



*Fostering the
export of
fresh produce*



**ADELAIDETM
PRODUCE
MARKET**



THE MARKET'S NEW BRAND

A reflection of our key brand values

The Board is proud to present our fresh new South Australian Produce Market brand.

The logo is broken up into various sections, depicting the varied tapestry of South Australia's landscape. The reds suggest the rich hues of the outback, while the colour selection further down is representative of the produce grown there.

The key brand values for the South Australian Produce Market are:

Fresh | Local | High Quality | Professional | Contemporary
Trustworthy | Customer Focused | Efficient | Leadership/Innovation
Safe & Healthy | Team Focus



saproducemarket.com.au

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\$96.86M 2014: \$86.55M

Total Assets: (up \$10.31M)

\$6.28M 2014: \$5.63M

Consolidated Profit (Excluding revaluation Gain/Loss, and income tax)

\$11.30 2014: \$9.94

Net Asset Backing (per share)

70 cents 2014: 60 cents

Distribution per share (fully franked)

Gearing ratio

23.5% 2014: 26.9%

Strong financial position maintained:
(Interest coverage ratio of 8.1 times earnings - 2014: 6.9 times)



PM visit

Historical visit by the Prime Minister to the Adelaide Produce Markets

MOU signed

Adelaide Produce Markets sign an Memorandum of Understanding (MOU) with the Chinese Guangzhou Jiangnan Market

International trade

APML CEO and Chairman invited delegates on the Premier's trade mission of China and South East Asia

Organisational review

Comprehensive review of Management structure completed by BDO Industrial & Organisational Psychology, and implemented by APML

Foodbank donations increase

Foodbank partnership - donations of fresh fruit and vegetables through market facility increased by 37% to 533,200kg

Government

Adelaide Produce Markets strengthen relationships with State and Federal Governments

Online

APML go live with online inductions





Dear Shareholders,

On behalf of the APML Board of Directors, I present the 2015 Annual Report for your consideration. The Group has had, once again, a solid year of trading and performance in an economy impacted by poor stock market performance and a generally poor outlook.

With respect to the Company's operating performance, it is important to note that the Group's operating result has been affected by the valuation of the Company's real estate assets which increased significantly. Accounting standards require that any variation in value is reflected in the Group's operating profit. As the Group is a long term investor in commercial real estate with low bank borrowings and a strong cash flow, the long term fundamentals of the Group remain sound. The Board has decided on a final dividend of 40 cents per share which will be paid in late November 2015.

There are a number of matters which have been dealt with by the Board over the last financial year and since the end of the financial year that are noteworthy:

- A review by advisory firm BDO of APML's management structure. The formal review was completed late in 2014 with the new management structure currently in place.
- The adoption of a management share trading policy which ensures that any shares purchased by management must first be listed on APML's STIR matching service.
- The outsourcing to share registry service provider David Garry & Associates of all share trading and transfer enquiries and the processing of share transfers. As required by the Company's Constitution all share transfers will still be submitted for formal approval by the Board.
- The development of a new Market brand, namely South Australian Produce Market, to better reflect the fact that the Market is South Australia's sole fresh fruit and vegetable wholesale market and to avoid confusion with other grower/retail markets.
- Continued focus on and the development of plans for the Company's vacant land assets including the appointment of leasing agents.
- The adoption of a new 5 year corporate plan which outlines the Board's strategic vision for the Company which includes the development of an AQIS accredited export hub at the Market site to assist Market traders to enter the export market. The Company has signed a memorandum of understanding with the Guangzhou Jiangnan Market to promote the export of produce to China. Prime Minister Tony Abbott attended our Market for the official signing in August. The corporate plan also formalises the strategy of developing the Company's existing vacant land assets.
- The negotiation of the purchase of a strategic property holding which compliments the Company's existing land holdings.



From left to right: Hon David Ridgway (Leader opposition in Legislative Council and South Australian Shadow Agriculture Minister), Mr Zhiqiang Guan, Mr Canjiang Ye (Chairman, Guangzhou Jiangnan Market)

The Company has a positive role to play in fostering the export of fresh produce to China and South East Asia.

- Entering into a new three year corporate finance facility with the Commonwealth Bank with respect to the Company's loans facilities.
- Supporting the development of a new retail marketing program called 'Pick a Local, Pick SA' and increased budget contribution along with joint shareholder, the SA Chamber of Fruit & Vegetable Industries, to Market Fresh SA to fund the rollout of the new retail program. The Company and the Chamber each contributed \$133k to support independent retailers.
- Participation in an SA Government trade mission to China to promote the export of SA fresh produce. I also note that I attended a South East Asian trade mission to Singapore and Malaysia in August (which was funded by Ausveg). The Company has sought to increase its involvement and contact with both the State and Federal Governments in an effort to ensure that Government support and funding may occur to promote the development of a vibrant export industry within fresh produce industry in South Australia. The Company has a positive role to play in fostering the export of fresh produce to China and South East Asia.

On behalf of the Board I take this opportunity to thank our Chief Executive Officer, Angelo Demasi and his management team for all their diligence and dedication to APML and its stakeholders. Angelo and his team have worked tirelessly not only in overseeing the operation of the Market but also with respect to a number of the Company's strategic initiatives.

Finally, I acknowledge the substantial time, diligence and commitment of each member of the Board (including those Directors that retired at the 2014 AGM namely Jim Dimasi, Greg Griffin, and David Trosti) to the Company. In particular I wish to thank Deputy Chairman Nic Minicozzi for his continued support and guidance.

Yours sincerely,



David Schirripa
Chairman

Adelaide Produce Markets Limited
6 October 2015



From left to right: Ausveg SA CEO Jordan Brooke-Barnett, APML CEO Angelo Demasi, Mark Butler MP, Tony Zappia MP, Hon Joel Fitzgibbon MP and APML Director Danny De Ieso



Financial Results

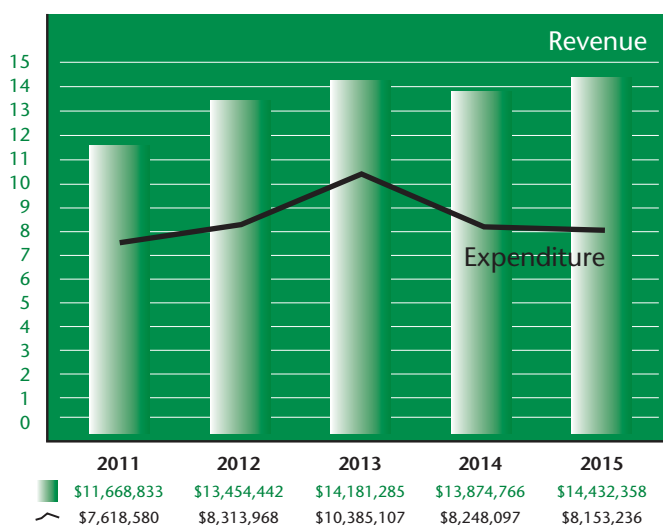
'With strong property market fundamentals and refinements to APML management structures, the Company has enhanced the business and contributed to a record profit this year enabling APML to pursue a more active property acquisition and development strategy.'

I am pleased to report APML have recorded a net profit after tax from continuing operations (excluding revaluation gain, bitumen maintenance and income tax) for the 2015 year of \$6.28M, compared to \$5.63M in 2014 representing an 11.6% increase on last year's result.

Profit before income tax (including revaluation) increased from \$7.06M in 2013/2014 to \$16.27M in 2014/2015. The strong property fundamentals with increased property valuations and savings made from continued strong management controls in expenditure were the key reasons for this outstanding result.

The net asset backing of issued shares was \$11.30 per share (2014: \$9.94 per share) with 15,800 shares traded at an average selling price of \$8.65, compared to 634,263 shares traded at an average selling price of \$7.51 per share in 2013/2014.

Revenue & expenditure



Asset Management

APML has worked to set performance targets and to implement management and maintenance programs as a part of our portfolio of asset management tools. Where possible, APML employs a system maintenance program. This approach prioritises the work needed to maintain APML's assets in a condition that allows them to reach their maximum service potential, thereby extending the life of existing plant and equipment deferring investment cost. This is achieved through a complete system diagnosis and the proactive integration of all maintenance elements.

Leasing

Our team continues to maintain an ongoing fostering and balancing of relationships with tenants, while professionally administering leasehold obligations and ensuring the close control of rental income and operating expenses. APML continues to set the benchmark in performance, reliability, flexibility and profitability with the Market portfolio.

2014/2015 has been a busy year which has seen significant growth of tenants acquiring larger tenancies, the introduction of new tenants through assignment of leases and tenants taking up further warehousing. APML prides itself on delivering solutions across the Market, tailoring to our tenant's requirements. This includes concept design, development and refurbishment to meet user requirements. We welcome national tenants Premier Fruits Group and Morco Fresh and the expansion of TC Fresh Produce who have increased their facility from 200sqm to 1025sqm. We also welcome SA Mushrooms who have moved from a grower licensed area to a 300sqm cold chain wholesale store.

Property activities for 2015/2016 will see the commencement of planning for establishing short, medium and long term facility requirements of current tenancies prior to store leases expiring in 2018.

The lease expiry profile of all Market leases has a Weighted Average of 3.75 years. Leading up to 2018/19 there will be a small number of stores with a right of early termination. The majority of leases expire in October 2018.

Grower's licences have seen one Grower surrendering their stands to take up the opportunity to lease a warehouse in the grower's pavilion and the introduction of two new growers.

Revenue growth in 2014/15 came from warehouse upgrades and new canopy extensions to buildings A, B, D and E. Further growth is anticipated in the 2015/16 through improvements on Building H warehousing, together with other potential property acquisitions.

Lettable Area Market Complex

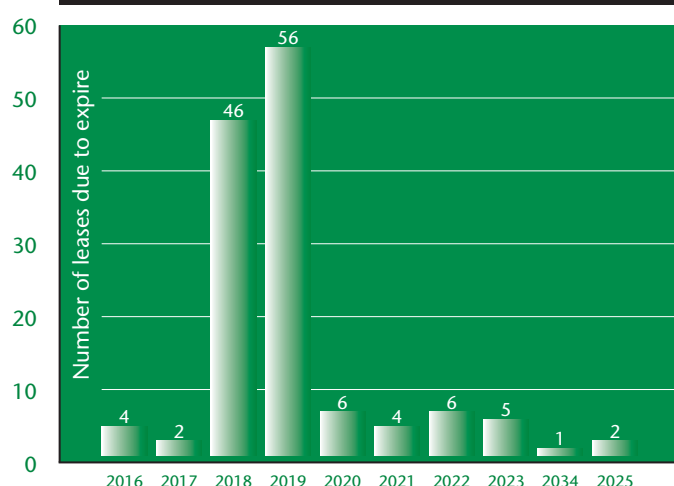
The approximate lettable areas within the Market last year totalled 235,924 sqm exclusive of loading docks and existing canopies.

Lettable Area Market Complex

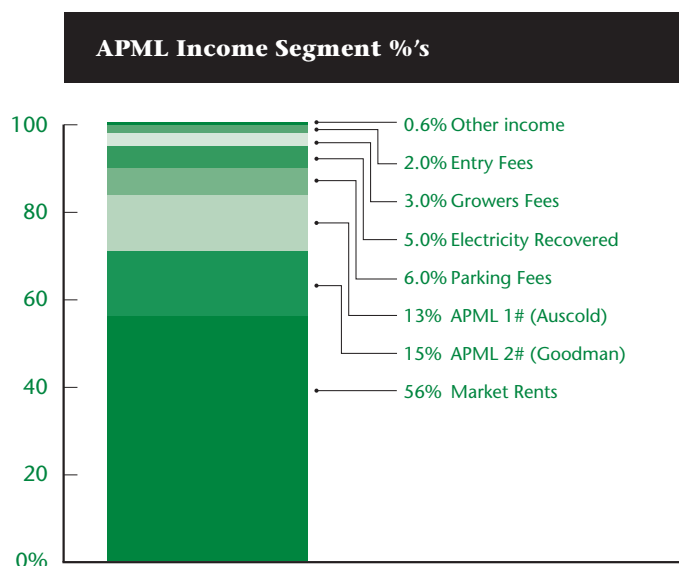
| Internal Tenants | Gross Lettable | % of Total Gross Lettable Area (sqm) |
|-----------------------------------|----------------|--------------------------------------|
| Merchants (Stores) | 23,701 | 48% |
| Market Tenants (Warehouses) | 14,789 | 30% |
| Growers Pavilion cold rooms | 2,624 | 5% |
| Growers Pavilion | 6,843 | 14% |
| Other tenants | 1,349 | 3% |
| Sub total | 49,306 | 100.00% |
| External Tenants | Gross Lettable | % of Total Gross Lettable Area (sqm) |
| APML #1 (Auscold) | 8,618 | 4.6% |
| APML #2 (Goodman Land lease only) | 178,000 | 95.4% |
| Sub total | 186,618 | 100.00% |
| Total lettable area | 235,924 | |



APML Lease Expiry Profile



Revenue growth in 2014/15 came from warehouse upgrades and new canopy extensions.



Capital and Infrastructure Works

The past few years have seen APML embark on significant capital works projects, however there was a reduction in capital works projects in 2015. Upgrade to existing warehouse in building H for new national tenant Morco Fresh of \$302K was the only major work completed with the balance being final progress payments for office refurbishment.



Further upgrades to the system interface have been completed between our access control system and the Fire Indicator Panel which was the only major infrastructure upgrade that occurred. The purpose of this upgrade was to identify activation of manual call points across the site which provides a quicker response time for APML fire wardens to investigate an activation. This will save valuable time in an emergency situation.

Valuation

This year's valuation has seen a significant uplift in the Company's property values. This was mainly due to yield compression within Adelaide's inner precincts in 2015 coupled with increased rental income received from canopy extensions and warehousing.

After a competitive valuation tender process, independent valuer Jones Lang LaSalle undertook APML's valuation. This revealed an increase of \$10.31M from \$86.55M to \$96.86M as at 30 June 2015.

The Market site was valued at \$62.07M compared to \$53.85M in the previous year showing an increase of \$8.22M. The valuer opted for a 9.45% capitalisation rate compared to 10.12% in the 2014/15 financial year.

The value of land leased to Goodman increased by \$1.4M in the 2014/15 financial year moving from \$21.0M in 2013/14 to \$24.5M in 2014/15 financial year. This was mainly due to a reduction in the capitalisation rate, moving from 7.15% in 2014/15 to 6.50% in the 2014/15 financial year. A market rent review is currently underway with Knight Frank being appointed as valuers by mutual agreement with Goodman.

In contrast to the balance of APML's properties, the cold store facility currently leased to Auscold Logistics Pty Ltd reduced in value by \$1.4M. This was reflective of the expiry of the first term of the lease in 2016 which increased the capitalisation rate from 9.63% to 10.07% in the previous year.

The effect of the increased valuation this year can be explained as follows:

| | |
|------------------------------|---------------------|
| Valuation @ 30/6/14 | \$86,550,000 |
| Additions at cost | \$323,253 |
| Revaluation increment | \$9,991,747 |
| Movement in Valuation | \$10,320,000 |
| Valuation @ 30/6/15 | \$96,865,000 |

Insurance Risk Management

In January 2015, Finrisk Services were engaged by the Board to undertake APML's insurance tender process. With years of expertise in the insurance field, Finrisk Services objective was to ensure APML's risk profile was reviewed in line with new business requirements and to obtain the best insurance cover at a reasonable price. This was an extremely successful exercise saving an additional \$43K pa in insurance costs whilst maximising coverage.

A sub-committee consisting of APML's CEO, Chairman, Director Jamie Fragnito and a Finrisk representative interviewed prospective insurance brokers who complied with the specific tender criteria. Following this review process, APML appointed AJ Gallagher as the Company's insurance broker.

Energy

In January 2015 undertook the first stages of a feasibility study of utilising solar power and battery storage to determine the technical and economic viability of such systems. The initial investigation did not prove to provide any savings, however management will continue to explore the feasibility of solar by continuing to monitor the cost of energy versus the cost of installing solar.

Market Fresh SA

Founded in July 2013, Market Fresh SA Pty Ltd (MFSA) is an independent marketing company that runs a series of fresh produce related marketing campaigns. The founding objective of MFSA was to increase the volume of produce sold through the Adelaide Produce Market by the independent retail sector. More specifically, its objectives include:

- To promote fresh produce, healthy eating and a healthy lifestyle
- To promote the retailers who source fresh produce through the Adelaide Produce Market, and
- To educate, inform and inspire the general South Australian public on the role the Adelaide Produce Market plays in the horticulture sector and how fresh produce gets from growers to retail stores

MFSA is funded by the industry and various corporate sponsors, including APML and the SA Chamber of Fruit and Vegetable Industries Inc. APML and the Chamber each invested \$133K in 2015. The company consists of a Board of two Directors (APML CEO and SA Chamber Fruit & Veg CEO), Marketing Manager, Wholesale Produce and Price Reporter, 25 casual promotional staff and several volunteers including University students on work placement. MFSA has a long standing relationship with leading food authority Callum Hann and he has once again acted as the Ambassador for our activities undertaken in 2014/15.

During the 2014/15 financial year over 80 retail stores took part in our State-wide retail campaign 'Support the stores that support local growers'. This campaign consisted of regular print advertising in The Advertiser and Sunday Mail to promote the benefits of the Adelaide Produce Market supply chain and the independent retail sector. MFSA also has a long standing relationship with Metcash Food and Grocery and once again, IGA stores were involved in the retail campaign in 2014/15 as well as the co-funding of several in-store cooking demonstrations throughout the State featuring Callum Hann.

With continued success since its inception, MFSA commenced undertaking fee for service campaign work in 2014/15 for individual tenants at the Adelaide Produce Market namely Costa Farms, GT Produce, Lenswood Co-op and LaManna. In total, eight campaigns were undertaken by MFSA on behalf of these companies to promote various lines including apple, banana, kiwifruit, mango and avocado.

The Crunch Bunch mascot program continued to grow in 2014/15.

The Wholesale Produce and Price Report undertaken daily by MFSA also continued to grow in 2014/15 with 62 companies now subscribing to the service. 156 reports were generated in 2014/15 which involves the daily monitoring at the Adelaide Produce Market of wholesale prices, quality and supply.



Looking ahead to 2015/16, MFSA will embark on a bold new-look retail campaign called 'Pick a Local, Pick SA'. Following an independent review, this new revitalised campaign will vastly increase investment in social media, point-of-sale material and public relations in addition to print advertising.



Fruit & Vegetable Export Development

During the 2014/15 financial year APML remained committed to increasing exports through the Adelaide Produce Market. As such, APML Directors Pat Scalzi and Tony Ceravolo represented the Company in the Netherlands as part of a trade mission with Agriculture Minister, Leon Bignell. The delegation focused on attending speaking forums by internationally recognised leaders in the horticulture industry.

As a result of this visit, APML representatives received an invitation from South Australian Premier, Jay Weatherill and the Minister for Agriculture, Leon Bignell,

to take part in the 2nd South Australia - Shandong Cooperation and Development Forum in China.

Shandong is Australia's sixth largest trading partner, worth around \$US18.4 billion and has continued to increase imports exponentially each year. This five day forum in May included:

- Initial familiarisation with the Chinese market and opportunities
- Networking directly with leading Shandong businesses
- Exploring trade and investment opportunities
- Participation in industry based high level discussion to identify opportunities presented as a result of the China-Australia Free Trade Agreement (ChAFTA)

The visit to China included open trade forums, investment seminars, various formal functions hosted by the South Australian Premier and a SA Food & Wine Showcase event. The forum also included tours of:

- Chinese fresh produce wholesale markets
- Horticulture production facilities
- Seed growing farms
- Growing regions
- Restaurants/food service businesses
- Retail shop businesses

Overall APML Representatives attended this forum to not only support the State Government in their initiative to increase food related exports but to also gain valuable contacts and establish relationships with trading partners and related bodies.



APML CEO and Director Tony Ceravolo joined the Minister for Agriculture, Leon Bignell to tour the Guangzhou Jiangnan Fruit and Vegetable Wholesale Market (the largest distribution centre for fresh produce in China). This delegation was the catalyst for the signing of the Memorandum of Understanding between the Adelaide Produce Markets and the Guangzhou Jiangnan Fruit and Vegetable Wholesale Market.



The Memorandum of Understanding signing is one initiative of a series which APML is embarking upon in order to expose our Market to international trade opportunities.



The APML Board is currently working on an export plan which may potentially include the construction of an AQIS accredited consolidation facility within the Market. It is important for our Market to continue to evolve with the continually changing landscape in the fresh produce supply chain and marketing. The plan is currently being finalised and also includes the investigation of an online platform which is one of China's emerging business models with cross border e-commerce and bonded warehousing.

Tours

During the 2014/15 financial year, a significant milestone occurred when Prime Minister Tony Abbott toured the Market as part of the Memorandum of Understanding (MOU) signing ceremony. This will pave the way for increased exporting opportunities for the South Australian horticulture industry and in particular, the Adelaide Produce Market community. This was the first time a Prime Minister had visited the Adelaide Produce Market since its inception in 1987.

Other notable visitors who toured the Market in 2014/15 include South Australian Shadow Agriculture Minister David Ridgway, Federal MPs Tony Zappia and Mark Butler and Federal Shadow Agriculture Minister Joel Fitzgibbon. It has been an extremely pleasing and busy year with many VIP Government leaders attending our Market.



Another significant tour was undertaken in conjunction with the AUSVEG National Convention which saw over 50 International Buyers from various Asian regions tour the Market.

Industry Matters

APML continues to be an advocate on industry issues, having a Secretariat role on state and national forums including the Horticulture Coalition of SA and Central Markets Association of Australia.

APML continues to work closely with Grower groups like Ausveg SA and Ausveg National Office especially relating to further exporting initiatives as reported above. It is also pleasing that APML has strengthened our relationship with the SA Chamber of Fruit and Vegetable Industries working on joint initiatives such as marketing, Market hours and more recently, submissions regarding the Mandatory Code. We look forward to continuing this strong relationship.

Foodbank

APML continue to work collaboratively with Foodbank and are happy to report that through the establishment of the Foodbank facility within the Market donations of fresh fruit and vegetables have increased by 37% to 533,200kg in 2014/15.

In recognition of this, Wholesale Director, Pat Scalzi and APML CEO, Angelo Demasi received an award on behalf of the entire market community for the outstanding contribution and support it provides Foodbank.



Pat Scalzi and Angelo Demasi with Governor of South Australia Hieu Van Le

Strategic Review

As reported by the APML Chairman, BDO completed a review of the Company's operations, finance and management structure. Whilst this sort of review can cause discomfort to staff and be disruptive, APML staff should be commended for their conduct throughout the process.

BDO Consultants provided the Board with two reports, an operational review and a finance review. Both final reports were submitted to the Board early this year for consideration. The Board approved the operational changes proposed and on Monday 2 March 2015 these changes were announced to staff.

In broad terms, this review identified that APML is operating relatively effectively, however as with most organisations there were opportunities for enhancements. These enhancements will have the potential to decrease operational expenses. There was

general consensus that the management team were operating effectively in their roles and identifying developments and potential opportunities for the organisation and the Market more broadly.

The operational changes include:

- New organisational structure and reporting lines (new structure shown on page 54)
- The removal of 3 positions including the Assistant Accountant, Executive Assistant and Receptionist roles
- New position descriptions that group tasks more appropriately
- Creation of a new Office Administrator position
- A number of roles became permanent and fixed term contracts will not be used as the main form of employment going forward
- Payments will now be made to suppliers by electronic transfer instead of by cheque
- Payroll will be outsourced and all staff will be paid fortnightly in arrears
- The Company's strategic plan was finalised
- New Key Performance Indicators (KPIs) will be included in Position Descriptions
- A freeze on salary increases for the 2014/15 year was imposed
- Policy, procedural and process changes across all departments
- Outsource HR function
- Outsource share registry

The benefits of these changes are not just financial, although there are some financial savings that have already been made.

The BDO review and subsequent changes have now allowed the Company to move to a more electronic automated system whilst further improving internal control procedures to continue to safeguard and protect APML Assets.

As reported last year APML signed a MOU with the Northern Territory Government in reviewing a number of opportunities including exploring the use of rail for domestic and export markets and reviewing opportunities to further grow our markets in the Northern Territory. It has been established that 60% of the produce imported into the Northern Territory already comes from our Market. Both the Northern Territory Government and APML will continue working together to further improve our supply chain.

I am also pleased to report that the Board employed the services of an independent facilitator, Kelvin Trimper to facilitate the Company's strategic planning session. After a number of meetings debating the relevant components, this report has now been adopted by the APML Board.

As part of establishing the new plan, the Board also embarked on developing the company's brand values that are listed on the inside cover of this report. This was finalised late in 2014 and formed the foundation for finalising the Market's new brand name. The Company's name will remain as Adelaide Produce Markets Limited however the Market's name will change to 'South Australian Produce Market'. This will ensure the long standing brand confusion between our Market and the city's retail market, Adelaide Central Market, is addressed. The new name also reflects that we are the State's only wholesale produce market.

Property development - Food Park

All property units under management are fully leased, with an expansion area of over 5ha of vacant land currently available. A preliminary concept plan of logistics, warehousing and ancillary facilities for the market was developed in 2013/14. Since the concept plans were developed the State Government went to tender calling for EOI for land owners and developers to establish a Food Park in the Northern area of Adelaide. The Adelaide Produce Markets, in partnership with the Goodman Property Group, submitted an EOI utilising the undeveloped land and buildings of both properties. The Goodman Group currently leases land from APML on the Southern part of our site. Coupled with the APML land this provided for a total area of over 13.5ha of unencumbered land. Although APML and Goodman made the initial short list, it was not on the final shortlist due to not meeting the Governments requirement of 40ha of contiguous land. APML have worked with the State Government agencies in order to ensure our Market site continues to play a strategic role as the State's premier fresh produce precinct.

APML have since appointed Jones Lang LaSalle to market our vacant land for design and construct leasing opportunities for related food industry development. This would include but not be limited to processors, exporters, packaging, logistics and transporters. Developments will only proceed at this stage on an agreement for lease basis and not on speculation. The Goodman land will be incorporated into the overall plan.



Memorandum of Understanding (MOU) signing ceremony: From left to right: Chinese Interpreter, Hon Matt Williams MP, Mr Canjiang Ye (Chairman, Guangzhou Jiangnan Market), Mr Edmund Ng, Mr Angelo Demasi, Hon Tony Abbott MP (Prime Minister of Australia), Hon Sean Edwards MP

Concept design of APML's planned fresh food precinct.



Artistic impression

Future Outlook

As reported by the Chairman, the APML Board has adopted the 2015-2020 Strategic Plan. The focus for 2015/16 is to continue the implementation of the strategic plan, with many of the initiatives including the export plan already having commenced. The rollout of the new APML brand will begin immediately but more importantly we will ensure the Company upholds its brand values.

Part of the APML plan is to continually evolve as a market and look for further opportunities both internally and externally.

The Company is currently seeking leasing opportunities over its vacant land assets so as to increase rental income from non-market sources.

At the time of writing this report APML were completing a due diligence process to acquire a commercial property of strategic importance to the Company and the Market.

I would like to take this opportunity to thank all of APML's dedicated staff for what has been a most challenging year. The past 12 months have not been easy however, the commitment and positive attitude from the staff during this difficult review process has been outstanding.

I look forward to a mutually rewarding 2016.

Yours sincerely,

Angelo Demasi
Chief Executive Officer



Touring the APML plant following the successful signing of the Memorandum of Understanding (MOU).

Your Directors present their report on the Parent company (Adelaide Produce Markets Limited) and its controlled entities (Consolidated Group), for the financial year ended 30 June 2015.

The names of the Directors in office at any time during or since the end of the year (until the date of this report) are:

- Mr David Schirripa (Chairman)
- Mr Nicola Minicozzi (Deputy Chairman)
- Mr Pasquale Scalzi OAM
- Mr Daniele De Ieso
- Mr David Trosti (resigned 24 November 2014)
- Mr Vincenzo Dimasi (resigned 24 November 2014)
- Mr Antonio Ceravolo
- Mr Gregory Griffin (resigned 24 November 2014)
- Mr Michael Ruggiero
- Ms Christine Scalzi (appointed 25 November 2014)
- Mr Girolamo Fragnito (appointed 25 November 2014)
- Mr Derrick Patterson (appointed 25 November 2014)

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

Company Secretary

The position of Company Secretary is held by the Consolidated Group's Chief Executive Officer, Mr Angelo Demasi.

Principal Activities

The principal activities of the Group during the financial year were the management of the wholesale market and related property investment. No significant changes in the nature of these activities occurred during the year.

Dividends

The dividends paid and declared to be paid since the start of the 2015 financial year are as follows:

- Fully franked final dividend of 30 cents per share (for the year ended 30 June 2014) paid in December 2014, (making a total fully franked dividend for the year ended 30 June 2014 of 60 cents per share: \$3,464,736).
- Fully franked interim dividend of 30 cents per share (for the year ended 30 June 2015) paid in May 2015, as declared by the Directors: \$1,732,368.

Operating Result: Summary

| | <i>Consolidated Group</i> | |
|--|---------------------------|-------------|
| | 2015 | 2014 |
| | \$ | \$ |
| Consolidated profit before income tax | 16,270,869 | 7,064,906 |
| Revaluation (loss)/gain included in consolidated profit | 9,991,747 | 1,438,237 |
| Consolidated profit before income tax, excluding the revaluation gain/(loss) | 6,279,122 | 5,626,669 |
| Current income tax payable | 1,568,367 | 1,417,518 |
| Consolidated profit after income tax excluding revaluation gain/(loss) | 4,710,755 | 4,209,151 |

Review of operations

A review of operations of the Consolidated Group and the results of those operations are contained in the accompanying Chairman's and Chief Executive Officer's Reports.

During the year the Consolidated Group continued to engage in its principal activities, the results of which are disclosed in the accompanying financial report.

Significant changes in the state of affairs

No significant changes in the state of affairs of the Consolidated Group occurred during the year.

After reporting date events

The Company has recently negotiated the acquisition of a commercial property and certain related business assets. The subject property and assets are of strategic importance to the company. It is anticipated that documents formalising the acquisition will be signed by mid October 2015.

APML No. Three Pty Ltd changed its name to 5101 Commerce Crescent Pty Ltd and APML No. Four Pty Ltd changed its name to 5102 Commerce Crescent Pty Ltd on 13 August 2015.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments, prospects and business strategies

Future developments, prospects and business strategies in the operations of the Consolidated Group are referred to in the accompanying Chairman's and Chief Executive Officer's Reports.

Share options

No options to have shares issued in the Consolidated Group were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

Environmental issues

The Consolidated Group has complied with all environmental regulations under the Commonwealth or State legislation.



Mr David Schirripa
Director & Chairman

Qualifications

- Lawyer LLB (Hons) GDLP
- B. Econ.(Accg)
- Notary Public

Experience

- Involvement in fresh produce industry at grower, wholesale and retail level
- APMIL Director from November 2004 to Nov 2007 including period as Deputy Chairman
- Director of Schirripa Evans Lawyers, a private client and family business commercial law practice
- Director, Schirripa Orchards Pty Ltd

Registered Interest In Shares And Options

253,900

Attendance: Meetings of Directors 1 July 2014 to 30 June 2015 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 12
Number attended - 12

Committee Meetings

Number eligible to attend - 4
Number attended - 4

Committees presided on

Audit, Corporate Governance and Finance Committee



Mr Nicola Minicozzi
Director & Deputy Chairman

Qualifications

- Bachelor of Laws (LLB)
- Notary Public

Experience

- Admitted Legal Practitioner in 1974
- Experience in non-litigious and litigious Commercial Law

Registered Interest In Shares And Options

Nil

Attendance: Meetings of Directors 1 July 2014 to 30 June 2015 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 12
Number attended - 12

Committee Meetings

Number eligible to attend - 4
Number attended - 4

Committees presided on

Audit, Corporate Governance and Finance Committee



Mr Pasquale Scalzi, OAM
Director

Experience

- Managing Director – P.E Scalzi Pty Ltd
- Director – P.E. Services Pty Ltd
- Director – Pooraka Wholesalers Pty Ltd
- 50 years' wholesale fruit and vegetable industry
- Wholesaler Board Member since 1987

Registered Interest In Shares And Options

845,199

Attendance: Meetings of Directors 1 July 2014 to 30 June 2015 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 12
Number attended - 12



Mr Daniele Rafaele De Ieso
Director

Qualifications

- Advanced Diploma in Horticulture Production
- Diploma of Rural Business Management

Experience

- Over 35 years' experience in fruit and vegetable industry
- Grower Board Member since 2002
- Director Ausveg
- Chairman/Director Ausveg SA

Registered Interest In Shares And Options
1,400

Attendance: Meetings of Directors 1 July 2014 to 30 June 2015 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 12
Number attended - 12



Mr Girolamo Fragnito (James)
Director

Experience

- 30 years' experience in fruit and vegetable retailing
- 2007 Chairman of Adelaide Produce Markets Young leaders committee
- Managing Director of Mount Barker Fresh Market
- Committee member of SA Fruit & Veg Retailer Association

Registered Interest In Shares And Options
37,500

Attendance: Meetings of Directors 1 July 2014 to 30 June 2015 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 7
Number attended - 7



Ms Christine Scalzi
Director

Experience

- Director of Select Naturally Pty Ltd
- Commenced with City Fruit in 1990, underpinning many years of experience fulfilling various administration and business roles with Select Naturally

Registered Interest In Shares And Options
238,200

Attendance: Meetings of Directors 1 July 2014 to 30 June 2015 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 7
Number attended - 6



Antonio Ceravolo
Director

Qualifications

- Managing Director, R Ceravolo & Co Pty Ltd
- Director, Ashton Valley Fresh Juices
- Director, Ceravolo Orchards Pty Ltd
- Director, Apple & Pear Growers Association of SA

Experience

- 33 years' of orchard experience
- 33 years' experience in wholesale of fruit and vegetables Registered Interest

Registered Interest In Shares And Options
98,500

Attendance: Meetings of Directors 1 July 2014 to 30 June 2015 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 7
Number attended - 6



Derrick Patterson
Director

Experience

- 40 years' experience in fresh fruit and vegetable Retailing
- Former Chairman of Go Green Grocer Retailer Association
- Cherry Ball Charity Committee member since 1997

Registered Interest In Shares And Options
20,000

Attendance: Meetings of Directors 1 July 2014 to 30 June 2015 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 7
Number attended - 7

Committee Meetings

Number eligible to attend - 2
Number attended - 2

Committees presided on

Audit, Corporate Governance and Finance Committee



Michael Ruggiero
Director

Qualifications

- Bachelor of Arts (Accounting)
- Chartered Accountant
- Chartered Tax Adviser
- Diploma in Financial Services

Experience

- 28 years' experience as a Chartered Accountant
- Managing Partner, Bentleys Accountants, Auditors and Advisors
- Advisor in the area of taxation and business consulting in the property, retail and wholesale sectors and professional services industry
- Experience in Capital Gains Tax, international taxation, structuring property and business acquisitions

Registered Interest In Shares And Options
Nil

Attendance: Meetings of Directors 1 July 2014 to 30 June 2015 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 12
Number attended - 12

Committee Meetings

Number eligible to attend - 4
Number attended - 3

Committees presided on

Audit, Corporate Governance and Finance Committee

Remuneration Report

The Consolidated Group's policy for determining the nature and amount of emoluments of Directors and Senior Executives is as follows:-

Directors' Emoluments

Directors' emoluments were determined at the Annual General Meeting of the Parent Entity and are made in accordance with the Constitution.

Senior Executive – Chief Executive Officer

The Chief Executive Officer's emoluments are determined by the Board of Directors of the Parent Entity and are reviewed on an annual basis, based on the industry comparisons and overall performance.

The emolument of each Director together with the Chief Executive Officer of the Company paid for the financial year ended 30 June 2015 are as follows:-

| Name & title | Directors' Fee | Committee Fees | Salary | Retirement and Superannuation Contributions | Other | Non Cash | Total Emoluments Benefits |
|---|----------------|----------------|----------|---|----------|----------|---------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Mr D Schirripa | | | | | | | |
| <i>Chairman of Directors</i> | 48,305 | - | - | 4,589 | - | - | 52,894 |
| Mr N Minicozzi | | | | | | | |
| <i>Deputy Chairman</i> | 38,644 | 2,000 | - | 3,671 | - | - | 44,315 |
| Mr P Scalzi Director | 28,983 | - | - | 2,753 | - | - | 31,736 |
| Mr D De Ieso Director | 28,983 | - | - | 2,753 | - | - | 31,736 |
| Mr D Trosti Director | 12,500 | - | - | 1,187 | - | - | 13,687 |
| Mr V Dimasi Director | 12,500 | - | - | 1,187 | - | - | 13,687 |
| Mr A Ceravolo Director | 28,983 | - | - | 2,753 | - | - | 31,736 |
| Mr M Ruggiero Director | 28,983 | 1,500 | - | 2,753 | - | - | 33,236 |
| Mr G Griffin Director | 12,500 | 500 | - | 1,187 | - | - | 14,187 |
| Ms C Scalzi Director | 16,483 | - | - | 1,565 | - | - | 18,048 |
| Mr G Fragnito Director | 16,483 | - | - | 1,565 | - | - | 18,048 |
| Mr D Patterson Director | 16,483 | 1,000 | - | 1,565 | - | - | 19,048 |
| Total - Directors | 289,830 | 5,000 | - | 27,528 | - | - | 322,358 |
| Mr A Demasi Chief - Executive Officer (non Director) and Company Secretary | | | | | | | |
| | - | - | 176,681 | 17,465 | - | - | 194,146 |
| | - | - | 176,681 | 17,465 | - | - | 194,146 |

There were no retirement benefits paid by the Consolidated Group to its Directors, Senior Executives or other employees. There were no emoluments paid by APML No. One Pty Ltd and APML No. Two Pty Ltd.

Indemnifying Officers or Auditor

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings, with exception of the following:

The Company paid insurance premiums to insure all Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the company.

Directors' Benefits – Other than Benefits Separately Disclosed in Note 23: Related Party Disclosures

Other than that disclosed in Note 23, no Director has received or become entitled to receive during or since the financial year, a benefit because of a contract made by the Company or a related body corporate with a Director, a firm or which the Director is a member or an entity in which the Director has a substantial financial interest.

Share Options

There are no share options that have been granted over the unissued shares of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services – External Auditor

Fees for non-audit services were not paid/payable to the external auditor during the year ended 30 June 2015.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is following this report.

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



David Schirripa
Chairman of Directors

Signed at Pooraka, South Australia on this 6th day of October 2015.



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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ADELAIDE PRODUCE MARKETS LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Adelaide Produce Markets Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
J L Humphrey
Partner – Audit & Assurance

Adelaide, 6 October 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
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**STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2015

| | <i>Notes</i> | <i>Consolidated</i> | | <i>Parent</i> | |
|---|--------------|---------------------|------------------|-------------------|------------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | | \$ | \$ | \$ | \$ |
| Revenue | 2 | 14,432,358 | 13,874,766 | 11,710,023 | 11,979,983 |
| Investment property revaluation (loss)/gain | | 9,991,747 | 1,438,237 | 11,391,747 | 2,038,237 |
| Employee benefits expense | | (1,503,594) | (1,160,617) | (1,225,713) | (1,160,616) |
| Depreciation expense | 3 | (142,008) | (251,976) | (124,087) | (185,171) |
| Finance costs | 3 | (888,870) | (953,755) | (833,174) | (897,513) |
| Other expenses | 3 | (5,618,764) | (5,881,749) | (4,178,709) | (4,724,535) |
| Profit before income tax | | 16,270,869 | 7,064,906 | 16,740,087 | 7,050,385 |
| Income tax (expense) / benefit | 4 | (4,922,183) | (2,155,694) | (5,062,947) | (2,151,338) |
| Profit after income tax | | 11,348,686 | 4,909,212 | 11,677,140 | 4,899,047 |
| Other comprehensive income | | – | – | – | – |
| Total comprehensive income for the year | | 11,348,686 | 4,909,212 | 11,677,140 | 4,899,047 |
| Total comprehensive income attributable to Members of the Parent | | 11,348,686 | 4,909,212 | 11,677,140 | 4,899,047 |

The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2015

| | <i>Notes</i> | <i>Consolidated</i> | | <i>Parent</i> | |
|--------------------------------------|--------------|---------------------|-------------------|--------------------|-------------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | | \$ | \$ | \$ | \$ |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 6 | 3,993,582 | 2,532,122 | 3,315,369 | 2,192,743 |
| Trade and other receivables | 7 | 487,828 | 450,849 | 303,224 | 450,849 |
| Other current assets | 8 | 413,998 | 456,175 | 368,666 | 388,586 |
| TOTAL CURRENT ASSETS | | 4,895,408 | 3,439,146 | 3,987,259 | 3,032,178 |
| NON-CURRENT ASSETS | | | | | |
| Investments - equity method | 30 | – | – | – | – |
| Trade and other receivables | 7 | 59,942 | 59,942 | 9,653,270 | 9,840,785 |
| Investment properties | 9 | 96,865,000 | 86,550,000 | 87,565,000 | 75,850,000 |
| Plant and equipment | 10 | 1,351,308 | 1,259,717 | 1,285,666 | 1,244,662 |
| Financial assets | 29 | – | – | 2 | 2 |
| Intangible assets | 11 | – | 120,000 | – | 120,000 |
| TOTAL NON-CURRENT ASSETS | | 98,276,250 | 87,989,659 | 98,503,938 | 87,055,449 |
| TOTAL ASSETS | | 103,171,658 | 91,428,805 | 102,491,197 | 90,087,627 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 12 | 1,845,702 | 1,431,357 | 2,019,308 | 1,497,500 |
| Short-term borrowings | 13 | 5,062 | 3,404 | 5,062 | 3,404 |
| Current tax liabilities | 15 | 831,649 | 739,626 | 660,241 | 647,491 |
| Short-term provisions | 14 | 325,182 | 325,667 | 317,083 | 325,667 |
| TOTAL CURRENT LIABILITIES | | 3,007,595 | 2,500,054 | 3,001,694 | 2,474,062 |
| NON-CURRENT LIABILITIES | | | | | |
| Long-term borrowings | 13 | 22,237,981 | 22,241,451 | 22,237,981 | 22,241,451 |
| Long-term provisions | 14 | 31,511 | 30,496 | 31,511 | 30,496 |
| Deferred tax liabilities | 15 | 12,620,767 | 9,266,950 | 13,307,847 | 9,641,858 |
| TOTAL NON-CURRENT LIABILITIES | | 34,890,259 | 31,538,897 | 35,577,339 | 31,913,805 |
| TOTAL LIABILITIES | | 37,897,854 | 34,038,951 | 38,579,033 | 34,387,867 |
| NET ASSETS | | 65,273,804 | 57,389,854 | 63,912,164 | 55,699,760 |
| EQUITY | | | | | |
| Issued capital | 16 | 5,774,560 | 5,774,560 | 5,774,560 | 5,774,560 |
| Reserves | | 392,750 | 392,750 | 392,750 | 392,750 |
| Retained earnings | | 59,106,494 | 51,222,544 | 57,744,854 | 49,532,450 |
| TOTAL EQUITY | | 65,273,804 | 57,389,854 | 63,912,164 | 55,699,760 |

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

| | | <i>Consolidated</i> | | <i>Parent</i> | |
|-----------------------------------|--------------|---------------------|-------------------|----------------|-------------------|
| | | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| CONSOLIDATED | <i>Notes</i> | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2013 | | 5,774,560 | 49,778,068 | 392,750 | 55,945,378 |
| Profit for the year | | – | 4,909,212 | – | 4,909,212 |
| Other comprehensive income | | – | – | – | – |
| Total comprehensive income | | – | 4,909,212 | – | 4,909,212 |
| Transactions with owners | | | | | |
| Dividends paid or provided for | 5 | – | (3,464,736) | – | (3,464,736) |
| Total transactions with owners | | – | (3,464,736) | – | (3,464,736) |
| Balance as at 30 June 2014 | | 5,774,560 | 51,222,544 | 392,750 | 57,389,854 |
| Profit for the year | | – | 11,348,686 | – | 11,348,686 |
| Other comprehensive income | | – | – | – | – |
| Total comprehensive income | | – | 11,348,686 | – | 11,348,686 |
| Transactions with owners | | | | | |
| Dividends paid or provided for | 5 | – | (3,464,736) | – | (3,464,736) |
| Total transactions with owners | | – | (3,464,736) | – | (3,464,736) |
| Balance as at 30 June 2015 | | 5,774,560 | 59,106,494 | 392,750 | 65,273,804 |

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

| PARENT | <i>Notes</i> | <i>Issued capital \$</i> | <i>Retained earnings \$</i> | <i>Share premium Reserve \$</i> | <i>Total \$</i> |
|-----------------------------------|--------------|----------------------------------|-------------------------------------|---|---------------------|
| Balance as at 1 July 2013 | | 5,774,560 | 48,098,139 | 392,750 | 54,265,449 |
| Profit for the year | | – | 4,899,047 | – | 4,899,047 |
| Other comprehensive income | | – | – | – | – |
| Total comprehensive income | | – | 4,899,047 | – | 4,899,047 |
| Transactions with owners | | | | | |
| Dividends paid or provided for | 5 | – | (3,464,736) | – | (3,464,736) |
| Total transactions with owners | | – | (3,464,736) | – | (3,464,736) |
| Balance as at 30 June 2014 | | 5,774,560 | 49,532,450 | 392,750 | 55,699,760 |
| Profit for the year | | – | 11,677,140 | – | 11,677,140 |
| Other comprehensive income | | – | – | – | – |
| Total comprehensive income | | – | 11,677,140 | – | 11,677,140 |
| Transactions with owners | | | | | |
| Dividends paid or provided for | 5 | – | (3,464,736) | – | (3,464,736) |
| Total transactions with owners | | – | (3,464,736) | – | (3,464,736) |
| Balance as at 30 June 2015 | | 5,774,560 | 57,744,854 | 392,750 | 63,912,164 |

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

| | <i>Notes</i> | <i>Consolidated</i> | | <i>Parent</i> | |
|---|--------------|---------------------|-------------|---------------|-------------|
| | | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | | \$ | \$ | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | | 14,337,039 | 13,907,243 | 11,719,330 | 11,554,977 |
| Payments to suppliers and employees | | (6,558,927) | (6,985,764) | (4,763,884) | (5,805,268) |
| Interest received | | 58,340 | 20,512 | 138,318 | 100,530 |
| Borrowing costs | | (888,870) | (953,755) | (833,174) | (520,046) |
| Income tax received / (paid) | | (1,476,343) | (862,753) | (1,384,208) | (829,150) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 19 | 5,471,239 | 5,125,483 | 4,876,382 | 4,501,043 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Proceeds from sale of property, plant and equipment | | – | 34,091 | – | 34,091 |
| Payments for property plant and equipment | | (543,231) | (1,445,761) | (474,723) | (1,445,761) |
| NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES | | (543,231) | (1,411,670) | (474,723) | (1,411,670) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from borrowings- Commercial bills | | (1,812) | 638,594 | (1,812) | 638,594 |
| Proceeds from borrowings- related party | | – | – | 187,515 | 825,135 |
| Dividends paid | | (3,464,736) | (3,464,736) | (3,464,736) | (3,464,736) |
| NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES | | (3,466,548) | (2,826,142) | (3,279,033) | (2,001,007) |
| Net increase/ (decrease) in cash held | | 1,461,460 | 887,671 | 1,122,626 | 1,088,366 |
| Cash at the beginning of financial year | | 2,532,122 | 1,644,451 | 2,192,743 | 1,104,377 |
| Cash at end of financial year | 6 | 3,993,582 | 2,532,122 | 3,315,369 | 2,192,743 |

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL YEAR FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Adelaide Produce Markets Ltd is a for-profit entity for the purpose of preparing the financial statements.

Adelaide Produce Markets Ltd is the Group's Ultimate Parent Company. Adelaide Produce Markets Ltd is a public company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Diagonal Road, Pooraka, SA 5095, Australia.

The consolidated financial statements for the year ended 30 June 2015 (including comparatives) were approved and authorised for issue by the Board of Directors.

New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2014. Information on these new standards is presented below.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-3 Amendments to AASB 136 –Recoverable Amount Disclosures for Non-Financial Assets

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to

require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140

Investment Property and perform a separate assessment under AASB 3 *Business Combinations* to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014. The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Standards issued but not yet effective and not been adopted early by the Group

The accounting standards that have not been early adopted for the year ended 30 June 2015, but will be applicable to the Group in future reporting periods, are detailed below. Apart from these standards, other accounting standards that will be applicable in future periods have been reviewed, however they have been considered to be insignificant to the Group.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

AASB 15 Revenue from Contracts with Customers

AASB 15:

replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:

- establishes a new revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue

In May 2015, the AASB issued ED 260 *Income of Not-for-Profit Entities*, proposing to replace the income recognition requirements of AASB 1004 Contributions and provide guidance to assist not-for-profit entities to apply the principles of AASB 15. The ED is open for comment until 14 August 2015.

When this Standard is first adopted for the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance

in the application of the diminishing balance method for property, plant and equipment.

The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances:

The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

When this Standard is first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The amendments:

- 1) clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- 2) clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- 3) add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position
- 4) clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.

When this Standard is first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

AASB 2015-3 Amendments to Australian Accounting Standard arising from the Withdrawal of AASB 1031 Materiality

The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

When this Standard is first adopted for the year ending 30 June 2016, there will be no material impact on the transactions and balances recognised in the financial statements.

Summary of accounting policies

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies 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.

a) Basis of consolidation

The Group financial statements consolidate those of the Parent company and its subsidiaries as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The subsidiaries have a reporting date of 30 June.

All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

b) Investments in joint ventures

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net

assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

c) Income Tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. The entity is a tax consolidated group.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office ('ATO') and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

d) Investment Property

Investment property, comprising all land and buildings owned by the Consolidated Group, is held to generate long term rental yields. All tenant leases are on an arm's length basis, in accordance with AASB 140 Investment Properties. Investment properties are carried at fair value, determined annually by an independent valuer. Changes to fair value are annually recorded in the Statement of profit or loss and other comprehensive income as other income. An independent valuation of all land and building assets (including all plant and equipment considered to be an integral component of the relevant asset) was conducted by Jones

Lang LaSalle as at 30 June 2015. All buildings assets were valued at market value in accordance with AASB 140.

e) 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.

Plant and Equipment

Plant and equipment is measured on the costs basis less depreciation and impairment losses.

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.

Depreciation

Depreciation is calculated both on a straight-line and diminishing value basis so as to write off the net cost of each depreciable asset over its expected useful life to the Company commencing from the time the asset is held ready for use. Depreciation rates have been reviewed during the financial year by the Directors of the Company.

The independent valuation of buildings as at 30 June 2015 included all plant and equipment that was considered to be an integral component of the relevant asset and included additions at cost since the previous valuation. Consistent with previous financial years, buildings are not depreciated for accounting purposes as they are held as investment purposes.

| Class of Fixed Asset | Depreciation Rate |
|------------------------|-------------------|
| Plant and equipment | 3.75 - 50% |
| Motor vehicles | 18.50% |
| Furniture and fittings | 9 - 50% |
| Office equipment | 9 - 50% |

The assets' residual values and useful lives are reviewed and adjusted where deemed appropriate, at each balance 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 Statement of Profit or loss and other comprehensive income.

f) Rents and Fees in Advance

Rents and fees in advance are brought to account as income in the financial period to which they relate.

g) Land and Development Expenditure

As at 30 June any construction in progress and land re-development costs are separately disclosed.

h) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer, adjusted where applicable for any amount that is prepaid.

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

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

i) Intangibles

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL YEAR FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

j) Employee Entitlements

Provisions are made in the Financial Statement for all employee benefits. On-costs have been recognised in calculating employee provisions. Liabilities for wages, salaries and annual leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at amounts which are expected to be paid as the liability is settled.

Liability for long-service leave expected to be settled within the next 12 months from the reporting date are recognised in employee provisions and measured with the same principals as annual leave. The liability for long-service leave and annual leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of the expected future payments to be made to settle the liability in respect of services provided by employees up to the reporting date.

k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at call with banks and other short-term highly liquid investments with original maturities of three months or less.

l) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

- Financial assets at fair value through profit and loss

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are

determined by reference to active market transactions or using a valuation technique where no active market exists.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings and trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

m) Impairment of Assets

At each reporting date, the Directors review the carrying values of tangible 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 Statement of Profit or loss and other comprehensive income.

Impairment testing is performed annually by the Directors for goodwill and intangible assets with indefinite lives, as applicable.

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

NOTES TO THE FINANCIAL YEAR FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

n) Comparative Figures

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

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 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 statement of financial position are shown inclusive of GST.

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

p) Critical Accounting Estimates and Judgements

The preparation of the Adelaide Produce Market Limited Financial Statements requires management to make estimates and judgements based on the information available at that time that has an effect on the reported amounts of assets and liabilities and the disclosure of any contingent assets and liabilities at the date of the financial report and the reported revenues and expenses during the reporting period.

On an ongoing basis, management evaluates judgements and estimates made that impact on the Financial Report. Management bases its judgements and estimates on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements and estimates about carrying values of transactions that are not readily apparent from other sources. There may be variances between estimates and actual results which are monitored by management as mentioned above.

Key Estimates - Impairment

The Consolidated Group assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amounts incorporate a number of key estimates. Based on the performance of the Sunday Markets, the Directors have resolved that the investment is impairment in respect of goodwill and is written down to nil for the year ended 30 June 2015.

Key Judgements - Provision for Impairment of Receivables

The Directors have resolved that no provision for impairment of receivables is required for the year ended 30 June 2015.

q) Parent entity information

The financial information for the Parent entity, Adelaide Produce Markets Ltd, has been prepared on the same basis as the consolidated financial statements.

r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs'.

s) Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Group is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability.

See Note 1(d) for the depreciation methods and useful lives for assets held under finance lease. The corresponding finance lease liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to profit or loss, as finance costs over the period of the lease.

All other leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

t) Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the Parent are recorded separately within equity.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2 - REVENUE

| | <i>Consolidated</i> | | <i>Parent</i> | |
|------------------------|---------------------|-------------------|-------------------|-------------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| Rental Revenue: | | | | |
| Rents and recoveries | 14,373,427 | 13,779,682 | 11,250,512 | 11,432,191 |
| Other Revenue: | | | | |
| Insurance recoveries | 591 | 74,570 | 591 | 69,795 |
| Interest received | 58,340 | 20,514 | 138,318 | 100,530 |
| Interest recoveries | – | – | 320,602 | 377,467 |
| | <u>14,432,358</u> | <u>13,874,766</u> | <u>11,710,023</u> | <u>11,979,983</u> |

NOTE 3 - PROFIT FOR THE YEAR

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Expenses | | | | |
| Finance costs | 888,870 | 953,755 | 833,174 | 897,513 |
| Depreciation of property, plant and equipment | 142,008 | 251,976 | 124,087 | 185,171 |
| Remuneration of auditor: | | | | |
| Audit | 23,000 | 25,500 | 23,000 | 25,500 |
| Other services | – | – | – | – |
| | <u>23,000</u> | <u>25,500</u> | <u>23,000</u> | <u>25,500</u> |

There have been no non-audit services during the year.

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Other expenses | | | | |
| 25th Anniversary dinner | – | 120,308 | – | 120,308 |
| Accounting and legal expenses | 170,658 | 189,516 | 170,658 | 189,516 |
| Bad debts | 25,228 | 153 | 25,228 | 153 |
| Cleaning | 275,835 | 324,380 | 267,300 | 324,380 |
| Director Fees | 289,835 | 306,000 | 289,835 | 306,000 |
| Emergency services levy | 101,488 | 81,947 | 34,691 | 27,953 |
| equipment hire | 110,884 | 76,425 | 76,379 | 76,425 |
| Insurance expense | 385,002 | 382,928 | 343,755 | 332,518 |
| Land tax | 695,681 | 756,029 | 447,194 | 487,189 |
| (Gain) / loss on sale of plant and equipment | (13,621) | 10,719 | (13,621) | 10,719 |
| Market Fresh contribution | 133,295 | 148,958 | 133,295 | 148,958 |
| Motor vehicle expenses | 40,170 | 54,533 | 19,438 | 54,533 |
| Other | 791,514 | 764,402 | 701,611 | 760,406 |
| Impairment of Sunday Market | 120,000 | – | 120,000 | – |
| Professional fees | 257,817 | 127,287 | 254,613 | 127,287 |
| Rates and taxes | 750,462 | 744,062 | 231,617 | 219,888 |
| Rent expense | 312,562 | 375,993 | 365,986 | 375,993 |
| Repairs and maintenance | 279,398 | 266,767 | 223,585 | 203,061 |
| Security | 140,044 | 142,722 | 139,888 | 142,722 |
| Subcontractor expenses | 455,220 | 728,543 | 245,909 | 728,543 |
| Water rates | 297,292 | 280,077 | 101,348 | 87,983 |
| | <u>5,618,764</u> | <u>5,881,749</u> | <u>4,178,709</u> | <u>4,724,535</u> |

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4 - INCOME TAX EXPENSE

| | <i>Consolidated</i> | | <i>Parent</i> | |
|--|---------------------|-------------|---------------|-------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| The components of Tax Expense comprise: | | | | |
| Current tax | 1,568,367 | 1,417,518 | 1,396,959 | 1,325,384 |
| Deferred tax | 3,353,816 | 738,176 | 3,665,988 | 825,954 |
| | 4,922,183 | 2,155,694 | 5,062,947 | 2,151,338 |
| <i>The prima facie tax on profit before income tax is reconciled to the income tax as follows:</i> | | | | |
| Prima facie tax payable on profit before income tax at 30% (2014: 30%) | 4,881,261 | 2,119,472 | 5,022,026 | 2,115,116 |
| <i>Add: Tax Effect of:</i> | | | | |
| - provision for holiday pay | 11,054 | 8,106 | 8,624 | 8,106 |
| - provision for long service leave | 8,135 | 10,984 | 8,135 | 10,984 |
| - other non-allowable items | 119,552 | 192,322 | 145,824 | 192,322 |
| <i>Less: Tax Effect of:</i> | | | | |
| - revaluation gain | (2,997,524) | (431,471) | (3,417,524) | (611,471) |
| - allowable deduction for bitumen works | (355,100) | (357,589) | (268,237) | (265,367) |
| - other allowable items | (99,011) | (124,306) | (101,889) | (124,306) |
| | 1,568,367 | 1,417,518 | 1,396,959 | 1,325,384 |

NOTE 5 - DIVIDENDS

| | | | | |
|---------------------------|-----------|-----------|-----------|-----------|
| Final Distribution Paid | 1,732,368 | 1,732,368 | 1,732,368 | 1,732,368 |
| Interim Distribution Paid | 1,732,368 | 1,732,368 | 1,732,368 | 1,732,368 |
| Franking Account | 937,252 | 945,798 | 937,252 | 945,798 |

NOTE 6 - CASH AND CASH EQUIVALENTS

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Cash on hand | 900 | 1,050 | 900 | 1,050 |
| Cash at bank | 3,992,682 | 2,531,072 | 3,314,469 | 2,191,693 |
| | 3,993,582 | 2,532,122 | 3,315,369 | 2,192,743 |
| Reconciliation of Cash | | | | |
| <i>Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the items in the statement of financial position as follows:</i> | | | | |
| Cash and cash equivalents | 3,993,582 | 2,532,122 | 3,315,369 | 2,192,743 |

A security interest over cash and cash equivalents has been provided for certain debt. Refer to Note 13 - Borrowings.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 7 - TRADE AND OTHER RECEIVABLES

| | <i>Consolidated</i> | | <i>Parent</i> | |
|--------------------------|---------------------|-------------|---------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Trade debtors | 478,651 | 440,132 | 294,047 | 440,132 |
| Provision for impairment | – | (48,869) | – | (48,869) |
| | 478,651 | 391,263 | 294,047 | 391,263 |
| Other debtors | 9,177 | 59,586 | 9,177 | 59,586 |
| | 487,828 | 450,849 | 303,224 | 450,849 |
| NON-CURRENT | | | | |
| Trade debtors | 59,942 | 59,942 | 59,942 | 59,942 |
| Loan - Subsidiaries | – | – | 9,593,328 | 9,780,843 |
| | 59,942 | 59,942 | 9,653,270 | 9,840,785 |

All of the Group's trade and other receivables have been reviewed for indicators of impairment.

Past due not impaired

| <i>Gross amount</i> | <i>Past due & impaired</i> | <i>Past due but not impaired (days overdue)</i> | | | | <i>Within initial trade terms</i> |
|---------------------|--------------------------------|---|--------------|--------------|------------|-----------------------------------|
| | | <i><30</i> | <i>31-60</i> | <i>61-90</i> | <i>90+</i> | |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ |

2015

Consolidated Group

| | | | | | | | |
|-------------------|---------|---|---------|--------|--------|--------|---------|
| Trade Receivables | 478,651 | - | 110,398 | 51,494 | 18,369 | 18,955 | 279,435 |
|-------------------|---------|---|---------|--------|--------|--------|---------|

Parent Entity

| | | | | | | | |
|-------------------|---------|---|--------|--------|-------|--------|---------|
| Trade Receivables | 294,047 | - | 36,445 | 10,977 | 8,271 | 15,414 | 222,940 |
|-------------------|---------|---|--------|--------|-------|--------|---------|

2014

Consolidated Group

| | | | | | | | |
|-------------------|---------|--------|---------|--------|--------|--------|---------|
| Trade Receivables | 440,132 | 48,869 | 159,731 | 60,360 | 14,603 | 31,420 | 125,149 |
|-------------------|---------|--------|---------|--------|--------|--------|---------|

Parent Entity

| | | | | | | | |
|-------------------|---------|--------|---------|--------|--------|--------|---------|
| Trade Receivables | 440,132 | 48,869 | 159,731 | 60,360 | 14,603 | 31,420 | 125,149 |
|-------------------|---------|--------|---------|--------|--------|--------|---------|

NOTE 8 - OTHER CURRENT ASSETS

| | <i>Consolidated</i> | | <i>Parent</i> | |
|----------------------------------|---------------------|-------------|---------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Prepaid commercial bill interest | 70,098 | 97,176 | 62,217 | 67,387 |
| Prepayments - other | 343,900 | 358,999 | 306,449 | 321,199 |
| | 413,998 | 456,175 | 368,666 | 388,586 |

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9 - INVESTMENT PROPERTIES

| | <i>Consolidated</i> | | <i>Parent</i> | |
|-------------------------------|---------------------|-------------|---------------|-------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| Investment Properties: | | | | |
| Land | 47,115,000 | 43,300,000 | 42,015,000 | 38,200,000 |
| Buildings | 49,750,000 | 43,250,000 | 45,550,000 | 37,650,000 |
| Total Investment Properties | 96,865,000 | 86,550,000 | 87,565,000 | 75,850,000 |

Movements in carrying amounts

Movements in the carrying amounts for investment properties for the financial year ended 30 June 2015 are as follows:

| | <i>Investment Properties</i> | <i>Total</i> |
|--|------------------------------|-------------------|
| | \$ | \$ |
| Consolidated Group | | |
| Balances at 1 July 2013 | 83,850,000 | 83,850,000 |
| Additions - at cost | 674,095 | 674,095 |
| Amounts reclassified from construction in progress | 587,668 | 587,668 |
| Revaluation increment | 1,438,237 | 1,438,237 |
| Carrying amounts at 30 June 2014 | 86,550,000 | 86,550,000 |
| Balances at 1 July 2014 | 86,550,000 | 86,550,000 |
| Additions - at cost | 323,253 | 323,253 |
| Revaluation increment | 9,991,747 | 9,991,747 |
| Carrying amounts at 30 June 2015 | 96,865,000 | 96,865,000 |
| Parent Entity | | |
| Balances at 1 July 2013 | 72,550,000 | 72,550,000 |
| Additions - at cost | 674,095 | 674,095 |
| Amounts reclassified from construction in progress | 587,668 | 587,668 |
| Revaluation increment | 2,038,237 | 2,038,237 |
| Carrying amounts at 30 June 2014 | 75,850,000 | 75,850,000 |
| Balances at 1 July 2014 | 75,850,000 | 75,850,000 |
| Additions - at cost | 323,253 | 323,253 |
| Revaluation increment | 11,391,747 | 11,391,747 |
| Carrying amounts at 30 June 2015 | 87,565,000 | 87,565,000 |

Investment properties are leased out on operating leases. Rental income amounts to \$5,121,092 (2014: \$5,050,662) included in revenue. The majority of wholesale store leases expire on 30 September 2018 with no right of renewal.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 10 - PLANT AND EQUIPMENT

| | <i>Consolidated</i> | | <i>Parent</i> | |
|---------------------------------------|---------------------|-------------|---------------|-------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| Plant, Equipment and Vehicles | | | | |
| Plant, equipment & vehicles - at cost | 3,642,006 | 3,408,407 | 2,537,093 | 2,372,002 |
| Less: accumulated depreciation | (2,290,698) | (2,148,690) | (1,251,427) | (1,127,340) |
| Total plant, equipment and vehicles | 1,351,308 | 1,259,717 | 1,285,666 | 1,244,662 |
| Total Plant and Equipment | 1,351,308 | 1,259,717 | 1,285,666 | 1,244,662 |

Movements in carrying amounts

Movements in the carrying amounts for each class of plant and equipment is as follows:

| | <i>Construction in Progress</i> | <i>Plant and Equipment</i> | <i>Total</i> |
|--|---------------------------------|----------------------------|------------------|
| | \$ | \$ | \$ |
| Consolidated Group | | | |
| Balances at 1 July 2013 | 13,005 | 1,359,498 | 1,372,503 |
| Additions - at cost | 574,663 | 205,702 | 780,365 |
| Disposals - carrying value | – | (53,507) | (53,507) |
| Amounts reclassified from construction in progress | (587,668) | – | (587,668) |
| Depreciation expense | – | (251,976) | (251,976) |
| Carrying amounts at 30 June 2014 | – | 1,259,717 | 1,259,717 |
| Balances at 1 July 2014 | – | 1,259,717 | 1,259,717 |
| Additions - at cost | – | 233,599 | 233,599 |
| Disposals - carrying value | – | – | – |
| Depreciation expense | – | (142,008) | (142,008) |
| Carrying amounts at 30 June 2015 | – | 1,351,308 | 1,351,308 |
| Parent Entity | | | |
| Balances at 1 July 2013 | 13,005 | 1,277,640 | 1,290,645 |
| Additions - at cost | 574,663 | 205,702 | 780,365 |
| Disposals - carrying value | – | (53,509) | (53,509) |
| Amounts reclassified from construction in progress | (587,668) | – | (587,668) |
| Depreciation expense | – | (185,171) | (185,171) |
| Carrying amounts at 30 June 2014 | – | 1,244,662 | 1,244,662 |
| Balances at 1 July 2014 | – | 1,244,662 | 1,244,662 |
| Additions - at cost | – | 165,091 | 165,091 |
| Disposals - carrying value | – | – | – |
| Depreciation expense | – | (124,087) | (124,087) |
| Carrying amounts at 30 June 2015 | – | 1,285,666 | 1,285,666 |

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 11 - INTANGIBLE ASSETS

| | <i>Consolidated</i> | | <i>Parent</i> | |
|------------------------------------|---------------------|-------------|---------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$ | \$ | \$ | \$ |
| Goodwill: Sunday Markets | – | 120,000 | – | 120,000 |
| Reconciliation of Goodwill: | | | | |
| Balance at 1 July | 120,000 | 120,000 | 120,000 | 120,000 |
| Additions | – | – | – | – |
| Disposals | – | – | – | – |
| Amortisation Charge | – | – | – | – |
| Impairment losses | (120,000) | – | (120,000) | – |
| Carrying Value 30 June | – | 120,000 | – | 120,000 |

The Directors have determined that the Goodwill relating to the Pooraka Sunday Market be written down to nil.

NOTE 12 - TRADE AND OTHER PAYABLES

| | <i>Consolidated</i> | | <i>Parent</i> | |
|---------------------------------------|---------------------|-------------|---------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$ | \$ | \$ | \$ |
| Current Unsecured Liabilities: | | | | |
| Trade payables | 422,124 | 181,934 | 183,989 | 138,505 |
| Sundry payables and accruals | 1,423,578 | 1,249,423 | 1,835,319 | 1,358,995 |
| | 1,845,702 | 1,431,357 | 2,019,308 | 1,497,500 |

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

NOTE 13 - BORROWINGS

CURRENT

| | | | | |
|-------------------------|-------|-------|-------|-------|
| Finance lease liability | 5,062 | 3,404 | 5,062 | 3,404 |
|-------------------------|-------|-------|-------|-------|

NON-CURRENT

| | | | | |
|-------------------------|------------|------------|------------|------------|
| Bank bills secured | 22,221,261 | 22,221,261 | 22,221,261 | 22,221,261 |
| Finance lease liability | 16,720 | 20,190 | 16,720 | 20,190 |
| | 22,237,981 | 22,241,451 | 22,237,981 | 22,241,451 |

The bank bills are secured by:

- a first registered mortgage over the APML property located at Diagonal Road, Pooraka SA.
- a first registered mortgage over the APML vacant land property located at Commerce Crescent, Pooraka SA.
- a guarantee unlimited as to the amount by APML No. One Pty Ltd supported by a first Registered mortgage over vacant land property located at Allotments 1001 and 5002 Commerce Crescent, Pooraka.
- a registered equitable mortgage by Adelaide Produce Markets Limited over the whole of its assets and undertakings including uncalled capital.

The covenants for the above bank loans relate to interest cover, capital adequacy, dividend policy and reporting and administrative requirements. All required covenants have been met by the Company.

The finance lease liability is secured by a motor vehicle.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14 - PROVISIONS

| | <i>Consolidated</i> | | <i>Parent</i> | |
|-------------------------|---------------------|-------------|---------------|-------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Provision for dividends | 2,142 | 65,575 | 2,142 | 65,575 |
| Employee benefits | 323,040 | 260,092 | 314,941 | 260,092 |
| | 325,182 | 325,667 | 317,083 | 325,667 |
| NON-CURRENT | | | | |
| Employee benefits | 31,511 | 30,496 | 31,511 | 30,496 |

NOTE 15 - TAX LIABILITIES

| | | | | |
|--------------------------|------------|-----------|------------|-----------|
| CURRENT | | | | |
| Income Tax | 831,649 | 739,626 | 660,241 | 647,491 |
| NON-CURRENT | | | | |
| Deferred Tax Liabilities | 12,620,767 | 9,266,950 | 13,307,847 | 9,641,858 |

NOTE 16 - ISSUED CAPITAL

| | <i>Consolidated</i> | | <i>Parent</i> | |
|--|---------------------|-------------|---------------|-------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| 5,774,560 (2014: 5,774,560) fully paid Ordinary shares | | | | |
| | 5,774,560 | 5,774,560 | 5,774,560 | 5,774,560 |
| Comprising: | | | | |
| Ordinary Grower Shares | 1,986,260 | | | |
| Ordinary Wholesaler Shares | 2,413,043 | | | |
| Ordinary Retailer Shares | 620,740 | | | |
| Ordinary Unclassified Shares | 754,517 | | | |
| | 5,774,560 | | | |

| | <i>Note</i> | <i>Consolidated</i> | | <i>Parent</i> | |
|--------------------------------|-------------|---------------------|-------------------|-------------------|-------------------|
| | | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | | | | | |
| Total borrowings | 13 | 22,243,043 | 22,244,855 | 22,243,043 | 22,244,855 |
| Trade and other payables | 12 | 1,845,702 | 1,431,357 | 2,019,308 | 1,497,500 |
| Less cash and cash equivalents | 6 | (3,993,582) | (2,532,122) | (3,315,369) | (2,192,743) |
| Net debt | | 20,095,163 | 21,144,090 | 20,946,982 | 21,549,612 |
| Total equity | | 65,273,804 | 57,389,854 | 63,912,164 | 77,249,372 |
| Total capital | | 85,368,967 | 78,533,944 | 84,859,146 | 55,699,760 |
| Gearing Ratio | | 24% | 27% | 25% | 28% |

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17 - CAPITAL COMMITMENTS

There are no capital commitments at reporting date (2014: Nil).

NOTE 18 - CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets recorded by the Company as at the date of this report (2014: Nil).

NOTE 19 - CASH FLOW INFORMATION

| | <i>Consolidated</i> | | <i>Parent</i> | |
|---|---------------------|--------------|---------------|--------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| Reconciliation of cash flows from operations with profit after income tax: | | | | |
| Profit after income tax | 11,348,686 | 4,909,212 | 11,677,140 | 4,899,047 |
| Non-cash flows in profit | | | | |
| - revaluation gain | (9,991,747) | (1,438,237) | (11,391,747) | (2,038,237) |
| - depreciation | 142,008 | 251,976 | 124,087 | 185,171 |
| - impairment expense | 120,000 | – | 120,000 | – |
| - (gain)/ loss on sale of asset | (13,621) | 10,719 | (13,621) | 10,719 |
| Changes in assets and liabilities: | | | | |
| - (increase)/decrease in trade receivables | (36,979) | 52,991 | 147,625 | 52,991 |
| - (increase)/decrease in other current assets | 42,177 | 37,826 | 19,920 | (3,357) |
| - increase/(decrease) in trade payables | 414,345 | (15,551) | 521,808 | 48,913 |
| - increase/(decrease) in tax liability | 3,445,840 | 1,292,939 | 3,678,739 | 1,322,188 |
| - increase/(decrease) in provisions | 530 | 23,608 | (7,569) | 23,608 |
| | 5,471,239 | 5,125,483 | 4,876,382 | 4,501,043 |
| Non-cash financing and investing activities | | | | |
| There were no transactions or events during the year which affected assets and liabilities and did not result in cash flows | | | | |
| <i>Credit standby arrangements with banks to provide funds and support facilities.</i> | | | | |
| Credit facility | 22,740,000 | 22,780,000 | 22,740,000 | 22,780,000 |
| Credit facility utilised | (22,221,261) | (22,221,261) | (22,221,261) | (22,221,261) |
| Unused credit facility | 518,739 | 558,739 | 518,739 | 558,739 |

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20 - LEASE COMMITMENTS

| | <i>Consolidated</i> | | <i>Parent</i> | |
|--|---------------------|----------------|----------------|----------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| a) Operating Lease Commitments | | | | |
| Not later than 1 year | 321,521 | 399,081 | 321,521 | 399,081 |
| Later than 1 year but not later than 5 years | 167,973 | 479,761 | 167,973 | 479,761 |
| | 489,494 | 878,842 | 489,494 | 878,842 |

The operating lease represents building rentals from Pooraka Fruit and Vegetable Supply at \$299,306 annual rental. The lease expires 31 March 2016. There are two other leases entered into in the 2014 year with the Commonwealth Bank for a 3 year lease term ending January 2016 for plant and equipment rental, and a 5 year lease term ending February 2019 for electricity meter rentals. Annual rental payments are \$19,891 and \$62,990 respectively.

| | <i>Consolidated</i> | | <i>Parent</i> | |
|--|---------------------|---------------|---------------|---------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| b) Finance lease commitments | | | | |
| - not longer than 12 months | 6,768 | 4,778 | 6,768 | 4,778 |
| - between 12 months and 5 years | 16,613 | 21,483 | 16,613 | 21,483 |
| Minimum lease payments | 23,381 | 26,261 | 23,381 | 26,261 |
| Less future finance charges | (1,599) | (2,667) | (1,599) | (2,667) |
| Present value of minimum lease payments | 21,782 | 23,594 | 21,782 | 23,594 |

The finance lease is with the Commonwealth Bank for a Ford Ranger. The lease was entered into in August 2013.

NOTE 21 - FINANCIAL RISK MANAGEMENT

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities is summarised below. The main types of risks are interest rate risk and liquidity risk.

| | <i>Consolidated</i> | | <i>Parent</i> | |
|--|---------------------|-------------------|-------------------|-------------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 3,993,582 | 2,532,122 | 3,315,369 | 2,192,743 |
| Trade and other receivables- current | 487,828 | 450,849 | 303,224 | 450,849 |
| Trade and other receivables- non-current | 59,942 | 59,942 | 9,653,270 | 9,840,785 |
| Financial assets | — | — | 2 | 2 |
| | 4,541,352 | 3,042,913 | 13,271,865 | 12,484,379 |
| Financial liabilities | | | | |
| Commercial bills | 22,221,261 | 22,221,261 | 22,221,261 | 22,221,261 |
| Finance leases | 21,782 | 23,594 | 21,782 | 23,594 |
| Trade and other payables | 1,845,702 | 1,431,357 | 2,019,308 | 1,497,500 |
| | 24,088,745 | 23,676,212 | 24,262,351 | 23,742,355 |

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 21 - FINANCIAL RISK MANAGEMENT *continued*

Interest Rate Risk

The Group's policy is to minimise interest rate cash flow risk exposures on commercial bills. The interest rates are a combination of fixed and variable. The following table illustrates the sensitivity of profit and equity to a 2% change in interest rates.

Year ended 30 June 2015

| | \$ |
|--------------------------|---------|
| +/- 2% in interest rates | 444,000 |

Liquidity Risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt payments for commercial bills as well as cash inflows and outflows due in day-to-day business. The timing of cash outflows is presented below:

| Within 6 months | 6-12 months | 1 - 5 years | Greater than 5 years | Total |
|--------------------|----------------|----------------|-------------------------|-------|
| \$ | \$ | \$ | \$ | \$ |

Consolidated Group 2015

Financial assets

| | | | | | |
|--|----------------|----------|---------------|----------|----------------|
| Trade and other receivables- current | 487,828 | — | — | — | 487,828 |
| Trade and other receivables- non-current | — | — | 59,942 | — | 59,942 |
| Total financial assets | 487,828 | — | 59,942 | — | 547,770 |

Financial liabilities

| | | | | | |
|------------------------------------|------------------|--------------|-------------------|----------|-------------------|
| Trade and other payables | 1,845,702 | — | — | — | 1,845,702 |
| Borrowings- lease liability | 2,454 | 2,608 | 16,720 | — | 21,782 |
| Borrowings- Bank bills | — | — | 22,221,261 | — | 22,221,261 |
| Total financial liabilities | 1,848,156 | 2,608 | 22,237,981 | — | 24,088,745 |

Consolidated Group 2014

Financial assets

| | | | | | |
|--|----------------|----------|---------------|----------|----------------|
| Trade and other receivables- current | 450,849 | — | — | — | 450,849 |
| Trade and other receivables- non-current | — | — | 59,942 | — | 59,942 |
| Total financial assets | 450,849 | — | 59,942 | — | 510,791 |

Financial liabilities

| | | | | | |
|------------------------------------|------------------|--------------|-------------------|----------|-------------------|
| Trade and other payables | 1,431,357 | — | — | — | 1,431,357 |
| Borrowings- lease liability | 2,150 | 1,254 | 20,190 | — | 23,594 |
| Borrowings- Bank bills | — | — | 22,221,261 | — | 22,221,261 |
| Total financial liabilities | 1,433,507 | 1,254 | 22,241,451 | — | 23,676,212 |

The Board has determined that the carrying values of financial assets and financial liabilities are consistent with fair values.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 21 - FINANCIAL RISK MANAGEMENT *continued*

| | Within 6 months | 6-12 months | 1 - 5 years | Greater than 5 years | Total |
|--|--------------------|----------------|-------------------|-------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Parent Entity 2015 | | | | | |
| Financial assets | | | | | |
| Trade and other receivables- current | 303,224 | — | — | — | 303,224 |
| Trade and other receivables- non-current | — | — | 9,653,270 | — | 9,653,270 |
| Total financial assets | 303,224 | — | 9,653,270 | — | 9,956,494 |
| Financial liabilities | | | | | |
| Trade and other payables | 2,019,308 | — | — | — | 2,019,308 |
| Borrowings- lease liability | 2,454 | 2,608 | 16,720 | — | 21,782 |
| Borrowings- Bank bills | — | — | 22,221,261 | — | 22,221,261 |
| Total financial liabilities | 2,021,762 | 2,608 | 22,237,981 | — | 24,262,351 |
| Parent Entity 2014 | | | | | |
| Financial assets | | | | | |
| Trade and other receivables- current | 450,849 | — | — | — | 450,849 |
| Trade and other receivables- non-current | — | — | 9,840,785 | — | 9,840,785 |
| Total financial assets | 450,849 | — | 9,840,785 | — | 10,291,634 |
| Financial liabilities | | | | | |
| Trade and other payables | 1,497,500 | — | — | — | 1,497,500 |
| Borrowings- lease liability | 2,150 | 1,254 | 20,190 | — | 23,594 |
| Borrowings- Bank bills | — | — | 22,221,261 | — | 22,221,261 |
| Total financial liabilities | 1,499,650 | 1,254 | 22,241,451 | — | 23,742,355 |

The Board has determined that the carrying values of financial assets and financial liabilities are consistent with fair values.

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 22 - TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management of the Group are the Board of Directors and the Chief Executive Officer.

| | <i>Consolidated</i> | | <i>Parent</i> | |
|-------------------------------------|---------------------|----------------|----------------|----------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| Short term employee benefits | | | | |
| Salaries & Directors fees | 471,511 | 464,140 | 471,511 | 464,140 |
| Other - salary sacrifice | – | 22,089 | – | 22,089 |
| | 471,511 | 486,229 | 471,511 | 486,229 |
| Post-employment benefits | | | | |
| Superannuation Contributions | 44,993 | 43,073 | 44,993 | 43,073 |
| | 44,993 | 43,073 | 44,993 | 43,073 |
| Total Remuneration | 516,504 | 529,302 | 516,504 | 529,302 |

NOTE 23 - FINANCIAL REPORTING BY SEGMENTS

The Company operates wholly within Australia and owns and operates a large scale facility for the wholesale marketing of fresh produce.

NOTE 24 - RELATED PARTY DISCLOSURES

Directors and Director-related entities hold directly, indirectly or beneficially as at balance date the following number of shares in this Company. Details of each Director's holdings are listed in the accompanying Director's Report.

| | <i>Consolidated</i> | | <i>Parent</i> | |
|---|---------------------|-------------|---------------|-------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | Number | Number | Number | Number |
| Adelaide Produce Market Ltd - Ordinary Shares | 1,274,399 | 1,274,399 | 1,274,399 | 1,274,399 |

The Group used the legal and accounting services of Director related entities over which they exercise significant influence. The amounts billed were based on normal market rates and amounts to:

| | <i>Consolidated</i> | | <i>Parent</i> | |
|-------------------------|---------------------|-------------|---------------|-------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| Schirripa Evans Lawyers | 136,623 | 108,478 | 136,623 | 108,478 |
| Griffin Lawyers | 3,901 | 2,850 | 3,901 | 2,850 |
| Bentleys | 31,245 | 27,091 | 31,245 | – |
| Minicozzi Solicitors | 972 | 3,542 | 972 | 3,542 |
| | 172,741 | 141,961 | 172,741 | 114,870 |

There was \$13,559 outstanding to Schirripa Evans Lawyers and \$3,135 to Bentleys at 30 June 2015 (2014:Nil).

Legal fees paid to the Director related law firms noted above may include fees paid to barristers acting on behalf of the Company and other disbursements incurred on the Company's behalf.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 24 - RELATED PARTY DISCLOSURES *continued*

The Group transacted with several Directors in the Company and their related entities as customers, in relation to leased premises and market services. The amounts charged were based on normal market rates and amounted to:

| | <i>Consolidated</i> | | <i>Parent</i> | |
|---|---------------------|----------------|----------------|----------------|
| | <i>2015</i> | <i>2014</i> | <i>2015</i> | <i>2014</i> |
| | \$ | \$ | \$ | \$ |
| P & E Scalzi Services Pty Ltd | 230,849 | 277,986 | 230,849 | 277,986 |
| Paseva Pty Ltd ATF P & E Scalzi Superannuation Fund | 124,858 | 157,090 | 124,858 | 157,090 |
| Thorndon Park Produce Co Pty Ltd | 5,531 | 6,388 | 5,531 | 6,388 |
| Dublin Fruit & Veg | 3,240 | 3,679 | 3,240 | 3,679 |
| R Ceravolo & Co Pty Ltd | 204,713 | 248,224 | 204,713 | 248,224 |
| Pooraka Fruit & Vegetable Supply | 30,264 | 196 | 30,264 | 196 |
| | 599,455 | 693,563 | 599,455 | 693,563 |

The outstanding balances at the reporting date were as follows:

| | | | | |
|--|---------------|---------------|---------------|---------------|
| P & E Scalzi Services Pty Ltd | 6,670 | 16,502 | 6,670 | 16,502 |
| Paseva Pty Ltd ATF P & E Scalzi Superannuation Fund | 3,623 | 6,606 | 3,623 | 6,606 |
| Thorndon Park Produce Co Pty Ltd | 180 | 404 | 180 | 404 |
| Dublin Fruit & Veg | 60 | 255 | 60 | 255 |
| R Ceravolo & Co Pty Ltd | 665 | 15,413 | 665 | 15,413 |
| Pooraka Fruit & Vegetable Supply | 874 | – | 874 | – |
| | 12,072 | 39,180 | 12,072 | 39,180 |
| Lease payments to Pooraka Fruit and Vegetable Supply | 345,843 | 315,747 | 345,843 | 315,747 |
| Amount outstanding at reporting date | – | 4,015 | – | 4,015 |

Transactions with Joint Ventures

During 2015, Adelaide Produce Markets provided contribution to Market Fresh of \$133,295 (2014: \$100,799).

At reporting date there is \$5,958 receivable by Market Fresh from Adelaide Produce Markets (2014: payable \$24,295).

NOTE 25 - SUPERANNUATION COMMITMENTS

The Company does not participate in any employer sponsored defined benefit superannuation plans for its employees. All superannuation payments by the Company are in accordance with the relevant Superannuation Guarantee legislation.

NOTE 26 - EVENTS AFTER THE REPORTING DATE

The Company has recently negotiated the acquisition of a commercial property and certain related business assets. The subject property and assets are of strategic importance to the Company. It is anticipated that documents formalising the acquisition will be signed by mid October 2015.

AMPL No. Three Pty Ltd changed its name to 5101 Commerce Crescent Pty Ltd and AMPL No. Four Pty Ltd changed its name to 5101 Commerce Crescent Pty Ltd on 13 August 2015.

There are no other events subsequent to 30 June 2015 that would have a material effect on the 2015 Financial Report (2014: Nil).

NOTE 27 - ECONOMIC DEPENDENCY

The future revenue of the Consolidated Group is dependent on the commercial contribution of the principal activities disclosed in the Directors' Report.

NOTES TO THE FINANCIAL YEAR

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 28 - CONTROLLED ENTITIES

| | | Percentage Owned | |
|-------------------------|-----------|------------------|------|
| | | 2015 | 2014 |
| Controlled Entities | | | |
| APML No. One Pty Ltd | Australia | 100% | 100% |
| APML No. Two Pty Ltd | Australia | 100% | 100% |
| APML No. Three Pty Ltd | Australia | 100% | – |
| APML No. Four Pty Ltd | Australia | 100% | – |
| Adelaide Market Pty Ltd | Australia | 100% | 100% |

Controlled Entities Acquired

No controlled entities were acquired during the year.

Control Entity Disposal

No controlled entities were disposed during the year.

Controlled Entities with Ownership Interest of 50% or Less

No controlled entities are held by the Parent Entity with an ownership interest of 50% or less. %

NOTE 29 - OTHER FINANCIAL ASSETS

| | <i>Consolidated</i> | | <i>Parent</i> | |
|---------------------------------|---------------------|-------------|---------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$ | \$ | \$ | \$ |
| NON-CURRENT | | | | |
| Unlisted Investments - at cost | | | | |
| - Shares in Controlled Entities | – | – | 2 | 2 |

NOTE 30 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group has one material joint venture, Market Fresh SA Pty Ltd (Market Fresh).

Market Fresh was incorporated in Australia and it was formed for the purpose of establishing a jointly owned marketing company to promote and increase the volume of fruit and vegetable produce sold through the Adelaide Produce Market.

| | <i>Percentage Owned</i> | |
|---|-------------------------|-------------|
| | 2015 | 2014 |
| Proportion of ownership interests held by the Group | 50% | 50% |

The investment in Market Fresh is accounted for using the equity method in accordance with AASB 128. Market Fresh SA has made a loss in FY14 and as such the carrying value of the investment is nil. Adelaide Produce Markets Ltd paid share capital of \$50 upon the set up of the new company.

NOTE 31 - CHANGES IN ACCOUNTING POLICY

There were no changes in accounting policy for the year ended 30 June 2015.

NOTE 32 - RESERVES

Reserves represent share premiums.

NOTE 33 - COMPANY DETAILS

The registered office and principal place of business of the Consolidated Group is:
Burma Road, Pooraka SA 5095

In accordance with a resolution of the Directors of Adelaide Produce Markets Limited, the Directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 26 to 50, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standard (IFRS); and
 - b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company and Consolidated Group.
- 2) 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.



David Schirripa

Chairman of Directors

*Signed at Pooraka, South Australia on this
6th day of October 2015.*



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADELAIDE PRODUCE MARKETS LIMITED

We have audited the accompanying financial report of Adelaide Produce Markets Limited (the "Company"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company'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 have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Adelaide Produce Markets Limited 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 2015 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

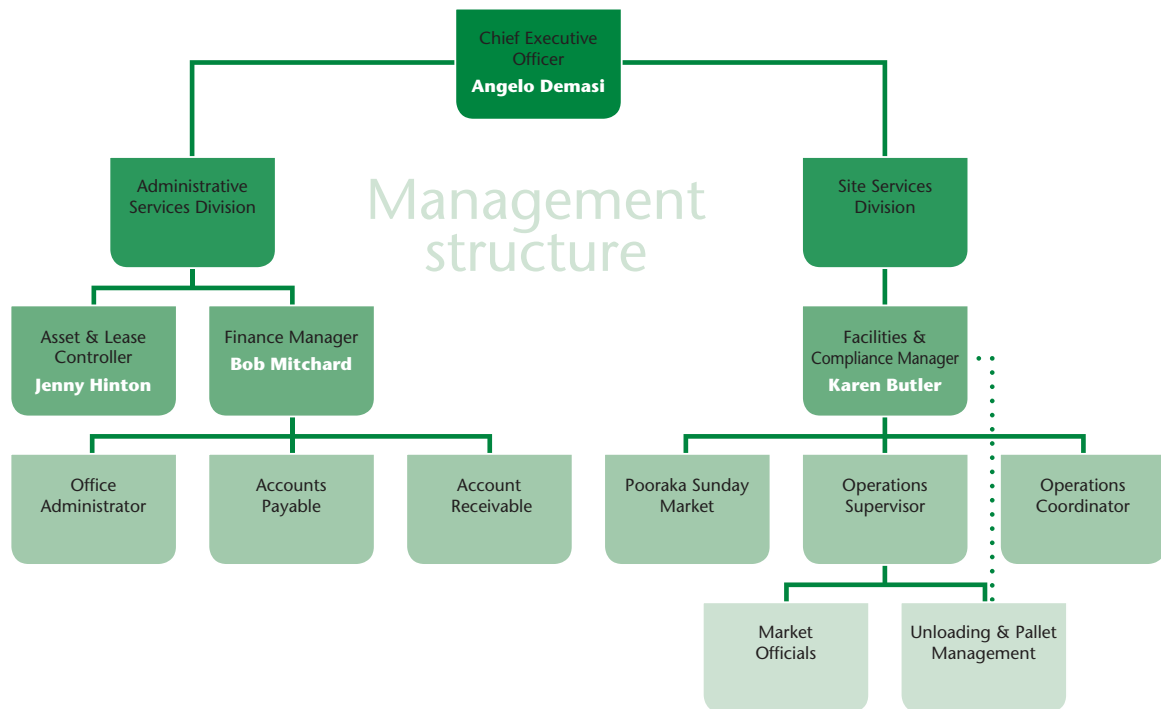
A handwritten signature in blue ink that reads "Grant Thornton,".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in blue ink that reads "J L Humphrey".

Partner – Audit & Assurance

Adelaide, 6 October 2015



Directors



David Schirripa
(Chairman)



Nicola Minicozzi
(Deputy Chairman)



Pasquale Scalzi OAM



Daniele De Ieso



Antonio Ceravolo



Michael Ruggiero



Derrick Patterson



James Fragnito



Christine Scalzi



Secretary
Angelo Demasi

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