)				
(b) Acquisition of Entities				
No entities were acquired during the year.				
During the previous year (2008) 100% of the controlled business Golden Popcorn was acquired.				
Details of this transaction are:				
Purchase consideration	-	115,000	-	-
Cash consideration	-	115,000	-	-
Amount due under contract of sale	-	17,250	-	-
Cash outflow	-	97,750	-	-
Assets and liabilities held at acquisition date:				
Receivables	-	-	-	-
Inventories	-	-	-	-
Property, plant and equipment	-	30,000	-	-
Payables	-	-	-	-
	-	30,000	-	-
Goodwill on consolidation	-	85,000	-	-
Minority equity interests in acquisitions	-	-	-	-
	-	115,000	-	-

(c) Non-cash Financing and Investing Activities

(i) Share Issues

During the year Nil ordinary shares were issued to directors and executives pursuant to the company's Executive Share Plan. During the year 203,557 ordinary shares were issued pursuant to the company's Dividend Reinvestment Plan.

Note 26: Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries. The group does not operate any derivative financial instruments.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

(a) Interest rate risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	ECONOMIC ENTITY 2009 $	ECONOMIC ENTITY 2008 $	Weighted Average Effective Interest Rate 2009	Weighted Average Effective Interest Rate 2008
Note 26: Financial Risk Management (continued)				
Financial Assets:				
Cash (floating interest rate)	92,491	41,748	4.22%	5.85%
Receivables Trade & Other (Non-interest bearing)	4,337,570	3,832,934	N/A	N/A
Investments (Non-interest bearing)	41,906	41,906	N/A	N/A
Total Financial Assets	4,471,967	3,916,588		
Financial Liabilities:				
Bank Overdraft (floating interest rate)	274,190	1,591,536	9.87%	10.92%
Bank Loan (floating interest rate)	3,000,153	911,253	7.05%	8.52%
Non-interest bearing (Non-interest bearing)	2,756,843	2,391,210	N/A	N/A
Total Financial Liabilities	6,031,186	4,893,999		

(b) Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

(d) Price Risk

The group is exposed to price risk through fluctuations in the price of all business input costs including food commodities. This exposure is however mitigated by the group's ability to change our selling price structure and by the very large and diverse base of customers, suppliers and products with which the group operates. These factors limit any commodity based price risk to the group.

Sensitivity Analysis

Interest Rate Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Change in profit				
– Increase in interest rate by 2%	(65,486)	(50,056)	-	-
– Decrease in interest rate by 2%	65,486	50,056	-	-
Change in Equity				
– Increase in interest rate by 2%	(65,486)	(50,056)	-	-
– Decrease in interest rate by 2%	65,486	50,056	-	-

Note 27: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Controlled Entities

F.F.I. Holdings Ltd provides factory and office space, and management services to its controlled entities.

The total of these transactions for the year were as follows;	**2009**	**2008**
Traditional Smallgoods Pty Ltd	87,000	87,000
Fresh Food Industries Pty Ltd	460,000	306,000

(b) Share transactions of directors

Directors and their related entities held directly, indirectly or beneficially as at the reporting date the following equity interests in the chief entity.

	2009	**2008**
R G Moonen	1,850,011	1,712,740
G W Nicholson	648,256	635,698
CDJ Langdon	180,000	180,000
R W Warr (retired 17th November 2008)	451,023	454,678

(c) Transactions of group companies with companies related to a director.

During the year Fresh Food Industries Pty Ltd, a subsidiary of the parent entity (F.F.I. Holdings Ltd), purchased goods and services from and sold goods to the companies detailed below which are related to Mr Christopher DJ Langdon, a director of the parent entity (F.F.I. Holdings Ltd). All such transactions were made on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Details of all such transactions are as follows;

	2009	**2008**
Purchase of goods from HJ Langdon and Co. Pty Ltd, a company related to Mr CDJ Langdon	163,834	134,777
Sale of goods to Bakery Craft Pty Ltd, a subsidiary of Talmalmo Investments Pty Ltd, a company related to Mr CDJ Langdon	24,530	15,784
Sale of goods to HJ Langdon and Co. Pty Ltd, a company related to Mr CDJ Langdon	4,817	-
Purchase of plant and equipment from HJ Langdon and Co. Pty Ltd, a company related to Mr CDJ Langdon	-	75,000
Rent paid for office space to 525 Mt Derrimut Road Unit Trust, a trust associated with Mr CDJ Langdon	3,039	9,194

Note 28: Contingent Liabilities and Contingent Assets

The Company is not aware of any significant contingent liabilities or contingent assets as at reporting date.

Note 29: New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:
  - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
  - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
  - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
  - where there is, in substance, no change to Group interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

The Group will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.
- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Group.
- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.
- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the Group.
- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the Group.
- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

Note 30: Company Details

The registered office of the company is:-
17 - 23 Knock Place, Jandakot, Western Australia 6164.

The principal places of business are:-
F.F.I. Holdings Limited and Group Companies at
17 - 23 Knock Place Jandakot Western Australia 6164.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 11 to 45, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and economic entity;

2. the Chief Executive Officer and Chief Finance Officer have each declared that:

   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

R G Moonen

G W Nicholson

Dated this 25th day of September 2009

Bentleys
Thinking ahead

Bentleys Audit & Corporate (WA) Pty Ltd
ABN 33 121 222 802

Level 1
12 Kings Park Road
West Perth WA 6005

PO Box 44
West Perth WA 6872

T +61 8 9226 4500
F +61 8 9226 4300

www.bentleys.com.au

To The Board of Directors

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

This declaration is made in connection with our audit of the financial report of F.F.I Holdings Limited and Controlled Entities for the year ended 30 June 2009 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the audit.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

RANKO MATIC
Director

DATED at PERTH this 25th day of September 2009

Bentleys
Thinking ahead

Bentleys Audit
& Corporate (WA) Pty Ltd
ABN 33 121 222 802

Level 1
12 Kings Park Road
West Perth WA 6005

PO Box 44
West Perth WA 6872

T +61 8 9226 4500
F +61 8 9226 4300

www.bentleys.com.au

Independent Auditor's Report

To the Members of FFI Holdings Limited

We have audited the accompanying financial report of FFI Holdings Limited (the company) and FFI Holdings Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity 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 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 judgment, 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 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 followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Auditor's Opinion

In our opinion:

a. The financial report of FFI Holdings Limited and FFI Holdings Limited and Controlled Entities (the consolidated entity), is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of its performance for the year ended on that date; and

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

b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Report on the Remuneration Report

We have audited the Remuneration Report included within the report of the directors for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of FFI Holdings Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

RANKO MATIC
Director

DATED at PERTH this 25th day of September 2009

The following additional information is required by the Australian Stock Exchange Ltd:

1. Shareholding

(a) Distribution of Shareholders Numbers

Category (Size of Holding)	Ordinary Fully Paid Shares
1 - 1,000	56
1,001 - 5,000	94
5,001 - 10,000	41
10,001 - 100,000	56
100,001 and over	13
	260

(b) The number of shareholdings held in less than marketable parcels is ten.

(c) The names of the substantial shareholders listed in the holding company's register as at 7th September 2009 are:-

Moonen Mr Rodney Graham	1,850,011
J M Financial Group Limited	721,447
Morrison Mr Donald John	685,167
Nicholson Mr Geoffrey W	648,256
Warr Mr Ronald W	451,023
K J Beer (Beer Super Fund A/C)	349,030

(d) Voting Rights

All ordinary shares carry 1 vote per share.

(e) 20 Largest Shareholders

Names of 20 Largest Shareholders in each class of share	**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
Pearlwood Holdings Pty Ltd	1,109,980	16.39%
Sandhurst Trustees Ltd	517,555	7.64%
Salter Point Investments Pty Ltd	490,482	7.24%
Evelin Investments Pty Ltd	473,284	6.99%
Warr Nominees Pty Ltd	385,970	5.70%
Beer Kenneth John	338,030	4.99%
Nicholson Geoffrey Wayne	279,290	4.12%
Simpson Samuel Gordon	246,360	3.64%
Moonen Rodney Graham	173,978	2.57%
Nairana Pty Limited	166,987	2.47%
Love Francis Alan	122,921	1.81%
Talmalmo Investments Pty Ltd	110,000	1.62%
Sandhurst Trustee Ltd	108,913	1.61%
Sandhurst Trustees Ltd	82,000	1.21%
Matthews Brett (A/C)	77,500	1.14%
Nicholson Geoffrey W (A/C)	75,000	1.11%

Strong Robert	69,056	1.02%
Nicholson Julie (A/C)	62,000	0.92%
Matthews Brett	55,627	0.85%
BB Holdings Pty Ltd	55,963	0.83%

2. Company Secretary

The Company Secretary is Mr R G Moonen.

3. Registered Office

The registered office of the Company is:-

23 Knock Place Jandakot W.A. 6164

Telephone: (08) 9417 4088

Facsimile: (08) 9417 3063

Email: ffi@ffiholdings.com.au

Website: www.ffiholdings.com.au

4. Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway, Applecross W.A. 6153

5. Stock Exchange Listing

Quotation has been granted for all ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

6. Director's Interest In Equity

The interests of each Director in the share capital of the Company as disclosed by the register of Directors' shareholdings as at 7th September 2009 is as follows;

	Ordinary Shares Held	
Director	**Directly**	**Beneficially**
RG Moonen	173,978	1,676,033
GW Nicholson	279,290	368,966
CDJ Langdon	-	180,000
RW Warr (retired 17th November 2008)	-	451,023

This page has been left blank intentionally.