

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT UNDER SECTION 13 or 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Year Ended December 31, 2010

Commission File Number 0-19047

FOOD TECHNOLOGY SERVICE, INC.
(Exact Name of Registrant as Specified in its charter)

FLORIDA 59-2618503
(State of Incorporation or Organization) (Employer Identification Number)

502 Prairie Mine Road, Mulberry, FL 33860
(Address of Principal Executive offices)(Zip code)

Registrant's telephone number, including area code (863) 425-0039

Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act: Common Stock,
\$.01 par value

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec. 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer []
Non-accelerated filer []
(Do not check if a smaller
reporting company)

Accelerated filer []
Smaller reporting company []

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes [] No []

The Registrant's operating revenues for its most recent fiscal year were \$3,010,320.

As of March 25, 2011, 2,756,458 shares of the Registrant's Common Stock were outstanding, and the aggregate market value of the voting stock held by non-affiliates (2,264,391 shares) was approximately \$9,963,320 based on the market price at that date.

DOCUMENTS INCORPORATED BY REFERENCE

Proxy Statement for the Annual Meeting of Shareholders scheduled to be held May 19, 2011.

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SIGNATURES

PART I

Item 1 Description of Business

Food Technology Service, Inc., (the "Company") was organized as a Florida corporation on December 11, 1985. The Company owns and operates an irradiation facility located in Mulberry, Florida that uses gamma radiation to provide contract sterilization services to the medical device, food and consumer goods industries. The Company also irradiates packaging, spices and ingredients. The Company's revenue for 2010 (\$3,010,320) resulted primarily from the processing of medical items and food. The Company continues to diversify its customer base, however three customers accounted for approximately 59% of revenues in 2010.

During the past few years, the Company has aggressively pursued sterilization of medical devices to increase its customer base. Medical device manufacturing is expanding rapidly due to improvements in medical technology and an aging population structure in the U.S. The Company is certified to International Organization for Standardization (ISO) standards for radiation sterilization of medical devices, which is especially important for potential customers exporting medical products to the EU and Canada. Medical device sterilization represented approximately 80% of revenues in 2010. The State of Florida is now the second leading state in the U.S. for FDA registered medical device companies.

Food irradiation is a proven technology that can prevent food-borne illness or prevent the spread of insect pests. The process is supported by the U.S. Department of Agriculture, the U.S. Food and Drug Administration, the World Health Organization, the American Medical Association, the American Dietetic Association and other governmental and scientific organizations. Food irradiation is a developing segment of the irradiation industry and the Company is well-positioned to take advantage of future growth in this area. Food irradiation was responsible for approximately 12% of revenues in 2010.

Although the Company focuses on medical sterilization and food irradiation, the Company has and will continue to take advantage of profitable opportunities to irradiate other products. In particular, the Company irradiates packaging, cosmetic ingredients, horticultural items and consumer goods. Such items accounted for approximately 8% of 2010 revenues.

Processing Plant Operations

Procedures

Products to be irradiated are placed in a conveying system that moves the items past a Cobalt 60 source at a rate that is dependent on the required dose. The dose is also related to the density of the product and the strength of the Cobalt 60 source. The actual dose received by a product is verified through dosimeters placed on the product. The Company produces a detailed record of the irradiation process for each product and maintains an extensive quality assurance program. The process cannot make products radioactive just as a dental x-ray does not make the patient's teeth radioactive.

Personnel

As of December 31, 2010, the Company had thirteen employees.

Cobalt 60 Supply

The level of radioactive energy of Cobalt 60 declines at approximately 1% per month, and new Cobalt 60 must be purchased at intervals to accommodate this decrease in energy as well as customer growth. Nordion is the Company's supplier of Cobalt 60 and has agreed to accept the return of all Cobalt 60 that has reached the end of its useful life. Cobalt 60 is available from one other source. See "Agreements with Nordion" below.

Plant Safety and Regulatory Matters

Although a radiation source does require special handling, the necessary precautions are implemented in regulations and practiced daily at the Company and numerous other irradiation plants worldwide. The Company's irradiation processing activities do not produce harmful solid, liquid or gas effluents or pollutants. As a result of long experience in designing and operating similar types of irradiation facilities, the necessary precautions for worker safety in an irradiation facility are well regulated by the U.S. Nuclear Regulatory Commission through the Florida Department of Health. The Florida Department of Health licenses the facility and inspects it on a regular basis. The facility is also inspected by the U.S. Department of Agriculture, the U.S. Food and Drug Administration and the Florida Department of Agriculture and Consumer Services. The notified body for certification to ISO standards also audits the facility regularly.

Relationship with Nordion

Until February 25, 2011, Nordion (Canada), Inc. ("Nordion") owned approximately 16.8% of the Company's outstanding shares of Common Stock and had representation on the Board of Directors. Nordion, in addition to being a substantial shareholder, has assisted the Company since its commencement of operations in 1990. It aided in the design and construction of the irradiation facility, loaned money to the Company during the 1990's when we were not profitable and has been our supplier of Cobalt. In addition, Nordion assisted the Company in obtaining a surety bond in the sum of \$600,000 in order to meet the State of Florida facility permit bonding requirements. In connection therewith, the Company agreed to reimburse Nordion for any liability and expense which Nordion may sustain as a result of its commitments to the bond issuer. On July 7, 2010, the Company obtained its own irrevocable standby letter of credit for \$600,000 to satisfy the State's requirements. According to reports filed with the Securities and Exchange Commission, on February 25, 2011, Nordion sold its interest in the Company to Fort Ashford Holdings, LLC, a California private equity firm.

On August 10, 2010, the Company purchased 105,757 curies of Cobalt from Nordion for \$81,740. This Cobalt was heavily discounted because it was already stored at the Company's facility and was of relatively low-activity. In addition, the Company paid Nordion \$512,978 in November 2010 for an additional 200,000 curies of Cobalt to be delivered during the first quarter of 2011. This prepayment allowed the Company to receive a discount on the price of the

Cobalt, which was delivered on January 4, 2011.

Item 2 Description of Properties

The Company's irradiation facility and executive office are located on an approximately 2.17 acre site owned by the Company in Mulberry, Polk County, Florida. The Company purchased the site because of its convenient access to State Road 60, a major transportation artery between Central Florida near the major interstate systems. The Company's irradiation facility and executive office comprise approximately 28,800 square feet, including a 22,600 square foot warehouse and loading and unloading area, a 3,200 square foot office area, and a 3,000 square foot irradiation chamber and Cobalt 60 storage cell. The Company's facility is designed to operate 24 hours per day, seven days per week. As of December 31, 2010, the Company had in use approximately 969,000 thousand curies of Cobalt 60. The facility is licensed for a maximum of 4,500,000 curies of Cobalt 60 which allows production to be increased significantly, if needed.

The Company has an approximately 8,000 square foot warehouse on 2.17 acres of Company-owned land adjacent to the processing facility.

Item 3 Legal Proceedings

None

Item 4 Submission of Matters to a Vote of Security Holders

None

PART II

Item 5 Market for Registrant's Common Equity and Related Stockholder Matters

(a) The following table shows the range of closing bid prices for the Company's Common Stock in the NASDAQ Small Cap market for the calendar quarters indicated. The quotations represent prices in the over-the-counter market between dealers in securities, do not include retail mark-up, markdown, or commissions and do not necessarily represent actual transactions.

BID PRICES

2009	High	Low
First Quarter	\$2.43	\$.90
Second Quarter	3.00	1.51
Third Quarter	2.50	1.62
Fourth Quarter	2.08	1.60
2010	High	Low
First Quarter	\$2.90	\$1.68
Second Quarter	2.48	2.00
Third Quarter	2.67	1.97
Fourth Quarter	3.98	2.60

(b) As of December 31, 2010 the approximate number of beneficial holders of Common Stock of the Company was 2,500.

(c) The Company has paid no dividends to date and does not anticipate paying any for the foreseeable future.

Item 6 Selected Financial Data

Not applicable.

Item 7 Management's Discussion and Analysis

Plan of Operations

Food Technology Service, Inc. had revenue of \$3,010,320 in 2010 which is a 19.6 percent increase over 2009 revenue of \$2,515,978. The Company had net income of \$1,137,446 or \$0.413 per share in 2010 compared to \$698,358 or \$0.253 per share in 2009. This is an increase of approximately 62.9 percent. The Company has periodically increased the estimated benefit of deferred tax credits which can make comparisons to prior year operations difficult. To facilitate such comparisons, the Company had income before taxes of \$1,094,946 in 2010 compared to income before taxes of \$559,358 in 2009. This is an increase of approximately 95.8 percent.

Revenue for the fourth quarter of 2010 was \$771,991 compared to \$640,739 during the same period in 2009. This is an increase of about 20.5 percent.

Management attributes revenue growth in 2010 to existing customer growth plus new base customers using processing time made available by the loss of a large customer in early 2009. These new customers pay higher unit processing rates than the departed customer.

During 2010, processing costs as a percentage of revenue were 18.8 percent compared to 21.4 percent in 2009. This decrease was not significant and reflects the fact that such costs are relatively fixed and decreased due to the increase in revenue. General administrative and development costs as a percentage of revenue during 2010 were 32.7 percent compared to 40.2 percent in 2009. Again, this change reflects the relatively fixed nature of these costs and the increased revenue.

In order to comply with FASB ASC 718, the Company continues to report the value of stock-options granted as an item of expense. These options have been issued to Company employees and Board members and are valued using the Black-Scholes pricing method. This action increased expenses in 2010 by \$40,232.

Liquidity and Capital Resources

At December 31, 2010, the Company had cash on hand of \$1,294,540.

On July 7, 2010, the Company entered into an agreement with a Regions Bank to establish an irrevocable standby letter of credit of \$600,000, to satisfy State of Florida requirements for a Radioactive Materials License. The letter of credit will be automatically extended for an additional year or any further expiration date unless the bank provides a 120 day written notice to the Company. The letter of credit is collateralized by the Company's real property.

Additionally, On October 8, 2010, the Company entered into an agreement with a Regions Bank to provide for a line of credit of \$400,000, bearing an interest rate of prime plus 1.35%, repayable in full on or before October 8, 2013. As of December 31, 2010 the Company did not draw on this line of credit.

Management will continue to closely monitor cash balances to ensure that the Company has sufficient cash on hand to meet its operating needs. Management believes that the Company has sufficient liquidity to meet our working capital and capital expenditure requirements for the next twelve months.

Item 8 Financial Statements and Supplementary Data

Reference is made to the Company's Financial Statements included herewith.

Item 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A Controls and Procedures

As of the end of the period covered by this report, an evaluation was performed on the effectiveness of the design and operation of our disclosure controls and procedures under the supervision and with the participation of our

management, including our Chief Executive Officer who also acts as the Company's Chief Financial Officer. Based upon that evaluation, our Chief Executive and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective as of the end of the period covered by this report.

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Securities Exchange Act Rules 13a-15(f) and 15d-15(f)). The Company's internal control system was designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2010. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control - Integrated Framework. Based on this assessment, management believes that, as of December 31, 2010, the Company's internal control over financial reporting is effective.

There have been no changes in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter that materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART III

Item 10 Directors, Executive Officers, and Corporate Governance

Reference is made to the Company's Proxy Statement to be used in conjunction with the 2011 Annual Shareholders Meeting scheduled to be held on May 19, 2011.

Item 11 Executive Compensation

Reference is made to the Company's Proxy Statement to be used in conjunction with the 2011 Annual Shareholders Meeting scheduled to be held on May 19, 2011.

Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Reference is made to the Company's Proxy Statement to be used in conjunction with the 2011 Annual Shareholders Meeting scheduled to be held on May 19, 2011.

Item 13 Certain Relationships and Related Transactions and Director Independence

See Item 1 Business - "Relationship with Nordion."

Item 14 Principle Accounting Fees and Services

Reference is made to the Company's Proxy Statement to be used in conjunction with the 2011 Annual Shareholders Meeting scheduled to be held on May 19, 2011.

PART IV

Item 15 Exhibits and Financial Statement Schedules

- (a) Documents filed as part of this 10-K Annual Report included herewith.
1. The financial statements and schedules listed in the index to financial statements and schedules.
 2. All other schedules for which provision is made in the application accounting regulations of the SEC are not required under the related instructions or are not applicable and therefore have been omitted.
- (b) Exhibits Index

No.	Description
(1)	Articles of Incorporation. Reference is made to Exhibit 3.1 included in the Company's Registration Statement on Form S-18 (File No. 33-36838-A).
(2)	By-Laws. Reference is made to Exhibit 3.2 included in the Company's Registration Statement on Form S-18 (File No. 33-36838-A).
*(14)	Code of Ethics
** (31)	Rule 13a-14(a)/15d-14(a) Certifications
** (32)	Section 1350 Certification
	* Reference is made to Exhibit 14 included in the Company's Form 10-KSB Report filed for the year ended December 31, 2003.
	** Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 28, 2011.

FOOD TECHNOLOGY SERVICE, INC.
By: /S/ Richard G. Hunter, Ph.D.

Richard G. Hunter, Ph.D.
Chief Executive Officer and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated:

Name	Title	Date
/S/ Richard G. Hunter, Ph.D. ----- Richard G. Hunter, Ph.D.	Director Chief Executive Officer and Chief Financial Officer	March 28, 2011
/S/ Samuel Bell ----- Samuel Bell	Director	March 28, 2011
/S/ John Corley ----- John Corley	Director	March 28, 2011
/S/ Gary Lifshin ----- Gary Lifshin	Director	March 28, 2011
/S/ David Nicholds ----- David Nicholds	Director	March 28, 2011
/S/ John T. Sinnott ----- John T. Sinnott, M.D., F.A.C.P	Director	March 28, 2011
/S/ Ronald Thomas ----- Ronald Thomas, Ph.D.	Director	March 28, 2011

FOOD TECHNOLOGY SERVICE, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Food Technology Service, Inc.

We have audited the accompanying balance sheets of Food Technology Service, Inc. as of December 31, 2010 and 2009 and the related statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Technology Service, Inc. as of December 31, 2010 and 2009 and the results of its operations and its cash flows for each of the years in the two-period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

FERLITA, WALSH & GONZALEZ, P.A.
Tampa, Florida

March 15, 2011

FOOD TECHNOLOGY SERVICE, INC.
BALANCE SHEETS

	December 31, 2010	December 31, 2009
ASSETS	-----	-----
Current Assets:		
Cash	\$ 1,294,540	\$ 610,311
Accounts Receivable, Less Allowance for Doubtful Accounts of \$5,000 and \$2,500	354,489	213,752
Prepaid Expenses	24,856	31,807
Deferred Tax Asset	369,200	186,000
	-----	-----
Total Current Assets	2,043,085	1,041,870
	-----	-----
Property, Plant and Equipment:		
Buildings	3,282,029	3,282,029
Cobalt	4,486,283	4,404,543
Furniture and Equipment	1,981,525	1,923,743
Less: Accumulated Depreciation	(6,366,316)	(6,005,524)
	-----	-----
	3,383,521	3,604,791
Land	171,654	171,654
	-----	-----
Total Property, Plant and Equipment	3,555,175	3,776,445
	-----	-----
Other Assets:		
Deferred Tax Asset	987,300	1,128,000
Utility Deposits	5,000	5,000
Prepaid Cobalt	512,978	-
Loan Fees - net	14,955	-
	-----	-----
Total Other Assets	1,520,233	1,133,000
	-----	-----
Total Assets	\$ 7,118,493	\$ 5,951,315
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

FOOD TECHNOLOGY SERVICE, INC.
BALANCE SHEETS

	December 31, 2010	December 31, 2009
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		

Current Liabilities:		
Accounts Payable	\$ 9,783	\$ 15,585
Accrued Liabilities	16,273	20,971
	-----	-----
Total Current Liabilities	26,056	36,556
	-----	-----
Stockholders' Equity:		
Common Stock \$.01 Par Value, Authorized 5,000,000 Shares, Issued and Outstanding 2,756,458 shares	27,564	27,564
Paid-In Capital	12,227,059	12,186,827
Deficit	(5,143,695)	(6,281,141)
	-----	-----
Less, 5,154 Treasury Shares at Cost	7,110,928 (18,491)	5,933,250 (18,491)
	-----	-----
Total Stockholders' Equity	7,092,437	5,914,759
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 7,118,493	\$ 5,951,315
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

FOOD TECHNOLOGY SERVICE, INC.
STATEMENTS OF OPERATIONS

	Years Ended December 31,	
	2010	2009
Net Revenues	\$ 3,010,320	\$ 2,515,978
Costs and Operating Expenses		
Processing Costs	565,630	538,293
Selling, General and Administrative	983,841	1,011,069
Depreciation and Amortization	368,591	391,515
Total Costs and Operating Expenses	1,918,062	1,940,877
Income from Operations	1,092,258	575,101
Interest Income	2,694	5,233
Interest Expense	(6)	(20,976)
Income before Income Taxes	1,094,946	559,358
Income Tax Benefit - Deferred	42,500	139,000
Net Income	\$ 1,137,446	\$ 698,358
Net Income Per Common Share		
-Basic	\$ 0.413	\$ 0.253
-Diluted	\$ 0.379	\$ 0.248
Weighted Average Number of Common Shares Used in Computation		
-Basic	2,756,458	2,756,458
-Diluted	2,998,458	2,816,458

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

FOOD TECHNOLOGY SERVICE, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2010	2009
	-----	-----
Cash Flows from Operations:		
Cash Received from Customers	\$ 2,869,583	\$ 2,570,531
Interest Received	2,694	5,233
Interest Paid	(6)	(20,976)
Cash Paid for Operating Expenses	(2,025,766)	(1,508,970)
	-----	-----
Net Cash Provided by Operations	846,505	1,045,818
Cash Flows from Investing Activities:		
Loan Costs	(22,754)	-
Purchase of Equipment	(57,782)	(23,856)
Purchase of Cobalt	(81,740)	-
	-----	-----
Net Cash (Used) in Investing	(162,276)	(22,386)
Cash Flows from Financing Activities:		
Repayment on Financing Agreement and Debenture Payable	-	(628,629)
	-----	-----
Net Cash (Used) in Financing	-	(628,629)
Net Increase in Cash	684,229	393,333
Cash at Beginning of Year	610,311	216,978
	-----	-----
Cash at End of Year	\$ 1,294,540	\$ 610,311
	=====	=====
Reconciliation of Net Income to		
Net Cash Provided by Operations:		
Net Income	\$ 1,137,446	\$ 698,358
Adjustments to Reconcile		
Net Income to Cash Provided:		
Amortization	7,799	5,774
Deferred Income Taxes	(42,500)	(139,000)
Depreciation	360,792	385,741
Non Cash Payments of Salaries	40,232	39,384
(Increase)/Decrease in Receivables	(140,737)	54,553
(Increase)/Decrease in Prepaid Expenses	6,951	(4,254)
(Increase)/Decrease in Prepaid Cobalt	(512,978)	-
Increase/(Decrease) in Accounts Payables	(5,802)	2,543
Increase/(Decrease) in Accrued Liabilities	(4,698)	2,719
	-----	-----
Net Cash Provided by Operations	\$ 846,505	\$ 1,045,818
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

FOOD TECHNOLOGY SERVICE, INC.
STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock -----	Paid-In Capital -----	Deficit -----	Treasury Stock -----
Balance, December 31, 2008	27,564	12,147,444	(6,979,499)	(18,491)
Stock Option Expense		39,383		
Net Income for Year			698,358	
Balance, December 31, 2009	----- 27,564	----- 12,186,827	----- (6,281,141)	----- (18,491)
Stock Option Expense		40,232		
Net Income for Year			1,137,446	
Balance, December 31, 2010	----- \$ 27,564 =====	----- \$ 12,227,059 =====	----- \$(5,143,695) =====	----- \$ (18,491) =====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note A - Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Business

The Company was organized in December 1985 and is engaged in the business of operating a gamma irradiation facility using Cobalt 60 for the sterilization of medical, surgical, pharmaceutical and packaging materials. It also disinfects fruits, vegetables, oysters and meat products to enhance safety or eliminate insect pests.

2. Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

3. Revenue Recognition

The primary source of revenue is from treating products with Cobalt. Net Revenue is the gross income from such processing less allowances, if any. Revenues are recorded after the Company's performance obligation is completed and product has been processed in accordance with the customer's specifications and collection of the resulting receivable is probable.

4. Accounts Receivable and Allowances for Doubtful Accounts

Accounts receivable are customer obligations arising from the sale of services and are due under normal trade terms requiring payment within 30 days from the invoice date. Accounts over ninety days are monitored closely by Management and delinquencies are determined based on payment history, aging analysis and any specific known troubled assets. Receivables are charged off to the allowance for doubtful accounts once management determines that they are uncollectable.

5. Property, Plant and Equipment

Property, plant and equipment are stated at cost. Assets other than Cobalt have been depreciated using the straight-line method over the following lives for both financial statement and tax purposes:

Building	31.5 years
Furniture and Equipment	5-15 Years

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note A - Summary of Significant Accounting Policies (continued)

The total cost basis of Cobalt has been depreciated using engineering estimates from published tables under which one-half of the remaining value is written off over 5.26 year periods.

Estimated useful lives are periodically reviewed and if warranted, changes will be made resulting in acceleration of depreciation.

Nordion is the Company's supplier of Cobalt 60. When we purchased the Cobalt, Nordion agreed to accept the return of all Cobalt 60 that has reached the end of its useful life; therefore, the Company has provided no environmental remediation liability for the disposal of the Cobalt 60.

6. Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash and cash equivalents.

7. Concentration of Credit Risk

The Company maintains its cash in three financial institutions. The Federal Deposit Insurance Corporation insures up to \$250,000 per legal entity per financial institution until December 31, 2013 and all funds in noninterest-bearing transaction accounts until December 31, 2012. The Company had no uninsured cash balances at December 31, 2010 and 2009.

8. Net Income Per Share

Basic net income per share is computed using the weighted average number of common shares outstanding. Diluted net income per share is computed by the weighted average number of common shares outstanding, plus the effect of common stock equivalents that are dilutive.

9. Fair Value of Financial Instruments

The carrying value of cash, accounts receivable, prepaid expenses, deposits, accounts payable, accrued liabilities approximate fair value.

10. Stock Option Plans

The Company has various stock option plans for employees and other individuals providing services to or serving as Directors of the Company. (See Note G - Stock Options)

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note A - Summary of Significant Accounting Policies (continued)

Compensation cost under the plans is recognized using the fair value recognition provisions of FASB ASC 718. Such cost is recognized for shares expected to vest on a straight-line basis over the requisite service period of the award using the Black-Scholes option-pricing model.

11. Advertising

The Company expenses all advertising costs when incurred. Advertising expense was \$8,377 and \$7,189 for the years ended December 31, 2010 and 2009, respectively.

12. Reclassification

Certain reclassifications have been made to the prior years financial statements to conform to the current year's presentation.

Note B - Certificate of Deposit

A certificate of deposit (CD) totaling \$600,607 is included in cash in the accompanying financial statements and bears an interest rate of 0.20%. The CD automatically renews every 14 days for a 14 day term. Upon renewal, all credited interest in the account will automatically become part of the principal for the new account term.

Note C - Loan Fees

During 2010 new loan fees were incurred in obtaining the Regions letter of credit and line of credit (See Note E - Letter and Line of Credit) in the amount of \$14,167 and \$8,587, respectively, for a total of \$22,754. As of December 31, 2009 loan fees of \$11,429 were fully depreciated and disposed. Amortization of these loan fees were based on the life of the loans. Amortization expense for the year ended December, 31, 2010 and 2009 were \$7,799 and \$5,774, respectively.

Note D - Prepaid Cobalt

In November 2010 the Company paid \$512,978 to Nordion (See Note H - Related Party) for the delivery of 200,000 curies of Cobalt in early 2011.

Note E - Letter and Line of Credit

The Company no longer uses Nordion to guarantee a \$600,000 letter of credit required by the State of Florida as a condition of the Company's Radioactive Materials License. In July, 2010, the Company obtained an irrevocable standby letter of credit of \$600,000 through Regions Bank to satisfy State of Florida

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note E - Letter and Line of Credit (continued)

requirements. The letter of credit will be automatically extended for an additional year unless the bank provides a 120 day written notice to the Company. The letter of credit is collateralized by the Company's real property and has an annual fee of \$12,219.

The Company has a separate \$400,000 line of credit with Regions Bank that is available for the short term capital needs of the Company. The line of credit is secured by the Company's real property and incurs interest at prime plus 1.35%. As of December 31, 2010 the Company has not used the line of credit.

Note F - Income Taxes and Available Tax Loss Carryforwards

The components of income tax benefit for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
	-----	-----
Current		
Federal	\$ -	\$ -
State	-	-
	-----	-----
	\$ -	\$ -
	=====	=====
Deferred-benefit		
Federal	\$ (36,288)	\$ (118,684)
State	(6,212)	(20,316)
	-----	-----
Total benefit for income taxes	\$ (42,500)	\$ (139,000)
	=====	=====

Income taxes for the years ended December 31, 2010 and 2009 differ from the amounts computed by applying the effective income tax rates of 37.63% and 37.63%, respectively, to income before income taxes as a result of the following:

	2010	2009
	-----	-----
Expected provision at US statutory rate	372,300	190,200
State income tax net of federal benefit	39,700	20,300
Nondeductible expenses	2,300	4,400
Change in estimates and available NOL carryforwards	59,700	389,100
Change in valuation allowance	(516,500)	(743,000)
	-----	-----
Income tax (benefit)	(42,500)	(139,000)
	=====	=====

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note F - Income Taxes and Available Tax Loss Carryforwards (continued)

As of December 31, 2010 and 2009 the Company had income tax net operating loss ("NOL") carryforwards for federal income tax purposes. The NOL will expire in various years ending through the year 2030.

The components of the Company's carryforwards at December 31, 2010 and 2009 are as follows:

	2010	2009
	-----	-----
NOL carryforward - Beginning of year	4,933,066	6,171,556
Less used	(1,099,151)	(562,689)
Less expired	(161,385)	(675,801)
	-----	-----
NOL carryforward - End of year	3,672,530	4,933,066
	=====	=====

The components of the Company's deferred tax assets at December 31, 2010 and 2009 are as follows:

	2010	2009
	-----	-----
NOL carryforward	1,382,000	1,856,000
Less valuation allowance	(25,500)	(542,000)
	-----	-----
Deferred Benefit	1,356,500	1,314,000
	=====	=====

The change in the valuation allowance is as follows:

December 31, 2009	(542,000)
December 31, 2010	(25,500)

Change in valuation allowance	516,500
	=====

Deferred income taxes reflect the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

A valuation allowance has been established to eliminate the net deferred tax benefit due to uncertainty as to whether the tax benefits would ever be realized. During 2010, as a result of the continuing diversification and growth in customer base, ongoing profits from operations and the Company's revised estimate of future taxable income, it was concluded that it is more likely than not that future taxable income will be sufficient to realize a larger portion of the Company's deferred asset.

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note F - Income Taxes and Available Tax Loss Carryforwards (continued)

The Company believes that its estimate of future operations is conservative and reasonable, but inherently uncertain. Accordingly, if future operations generate taxable income greater than the projections, further adjustments to reduce the reserve are possible. Conversely, if the Company realizes unforeseen material losses in the future and its future projections of income decrease, the allowance could be increased resulting in a charge to income.

These amounts have been presented in the financial statements as follows:

	2010	2009
	-----	-----
Current	369,200	186,000
Non-Current	987,300	1,128,000
	-----	-----
Net Deferred tax asset	1,356,500	1,314,000
	=====	=====

The Company's tax years 2007 through 2009 remain open to examination by taxing jurisdictions.

Note G - Stock Options

On May 14, 2009 the Stockholders approved the 2009 Incentive and Non-Statutory Stock Option Plan (the "2009 Plan").

The 2009 Plan is administered by the Board of Directors who is authorized to grant incentive stock options ("ISO's") to Officers and employees of the Company and non-qualified options ("NQO's") for certain other individuals providing services to or serving as Directors of the Company.

The maximum number of shares of the Company's Stock that may be issued under the 2009 Plan is 125,000 shares. Options granted and outstanding under this plan are as follows:

Year	Shares
----	-----
2009	11,500
2010	11,500

	23,000
	=====

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note G - Stock Options (continued)

The aggregate fair market value (determined at the time an ISO is granted) of the Common Stock with respect to which ISO's are exercisable for the first time by any person during any calendar year under the Plans shall not exceed \$100,000.

The ISO's are exercisable 20% of the authorized amount immediately and 20% in each of the following four years. ISO's granted to an optionee terminate 30 to 90 days after termination of employment or other relationship, except that ISO's terminate the earlier of the expiration date of the option, or 90 to 180 days in the event of death and 180 days to one year in the event of disability.

The following table summarizes information about stock options outstanding at December 31, 2010.

	Number of Shares -----	Wtd.Avg. Exercise Price -----	Wtd.Avg. Remaining Contractual Life (Yrs) -----
Outstanding at beginning of year	242,250	\$2.53	
Granted	11,500	\$2.15	
Exercised	--	--	
Expired/forfeited	(11,750)	\$4.11	
Outstanding at end of year	242,000	\$2.43	3.01
Exercisable at end of year	177,500	\$2.63	2.34
	Number of Shares -----	Wtd. Avg. Grant Date Fair Value -----	
Nonvested at beginning of year	101,500	\$0.64	
Vested during the year	48,500	\$0.90	

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note G - Stock Options (continued)

	Number of Shares -----	Wtd. Avg. Grant Date Fair Value -----
Nonvested at end of year	64,500	\$0.58
Expired/Forfeited During the year	11,750	\$0.63

The Company estimated the fair value at the date of grant using the Black Scholes option valuation model with the following assumptions:

	2010 -----	2009 -----
Risk free interest rate	2.04%	1.98%
Expected Volatility	87%	81%
Expected Life	5 years	5 years
Dividend Yield	0%	0%
Weighted average grant date fair value	\$1.45	\$1.23

Option valuation models require the input of highly subjective assumptions including the expected option life. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective assumptions can materially affect the fair value estimate, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

The Company recognized \$40,232 and \$39,383 stock-based compensation expense for the years ended December 31, 2010 and 2009, respectively.

As of December 31, 2010, there was \$36,211 of unrecognized compensation costs related to non-vested stock options, which will be amortized to expense over future periods. The Company expects to recognize that cost over the weighted average vesting period 1.43 years.

Note H - Related Party Transactions

The Company's supplier of Cobalt, Nordion (Canada) Inc., formerly MDS Nordion, owns approximately 16.8% of the Company's outstanding common stock. Subsequent to December 31, 2010, Nordion sold their shares. (See Note L - Subsequent Events)

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note H - Related Party Transactions (continued)

The Company has recently purchased the following Cobalt from Nordion:

Year	Curies	Amount
----	-----	-----
2010	105,757	81,740

On August 10, 2010, the Company purchased approximately 105,757 curies of Cobalt for \$81,740. This Cobalt had previously been stored by Nordion at the FTSI facility. Because these Cobalt sources were of relatively low-activity and were already on site, the Company negotiated a significant discount in the purchase price.

In November 2010, the Company paid Nordion approximately \$510,000 from cash reserves to purchase Cobalt for delivery during the first quarter of 2011. This prepayment allows the Company to receive a discount on the price of the Cobalt.

Note I - Earnings Per Share

Earnings per share is calculated in accordance with ASC 260-10, "Earnings Per Share". Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the years. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted into common shares. Common share equivalents are excluded from the computation of diluted earnings per share if their effects would be anti-dilutive.

ASC 260-10 requires the presentation of both Basic EPS and Diluted EPS on the face of the Company's Statements of Operations.

The following table sets forth the computation of basic and diluted per share information:

	2010	2009
	-----	-----
Numerator:		
Net Income	\$1,137,446	\$ 698,358
	=====	=====
Denominator:		
Weighted average common shares outstanding	2,756,458	2,756,458
 Dilutive effect of stock options	 242,000	 60,000
	-----	-----

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

Note I - Earnings Per Share (continued)

Weighted average common shares outstanding,		
assuming dilution	2,998,458	2,816,458
	=====	=====

Potential common shares from out of the money options were excluded from the computation of diluted EPS because calculation of the associated potential common shares have an anti-dilutive effect on EPS. The following table lists options that were excluded from EPS.

Out of the money stock options excluded

	2010	2009
	-----	-----
Stock option with exercise price of \$3.60	-	5,000
Stock option with exercise price of \$4.56	-	2,500
Stock option with exercise price of \$4.12	-	7,000
Stock option with exercise price of \$3.56	-	2,250
Stock option with exercise price of \$3.36	-	2,500
Stock option with exercise price of \$3.28	-	10,000
Stock option with exercise price of \$3.24	-	100,000
Stock option with exercise price of \$2.52	-	10,000
Stock option with exercise price of \$2.57	-	20,000
Stock option with exercise price of \$2.18	-	11,500
Stock option with exercise price of \$1.89	-	11,500
	-----	-----
Total anti-dilutive options excluded from EPS	-	182,250
	=====	=====

Note J - Concentration and Credit Risk

Although the Company continues to diversify its customer base, three customers accounted for approximately 59% and 61% of revenues for the years ended December 31, 2010 and 2009, respectively.

The Company's cash and accounts receivable are subject to potential credit risk. Management continuously monitors the credit standing of the financial institutions and customers with which the Company deals. A provision has been made for doubtful accounts which historically have not been significant.

The Company's supplier of Cobalt 60 is Nordion (Canada) Inc. In the event it is unavailable from Nordion the Company can obtain Cobalt 60 from one other source.

FOOD TECHNOLOGY SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note K - Recent Accounting Pronouncements

In July 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) No. 2010-20, "Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses." The update amends Accounting Standards Codification (ASC) Topic 310, Receivables, by requiring more robust and disaggregated disclosures aimed at improving transparency by providing additional information to assist financial statements users in assessing an entity's credit risk exposure and evaluating the adequacy of its allowance for credit losses. This update applies to all entities, both public and nonpublic that report financing receivables as an asset, the new disclosures do not apply to trade accounts receivable that arise from the sale of goods or services and have a contractual maturity of less than one year and receivables that are either measured at fair value or lower of cost or fair value. The amended guidance is effective for period-end balances beginning with the first interim or annual reporting period ending on or after December 15, 2010. We adopted the provisions of FASB ASU 2010-20 for the year ended December 31, 2010, as required, the adoptions did not have a material impact on our financial statements.

Note L - Subsequent Events

Effective January 1, 2011, the Board of Directors modified the President's employment contract to include a resignation clause. This clause provides two weeks base pay for every full year worked for the company, if six months notice is received before the President leaves. An accrual of approximately \$42,000 will be recorded in the first quarter of 2011 related to the resignation clause.

By agreement entered into February 10, 2011, Nordion (Canada) Inc., formerly MDS Nordion, sold 463,317 shares of common stock to Fort Ashford Holdings, LLC for \$3.60 per share. As of February 25, 2011, the closing date for the sale, Nordion (Canada) ceased to be a shareholder and no longer has any direct or indirect interest in the outstanding shares of common stock of the Company.

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Richard G. Hunter, Ph.D., certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2010 of Food Technology Service, Inc., (the "Company").

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15d-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f)-15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are

reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 28, 2011

By: /s/ Richard G. Hunter

Richard G. Hunter, Ph.D,
Chief Executive Officer and
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Food Technology Service, Inc. (the "Company") on Form 10-K for the year ending December 31, 2010 as filed with the Securities and Exchange Commission (the "Report"), I, Richard G. Hunter, Chief Executive and Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly represents, in all material respects, the financial condition and results of operations of the Company at the end of, and for, this period covered by the Report.

March 28, 2011

By: /s/ Richard G. Hunter

Richard G. Hunter, Ph.D.,
Chief Executive Officer and
Chief Financial Officer