



*Fostering
fresh produce*



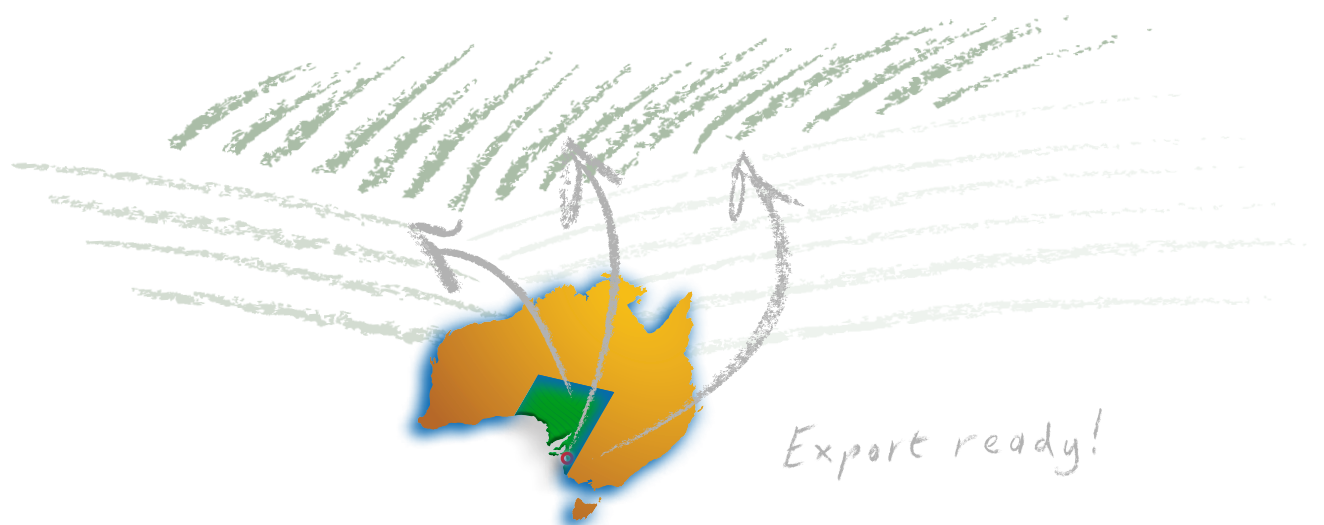
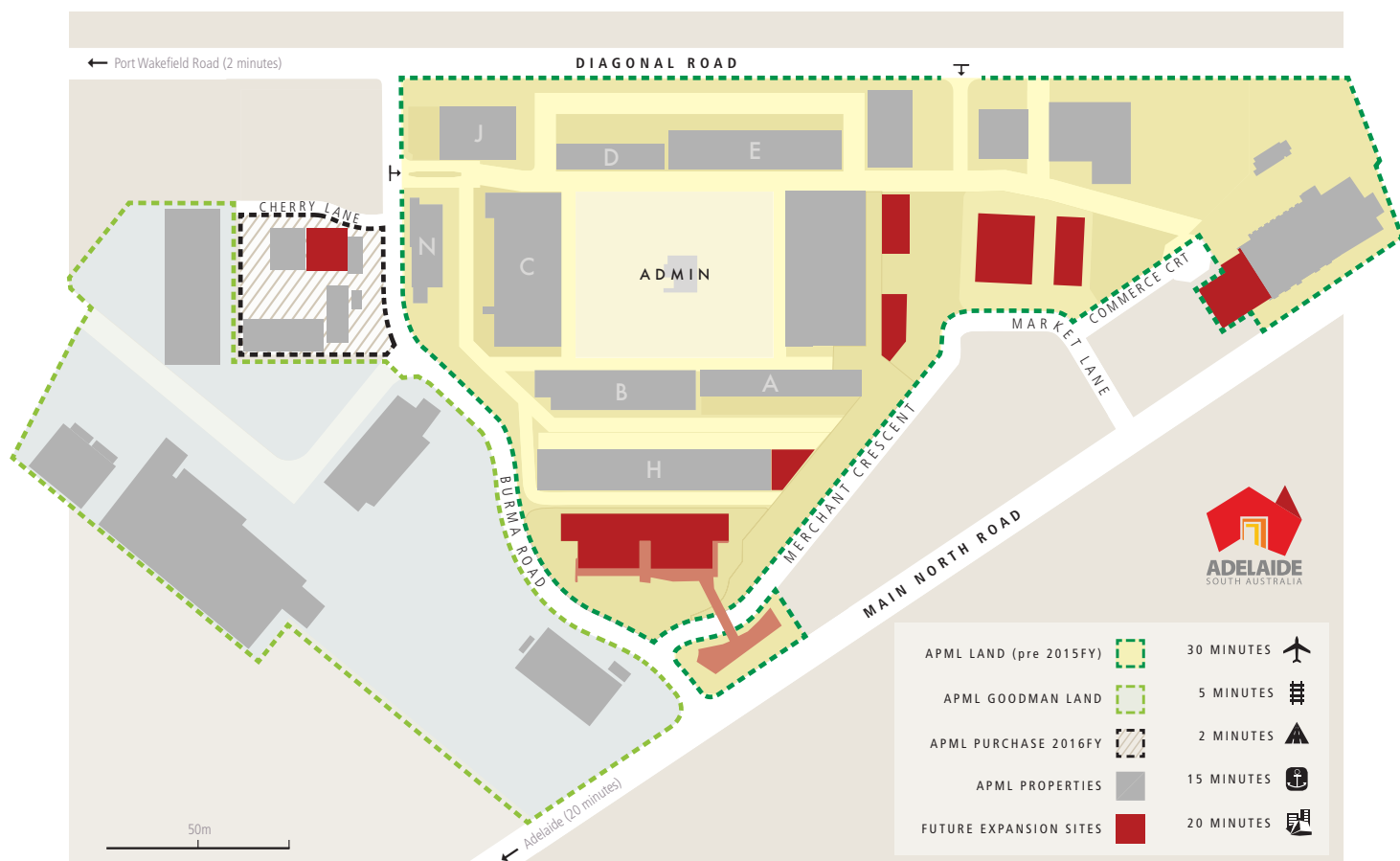


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2016 HIGHLIGHTS

Total Assets

\$120.3M (2015: \$103.2M)

Net Asset backing

\$12.30 per share (2015: \$11.30)

Total Revenue

\$15.1M (2015:\$14.4M)

Gearing ratio

30 % (2015: 24%)

Distribution per share (fully franked)

70 cents





2016 ACHIEVEMENTS

Strategic Property Acquisitions

Purchase of 9 – 15 Burma Road

Strategic stake in Perth Markets Ltd

(9.59% shareholding)

2015—2020 Strategic Plan implemented

Master Plan development commenced

Australian Produce Collective

Export company commenced

International Trade opportunities

Strategic alliance with Singapore

MOU signed with IM Holdings





CHAIRMAN'S REPORT

Dear Shareholders,

On behalf of the APML Board of Directors, I present the 2016 Annual Report for your consideration. The Group has had a successful year in terms of its operations and in implementing its strategic objectives. A comprehensive report of the Group's activities is set out in the CEO's Report.

In 2015 the Board adopted a five year strategic plan. As part of that plan the decision was made to focus future development and asset acquisitions towards infrastructure and assets that have a connection with the Market site or the fresh produce industry. The opportunity to make two strategic acquisitions arose during the last financial year, namely:

- The Group purchased the land and commercial property assets located at 9-15 Burma Road Pooraka as well as a produce carton recycling business located on that site. In addition to the operations of the produce carton recycling business, the site currently has two secondary wholesale produce operators as tenants. Plans are being developed to expand and upgrade the leased premises on that site. The produce carton recycling business was purchased because it provides a service to the Market and fresh produce industry, and is therefore an adjunct to the other services provided by the Group.
- The Group acquired a strategic shareholding in Perth Markets Limited (PML), the owner of the newly privatised Market City, Perth Western Australia, being WA's sole wholesale fresh produce market. Market City is a wholesale produce market not dissimilar to the South Australian Produce Market. As is the case with APML, the majority of PML's shareholders are associated with the industry.

The Board also made a decision to close the Pooraka Sunday Market. The proliferation of similar weekend markets had resulted in consistently declining attendances. Management carried out a significant amount of work to develop a rebranding and relaunching of some form of weekend market. Due to safety concerns and the impact on the operations of the wholesale Market the Board has decided that any type of weekend market will not take place inside the Market site.

In addition to the above strategic matters the lease of the Auscold facility was renewed for a further 5 years at a renegotiated (and higher) rental, and a market rent review of the long term 18 hectare ground lease to the Goodman Group resulted in a rental increase.

Earlier this year the Group received an unsolicited non-binding offer from a large Australian investment bank to purchase all of APML's shares. The offer was carefully considered by the Board, advice was sought and ultimately the Board took the decision that the offer was not in the best interests of shareholders as a whole. Neither did the offer have the support of the Group's largest shareholders without which, given the requirements of APML's Constitution, it had no chance of success.

The reliable pricing and supply of electricity to the Market site is critical. The issue of electricity pricing and reliability of supply during the past 12 months has been one of the most significant challenges faced by the Group in some time. Unfortunately there is no stability, both on a State wide and systemic level, with respect to the pricing or with respect to the reliability of supply. The CEO and Management have worked tirelessly in an effort to insulate the Group and Market tenants from the impacts of this unsustainable situation. External advice has been sought, and continues to be sought, as to the best manner to minimise the inevitable impacts. As detailed in the CEO's report, the Board has commissioned a further study and report with the objective of establishing electricity generating and storage infrastructure within the Market so as to:

- provide a buffer to the monopoly type pricing conditions for industrial scale users of electricity, such as the Market, with those conditions likely to continue going forward; and
- provide some level of back-up electricity source for the Market when the grid is completely disabled or suffers from partial failures or brown-outs.

From the Board's perspective it is critical that APML take whatever reasonably commercial and sensible steps it can to attempt to ameliorate the effects of the deficiencies of the State's electricity network. A final decision as to the nature and extent of the electricity infrastructure has not yet been taken however it is likely that the proposed infrastructure investment will be the most significant capital investment made by APML since building the canopies to cover the entire central parking area at the Market site.

The Board has also made the decision to propose that APML change its name to South Australian Produce Market Limited so that it is consistent with the name and branding of the Market site. Changing the name requires the approval of 75 per cent of shareholders present at this year's Annual General Meeting. As the sole wholesale fresh produce market for SA, the proposed new company name better reflects the purpose and identity of the Market.

With respect to the Group's performance, results have been significantly and positively affected by the valuation gain of the Group's real estate assets. As required by accounting standards, the valuation gain has been brought to account. The Group's core assets continue to provide a stable income and bank borrowings remain low even after the Burma Road and PML acquisitions. Accordingly, the Board has decided on an interim dividend of 35 cents per share which will be paid in late November or early December 2016.

On behalf of the Board I thank our Chief Executive Officer, Angelo Demasi, and his management team for all their diligence and dedication to APML and its stakeholders. It has been a busy and challenging year given the number of strategic projects which Management has had to deal with in addition to the usual function of running the Market and Group in a professional, transparent and conscientious manner. I also thank each member of the Board for their valued contribution.

Yours sincerely,



David Schirripa
Chairman



Perth Markets aerial view (Western Australia).



9-15 Burma Road, Pooraka, South Australia.

'The opportunity to make two strategic acquisitions arose during the year'



CHIEF EXECUTIVE OFFICER'S REPORT

Financial Results

The 2015-16 financial year has seen the APML Group significantly strengthen its balance sheet through favourable property valuations together with strategic share and property acquisitions, while maintaining profitability and returns to shareholders.

Property assets for the Group achieved a significant gain on revaluation in 2016 of \$9.07M, following on from the favourable valuation in the previous year (2015: \$9.99M). This was primarily due to the revision of capitalisation rates on the Market property and the positive impact of the finalisation of the new lease on the Auscold property.

In addition, land and buildings asset holdings were increased by approximately \$3.5M through the purchase of the property located at 9-15 Burma Road, Pooraka. The five buildings on the site add a further 5,046 sqm to the property portfolio, providing an additional \$260K in revenue annually. This acquisition also included the produce carton recycling business formerly known as Bill Caires Cases.

APML in conjunction with a horticulture industry-based consortium are pleased to announce the successful purchase of Perth's wholesale fruit and vegetable market, Market City. Investors include Brisbane Markets Limited (the owner and operator of Brisbane's wholesale produce market), fruit and vegetable growers, wholesalers and tenants of Market City. As at 30 June 2016 APML's shareholding in Perth Markets Limited (PML) equates to 9.59%.

APML worked tirelessly towards securing the Market City investment, recognising ownership of shares in another capital city's wholesale market, which is controlled by the industry, would be a perfect fit for our portfolio. The initial investment made by APML as at 30 June 2016 was \$5M.

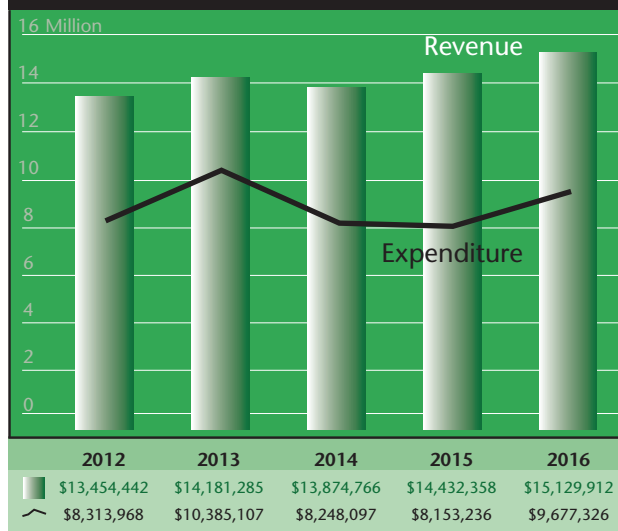
It is anticipated this acquisition will further unite the South Australian Produce Market, Brisbane Markets Limited and Perth Markets Limited by strengthening opportunities for export of fresh produce to Asia. This investment has also resulted in the APML Chairman being appointed as a non-executive Director on the PML Board.

Through these acquisitions and revaluations, Gross Assets for the Group have now grown to \$120M (2015: \$103M). With gearing maintained at a low 30%, the Net Asset backing has increased from \$11.30 in 2015 to \$12.30 per share in 2016, representing an 8.8% increase.

Reflective of this growth, 44,200 shares were traded in 2015/2016 at an average selling price of \$9.76 per share, compared to 15,580 shares traded at an average selling price of \$8.65 per share in 2014/2015.

Revenue for 2016 increased by \$0.7M to \$15.1M (2015: \$14.4M) with the growth attributed to the new business and property acquisitions undertaken in line with the Company's 2015-20 Strategic Plan. Short-term profitability has been impacted by the costs of establishing various new initiatives including, but not limited to, the new Burma Road property, recycling business and export venture, as well as the closure of the Pooraka Sunday Market operations. Accordingly, net profit after tax from continuing operations (excluding revaluation gain and income tax) for the 2016 year was \$5.45M, a decrease from \$6.28M in 2015. As many of these transactions only occurred late in the year, the full benefits of these acquisitions have not yet been realised.

Revenue & expenditure



Valuation

The Market site was valued at \$65.15M compared to \$62.07M in the previous year showing an increase of \$3.08M. The valuer opted for an 8.90% capitalisation rate compared to 9.45% in the 2014/2015 financial year.

The Groups land leased to Goodman was valued at \$26.7M compared to \$24.5M, in 2014/2015, an increase of \$2.2M. This was mainly due to a reduction in the capitalisation rate, moving from 6.5% in 2014/2015 to 5.97% in the 2015/2016 financial year. Knight Frank completed a market review of the land lease in November 2015 which resulted in an increase in rent by 3%.

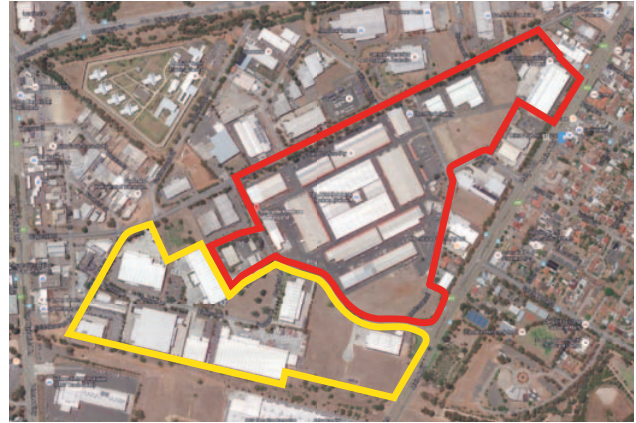
I am pleased to report that APML Management negotiated a five year extension for the cold store facility currently leased to Auscold Logistics Pty Ltd. This was reflected in the valuation with the capitalisation rate moving from 10.07% in 2014/2015 to 9.20% 2015/2016.

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

Valuation @ 30/6/15	\$96,865,000
Additions at cost	\$3,930,810
Revaluation increment	9,069,190
Movement in Valuation	13,000,000
Valuation @ 30/6/16	\$109,865,000

Leasing

APML has again maintained a 100% occupancy rate across store, warehouse and commercial facilities. As reported in 2014/2015, planning commenced this financial year in establishing tenancy requirements now and into the future. During the 2015/2016 financial year a tenancy survey was completed in establishing the short, medium and long term requirements prior to lease expiry in 2018. The Board established a Master Planning Committee comprising of Management, Architects (Detail Studio) and Traffic Engineers (HDS Australia) and chaired by Property and Strategy Consultant Kelvin Trimper. The results of the tenancy survey have been used in our Master Planning deliberations. Although further work will need to be completed, a preliminary plan has been included highlighting some of the key areas currently under investigation.



With the lease expiry profile of all market leases having a Weighted Average of 2.74 years, negotiations have commenced to ensure maximum tenant retention.

We welcome new tenant DSA Fresh Pty Ltd who has expanded and moved from the Growers Pavilion to lease a new store in building A.

The national trend of consolidation in the Wholesaling sector saw LaManna and Premier Fruits merge.

The Master Planning Committee is currently reviewing the configuration of the Growers Pavilion to determine the optimum floor space requirements for local growers, as well as potentially providing additional warehouse and cool chain facilities.



Property and Recycling business Acquisition

The acquisition of property located at 9-15 Burma Road included the purchase of an existing recycling business. The property and business was purchased at a total cost of \$3.60M.

The property added an additional 5,046sqm in lettable area and 1.4ha of land to our portfolio, bringing the gross lettable area within the Group from 57,924sqm to 62,970sqm.

This was a strategic acquisition as the land:

- *adjoins our existing property*
- *is tenanted by fruit and veg secondary wholesalers*
- *contains the recycling business which has direct connections to our operations*
- *provides flexibility to our overall Master Plan.*



On the acquisition of this business, safety and insurance audits were undertaken to ensure regulatory compliance. A number of non-conformances were identified from the Warehouse Safety Audit and Insurance Risk Assessment. Substantial costs were incurred by APML to meet legislative and statutory compliance. Further expenditure was incurred to bring the recycling operations to a professional standard with respect to building, fire, environmental, rubbish removal and stock write downs.

The site is now being Master Planned in order to obtain an optimum return in utilising the surplus land available. An operational review of the Recycling business will also be completed with the potential to move the recycling business to the Market site.

Asset Management / Capital Works

Minor building works were undertaken with the installation of a canopy extension on part of Building E. These works were completed within three weeks and delivered well ahead of schedule.

Other capital investments included a new and refurbished transformer. A new 1100 kVa Schneider transformer was installed, as well as refurbishing the original transformer at a cost of \$155K. With a three month lead time for a newly built transformer, these transformers will significantly reduce the down time should an existing transformer fail.



Building E - new works were completed.

Energy

Last year I reported that the costs of installing a solar system on site was cost prohibitive against the contracted energy rate used during the investigation. This was based on the preliminary advice received by consulting engineers, GHD in January 2015. At that time the installation of solar and battery storage would not provide the company with an adequate rate of return on its investments and therefore the solar project was deferred.

In December 2015 APML's contract with its energy provider expired. With this in mind APML researched alternative methods of purchasing electricity which could be beneficial to market tenants.

Meetings were held with industry specialists in the field of energy procurement and consultants, CQ Partners were engaged. As a result of receiving advice from CQ Partners and the industry briefings, the APML Board implemented the recommendation of purchasing energy directly from the Wholesale Spot Market.

July 2016 was our first month of purchasing on the spot market and saw spot pricing reach \$14,000 per kilowatt hour. Other events in South Australia (SA) throughout the month of July 2016 caught several large market participants off guard, with a number of retailers not having generation assets in SA, stepping out of the market.

South Australia electricity spot prices were influenced by a number of factors occurring simultaneously, namely:

- 1) AGL with the largest generation portfolio (Torrens Island) were setting the electricity price in SA most of the time.
- 2) Over 800MW of cheaper baseload generation was mothballed (Pelican Point & Northern Power Station) and not available to meet demand.
- 3) During periods of little or no wind generation, expensive gas fired generation plants were dispatched to meet demand.
- 4) AGL was short of gas and purchasing spot gas at a premium (over \$20/Gigajoule (GJ) instead of the average of \$6/GJ) - this pushed up the price of gas fired generation significantly.
- 5) The South Australian-Victorian interconnector upgrade, which should have been in place by late June 2016, was running behind schedule and as a result limited the ability for SA to import cheaper electricity from Victoria.

There will continue to be works undertaken on the South Australian-Victorian interconnector between now and March 2017, which will result in periods where interconnector flows are limited, although potentially to a lesser degree than experienced during July 2016.

Coming into late winter/spring, the demand for gas from heating will fall, reducing the price of spot gas. Pelican Point is now running throughout the interconnector upgrade and with milder weather. We envisage August and September 2016 resulting in flatter electricity spot prices in SA.

As most shareholders would have read in the media, the event that caused the entire state of SA to have no power for 10 hours to 3 days was a result of severe weather event. With an unstable electricity market in SA and the combination of the above events occurring along with the ongoing price volatility in SA, the Board recommended that the installation of a hybrid solar system would now be a viable proposition. Consultant engineers GHD were issued with a detailed brief that requires a solar photovoltaic (PV) installation system to provide power in order to avoid periods of high spot market pricing. In addition the system would also need to provide backup supply to APML's operations in the event of failure of the mains supply from SA Power Networks. Management has been working with the SA Treasurer and Minister for Energy office in reviewing all the options in order to provide an economical solution.

Other initiatives in order to save power have included a review of our lighting infrastructure. Lighting can account for up to 40 per cent of energy costs in commercial buildings.

Investing in the latest lighting technology can often provide a quick win, with short pay back periods from lower power consumption and reduced maintenance. As part of the Company's ongoing energy efficiency objective, sourcing and trialing of various LED lighting was undertaken ensuring the Company's strict criteria were met.

As the lights were installed under the Buyers Walkways where stock is displayed daily, the light omitted needed to meet and be consistent with what is known as the colour render index. This ensures that when the light is omitted, it does not distort the colours of produce displayed.

Further energy and operating reduction costs have been introduced with integrated lighting times which are programed in accordance with activities being conducted across the site on a day to day basis.

Market Fresh SA

Market Fresh SA, a joint and equal partnership with the SA Chamber of Fruit and Vegetables, continued to deliver the Market Industry's objective to increase the volume of produce sold through our market through the independent retail sector.

As reported in 2014/2015 following an independent review, a new revitalised campaign was established and implemented in 2015/2016 with a vastly increased investment in social media, Point-of Sale material and public relations in addition to print advertising. During the 2015/2016 financial year both organisations increased our contributions to Market Fresh SA from \$101k to \$160k. The additional funds went directly into the Pick a Local, Pick SA! marketing campaign in order to drive foot traffic into our local Independents by running a "win a chance to win \$1M" competition. The competition ran for just under 6 months with the final prize draw occurring at the market. Unfortunately the winner that got to choose from 500 punnets of strawberries didn't choose the one that had the \$1M prize. However they won a year's supply of fresh fruit and vegetables worth \$5,200.



Over 50 independent stores and 30 independent supermarkets signed up to the new Pick a Local, Pick SA! campaign which was launched at the Royal Adelaide Show in September 2015.



Promotional activities continued instore and Crunch Bunch activities also directly linked to the \$1M competition.

Market Fresh SA continued to provide promotional fee for service work during the 2015/2016 financial year along with production of the Wholesale Price Report to local and national customers.

After 5 years with the company, Marketing and Business Development Manager, Julian Carbone left Market Fresh SA. We wish him well with his new venture and would like to take the opportunity to thank him for his tireless effort in making the business what it is today.

After an extensive search we welcome Nadia Schutt as the new Marketing and Business Development Manager. Nadia comes with fifteen years' experience in brand management, advertising, marketing, communications and graphic design, both at strategic and operational levels. Nadia's extensive experience along with her drive for innovation and building long term business relationships will ensure the continued strategic development and implementation of our plan moving forward. We look forward to working closely with Nadia in the adoption and implementation of the Marketing Plan.



Nadia Schutt, Marketing
and Business Development
Manager of Market Fresh SA.



Fruit & Vegetable Export Development

As reported in 2014/2015, the APML Board and management have continued to develop the export plan which was approved in December 2015. The strategy deliberation identified that the Market needed to establish other opportunities for our Growers and traders to maintain market share and Market throughput. It is imperative that we continue to maintain the attraction for Growers to sell and send their premium produce to the wholesale export market. The export strategy focuses on this objective.

During the strategy deliberation it was identified that the business required expertise in export brand and markets development. The Board entered into a shareholder agreement with experienced exporter, the Purus Group who have been working with APML and the State Government on the China and Shandong strategy. The joint export company is named Australian Produce Collective (APC) and comprises four Directors, being APML Directors Tony Ceravolo and Danny De Ieso, Purus Group owner Craig Katz and myself. APML has an 85% interest in APC.



In a short period of 6 months, APC has established a solid framework to commence exporting in 2016/2017 including:

- establishing an Export business plan
- creation of the export business Australian Produce Collective
- creation of the export produce brand 'Fresh Please'
- established the back-end ordering accounting, sales and export office
- development of online business to business export platform for APC
- identification of key target markets and establishing supply channels
- visits to a number of countries, including Qatar, Dubai, Japan, China, Malaysia and Thailand
- primary focus on Dubai, Singapore, Malaysia, Thailand and Hong Kong
- commenced delivery of key export orders
- development branded packaging and cartons for export market
- temporary export facility established
- attended various State Government and trade missions
- attended joint industry international trade shows, eg FOODEX Japan, HOFEX and Asia Fruit Logistica
- APC have employed and trained an on-site accredited Authorised Officer (AO) for export orders
- signing a Memorandum of Understanding (MOU) with IM Holding as strategic partner in Singapore
- hosted delegations including international buyers in partnership with national vegetable grower group AUSVEG
- extensive public relations on a international, national and local level profiling the South Australian Produce Market and the export business, APC



Establishing a business like APC takes a lot of time and commitment, with a number of behind-the-scenes activities required to enable the vision to become a reality. While there have been some small wins in terms of shipments to new international clients, the significant progress that the team have made in the past six months will be realised and more visual in the next few months as most of the foundation work has now been completed and with processes and relationships in place.

We continue to have a strategic alliance with China and with the invitation from South Australian Premier Jay Wetherill and the Minister for Agriculture Leon Bignell, APML and APC representatives took part in the 30 year South Australia - Shandong Cooperation and Development Forum in China. This year, apart from celebrating the 30 year anniversary, the State Government funded myself, APC employee Janice Liu and Robyn Palmer from Palmer Produce, to conduct a food safety forum in Weifang, China.

Whilst China represents many opportunities as a result of the China-Australia Free Trade Agreement (ChAFTA), it also represents challenges with respect to export/import protocols. It was decided that we will keep in touch with this export market however concentrate on south east Asia and other non-protocol countries first.



Strategic Review

As reported last year the APML Board approved our new five year Strategic Plan. This was issued to Management who commenced its implementation with various business plans presented to the Board including a strategic review of the Pooraka Sunday Market. This highlighted the annually decreasing numbers of buyers and sellers, rising operational and safety costs and disruption to the Market's core activities. It was agreed to close the Pooraka Sunday Market on 20 March 2016.

Management have continued to work on other options in order to utilize the Market at times when the site is not operating.

The export plan, the purchase of the recycling business, property acquisition and investment in Perth Markets were pivotal cornerstones of the Company's corporate plan and has consumed most of Management's time outside the day to day running of the Market.

Development of the current surplus land has been a focal point of the Master Planning Committee as it is imperative that future needs and growth boundaries of the Market are fully understood before the land is developed. Currently the plan includes an export hub and food centre, including demonstration kitchen and other related food businesses.

As reported last year, the BDO management and structure review was implemented in 2015 with final changes occurring in the 2016 financial year. The realignment of duties and the deletion of the Property Management role and the introduction of a Property Administrator to assist the APML CEO in the Property management function left a gap in the Accounting function. Due to the number of new business units coupled with ensuring compliance of internal controls, a qualified Accountant was also employed. This allowed the Accounts Payable and Receivable functions to become part-time 0.6 FTE.

A diagram of the company's management and business structure is included in this annual report on page 18.

These changes will also allow the company to further streamline and automate processes.

The role out of the new brand, South Australia Produce Market was completed with the final step to change the company name from Adelaide Produce Markets Limited to South Australian Produce Market Limited included in the Agenda for this year's Annual General Meeting.

Future Outlook

We will continue to deliver on the 2015-2020 Strategic plan ensuring our brand values are upheld.

The economic conditions in South Australia, with high energy costs and low consumer sentiment will make for another challenging year. We have commenced transforming our business model now and into the future.

We will continue to look for opportunities outside South Australia whilst capitalising and consolidating our current property portfolio. The master planning of all our current sites will be integral to consolidating our operations including recycling, export, unloading, pallet management and pooling.

It is imperative that we continue to be innovative like our founders in 1988 becoming the first privatised market in Australia.

We will continue to explore innovative ways of streamlining our businesses including the introduction of automation and ecommerce, and cannot ignore digital disruption.

I would like to take this opportunity to welcome some of our new team members and thank them and existing members for what has been another challenging year. I look forward in working together in further improving our business at the Market now and into the future.

Angelo Demasi

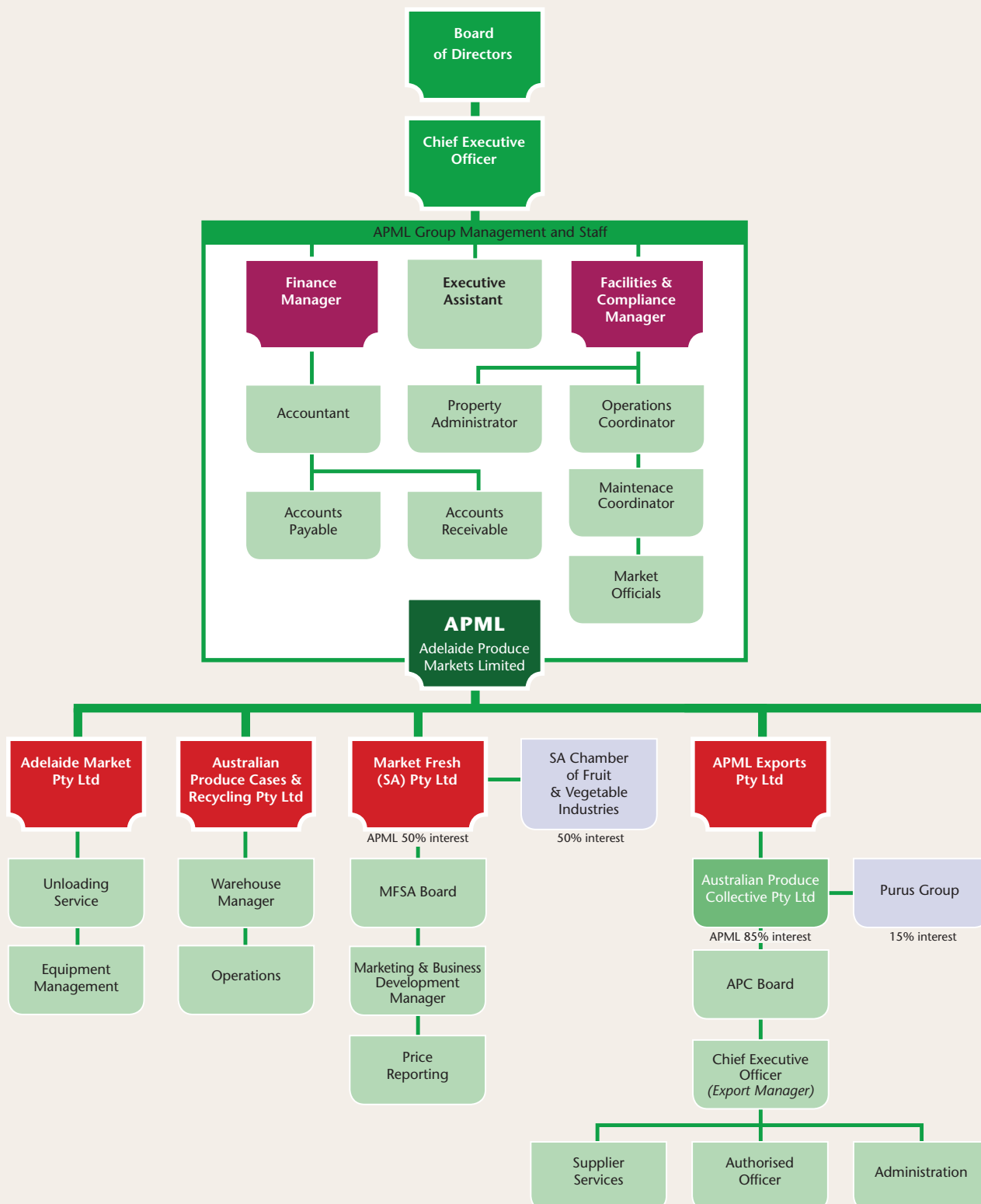
Chief Executive Officer







ORGANISATIONAL STRUCTURE



Board of Directors



David Schirripa
(Chairman)



Nicola Minicozzi (Nic)
(Deputy Chairman)



Pasquale Scalzi OAM
(Pat)



Daniele De Ieso
(Danny)



Antonio Ceravolo
(Tony)



Michael Ruggiero



Derrick Patterson



James Fragnito



Christine Scalzi



Secretary
Angelo Demasi

Land holding entities

APML No 1
Pty Ltd

APML No 2
Pty Ltd

9 Burma Road
Pooraka Pty Ltd

5101 Commerce
Crescent Pty Ltd

5102 Commerce
Crescent Pty Ltd

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 2016.

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
- Mr Daniele De Ieso
- Mr Antonio Ceravolo
- Mr Michael Ruggiero
- Ms Christine Scalzi
- Mr Girolamo Fragnito
- Mr Derrick Patterson

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, the provision of market related services and related property investments. 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 2016 financial year are as follows:

- Fully franked interim dividend of 40 cents per share (for the year ended 30 June 2016) paid in December 2015, as declared by the Directors: \$2,309,824.
- Fully franked final dividend of 35 cents per share (for the year ended 30 June 2016) paid in May 2016, as declared by the Directors: \$2,021,096.

Operating Result: Summary

	<i>Consolidated Group</i>	
	<i>2016</i>	<i>2015</i>
	<i>\$</i>	<i>\$</i>
Consolidated profit before income tax	14,521,776	16,270,869
Revaluation (loss)/gain included in consolidated profit	9,069,190	9,991,747
Consolidated profit before income tax, excluding the revaluation gain /(loss)	5,452,586	6,279,122
Current income tax payable	1,518,897	1,568,367
Consolidated profit after income tax excluding revaluation gain/(loss)	3,933,689	4,710,755

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

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
 - APML Director from November 2004 to November 2007 including period as Deputy Chairman
 - Director - Schirripa Evans Lawyers, a private client and family business commercial law practice
 - Director - Schirripa Orchards Pty Ltd
 - Director - Perth Markets Limited (as a representative of APML and it's shareholding in the company).
- Total director fees received in 2016 from Perth Markets Limited was \$5,776.

Registered interest in shares and options: 273,623

Attendance: Meetings of Directors 1 July 2015 to 30 June 2016 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 12
Number attended - 12

Committee Meetings

Number eligible to attend - 3
Number attended - 3

Committees presided on:

Audit, Corporate Governance and Finance Committee



Mr Nicola Minicozzi (Nic)

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 2015 to 30 June 2016 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 12
Number attended - 11

Committee Meetings

Number eligible to attend - 3
Number attended - 3

Committees presided on:

Audit, Corporate Governance and Finance Committee



Mr Pasquale Scalzi, OAM (Pat)

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: 823,199

Attendance: Meetings of Directors 1 July 2015 to 30 June 2016 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 12
Number attended - 11



Mr Daniele Rafaele De Ieso (Danny) *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
- Director - Ausveg SA

Registered interest in shares and options: 1,400

Attendance: Meetings of Directors 1 July 2015 to 30 June 2016 (for the Consolidated Group)

Board Meetings

Number eligible to attend -12
Number attended -12



Mr Girolamo Fragnito (James) *Director*

Experience

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

Registered interest in shares and options: 37,500

Attendance: Meetings of Directors 1 July 2015 to 30 June 2016 (for the Consolidated Group)

Board Meetings

Number eligible to attend - 12
Number attended - 12



Ms Christine Scalzi *Director*

Experience

- Director - 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 2015 to 30 June 2016 (for the Consolidated Group)

Board Meetings:

Number eligible to attend - 12
Number attended - 11



Antonio Ceravolo (Tony)

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:

- 34 years of orchard experience
- 34 years of experience in wholesale of fruit and vegetables

Registered interest in shares and options: 98,500

Attendance: Meetings of Directors 1 July 2015 to 30 June 2016 (for the Consolidated Group)

Board Meetings:

Number eligible to attend - 12
Number attended - 12



Derrick Patterson

Director

Experience

- 40 years of experience in fresh fruit and vegetable Retailing
- Former Chairman - 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 2015 to 30 June 2016 (for the Consolidated Group)

Board Meetings:

Number eligible to attend - 12
Number attended - 12

Committee Meetings:

Number eligible to attend - 3
Number attended - 1

Committees presided on:

Audit, Corporate Governance & Finance Committee



Michael Ruggiero

Director

Qualifications

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

Experience:

- 29 years of 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 2015 to 30 June 2016 (for the Consolidated Group)

Board Meetings:

Number eligible to attend - 12
Number attended - 12

Committee Meetings:

Number eligible to attend - 3
Number attended - 2

Committees presided on:

Audit, Corporate Governance & Finance Committee

Remuneration Report

The Consolidated Group's policy for determining the nature and amount of emoluments of Directors and the Chief Executive Officer 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 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 2016 are as follows:

Name	Title	Directors' Fee	Committee Fees	Salary	Retirement and Superannuation Contributions	Total Emoluments
		\$	\$	\$	\$	\$
Mr D Schirripa	Chairman of Directors	51,923	-	-	4,933	56,856
Mr N Minicozzi	Deputy Chairman	43,538	1,500	-	3,946	48,984
Mr P Scalzi	Director	31,153	-	-	2,960	34,113
Mr D De Ieso	Director	31,153	500	-	2,960	34,613
Mr A Ceravolo	Director	31,153	-	-	2,960	34,113
Mr M Ruggiero	Director	31,153	1,000	-	2,960	35,113
Ms C Scalzi	Director	31,153	-	-	2,960	34,113
Mr G Fragnito	Director	31,153	-	-	2,960	34,113
Mr D Patterson	Director	31,153	500	-	2,960	34,613
Total - Directors		313,532	3,500	-	29,599	346,631
Mr A Demasi	Chief Executive Officer (Non Director) & Company Secretary	-	-	184,898	18,339	203,237
		-	-	184,898	18,339	203,237

There were no retirement benefits paid by the Consolidated Group to its Directors, CEO or other employees.

There were no emoluments paid by any subsidiaries.

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 of which the Director is a member or an entity in which the Director has a substantial financial interest.

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.

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 2016.

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 27th day of September 2016.



Grant Thornton

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Adelaide Produce Markets Ltd for the year ended 30 June 2016, 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

A handwritten signature in blue ink, appearing to read 'J L Humphrey'.

J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 September 2016

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 2016

		<i>Consolidated</i>		<i>Parent</i>	
	<i>Note</i>	2016	2015	2016	2015
		\$	\$	\$	\$
Revenue	2	15,129,912	14,432,358	11,538,441	11,710,023
Investment property revaluation gain		9,069,190	9,991,747	6,606,174	11,391,747
Employee benefits expense		(2,120,430)	(1,792,573)	(1,343,299)	(1,496,344)
Depreciation expense	3	(234,749)	(142,008)	(213,527)	(124,087)
Finance costs	3	(898,851)	(888,870)	(747,534)	(833,174)
Other expenses	3	(6,423,296)	(5,329,785)	(3,936,674)	(3,908,078)
Profit before income tax		14,521,776	16,270,869	11,903,581	16,740,087
Income tax expense	4	(4,540,122)	(4,922,183)	(3,576,674)	(5,062,947)
Profit after income tax		9,981,654	11,348,686	8,326,907	11,677,140
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		9,981,654	11,348,686	8,326,907	11,677,140
Attributable to:					
Owners of the parent		10,058,163	11,348,686	8,326,907	11,677,140
Non-controlling interest	32	(76,509)	-	-	-
		9,981,654	11,348,686	8,326,907	11,677,140

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2016

		<i>Consolidated</i>		<i>Parent</i>	
	<i>Note</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
CURRENT ASSETS					
Cash and cash equivalents	6	2,776,772	3,993,582	1,667,335	3,315,369
Trade and other receivables	7	445,257	487,828	225,216	303,224
Other current assets	8	422,143	413,998	348,400	368,666
TOTAL CURRENT ASSETS		3,644,172	4,895,408	2,240,951	3,987,259
NON-CURRENT ASSETS					
Trade and other receivables	7	59,942	59,942	13,300,678	9,653,270
Investment properties	9	109,865,000	96,865,000	94,315,000	87,565,000
Plant and equipment	10	1,418,994	1,351,308	1,348,605	1,285,666
Financial assets	28	5,275,000	-	5,275,002	2
TOTAL NON-CURRENT ASSETS		116,618,936	98,276,250	114,239,285	98,503,938
TOTAL ASSETS		120,263,108	103,171,658	116,480,236	102,491,197
CURRENT LIABILITIES					
Trade and other payables	11	2,078,555	1,845,702	1,697,132	2,019,308
Short-term borrowings	12	5,671	5,062	5,671	5,062
Current tax liabilities	14	652,105	831,649	495,149	660,241
Short-term provisions	13	368,990	325,182	353,675	317,083
TOTAL CURRENT LIABILITIES		3,105,321	3,007,595	2,551,627	3,001,694
NON-CURRENT LIABILITIES					
Long-term borrowings	12	30,462,741	22,237,981	30,462,741	22,237,981
Long-term provisions	13	35,136	31,511	35,136	31,511
Deferred tax liabilities	14	15,641,992	12,620,767	15,522,581	13,307,847
TOTAL NON-CURRENT LIABILITIES		46,139,869	34,890,259	46,020,458	35,577,339
TOTAL LIABILITIES		49,245,190	37,897,854	48,572,085	38,579,033
NET ASSETS		71,017,918	65,273,804	67,908,151	63,912,164
EQUITY					
Issued capital	15	5,774,560	5,774,560	5,774,560	5,774,560
Reserves	31	392,750	392,750	392,750	392,750
Non-controlling interest	32	16,871	-	-	-
Retained earnings		64,833,737	59,106,494	61,740,841	57,744,854
TOTAL EQUITY		71,017,918	65,273,804	67,908,151	63,912,164

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	<i>Note</i>	<i>Issued capital \$</i>	<i>Retained earnings \$</i>	<i>Non-controlling interests</i>	<i>Share premium reserve \$</i>	<i>Total \$</i>
CONSOLIDATED						
Balance as at 1 July 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
Contributions by minority owners		-	-	93,380	-	93,380
Profit for the year		-	10,058,163	(76,509)	-	9,981,654
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	10,058,163	16,871	-	10,075,034
Transactions with owners						
Dividends paid or provided for	5	-	(4,330,920)	-	-	(4,330,920)
Total transactions with owners		-	(4,330,920)	-	-	(4,330,920)
Balance as at 30 June 2016		5,774,560	64,833,737	16,871	392,750	71,017,918

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Issued capital \$	Retained earnings \$	Non-controlling interests	Share premium reserve \$	Total \$
PARENT						
Balance as at 1 July 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
Profit for the year		-	8,326,907	-	-	8,326,907
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	8,326,907	-	-	8,326,907
Transactions with owners						
Dividends paid or provided for	5	-	(4,330,920)	-	-	(4,330,920)
Total transactions with owners		-	(4,330,920)	-	-	(4,330,920)
Balance as at 30 June 2016		5,774,560	61,740,841	-	392,750	67,908,151

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	<i>Note</i>	<i>Consolidated</i>		<i>Parent</i>	
		2016	2015	2016	2015
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		15,126,384	14,337,039	11,570,652	11,719,330
Payments to suppliers and employees		(8,267,585)	(6,558,927)	(5,541,666)	(4,763,884)
Interest received		46,099	58,340	45,797	138,318
Borrowing costs		(898,851)	(888,870)	(747,534)	(833,174)
Income tax (paid)/ received		(1,698,441)	(1,476,343)	(1,527,032)	(1,384,208)
NET CASH PROVIDED BY OPERATING ACTIVITIES	18	4,307,606	5,471,239	3,800,217	4,876,382
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for investments		(5,275,000)	-	(5,275,000)	-
Contribution from non-controlling interest		93,380	-	-	-
Proceeds from sale of property, plant and equipment		66,292	-	-	-
Payments for property plant and equipment		(4,303,537)	(543,231)	(420,292)	(474,723)
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES		(9,418,865)	(543,231)	(5,695,292)	(474,723)
CASH FLOWS FROM FINANCING ACTIVITIES					
(Repayment)/Proceeds from borrowings		8,225,369	(1,812)	8,225,369	(1,812)
(Repayment)/Proceeds from borrowings - related party		-	-	(3,647,408)	187,515
Dividends paid		(4,330,920)	(3,464,736)	(4,330,920)	(3,464,736)
NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES		3,894,449	(3,466,548)	247,041	(3,279,033)
Net increase(decrease) in cash held		(1,216,810)	1,461,460	(1,648,034)	1,122,626
Cash at the beginning of financial year		3,993,582	2,532,122	3,315,369	2,192,743
Cash at end of financial year	6	2,776,772	3,993,582	1,667,335	3,315,369

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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 2016 (including comparatives) were approved and authorised for issue by the Board of Directors.

New accounting standards and interpretations not yet adopted

The accounting standards that have not been early adopted for the year ended 30 June 2016 but will be applicable to the Group in future reporting periods are detailed below. Apart from these standards, we have considered other accounting standards that will be applicable in future periods but are considered insignificant to the Group.

<i>Standard / Interpretation</i>	<i>Effective Date</i>
AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2014-1 Amendments to Australian Accounting Standards (Part E- Financial Instruments), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014).	01-Jan-18
AASB 16 'Leases'	01-Jan-19
AASB 2014-4 'Amendments to Australian Accounting Standards-Clarification of Acceptable Methods of Depreciation and Amortisation'	01-Jan-16
AASB 2015-1 'Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	01-Jan-16
AASB 2015-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101'	01-Jan-16
AASB 2016-1 'Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses'	01-Jan-17
AASB 2016-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107'	01-Jan-17
We do not expect these accounting standards will have any material impact on our financial results upon adoption.	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

New and amended standards adopted by the company

The Group has adopted the following revisions and amendments to AASBs issued by the Australian Accounting Standards Board and IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 July 2015:

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations;
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation;
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle;
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101;
- AASB 1057 Application of Australian Accounting Standards;
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010); and
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

Management has reviewed the requirements of the above standards and has concluded that there was no effect on the classification or presentation of balances.

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 2016. 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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued***(b) Investments in joint ventures** *continued*

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.

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 2016. All buildings assets were valued at market value in accordance with AASB 140.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(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 2016 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 for investment purposes.

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
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) 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.

Liabilities 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.

(j) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued***(k) 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.

(l) 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.

(m) Comparative Figures

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

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(n) Goods and Services Tax (GST) *continued*

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.

(o) Critical Accounting Estimates and Judgements

The preparation of the Adelaide Produce Markets 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 impaired in respect of goodwill and was 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 2016.

(p) 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.

(q) 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'.

(r) 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(e) 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.

(s) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 - REVENUE

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Rental Revenue:				
Rents and recoveries	15,083,813	14,373,427	11,227,043	11,250,512
Other Revenue:				
Insurance recoveries	-	591	-	591
Interest received	46,099	58,340	45,797	138,318
Interest recoveries	-	-	265,601	320,602
	<u>15,129,912</u>	<u>14,432,358</u>	<u>11,538,441</u>	<u>11,710,023</u>

NOTE 3 - EXPENSES

Expenses				
Finance costs	898,851	888,870	747,534	833,174
Depreciation of property, plant and equipment	234,749	142,008	213,527	124,087
Remuneration of auditor:				
Audit	27,000	23,000	27,000	23,000
There have been no non-audit services during the year.				
Other expenses				
Accounting and legal expenses	291,437	170,658	252,725	170,658
Bad debts	5,899	25,228	5,880	25,229
Cleaning	229,705	204,661	220,249	199,031
Cost of sales - produce sales	29,292	-	-	-
Cost of sales - recycling	129,142	-	-	-
Director fees	321,257	289,835	321,257	289,835
Emergency services levy	111,770	101,490	38,744	34,692
Equipment hire	130,300	110,884	60,189	76,380
Insurance expense	382,782	385,002	314,771	343,755
Land tax	734,066	695,681	436,441	447,195
Loss on sale of plant and equipment	4,000	(13,622)	-	(13,622)
Market Fresh contribution	239,362	133,295	239,362	133,295
Motor vehicle expenses	63,031	48,742	19,001	28,010
Other	820,861	413,554	477,197	379,432
Impairment of Sunday Market	-	120,000	-	120,000
Professional fees	279,419	257,817	274,537	254,614
Rates and taxes	779,630	750,462	228,593	231,617
Rent expense	352,028	345,843	352,028	365,987
Repairs and maintenance	585,957	397,699	415,331	334,825
Security	172,480	140,044	167,497	139,888
Subcontractor expenses	452,750	455,220	-	245,909
Water rates	308,128	297,292	112,872	101,348
	<u>6,423,296</u>	<u>5,329,785</u>	<u>3,936,674</u>	<u>3,908,078</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 4 - INCOME TAX EXPENSE

	<i>Consolidated</i>		<i>Parent</i>	
	2016	2015	2016	2015
	\$	\$	\$	\$
The components of Tax Expense comprise:				
Current tax	1,518,897	1,568,367	1,361,941	1,396,959
Deferred tax	3,021,225	3,353,816	2,214,733	3,665,988
	<u>4,540,122</u>	<u>4,922,183</u>	<u>3,576,674</u>	<u>5,062,947</u>
<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% (2015: 30%)	4,356,533	4,881,261	3,571,074	5,022,026
<i>Add: Tax Effect of:</i>				
- provision for holiday pay	(5,183)	11,054	(7,348)	8,624
- provision for long service leave	3,588	8,135	3,588	8,135
- non-controlling interest	22,953	-	-	-
- other non-allowable items	318,877	119,552	117,534	145,824
<i>Less: Tax Effect of:</i>				
- revaluation gain	(2,720,757)	(2,997,524)	(1,981,852)	(3,417,524)
- allowable deduction for bitumen works	(363,925)	(355,100)	(253,709)	(268,237)
- other allowable items	(93,189)	(99,011)	(87,346)	(101,889)
	<u>1,518,897</u>	<u>1,568,367</u>	<u>1,361,941</u>	<u>1,396,959</u>

NOTE 5 - DIVIDENDS

Final Distribution Paid	2,021,096	1,732,368	2,021,096	1,732,368
Interim Distribution Paid	2,309,824	1,732,368	2,309,824	1,732,368
Franking Account	<u>779,587</u>	<u>937,252</u>	<u>779,587</u>	<u>937,252</u>

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash on hand	900	900	900	900
Cash at bank	2,775,872	3,992,682	1,666,435	3,314,469
	<u>2,776,772</u>	<u>3,993,582</u>	<u>1,667,335</u>	<u>3,315,369</u>

Reconciliation of Cash

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:

Cash and cash equivalents	<u>2,776,772</u>	<u>3,993,582</u>	<u>1,667,335</u>	<u>3,315,369</u>
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A security interest over cash and cash equivalents has been provided for certain debt. Refer to Note 12 - Borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 7 - TRADE AND OTHER RECEIVABLES

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
CURRENT				
Trade debtors	388,413	478,651	172,680	294,047
Provision for impairment	-	-	-	-
	388,413	478,651	172,680	294,047
Other debtors	56,844	9,177	52,536	9,177
	445,257	487,828	225,216	303,224
NON-CURRENT				
Trade debtors	59,942	59,942	59,942	59,942
Loan - Subsidiaries	-	-	13,240,736	9,593,328
	59,942	59,942	13,300,678	9,653,270

All of the Group's trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be 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>\$</i>	<i>\$</i>	<i><30</i>	<i>31-60</i>	<i>61-90</i>	<i>90+ days</i>	<i>\$</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
2016							
Consolidated Group							
Trade Receivables	388,413	-	68,040	51,663	79,718	29,794	159,198
Parent Entity							
Trade Receivables	172,680	-	(11,567)	27,841	20,246	4,757	131,403
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

NOTE 8 - OTHER CURRENT ASSETS

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
CURRENT				
Prepaid commercial bill interest	-	70,098	-	62,217
Prepayments - other	422,143	343,900	348,400	306,449
	422,143	413,998	348,400	368,666

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 9 - INVESTMENT PROPERTIES

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
Investment Properties:				
Land	51,565,000	47,115,000	44,265,000	42,016,000
Buildings	58,300,000	49,750,000	50,050,000	45,550,000
Total Investment Properties	109,865,000	96,865,000	94,315,000	87,565,000

Movements in carrying amounts

Movements in the carrying amounts for investment properties is as follows:

Consolidated Group**Balances at 1 July 2014**

Additions - at cost

Revaluation increment

Carrying amounts at 30 June 2015**Balances at 1 July 2015**

Additions - at cost

Revaluation increment

Carrying amounts at 30 June 2016*Investment Properties*

\$

86,550,000

323,253

9,991,747

96,865,000

96,865,000

3,930,810

9,069,190

109,865,000

Investment Properties

\$

75,850,000

323,253

11,391,747

87,565,000

87,565,000

143,826

6,606,174

94,315,000

Investment properties are leased out on operating leases. Rental income amounts to \$5,219,130 (2015: \$5,121,092) included in revenue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 10 - PLANT AND EQUIPMENT

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Plant, Equipment and Vehicles				
Plant, equipment & vehicles - at cost	3,944,441	3,642,006	2,813,559	2,537,093
Less: accumulated depreciation	(2,525,447)	(2,290,698)	(1,464,954)	(1,251,427)
Total plant, equipment and vehicles	1,418,994	1,351,308	1,348,605	1,285,666
Total Plant and Equipment	1,418,994	1,351,308	1,348,605	1,285,666

Movements in carrying amounts

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

Consolidated Group**Balances at 1 July 2014**

Additions - at cost

Disposals - carrying value

Depreciation expense

Carrying amounts at 30 June 2015**Balances at 1 July 2015**

Additions - at cost

Disposals - carrying value

Depreciation expense

Carrying amounts at 30 June 2016*Plant and Equipment**\$*

1,351,308

142,008

-

(142,008)

1,351,308

1,351,308

369,268

(66,833)

(234,749)

1,418,994

*Plant and Equipment**\$*

1,244,662

165,091

-

(124,087)

1,285,666

1,285,666

276,466

-

(213,527)

1,348,605

Parent Entity**Balances at 1 July 2014**

Additions - at cost

Disposals - carrying value

Depreciation expense

Carrying amounts at 30 June 2015**Balances at 1 July 2015**

Additions - at cost

Disposals - carrying value

Depreciation expense

Carrying amounts at 30 June 2016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11 - TRADE AND OTHER PAYABLES

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
Current Unsecured Liabilities:				
Trade payables	455,765	422,124	426,252	183,989
Sundry payables and accruals	1,622,790	1,423,578	1,270,880	1,835,319
	<u>2,078,555</u>	<u>1,845,702</u>	<u>1,697,132</u>	<u>2,019,308</u>

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 12 - BORROWINGS

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
CURRENT				
Finance lease liability	5,671	5,062	5,671	5,062
NON-CURRENT				
Bank bills secured	30,451,692	22,221,261	30,451,692	22,221,261
Finance lease liability	11,049	16,720	11,049	16,720
	<u>30,462,741</u>	<u>22,237,981</u>	<u>30,462,741</u>	<u>22,237,981</u>

The bank bills are secured by:

- a guarantee unlimited as to the amount (\$4,500,000) by APML No. Two Pty Ltd
- registered equitable mortgage by Adelaide Produce Markets Limited over the whole of its assets and undertakings including uncalled capital.
- a first registered mortgage over the APML No. One Pty Ltd property located at Diagonal Road, Pooraka SA.
- a first registered mortgage over the Adelaide Produce Markets Limited property located at Market Lane, Pooraka SA.
- a first registered mortgage over the Adelaide Produce Markets Limited vacant land property located at Commerce Crescent, Pooraka SA.

The covenants for the above bank loans relate to interest cover. All required covenants have been met by the Company.

The finance lease liability is secured by a motor vehicle.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 13 - PROVISIONS

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
CURRENT				
Provision for dividends	54,890	2,142	54,890	2,142
Employee benefits	314,100	323,040	298,785	314,941
	368,990	325,182	353,675	317,083
NON-CURRENT				
Employee benefits	35,136	31,511	35,136	31,511

NOTE 14 - TAX

CURRENT				
Income Tax	652,105	831,649	495,149	660,241
NON-CURRENT				
Deferred Tax Liabilities	15,641,992	12,620,767	15,522,581	13,307,847

NOTE 15 - ISSUED CAPITAL

5,774,560 (2015: 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>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		\$	\$	\$	\$
Total borrowings	12	30,468,412	22,243,043	30,468,412	22,243,043
Trade and other payables	11	2,078,555	1,845,702	1,697,132	2,019,308
Less cash and cash equivalents	6	(2,776,772)	(3,993,582)	(1,667,335)	(3,315,369)
Net debt		29,770,195	20,095,163	30,498,209	20,946,982
Total equity		71,017,918	65,273,804	67,908,151	63,912,164
Total capital		100,788,113	85,368,967	98,406,360	84,859,146
Gearing Ratio		30%	24%	31%	25%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 16 - CAPITAL COMMITMENTS

There are no capital commitments at reporting date (2015: Nil).

NOTE 17 - CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets recorded by the Company as at the date of this report (2015: Nil).

NOTE 18 - CASH FLOW INFORMATION

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Reconciliation of cash flows from operations with profit after income tax:				
Profit after income tax	9,981,654	11,348,686	8,326,907	11,677,140
Non-cash flows in profit				
- evaluation gain	(9,069,190)	(9,991,747)	(6,606,174)	(11,391,747)
- depreciation	234,749	142,008	213,527	124,087
- impairment expense	-	120,000	-	120,000
- (gain)/ loss on sale of asset	4,000	(13,621)	-	(13,621)
Changes in assets and liabilities:				
- (increase)/decrease in trade receivables	42,571	(36,979)	78,008	147,625
- (increase)/decrease in other current assets	(8,145)	42,177	20,266	19,920
- increase/(decrease) in trade payables	232,853	414,345	(322,176)	521,808
- increase/(decrease) in tax liability	2,841,681	3,445,840	2,049,642	3,678,739
- increase/(decrease) in provisions	47,433	530	40,217	(7,569)
	<u>4,307,606</u>	<u>5,471,239</u>	<u>3,800,217</u>	<u>4,876,382</u>
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	30,532,000	22,740,000	30,532,000	22,740,000
Credit facility utilised	(30,451,692)	(22,221,261)	(30,451,692)	(22,221,261)
Unused credit facility	<u>80,308</u>	<u>518,739</u>	<u>80,308</u>	<u>518,739</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 19 - LEASE COMMITMENTS

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
(a) Operating Lease Commitments				
Not later than 1 year	62,990	321,521	62,990	321,521
Later than 1 year but not later than 5 years	104,983	167,973	104,983	167,973
	<u>167,973</u>	<u>489,494</u>	<u>167,973</u>	<u>489,494</u>

The building rental lease for the Pooraka Fruit and Vegetable has not been renewed as of the date of this financial report. There is one other lease entered into with the Commonwealth Bank for electricity meter rentals ending February 2019. Annual rental payments are \$62,990.

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
(b) Finance lease commitments				
Not later than 1 year	6,153	6,768	6,153	6,768
Later than 1 year but not later than 5 years	11,075	16,613	11,075	16,613
Minimum lease payments	17,228	23,381	17,228	23,381
Less future finance charges	(508)	(1,599)	(508)	(1,599)
Present value of minimum lease payments	<u>16,720</u>	<u>21,782</u>	<u>16,720</u>	<u>21,782</u>

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

NOTE 20 - 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>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,776,772	3,993,582	1,667,335	3,315,369
Trade and other receivables- current	445,257	487,828	225,216	303,224
Trade and other receivables- non-current	59,942	59,942	13,300,678	9,653,270
Financial assets	5,275,000	-	5,275,002	2
	<u>8,556,971</u>	<u>4,541,352</u>	<u>20,468,231</u>	<u>13,271,865</u>
Financial liabilities				
Market rate loans	30,451,692	22,221,261	30,451,692	22,221,261
Finance leases	16,720	21,782	16,720	21,782
Trade and other payables	2,078,555	1,845,702	1,697,132	2,019,308
	<u>32,546,967</u>	<u>24,088,745</u>	<u>32,165,544</u>	<u>24,262,351</u>

Interest Rate Risk

The Group's policy is to minimise interest rate cash flow risk exposures on market rate loans. The interest rates are variable. The following table illustrates the sensitivity of profit and equity to a 1% change in interest rates.

<i>Year ended 30 June 2016</i>	<i>\$</i>
+/- 1% in interest rates	305,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20: FINANCIAL RISK MANAGEMENT *continued***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 market rate loans as well as cash inflows and outflows due in day-to-day business. The timing of cash outflows is presented below:

	<i>Within 6 months</i>	<i>6-12 months</i>	<i>1-5 years</i>	<i>Greater than 5 years</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Consolidated group 2016					
Financial assets					
Trade and other receivables- current	445,257	-	-	-	445,257
Trade and other receivables- non-current	-	-	59,942	-	59,942
Total financial assets	445,257	-	59,942	-	505,199
Financial liabilities					
Trade and other payables	2,078,555	-	-	-	2,078,555
Borrowings- lease liability	2,759	2,912	11,049	-	16,720
Borrowings- bank loans	-	-	30,451,692	-	30,451,692
Total financial liabilities	2,081,314	2,912	30,462,741	-	32,546,967
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 loans	-	-	22,221,261	-	22,221,261
Total financial liabilities	1,848,156	2,608	22,237,981	-	24,088,745

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20: FINANCIAL RISK MANAGEMENT *continued*

	<i>Within 6 months</i>	<i>6-12 months</i>	<i>1-5 years</i>	<i>Greater than 5 years</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Parent entity 2016					
Financial assets					
Trade and other receivables - current	225,216	-	-	-	225,216
Trade and other receivables - non-current	-	-	13,300,678	-	13,300,678
Total financial assets	225,216	-	13,300,678	-	13,525,894
Financial liabilities					
Trade and other payables	1,697,132	-	-	-	1,697,132
Borrowings - lease liability	2,759	2,912	11,049	-	16,720
Borrowings - bank loans	-	-	30,451,692	-	30,451,692
Total financial liabilities	1,699,891	2,912	30,462,741	-	32,165,544
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 loans	-	-	22,221,261	-	22,221,261
Total financial liabilities	2,021,762	2,608	22,237,981	-	24,262,351

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 21 - 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>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
Short term employee benefits				
Salaries & Directors fees	501,930	471,511	501,930	471,511
Other - salary sacrifice	-	-	-	-
	501,930	471,511	501,930	471,511
Post-employment benefits				
Superannuation Contributions	47,938	44,993	47,938	44,993
	47,938	44,993	47,938	44,993
Total Remuneration	549,868	516,504	549,868	516,504

NOTE 22 - 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 23 - 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>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	No.	No.	No.	No.
Adelaide Produce Market Ltd - Ordinary Shares	1,492,422	1,274,399	1,492,422	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>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
Schirripa Evans Lawyers	199,467	136,623	199,467	136,623
Griffin Lawyers	-	3,901	-	3,901
Bentleys	32,101	31,245	32,101	31,245
Minicozzi Solicitors	-	972	-	972
	231,568	172,741	231,568	172,741

There was nil outstanding to Schirripa Evans Lawyers (2015: \$13,559) and \$1,843 to Bentleys (2015: \$3,135) at 30 June 2016.

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. Fees paid to Director related law and accounting firms are charged at normal commercial rates. Detailed timesheets are provided to the Board and Directors whose firms provide professional services do not participate in the approval for payment of any fees paid to their respective firms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 23 - 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>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	\$	\$	\$	\$
P & E Scalzi Services Pty Ltd	232,276	230,849	232,276	230,849
Paseva Pty Ltd ATF P & E Scalzi Superannuation Fund	135,333	124,858	135,333	124,858
Thorndon Park Produce Co Pty Ltd	5,226	5,531	5,226	5,531
R Ceravolo & Co Pty Ltd	217,891	204,713	217,891	204,713
Pooraka Fruit & Vegetable Supply	41,680	30,264	41,680	30,264
	<u>632,406</u>	<u>599,455</u>	<u>632,406</u>	<u>599,455</u>
The outstanding balances at the reporting date were as follows:				
P & E Scalzi Services Pty Ltd	6,244	6,670	6,244	6,670
Paseva Pty Ltd ATF P & E Scalzi Superannuation Fund	5,130	3,623	5,130	3,623
Thorndon Park Produce Co Pty Ltd	-	180	-	180
R Ceravolo & Co Pty Ltd	1,138	665	1,138	665
Pooraka Fruit & Vegetable Supply	(13,022)	874	(13,022)	874
	<u>(510)</u>	<u>12,072</u>	<u>(510)</u>	<u>12,072</u>
Lease payments to Pooraka Fruit and Vegetable Supply	352,028	345,843	352,028	345,843
Amounts outstanding at reporting date	-	-	-	-

Transactions with Joint Ventures

During 2016, Adelaide Produce Markets provided contribution to Market Fresh of \$185,200 (2015: \$100,799).

At reporting date there is \$Nil receivable by Market Fresh from Adelaide Produce Markets (2015: receivable \$5,958).

NOTE 24 - 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 25 - EVENTS AFTER THE REPORTING DATE

There are no events subsequent to 30 June 2016 that would have a material effect on the 2016 Financial Report (2015: Nil).

NOTE 26 - 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 STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 27 - CONTROLLED ENTITIES

<i>Controlled Entities</i>	<i>Country of Incorporation</i>	<i>Percentage owned</i>	
		<i>2016</i>	<i>2015</i>
APML No. One Pty Ltd	Australia	100%	100%
APML No. Two Pty Ltd	Australia	100%	100%
5101 Commerce Crescent Pty Ltd	Australia	100%	100%
5102 Commerce Crescent Pty Ltd	Australia	100%	100%
APML Exports Pty Ltd	Australia	100%	100%
Adelaide Market Pty Ltd	Australia	100%	100%
9 Burma Road Pooraka Pty Ltd	Australia	100%	-
Australian Produce Cases and Recycling Pty Ltd	Australia	100%	-
Australian Produce Collective Pty Ltd	Australia	85%	-

Controlled Entities Acquired

During the year the Parent Entity registered a new company named 9 Burma Road Pooraka Pty Ltd to acquire property consisting of land and a building from Eriac Pty Ltd. Total cash consideration for the property was \$3,350,000. In a separate purchase agreement, the Parent Entity acquired the business assets of Eriac Pty Ltd for total cash consideration of \$150,000, which was entirely allocated to property, plant, and equipment. All other assets and liabilities had nominal value.

Also during the year, APML Exports Pty Ltd registered a new company with Purus Group Pty Ltd named Australian Produce Collective Pty Ltd. Total capital contributions made during the year was \$506,623 representing an 85% interest in the company.

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 28 - OTHER FINANCIAL ASSETS

	<i>Consolidated</i>		<i>Parent</i>	
	<i>2016</i> \$	<i>2015</i> \$	<i>2016</i> \$	<i>2015</i> \$
Non-Current				
Unlisted Investments - at cost				
- Shares in Controlled Entities	-	-	2	2
- Shares in Perth Markets Pty Ltd (non-controlling interest)	5,275,000	-	5,275,000	-
	5,275,000	-	5,275,002	2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 29 - 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.

	Percentage owned	
	2016	2015
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 is in a deficit position at 30 June 2016 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 30 - CHANGES IN ACCOUNTING POLICY

There were no changes in accounting policy for the year ended 30 June 2016.

NOTE 31 - RESERVES

Reserves represent share premiums.

NOTE 32 - NON-CONTROLLING INTEREST

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Balance at the beginning of the year	-	-	-	-
Contributions from minority interest	93,380	-	-	-
Share of profit (loss) for the year	(76,509)	-	-	-
Balance at the end of the year	16,871	-	-	-

During the year the Group acquired 85% of Australian Produce Collective Pty Ltd. The movement in the noncontrolling interest represents 15% of the company's net assets.

NOTE 33 - COMPANY DETAILS

The registered office of the Consolidated Group is:

Burma Road
Pooraka SA 5095

The principal place of business of the Consolidated Group is:

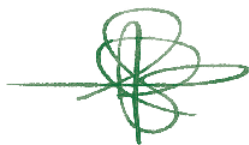
Burma Road
Pooraka SA 5095

DIRECTORS' DECLARATION

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 21 to 55, 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 2016 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
27th day of September 2016.*

INDEPENDENT AUDITOR'S REPORT



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

We have audited the accompanying financial report of Adelaide Produce Markets Ltd (the Company), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 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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INDEPENDENT AUDITOR'S REPORT



Grant Thornton

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 Ltd is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its 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.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 September 2016

Chairman

David Schirripa

Deputy Chairman

Nicola Minicozzi (Nic)

Secretary

Angelo Demasi

Registered Office

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