I ♥ FRUIT & VEG

ADELAIDE™
PRODUCE
MARKET

2010 Annual Report

CONTENTS

CHAIRMAN'S REPORT

Dear Shareholder,

It is with great pleasure I am able to report to you that your Company has had, once again, a solid year of trading and performance.

From my perspective, I can report that the Board and the APML Management Team has performed with a degree of excellence and satisfaction, yet we all seek to improve.

You will see from the CEO's report, which I wholly endorse, that your Company has been profitably steered, in a clear, conservative, and careful manner.

Your Board is ever mindful of the need to embrace change where warranted and plan for the future needs of your Company. Your Board is also ever mindful of the influence of change, but will only negotiate change that is considered beneficial to the Market, shareholders, and other stakeholders.

To assist the Board in these areas, we not only call upon outside expertise where required, but we also engage in workshops, cross-communications and consultations in various ways with shareholders and stakeholders. Fortunately, your Board also has a membership make-up with wide areas of experience and expertise, which is drawn upon.

Where major physical structural changes are being contemplated, the Board carefully weighs up the investment having regard to the specific need for change, the cost, the impact, the acceptance, the consequence and the return on outlay i.e. the knock-on effect.

In this regard change may be talked about, and considered for sometime before the plans become a reality. This may test the patience of some "to do or not to do", but any change involving great significance relative to the Company, even when the vision is clear, must of its nature make haste slowly.

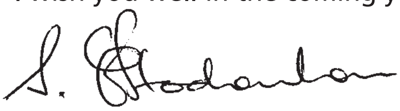
But there is benefit in this: when the Market knows what's in the air, the Market can ready itself for change. Some Market tenants and customers have already taken the initiative towards anticipated change. The question is will the rest be ready to change. Remember, our world is constantly changing, e.g. technology, banking, transport, occupational health and safety issues, HACCP, AQIS, Fair Work Act, climate change, power costs, and soon to be a carbon tax of some kind to name a few changes.

Your Board's job is to preserve and enhance your asset and be in line with and ahead of change.

I would like to thank all staff assisting with the operation and management of your Company; and I also take this opportunity to thank fellow members of the Board for their commitment and sharing their skills and experience with your Company.

Your CEO's report reflects on these issues.

I wish you well in the coming year.



Sam Christodoulou
Chairman of Directors
POORAKA, this 27th day of October 2010

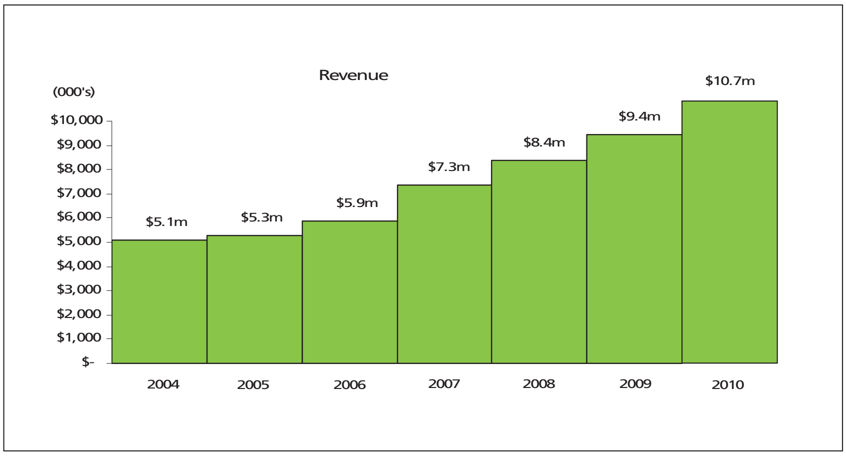
"Despite a tough trading year in the Horticultural sector, APML has continued to improve its financial position"

FINANCIAL PERFORMANCE MILESTONES

Following an outstanding result in 2009, we are pleased to report another favourable year for the Adelaide Produce Markets Limited group of companies for the 2010 financial year.

	30 June 10	30 June 09	Variance %
Total Assets ($m)	83.3	80.6	3.3
Net Borrowings ($m)	16.1	18.1	-11.1
Gearing (%)	23.7	26.9	-11.9
Net Asset Backing ($)	8.98	8.53	5.2
Net Profit before income tax ($m)	6.41	6.47	-0.09
Earnings per Share before Income Tax ($)	1.11	1.12	-0.09
Dividend Distribution per Share ($)	0.40	0.40	0.00

Revenues (excluding revaluation gains on property) have further increased to $10.7M, an increase of 13.8% over 2009.



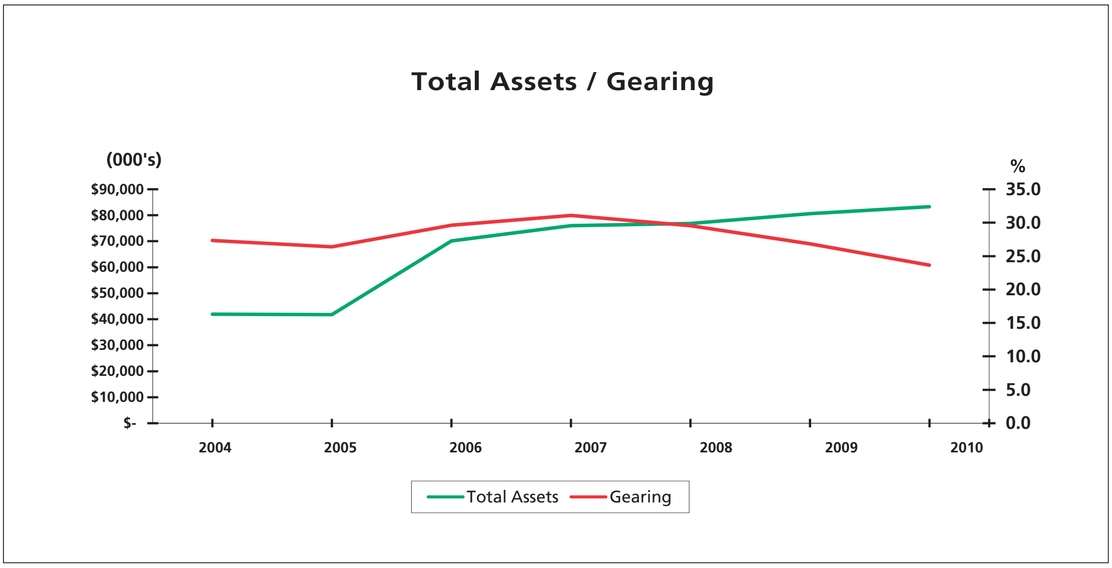
Consolidated net profit before income tax (excluding revaluation gain and deferred taxes) has likewise improved, increasing by 4.39% to $4.4M.

	30 June 10	30 June 09	Variance %
Profit before income tax	6,414,520	6,471,408	-0.88
Less revaluation Gain	1,955,473	2,200,000	-11.11
Profit excluding revaluation Gain	4,459,047	4,271,408	4.39

Dividend and available cash

The APML Board has decided to maintain the Dividend this financial year at 40 cents fully franked despite the surplus cash of $4.9M. The payout ratio of 66.5% of net profit after tax (excluding revaluation gain and deferred taxes) continues to be well above listed property trusts. With uncertainty in bank lending and margins on new borrowings well above the companies 0.50% margin coupled with the required $3.5M expected capital infrastructure projects in the coming 2010/11 financial year, it was prudent to preserve cash under these circumstances.

Gearing continues to reduce from a modest 26.9% in 2009 to 23.7% in 2010. The Finance Committee has been vigilant during the 2010 year, monitoring the long term rates and fixing rates where opportunities presented.



Capital Works

During 2010 year APML spent $296k on capital equipment including major items such as further upgrading of the CCTV system ($114,500), two solar powered variable message sign boards ($54,450), a golf cart for security patrols ($13,350) and the "Crunch Bunch" character costumes ($33,610). All these expenditure items took advantage of the once off economic stimulus 30% tax rebate.

As noted in the 2009 Annual Report, APML's medium and longer term capital expenditure requirements will increase due to the aging of the facility. Commitments were made in the 2010 financial year for work to commence in early September 2010 on re-profiling and maintenance of the pavement and curbing of the entire site at a cost of $2M.

A further $1.5M will be spent in 2010/11 on new warehousing and car parking with the extension of Building N, increasing warehouse space by an additional 1400sq m. At the time of writing this report further fire upgrades to the site's fire system are being investigated in order to bring the site to the current BSA standard.

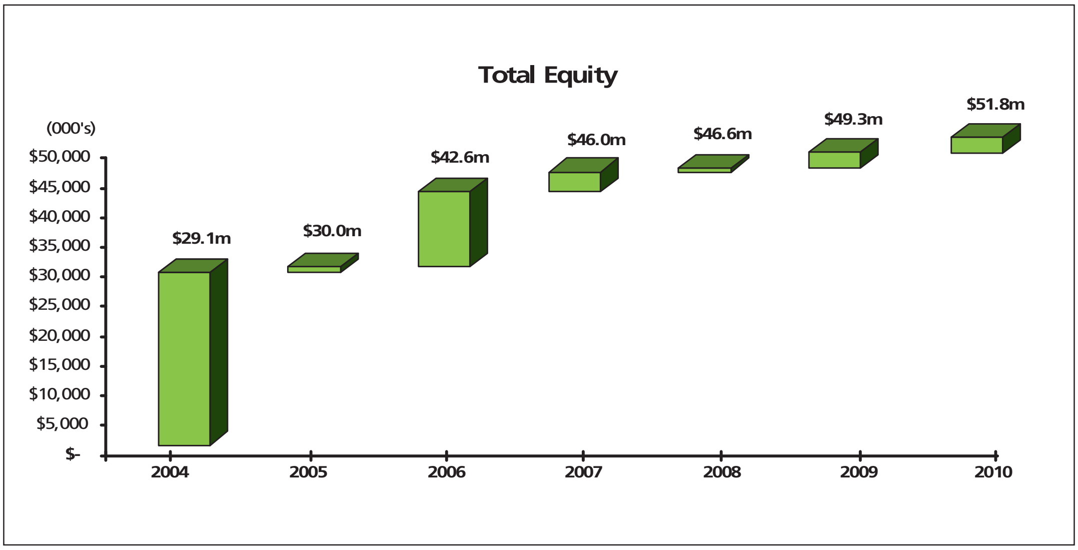
With these major capital requirements, the board has preserved cash and maintained last year's dividend payment in order to fund some of these commitments from cash reserves.

Net Asset Backing and Equity

The net asset backing of the shares has further strengthened by 45 cents per share to $8.98.

The introduction of the ability for eligible shareholders to hold shares in self managed superannuation funds, has increased the number of shares traded for the year from nil in 2008/09 to 32,912 shares, with an average sell price of $8.91 per share. A further 22,900 shares were transferred under probate, with shareholders maintaining their interest in the company.

The changes to the company's Constitution regarding Foundation members and Superannuation funds passed at the 2009 AGM have significantly reduced the number of unclassified shareholders from 1,643,513 in the 2008/09 financial year to 595,300 in the current year. 1,048,213 shares may now be voted in their respective original classifications.



Valuation Opinion and Asset Segment

Market Site

In the opinion of the independent valuers and based on their research, market yields have remained relatively static in the past 12 months in the order of 8% - 10% for property of our nature.
Given the nature of the market operation and the evidence of upward rental reviews, the valuers have retained the capitalisation rate at 10% and therefore the Market precinct valuation remained at $44M.

Land Leased to Goodman

In the case of the land lease to Goodman, again the research indicates that market yields in this sector remained relatively static in the last twelve months.
Given the nature of this lease, the valuers were comfortable maintaining the capitalisation rate in the range of 7%-7.5% (opting for the 7% rate).

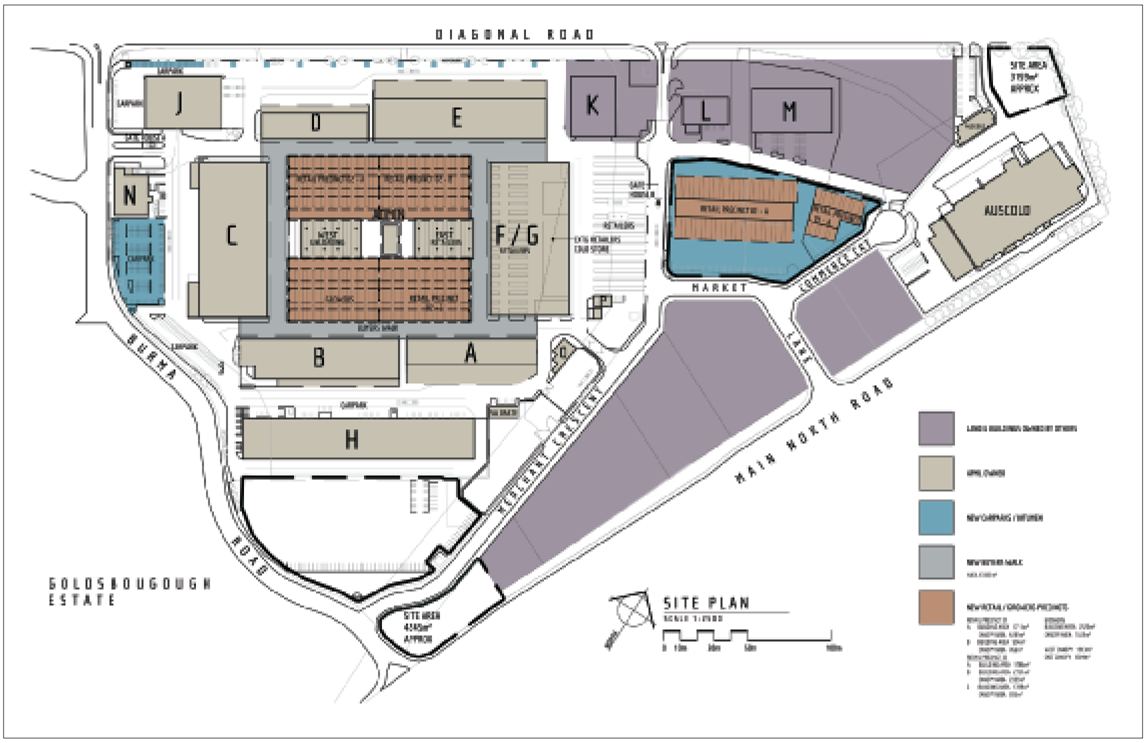
This has resulted in a valuation of $18.875M, compared to $18M in 2009.

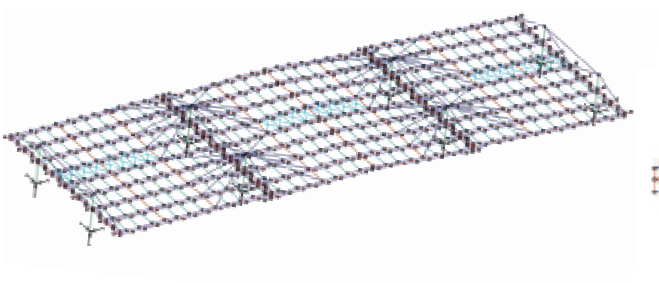
Cold Storage Facility

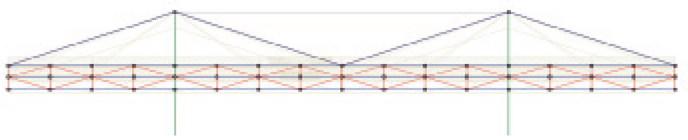
The cold store facility currently leased to Auscold Logistics Pty Ltd was valued using a yield of 8%, compared to the yield of 8.5% used in 2009/10.The overall yields in the market place remained relatively static in the past twelve months, to now be in the order of 8% - 9%. The commercial market has also remained relatively slow, with demand remaining subdued. Since the last valuation, the development of the nearby bulky goods precinct has been completed. This should bring further exposure and prominence to this area. The cold store facility has been valued at $13.6M, compared to the 2008/09 value of $12.4M.

Master Planning Committee

The Master Planning committee met on five occasions during the year, in addition to the deliberations of the full Board on addressing the aging Market facility. Further to last year's report, the committee agreed to proceed with the bitumen replacement and maintenance program as disclosed in note 12 of these accounts. This work will be carried out in a staged process, with works to all roads behind stores and warehouses to commence in early September 2010 at a value of $1.25M, including a maintenance program for failed areas within the market's central trading area.







At the time of writing this report, the Board has committed to covering the Market subject to a final financial feasibility report to be completed for Board consideration, and to the market hours changing to a later market. Submissions received from Wholesalers and Growers support the concept of a later Market and agree that new infrastructure is required to achieve this.

A further $671k will be committed once a decision is made relating to the construction of canopies for the market square.

It is imperative to establish the infrastructure required to continue to operate the Market as a relevant part of the supply chain. The Master Planning committee has worked closely with APML architects and engineers to address planning and development issues relating to the construction of canopies within the market square. Special consideration has been investigated in relation to fire requirements for the development due to the size of the proposed enclosure. APML has worked closely with its consultants and the MFS to minimize the requirement for fire sprinklers. The MFS has agreed in principle the proposed design as shown on the previous page, will not require sprinklers, saving the company in excess of $1.5M. Cost estimates completed by Rider Levett Bucknall (quantity surveyors) costed the project at $8.4M.

Corporate Plan/Business Plan Milestones

The second year of the company's five-year Corporate Plan was completed with major milestones being met in all areas of the plan. Some of the major achievements are included in the 2010 Highlights within this report. In addition to these, some major items include the finalisation of the Master planning concepts, continued monitoring of Corporate Governance policies, increasing the warehouse footprint with the signing of an agreement to lease with La Manna Bananas Adelaide Pty Ltd on a fourteen hundred sq m warehouse. Part of the Corporate Plan was to consider opportunities to value add to the current Market activities. In the past twelve months, Adelaide Produce Markets Limited has conducted a complete review of the Market site, including the logistics of the site, its amenities and the services currently offered to Market Users.

With the infrastructure expenditure required in keeping the current site up to date in the coming years, it was imperative APML investigates opportunities to increase shareholder value, without putting further burden onto market users especially in the current economic climate.

APML has listened to key industry stakeholders as well as individual users and considered what the Market could or should offer to ensure not just the survival of the Market but, continued growth which will benefit all parties.

One of the major findings of the review was the need for the Market to do more for key stakeholders than simply offer a facility and collect the rent.

The review also revealed Supply Chain management to be industry's major focus with three main concerns or threats to profitable business operations identified:

1. Cold Chain Solutions – to provide the freshest and best
2. Unloading Services – must be cost efficient and reliable
3. Pallet Management – costs are a major risk factor

For these reasons,the Board endorsed that Adelaide Produce Markets start a new unloading service in the 2011 financial year. This separate business unit will endeavour to address industry issues and ensure shareholders receive benefit from the new business venture.

Finance Committee

The Finance Committee met on five occasions during the year to manage the current expiring loans. The committee erred on the side of caution, taking advantage of favourable fixed rates to further extend the fixed bills due to the uncertainty of interest rates. A comprehensive long term cash flow forecast was also considered in order to manage and maintain long term capital requirements whilst managing debt reduction.

The Committee was also busy with various meetings to discuss and manage the debt of Auscold Logistics Pty Ltd, the current tenant of the large cold storage facility within APML No One.

Auscold Logistics Pty Ltd entered into a Deed of Arrangement with APML No One which applied a second charge over the current business, providing for payment of arrears of $363,226 within a specified timeframe.

At the time of writing this report, the debt stood at $242,887, including interest charged to the tenant, as per the terms of the lease.

Audit Committee

The Audit Committee met on one occasion throughout the year to discuss various matters including reviewing the annual and half-year audits and to ensure maintenance of accounting integrity.

The half year audit was conducted in February 2010 whereafter the Committee convened to recommend the approval of the accounts to the Board.

Executive Remuneration Committee

The Executive Remuneration Committee met on two occasions to undertake an overall assessment of all executive staff remunerations, including reviewing the overall performance and terms and conditions of contracts offered to key Executives and ensure all contracts were inline with the new Federal Fair Work Act.

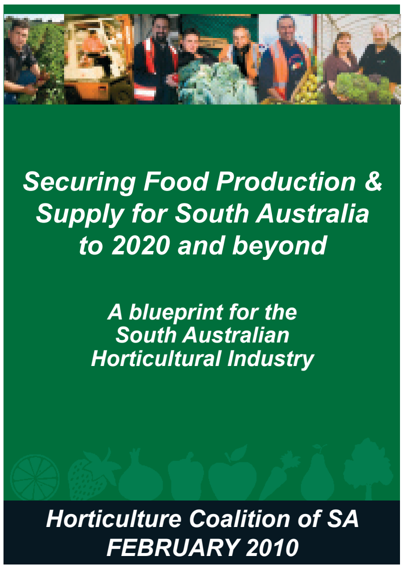
Company Constitution Committee

Further to the new Constitution approved by shareholders at the 2009 AGM, the entire board conducted a one day workshop to review options for new Company structures. After various options were discussed, it was decided that the current structure should remain. The conclusion was that the current 5 year Corporate Plan included enough efficiencies between the Board's corporate requirements and the operational issues. The current Company structure adequately accommodated the corporate functions of the Board vs. the operational issues of the Market.

A review of the current Corporate Plan and its ability to deal with the separation of the corporate and operational issues will be conducted in the coming years to reassess the effectiveness of the current structure.

As reported in 2009, the company discovered during a compliance review by its new lawyers, Thomsons, that certain ASIC forms disclosing its various share classes and formal notices to shareholders in relation to the creation of the Unclassified class in 2004 and the extension of voting rights for holders of those shares in 2008, had not been attended to. The Company has consistently conducted Annual General Meetings (and its affairs generally) on the basis that it has various classes of shares and shareholders have exercised their voting rights on that basis. However, in order to rectify the formal ASIC record, the Company has applied to the Federal Court for various corrective orders which it will ask be made at a hearing to be held in October 2010.

Government and Public Relations



Following from last year's visit from the South Australian Premier and Leader of the Opposition, local Federal MP Tony Zappia and the Federal Minister for Agriculture Tony Burke visited the Market during the lead up to this year's Federal Election. The Minister also met with state industry groups in APML's board room to discuss the emerging issues of food security.

During the State election APML and all major industry groups formed a Coalition for SA Horticulture and debated in the media and with both sides of politics the major issues impeding growth for our industry. Perceived issues impeding market growth include the spiraling cost of land tax and electricity, infrastructure issues, planning laws which allow urban growth to overtake food growing land, food security, food labeling, water allocation plans and workforce development. Both sides of politics supported the Coalition's issues paper

Management is working closely with State and Federal Government on environmental issues, looking at recycling within the market with Zero Waste and the opportunities with regards to solar power. Unfortunately, there has been no success to date with the land tax issue, however APML will continue to work with the Property Council and directly lobby Government on the current and future cost of land tax for our market site.

Structures

As reported in 2009, the Company established a new reporting structure to minimise the Board's time on operational issues and separate marketing and corporate issues. A more detailed report of these business units are shown on the 2010 highlights.

In summary, the following activities have occurred in the different business units.

Asset Management / Corporate

The Asset Management Department has been busy reviewing the Company's rules and the continued administration of the Company's two hundred plus leases. This department also includes the Facilities Management business unit which has been working tirelessly to further improve and streamline the operations of the market. A full review was conducted of all subcontracts and operational staff, with a new structure finalised to be implemented in July 2010. Considerable time was spent in working with APML's consultants to ensure the site remained compliant with regards to lighting, fire and BSA standards. A comprehensive Audit was conducted on the site's fire requirements in conjunction with the Company's engineers and MFS. The recommendations of the Audit are currently being costed and works tendered in the coming financial year. The Facilities Management team also arranged for a complete audit of the lighting across the site and upgrades to the site's lighting is currently being scoped for tendering.

Due to continued changes in OH&S requirements for the site, operational personnel have been up-skilled in various areas including fire, OH&S and security training. Due to the amount of traffic management required on the site, for the first time all operational personnel have received training in this area.

Market Services

The Market Services Department has continued to develop strategies which include the Burst of Freshness brand. The strategy was endorsed to be rolled out in the 2011 financial year with the industry endorsing the concept which has many levels as explained in the 2010 highlights.

We welcome new corporate sponsors Ezifone and Terry Howe Printing Services which have come on board to assist in the funding of the new marketing initiative and we continue to explore partnerships with industry organisations.

A full presentation of the concept has been given to the South Australian Fruit and Vegetable Retailers Association and APML are currently in discussions with the South Australian Produce Credit Services on funding arrangements.

APML Board

The APML board has concentrated on strategic and policy direction since the introduction of the new reporting structure. In 2010 the main focus of the Board was to deliberate on the findings of the Master Planning committee, and provide input to the direction of infrastructure requirements for the long term prosperity of the Market.

A review of the Market Rules has provided management with policy direction on rule changes. Endorsement of sub committee's recommendations was streamlined, ensuring the Board spent more time on strategic and macro issues. The board reports were further enhanced to ensure Board members continued to be informed and updated on progress on all aspects of the Company. As the Governance policy did not change in 2010 from the one established by the Board in 2009, the Board continued to ensure adherence to the Company's governance policy.

APML Staff

We welcome the new Finance Manager, Bob Mitchard, to the team. Mr Mitchard has an extensive background in Finance and Audit and has already completed a process review of all parts of the administration and operations services area of our business. With the process review being completed, a recommendation on process flow was put to the finance committee, endorsed and implemented. The process flow has also introduced an important document to further enhance the selection of a more integrated accounting system. The 2011 financial year will focus on further enhancing the current Accounting system to introduce a property module and integrating it with the access control system.

APML employees have worked tirelessly during difficult economic times to deliver the 2010 financial result. We congratulate and thank all our employees for their ongoing loyalty, dedication and professionalism.

Conclusion

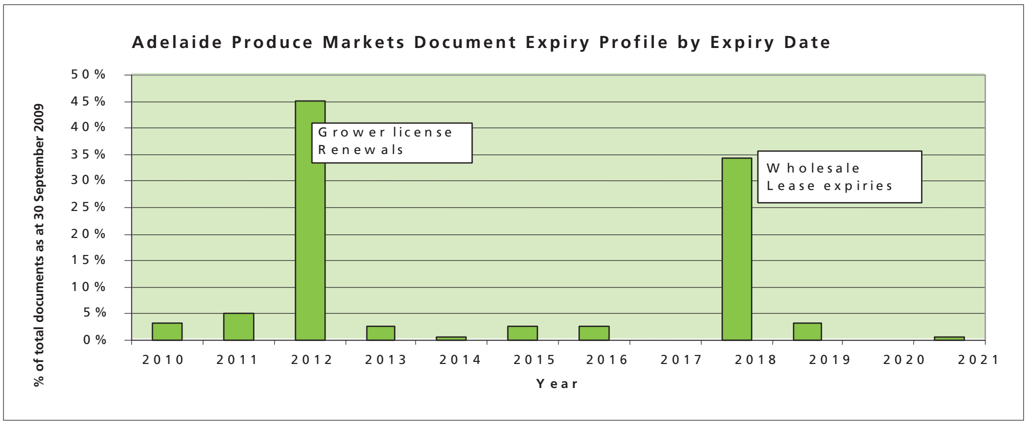
The 2011 financial year will be another challenging year with the continued cloud over the global economic climate. We look forward to the challenge and believe we have the team to deliver further growth for our shareholders.

Angelo Demasi
Chief Executive Officer
Adelaide Produce Markets Limited
POORAKA, this 27th day of October 2010

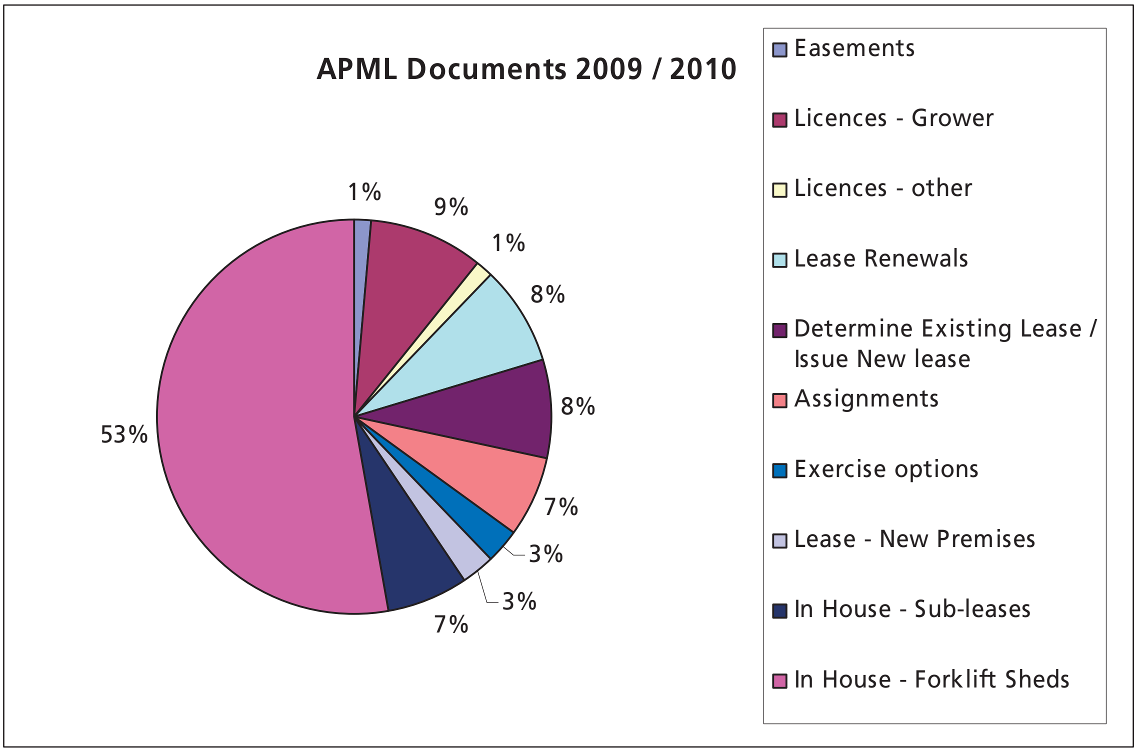
ASSET MANAGEMENT

Document Profile – Lease and Licence Agreements

With less than 10% of Lease and Licence Agreements expiring in 2009/2010, document movement has been mainly in the areas of Transfers, Assignments, some Renewals and preparation of in-house documents. APML now produces several standard documents in-house, including the new Forklift Shed lease and APML Standard Sub-lease documents, reducing costs to tenants.



Where documents expired, APML offered the new APML Standard document to ensure parity across the Market.



Sub-Leasing

The Board of APML has taken a strong stance on unofficial sub-leasing arrangements. The standard lease document provides that sub-leasing can only occur with the approval of the Landlord and that approval may be given or withheld in the absolute discretion of the Landlord.

The Board has endorsed a Sub-Leasing risk matrix for consideration of requests.

In 2009/2010 five requests to sub-lease were approved and documented with the new APML Standard Sub-lease document, prepared in-house by the APML Property Manager.

Forklift Sheds

The leases for the forklift sheds expired in September 2009.

These leases were the result of agreements reached some five years earlier, with rentals based on the cost of construction of the sheds amortised over the lease term. Shifting rental values in the marketplace meant this rental was significantly lower than market.

APML took the opportunity of offering monthly agreements to allow greater flexibility for the users. Agreements are prepared in-house from a standard template, with no document preparation fees.

Capped at 10%, the increased return to APML of $23,400pa represents an increase of some $234K in the value of the asset.

Grower Licences

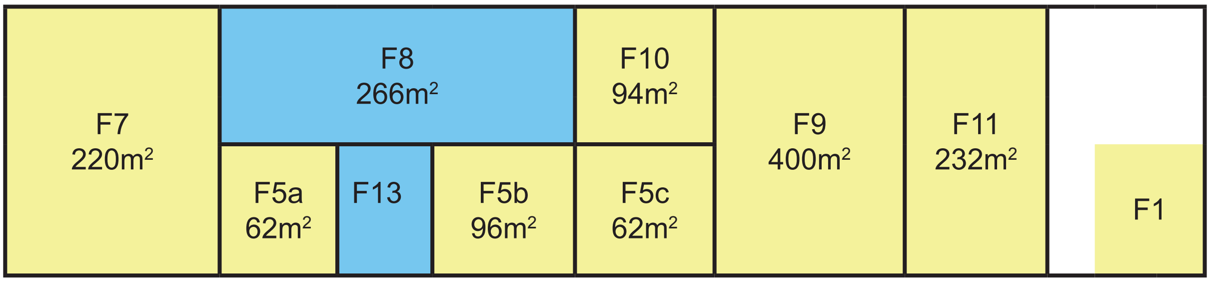
Grower numbers remained constant at 75 occupied stands throughout the 2009/2010 year. Whereas two Growers exercised the right of early termination contained in the Licence agreement, the introduction of two new Growers kept the number stable.

Warehouse F – sub-division of existing Premises

The expiry of the lease for premises F8 in the Growers Pavilion provided APML with an opportunity to sub-divide the premises and create two tenancies (F8 and F13) returning higher rates per square meter.

Originally premises F8 were "L" shaped and occupied some 330m², returning $93m² net.

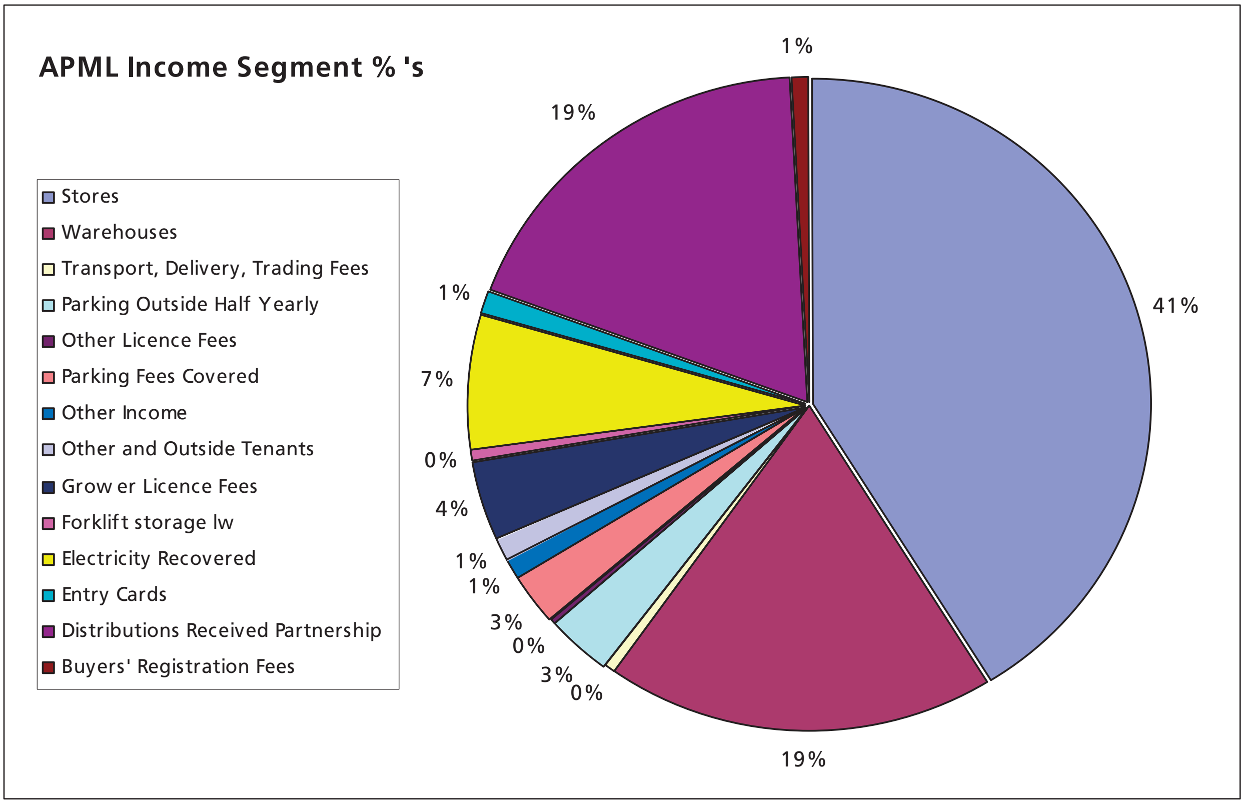
The premises were subdivided into two regularly shaped tenancies of some 266m² (F8) and 62m² (F13) returning $132m² net.



Rental from Leased Premises

	Approx Area m²	$pa	%	$pm²
MERCHANTS (STORES)	23,235	2,698,361	40%	116
MARKET TENANTS (WAREHOUSES)	14,563	1,221,841	18%	84
OTHER TENANTS	1,291	208,118	3%	161
GROWERS	1,512	262,972	4%	174
APML No One	8,618	1,084,990	16%	126
APML No Two (Land lease)	178,000	1,321,042	19%	7
Total:	227,219	6,797,324	100%	

The Merchants (stores) continue to account for the majority of APML's income (41%) with income from the Warehouses and APML No Two partnership accounting for around 20% each.



Land Holdings

Size approx:	Hectares	Total Area m²	Developed Area m²	Area m² remaining for future development	
Adelaide Produce Markets	20.224	202,240	163,514	38,726	10%
APML No One	2.69	26,900	23,325	3,575	1%
APML No Two (Land lease)	17.8	178,000	178,000	0	0%
	40.714	407,140	364,839	42,301	10.4%

Review of the Adelaide Produce Markets Operating Articles and Market Rules (the Rules)

Following a period of consultation with Market User groups, APML introduced the Operating Articles and Market Rules (the Rules) in October 2007.

In May 2010, the Board commenced a full review of the Rules, retaining Mr Bernard O'Brien QC to ensure the Rules are fair and equitable and fully reflect APML's requirements for the running of a safe and efficient site.

Market Hours

The issue of the trading Hours of the Market is contentious. Changes to the way we do business, the importance of maintaining an un-broken cool chain and the increasing cost of labour all contribute to the conclusion that the Market must move towards later trading hours.

The Board advocated for decisions on Market hours to be based on negotiated solutions rather than strength of numbers.

Following discussion of submissions from various Industry groups representing Growers, Wholesalers, Buyers, Providores and other stakeholders, in September 2009 the Board resolved to introduce amended Market Operating Hours commencing 1st May 2010 as an interim measure, on the clear understanding the Board will, having regard to all relevant matters including costs, work towards covering the facility as soon as reasonably practicable and also embark upon the development of a precinct of Warehousing for Buyers (to be known as a 'Buyers Precinct').

In July 2010, following consideration of concerns raised by various Market patrons, the Board resolved to amend the Monday delivery times and the Wednesday access times set out in the interim Market Operating Hours

The current operating hours of the Market:

INTERIM MARKET HOURS COMMENCING 12 July 2010						
	DELIVERIES TO BUYERS WITH WAREHOUSES *(inside the Market)*	**UNLOADING IN THE MARKET SQUARE**	**BUYER ENTRY TIME**	**SAFETY BUFFER**	**BUYING TIME STARTS**	**EXIT TIME**
	Commences 1 hr prior to Buying Time *(ex Mon: 1.5 hrs prior)*	*Concludes half an hour before Buyer Entry Time*		*A 15 minute period following Buyer Entry Time*	*Starts 15 minutes after Buyer Entry Time*	
Mon	2.30 am	3.15 am	3.45 am	3.45 - 4.00 am	4.00 am	5.15 am
Tues	4.00 am	4.15 am	4.45 am	4.45 - 5.00 am	5.00 am	5.15 am
Wed	3.00 am	3.15 am	3.45 am	3.45 - 4.00 am	4.00 am	5.15 am
	4.00 am	4.15 am	4.45 am	4.45 - 5.00 am	5.00 am	5.15 am
Fri	3.00 am	3.15 am	3.45 am	3.45 - 4.00 am	4.00 am	5.15 am
Sat	4.00 am	4.15 am	4.45 am	4.45 - 5.00 am	5.00 am	5.15 am

1. No walking the Market Square (walking the floor) prior to the Buying Time
2. Deliveries to Buyers vehicles parked in Market Square will NOT be permitted until the start of the Buying Time
3. Safety buffer period: No Movement of Vehicles in the Market Square other than Buyer vehicles entering the Market for a period of 15 minutes after the Entry time
4. Movement of Produce between Wholesalers and Growers is unrestricted
5. Easter and Christmas will be de-regulated for period at CEO's discretion.

The Board will continue to assess the operations of the Market over the coming months, having regard to all relevant matters including infrastructure requirements and overall cost implications with a view to proposing long term and definite Market Operating Hours.

Pooraka Sunday Market Operations

The Pooraka Sunday Market continues to make a positive contribution to APML's Net income.

For the 2010 Financial year the Pooraka Sunday Market achieved Earnings of $122K; 20% ahead of the Budget Earnings of $102K and achieving 13% growth over the previous year.

Increased focus on community involvement has arrested the decline in buyer numbers previously experienced, with weekly numbers continuing to average 2,200 per week. APML has addressed the lack of main road exposure by placing the variable message boards in strategic locations on APML Land on Main North Road.

Seller numbers have steadily increased, stabilising at an averaging 150 sellers each week.

FACILITIES MANAGEMENT

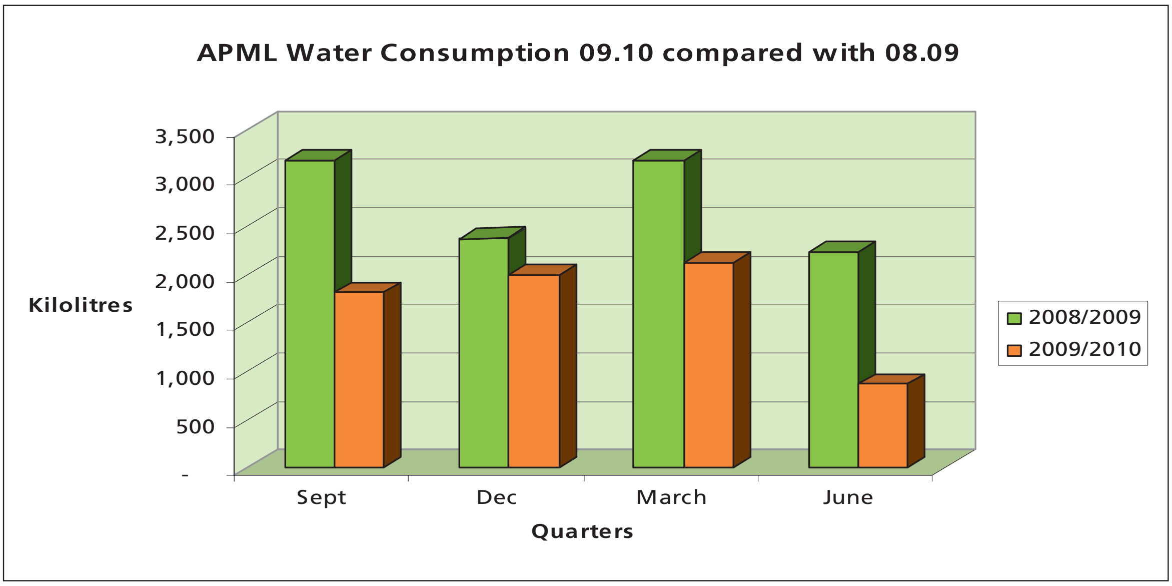
ENVIRONMENTAL MANAGEMENT PROGRAMMES

The APML Property Manager is tasked with producing an effective and sustainable Environmental Management programme.

The focus for 2008/2009 was to audit the site and establish consumption baselines in the areas of power and water and then develop strategies to reduce consumption.

Water:

In 2009/2010 the focus was on water consumption. Strategies including installation of alternate flushing systems, installation of synthetic lawn and close monitoring of consumption have lead to a significant reduction in water consumption.



Power:

APML staff completed a review of the metering of power to the site with a view to installing digital metering to ensure all consumers are charged appropriately.

Waste:

The focus for 2010/2011 is on separation of waste streams to ensure maximum recycling. Currently APML recycles 76.4 tonnes of cardboard and across the site produces 1,680 tonnes of general waste.

APML staff are working with the waste disposal company and Zero Waste to introduce a further separation of waste streams to reduce the tonnage of general waste with resultant cost savings.

REPAIR HIGH VOLTAGE SWITCH GEAR

During routine maintenance of the High Voltage Switchgear in August 2009, it was identified that gas levels for arc suppression were at a dangerous level, and that the relays did not perform to the full specifications of the manufacturer.

Power System Design Pty Ltd (PSD) was engaged to prepare an independent report detailing system failures and making recommendations for repairs.

J Gretch Electrical was retained for the repair work at a cost of $129,806.

As equipment is sourced from the UK, final installation will occur in the 2010/2011 financial year.

PURCHASE OF EQUIPMENT

- 2 x Portable Electronic Signs ($54,450)
- Purchase of Golf buggy ($13,350)

VISIT OF THE FAIR WORK OMBUDSMAN

On 3 August 2009, the SA office of the Fair Work Ombudsman attended the Market for purpose of conducting a Record Keeping and Pay Slip Audit.

The audit was in response to complaints received nationally from Market based employees and most complaints referred to lack of record keeping and failure to issue pay slips.

APML advised the SA Chamber of Fruit and Vegetable Wholesalers and Market tenants of the impending audit and provided a link to the Fair Work Ombudsman's web site for queries.

Officers audited 27 employers on the APML site. 56% were found to be compliant. Non- compliant employers were issued with Notices to produce the outstanding documentation.

The obligations imposed under the Fair Work Act remain those of the individual employer, hence Notices issued against tenants of APML are not APML's immediate responsibility.

APML, in its role of employer, was not audited, however APML continues to monitor its obligations under the Fair Work Act and all Contracts of Employment have undergone review to ensure they are compliant.

FIREPLACE FROM THE OLD EAST END MARKET

The original fireplace from the boardroom of the old East End Market has been restored and is now on display in the Market Cafe.

Mr Ray Barry, the retiring General Manager of the Swire Group, salvaged and stored the fireplace for 22 years. Mr Barry contacted APML Director Des Lilley offering to donate it to APML. APML gratefully accepted the donation, viewing the gift as an important piece of the Market's history.

APML staff felt it was important to recognise the heritage and memories of the old Market, whilst moving forward with the Pooraka site, and so after minimal restoration, the fireplace has been mounted onto a moveable wall, and placed in the Market Café for all Market Users to enjoy.

Photos from the old Market surround the fireplace and a plaque have been placed on the wall recognising its heritage and thanking the donor.

The display was in place for the commencement of the Australian Chamber of Fruit and Vegetable Industries Conference on Wednesday 28th April 2010.

APML thanks Mr Ray Barry, the retiring General Manager of the Swire Group, for the kind donation.

SECURITY CAMERA UPGRADE

The site security camera coverage has been further expanded by the provision of two new PTZ (pan, tilt, zoom) cameras and upgraded back-end equipment.

The main gatehouse now has continuous vision feed across the site allowing for faster response times and greater controls on site access.

MARKET SERVICES

The past 12 months for Marketing Services have been focused on consultation and implementation. After releasing the Burst of Freshness program to the Market users, the aim was to critically review the program based on feedback from retailers, wholesalers and growers, including costs, benefits and activities.

This redirection brought about the creation of some key activities which have commenced, including:

- Burst of Freshness Retail Network;
- Burst of Freshness TV Commercials;
- The Crunch Bunch;
- value-added Product Development;
- Vending Machines;
- establishment of a consumer website,and;
- Community Partners Program.

While each of these will support the Go for 2&5® message, the fresh produce industry, from paddock to plate, now owns a stable of brands and products to best use to deliver the message.

As part of this program, a partnership with Nat Vend has been developed to introduce vending machines to a range of public areas. All machines feature South Australian grown and value added produce under the Burst of Freshness and Crunch Bunch brands. The machines support product that comes through the Adelaide Produce Market, provide greater distribution channels and rewards growers and processors for investing in innovative new ways of delivering fresh produce to consumers.

CMAA Conference

This year saw the annual CMAA Conference held in Adelaide from 28th – 30th April 2010. APML was proud to be a sponsor and partner in the event, and showcase all APML and the South Australian fresh produce industry does.

Go for 2&5 & SAFVC

APML continued to be the Secretariat for the South Australian Fruit & Vegetable Coalition (SAFVC) - a group of organisations from horticulture, health, education, environment, government, non-government and community sectors, working collaboratively to promote fruit and vegetable consumption in SA.

The SAFVC continued to implement the national Go for 2&5® marketing campaign as its key message, centred around seasonal activities.

APML continued its sub-license of the Go for 2&5® campaign, enabling APML to co-brand with this campaign, and invest in promotions to encourage fruit & vegetable consumption.

This Service Agreement with the South Australian Government concluded on 30th June 2010. APML re-tendered for this project for which a three year contract is offered, and is awaiting the results of the tender process.

Price Reporting

The Price Reporting service continued to provide daily produce price reports, covering over 100 different product lines. The service experienced stabilising of growth from the previous year in the areas of historical data, statistical analysis, interstate clients and new product lines.

Stabilising this income was crucial with the backdrop of financial difficulties that many in the industry did and will continue to face. The Price Reporting service highlights the need for good quality data collection in our industry and highlights the potential benefits this can have to streamlining and maximising our industry's businesses. In light of new technologies and a changing market, this service will be constantly evaluated, looking for improvements on the collection and delivery of data.

Pooraka Sunday Market Marketing & Publicity

Now in its fifth year of ownership, the Company continues to build and strengthen the awareness of its weekend market business - the Pooraka Sunday Market.

An increase in the number of sellers and an expansion in the range of products and services available have all contributed to the unique experience.

This weekend business enables the Company to maximise underutilised space within the Market complex. The new Marketing strategy, including a revitalised brand for certain markets and targeted advertising campaigns, reversed the trend of falling buyer numbers, and returned the Market to figures of some years ago. This campaign will be strengthened and maintained to ensure continual growth.

Corporate Governance statement for Adelaide Produce Markets Limited

2010 CORPORATE GOVERNANCE STATEMENT

1. INTRODUCTION

This Statement sets out the key corporate governance principles adopted by the Directors in governing Adelaide Produce Markets Limited ("APML") and reflects the corporate governance policies and procedures which applied during the financial period ending 30 June 2010.

We continue to review and enhance our corporate governance policies and procedures.

2. APML'S APPROACH TO CORPORATE GOVERNANCE

Corporate governance is the framework of rules, systems, processes and relationships by which the company's business is conducted, directed and controlled. The Board has the responsibility for ensuring APML is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with the company's responsibility to meet its obligations to all stakeholders. For this reason, the Board is committed to applying appropriate standards of corporate governance across the organisation.

As part of its commitment to enhancing its corporate governance the Board has elected to adopt relevant practices which are consistent with the Australian Securities Exchange ("ASX") Corporate Governance Principles and Recommendations, providing they do not conflict with the express provisions of the company's Constitution. These principles, first released in 2003 and updated in 2007, are the standard by which Australia's largest companies and over 2000 listed companies are judged.

3. COMPLIANCE WITH ASX BEST PRACTICE GOVERNANCE RECOMMENDATIONS

The ASX recognises that there is no single model of corporate governance which suits all organisations at each stage of their life and that some governance structures may be better than others for the generation of shareholder wealth at different times. Accordingly the ASX Listing Rules requires listed companies to include in their annual report a statement disclosing the extent to which they have followed the 27 ASX best practice recommendations in the reporting period. In addition listed companies must identify the recommendations that have not been followed and provide reasons for the company's decision.

APML is not a listed company and as such is not required to report against the ASX's Best Practice Recommendations nor include a Corporate Governance Statement in its Annual Report. However the Board believes that by electing to do both of these things it is facilitating transparency of APML's corporate governance practices which will assist shareholders and other stakeholders to make informed judgments about APML.

APML considers that its governance practices comply with a substantial number of the ASX Best Practice Recommendations. Additional practices have been introduced during the year to the extent they are reasonable, add value and do not conflict with the company's Constitution. The company's Constitution contains specific requirements on a range of matters including Board composition. The Board is obliged to comply with the Constitution which prevails over the non binding ASX best practice recommendations.

4. GOVERNANCE PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT & OVERSIGHT

4.1 The Role of the Board

The company's Constitution vests management and control of the business and the company's affairs in the Board.

During the year the Board considered the functions reserved for the Board. In summary the Board's accountabilities and responsibilities include:

a) Providing a leadership role to the company.

b) Representing shareholders and effectively translating the market's needs and aspirations into future direction.

c) Balancing the diversity of market views to develop an overall future strategy.

d) Providing overall stewardship of the organisation and ensuring that sound financial management and accountability are achieved in relation to market finances.

e) Reviewing and approving policies, goals, targets and budgets.

f) Monitoring business performance and ensuring that appropriate mechanisms are in place to deal with the prompt handling of concerns.

g) Improving shareholder value and working with others to achieve benefits for shareholders.

h) Having an awareness of the statutory obligations imposed on Board members and ensuring there are appropriate standards of corporate governance.

i) Practicing and exhibiting the company's values (which include a customer focus, shareholder value, communication & co-operation, compliance with the code of conduct and internal controls, encouraging leadership & innovation, management by fact, providing a safe & healthy workplace and teamwork).

Responsibility for day to day management and administration of the company is delegated by the Board to the CEO.

4.2 Board Committees

To assist it in carrying out its responsibilities the Board has in place several committees and special groups including the:

- Audit and Governance Committee
- Remuneration Committee
- Finance Committee
- Constitution Committee
- Master Planning Sub Committee

- Operations and Leasing Committee
- Building and Construction Committee

All of these bodies have written charters and their purpose is to make recommendations to the Board.

Copies of committee minutes are circulated to all Board members and each committee chairman reports findings together with any recommendations to the full Board at its next meeting.

Further information about the Audit and Governance Committee and the Remuneration Committee can be found in sections 7.1 and 11.1 respectively

4.3 The Role of the Chief Executive Officer

Angelo Demasi was appointed CEO of the company in 2002.
Directors have determined that the Board should be independent of management. Accordingly the CEO is not a member of the Board. The CEO reports to the Chairman of the Board and is accountable to the Board for the following functions:

a) Leadership and management of the organisation

b) Provision of strategic input to the Board's planning process

c) The implementation of the corporate, business and strategic plans

d) Financial management of the company

e) Policy development

f) Business development

g) Project management

h) Overseeing market operations and provision of services to stakeholders

i) Developing and maintaining market rules

The CEO also undertakes the role of Company Secretary of APML.

4.4 Evaluating the Chief Executive Officer

The CEO's performance is evaluated annually by the Remuneration Committee against a range of key performance indicators and targets. The Committee makes a recommendation to the Board on the CEO's remuneration which is based on both performance and external market data.

The CEO's has a current position description and a letter of appointment which describes his term of office, duties, rights and responsibilities and entitlements on termination.

5. GOVERNANCE PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

5.1 Board Expertise, Size and Composition

The Board has a broad range of relevant skills, experience and expertise to meet its objectives. It is comprised wholly of non executive directors and has an independent chairman.

The Board's structure is determined by APML's Constitution. It requires that there be a minimum of 8 and a maximum of 11 directors with up to three grower, three wholesaler, two retailer and three independent directors appointed. Grower, wholesaler and retail directors are elected by shareholders holding that respective class of shares. Independent directors are elected by all shareholders.

While the Constitution allows for executive directors to be appointed, the Board has determined that a Board comprised solely of non executive directors provides for the most robust corporate governance approach. The CEO attends all Board and Committee meetings.

The Board's size and composition complies with the Constitution. Presently there are 11 Directors and include:

a) 3 grower appointments

b) 2 retailer appointments

c) 3 wholesaler appointments

d) 3 independent appointments

Details of each Director's qualifications, experience and special responsibilities are set out on pages 36-43 of this Annual Report.

5.2 Nomination and Appointment of New Directors

Directors are appointed for a three year term. Directors are not required to be shareholders however a grower, retailer or wholesaler appointment must be an eligible person operating in their respective category.

As the majority of the Directors are identified and elected by the representative groups (grower, retail and wholesale shareholders) the Board has elected not to have a Nomination Committee.

The Board as a whole undertakes the functions of a Nomination Committee including succession planning and the appointment and re-election of Directors. It assesses the eligibility of all nominations and also identifies people with relevant skills and expertise for nomination as independent directors.

All new Directors are provided with an induction kit containing a range of relevant information.

5.3 Retirement

The Board is conscious of the benefits of board renewal. Two new Directors have joined the Board in the last two years. APML's Constitution specifies that all Directors must retire from office no later than the third Annual General Meeting following their last election. Where eligible a Director may stand for re-election.

In the event a Director ceases being an eligible person in accordance with the Constitution they must retire from the Board.

5.4 Board Access to Records and Advice

All Directors receive regular detailed financial and operational reports from management as part of their meeting materials to assist them carry out their duties. In addition Directors are provided with unrestricted access to company records during business hours. Directors are permitted to take copies provided the access assists them discharge their duties as a Director.

Any request from a Director for independent professional advice is considered by the whole Board on a case by case basis.

5.5 Director Independence and Avoidance of Conflicts

The Board is comprised solely of non executive directors. None of the directors have been employees of the company. One of the Directors is a substantial shareholder of APML and holds the maximum shareholding permitted by the Constitution of 15%. Details of Directors' shareholdings are disclosed in the Directors' Report on page 36-43 of the Annual Report.

The Constitution requires the appointment of a certain number of directors by specified shareholder classes. Specifically it requires that the wholesaler Directors must be wholesalers of fruit, vegetables, flowers or other horticultural products operating from lock up premises at the market in Pooraka. It also requires grower Directors must be a grower of such products in South Australia operating on at least ½ hectare of land and carrying on a primary production business. Similarly retail Directors must hold a valid APML Access ID Card and be in the business of retailing inter alia, fruit, vegetable, flowers or horticultural products in South Australia.

While our representative (or nominee) Directors are encouraged to bring the issues of their constituency to the Board for discussion they are aware that they have an obligation to make decisions in the best interests in the company as a whole. In addition they are also aware that their duty of confidentiality to the company over-rides any implied obligation to report matters of company interest to their appointers.

In accordance with the Corporations Act, any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered and may not vote on the matter. Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of APML. Where a significant conflict exists, the Director concerned declares their interests in the matter to the Board and takes no part in decisions or discussions relating to them.

5.6 Chairman

Savas (Sam) Christodoulou is a non executive independent director who was appointed Chairman in 2008. The Chairman is selected by the Board and is appointed for one year. The Chairman's role includes:

a) Providing leadership to the Board

b) Managing the Board in the discharge of its duties

c) Chairing shareholders meetings (including determining the general conduct and procedures to be adopted at meetings)

d) Being the primary point of contact with the Board and the CEO

e) Responding to media enquiries on behalf of the Board

The Chairman is also an ex-officio member of all Board Committees and task forces.

5.7 Board Meetings

The Board meets in full each month. In addition to the 12 scheduled Board meetings, meetings are also held throughout the year to address strategy, Board performance and other specific matters which arise.

The CEO attends all Board meetings and the other managers present on relevant matters as required.

Information on Director meeting attendance is included in the Directors' Report shown on page 36-43 of the Annual Report.

5.8 Review of Board Performance

As part of its commitment to continuous improvement the APML Board initiated a board performance review during the year. The review format was developed by an external facilitator in conjunction with the Board. The structured review involved the completion of a confidential questionnaire by each Board member and the CEO followed by an opportunity for a confidential individual interview with the Chairman. The review considered the

- role of the Board;
- the effectiveness with which it meets its requirements;
- the way it operates, interacts and makes decisions;
- its meeting and other administrative arrangements;
- Board Committees; and
- progress in meeting its business plan objectives.

Following the collation and analysis of the questionnaire results by the external facilitator, a formal committed period of time outside of a normal Board meeting was set aside to review and discuss the results as a Board.

The review identified areas working well as well as areas for greater focus. An action plan is in the process of being implemented. The Board expects to continue to conduct a regular performance assessment.

5.9 Company Secretary

All Directors have full access to the Company Secretary. The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.

6. GOVERNANCE PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

6.1 Code of Conduct

The Board acknowledges its responsibility to set the ethical tone and standards of the company. Accordingly it has clarified the standards of ethical and professional behaviour required of Directors and employees through the establishment of a Code of Conduct. A copy of the Code can be found on the company's website.

6.2 Trading in Company Securities

As an unlisted public company, APML's securities are not traded on the Australian Securities Exchange ("ASX") or any other share trading exchange system. Information on the procedure for buying and selling company shares is provided on the company's website.

The company's Constitution has a 15% shareholding limit. All applications for share transfers are subject to Board review and approval.

The company has put in place a Share Transfer Introduction Register (STIR) which assists in linking up potential buyers and sellers of company shares.

Although the shares are unlisted and all transactions are subject to Board approval before they are executed, the Board believes it is prudent for the company to have a share trading policy for employees and Directors. A summary of the policy can be found on the company's web site.

7. GOVERNANCE PRINCIPLE 4: INDEPENDENTLY VERIFY AND SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

7.1 Audit and Corporate Governance Committee

The company has an audit committee comprised of four non executive directors. It is chaired by the Deputy Chairman of the Board.

The members of the Audit and Corporate Governance Committee are presently:
- Nic Minicozzi (chairman)
- Sam Christodoulou
- Michael Ruggiero
- Des Lilley

The committee members possess a range of expertise including accounting and legal. Specific information about their qualifications and meeting attendance can be found in the Directors' Report in the Annual Report on page 36-43.

The Chairman of the Board sits on the Committee in an ex-officio capacity. The CEO and the Finance Manager attend the meetings at the invitation of the Committee.

The Committee has a written charter and meets at least twice a year for the release of audited statements. Its primary functions include:

- To recommend the external auditor's appointment / removal and reviewing their scope of work and performance;
- Assist the Board oversee the risk management framework;
- Review, in consultation with the external auditor, internal and external audit management letters to monitor management's remedies to address deficiencies;
- Review the company's financial results;
- Report to the Board on the adherence to internal accounting policies ; and to
- Review corporate governance policies and any legal and regulatory compliance issues.

7.2 External Auditor

Following an external tender process and a recommendation from the Audit Committee, the Board appointed Dean Newbery & Partners, Chartered Accountants, as the company's external auditor in 2002.

Our current Auditors will be invited to tender for Audit services in the future.

8. GOVERNANCE PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE OF ALL MATERIAL MATTERS

The Board aims to keep shareholders informed about the company's state of affairs and progress through the distribution of the Annual Report. The Annual Report is also available on the web site.

The company also sends all shareholders the half year interim and full year results reports together with a brief commentary. Any major developments or significant matters are communicated to shareholders as they arise on a timely basis.

Shareholders and stakeholders can elect to receive the market publication "Burst of Freshness" which provides them with information on a range of market related activities.

9. GOVERNANCE PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

The Annual General Meeting is the central forum by which companies can communicate with shareholders face to face. In addition the AGM also enables shareholders to participate in decision making.

The company's Annual General Meeting is usually held in late November of each year. Shareholders are encouraged to attend and participate in the meeting. The CEO and the external auditors also attend the AGM and are available to answer questions as required.

The company has a website which has a dedicated section for shareholder related information and matters.

10. GOVERNANCE PRINCIPLE 7: RECOGNISE AND MANAGE RISK

10.1 Policies for the Oversight and Management of Risk

The Board acknowledges that risk management is a core component of director and executive duties and an essential element of good governance.

The company utilises accounting controls and reconciliations, segregation of duties, documented policies and procedures, regular management reporting, annual budgeting as well as physical security over company assets as part of its internal control environment. Due to the small number of employees, the company does not have a dedicated internal audit function. The review of internal controls is undertaken by the external auditor.

During the 2008/9 reporting period, the company updated its "Internal Controls Policies and Procedures Manual" and distributed it to all Board member and employees.

In addition, the Audit and Governance Committee expanded its terms of reference to include risk. The Committee assists the Board oversee the risk management framework, including the determination of the scope and the maintenance of internal control procedures.

10.2 Material Business Risks

Material business risks are those with significant areas of uncertainty that could have an impact on company objectives.

As part of the major strategic review in 2008 the Board identified a range of operational and systems risks and has commenced implementing action plans to address them. These include:

- updating and implementing the upgraded Occupational Health, Safety and Emergency plan for the market
- implementing the recommendations of the Site Traffic Plan
- developing a practical and manageable environmental improvement plan
- Upgrading the IT and Accounting systems
- Implementing the Customer Relationship Management database
- Investigating options for expanding security camera coverage

APML's property insurance underwriters undertake regular risk reviews of the company's market operations.

The Board recognises that modern organisations face a variety of risks including strategic, reputation, compliance, and technological, environmental, financial as well as operational risks. It is anticipated that a wide ranging risk review will be undertaken in the future to provide the Board with a current assessment of the major risks facing the company.

10.3 Declaration by CEO and Finance Manager

During the year, the company put in place procedures for the CEO and the Finance Manager to provide assurances that the financial statements are founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to reporting financial risks.

11. GOVERNANCE PRINCIPLE 8: REMUNERATE FAIRLY & RESPONSIBLY

11.1 Remuneration Committee

The Board has a Remuneration Committee comprised of three non executive Directors. It is chaired by the Chairman of the Board.

The members of the Remuneration Committee are presently:

- Sam Christodoulou (Chairman)
- Michael Ruggiero
- Nic Minicozzi

Specific information about their meeting attendance can be found in the Directors' Report in the Annual Report on page 36-43.

The Committee meets at least once per year and is responsible for reviewing the CEO's remuneration as well as making recommendations to the Board on fees for non executive Directors. It has a written charter authorised to obtain external advice and market data to assist it undertake its duties.

11.2 CEO Remuneration

All aspects of the CEO's remuneration package is fully documented and contained with an up to date employment contract. There is no equity component in the package and the company does not have an executive or employee share plan. Details of the CEO's package can be found in the Remuneration Report on page 44 of the Annual Report.

11.3 Board Remuneration

The non executive Board members of APML are remunerated solely by way of fees.

In accordance with the resolution of shareholders at the 2009 Annual General Meeting, the maximum aggregate amount of Directors' fees that is permitted to be paid to the entire non executive Directors is $360,000.

This amount is fully utilised and is paid as follows:

-	Chairman	$50,000 per annum
-	Deputy Chairman	$40,000 per annum
-	Non executive Director	$30,000 per annum

The non executive Directors do not receive any additional fees for Committee work nor are they provided with retirement benefits other than the compulsory 9% Superannuation Guarantee Levy contribution.

Non executive Directors may be reimbursed travel and sustenance expenses arising from Board related or company business.

Your Directors present their Report on the Parent Company (Adelaide Produce Markets Limited) and its two controlled entities, APML No. One Pty Ltd and APML No. Two Pty Ltd (Consolidated Group), for the financial year ended 30 June 2010

Directors

The names of the Directors in office at any time during or since the end of the financial year (until the date of this Report) are:
Mr Savas Christodoulou (Chairman)
Mr Nicola Minicozzi (Deputy Chairman)
Mr Pasquale Scalzi (OAM)
Mr Desmond Lilley
Mr Daniele De Ieso
Mr David Trosti
Mr Vincenzo Dimasi
Mr Antonio Ceravolo
Mr Dino Musolino
Mr Gregory Griffin
Mr Michael Ruggiero

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

Operating Result: Summary

	2010 $	2009 $
Consolidated Profit before income tax	6,414,520	6,471,408
Revaluation Gain included in Consolidated Profit	1,955,473	2,200,000
Consolidated Profit before income tax, excluding the revaluation gain	4,459,047	4,271,408
Income tax payable : Current year	1,043,149	840,595
Consolidated profit after income tax payable excluding the revaluation gain	3,415,898	3,430,813

Dividends Paid or Recommended

The dividends paid and declared to be paid since the commencement of the 2010 financial year are as follows:

- Fully franked final dividend of 20 cents per share (for the year ended 30 June 2009) paid in December 2009, as recommended by the Directors in September 2009 (making a total fully franked dividend for the year ended 30 June 2009 of 40 cents per share: $2,309,824)
- Fully franked interim dividend of 20 cents per share (for the year ended 30 June 2010) paid in April 2010, as recommended by the Directors in March 2010: $1,154,912.

- Fully franked final dividend of 20 cents per share (for the year ended 30 June 2010), as declared by the Directors in September 2010: $1,154,912 (making a total fully franked dividend for the year ended 30 June 2010 of 40 cents per share: $2,309,824).

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.

Financial Position

The net assets of the Consolidated Group have increased by $2,579,591 from 30 June 2009 to $51,857,492 as at 30 June 2010.

Significant Changes in State of Affairs

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

After Balance Date Events

As of the date of this report a contingent tenancy vacancy exists which may have an adverse effect on cash flows and trading profitability for the period ending 30 June 2010.

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.

Compliance Standards

Following a compliance review the directors discovered that Adelaide Produce Markets Limited had inadvertently failed to lodge certain documents with the Australian Securities & Investments Commission notifying the creation of the Unclassified class of shares in 2004 and the passage of resolutions amending the Constitution in 2008. The company had also failed to give notice of the 2008 variation of the rights attaching to Unclassified shares (i.e. the removal of the voting restrictions on that class of share) and failed to correct the particulars of its share structure recorded by ASIC, which described all shares as "ordinary" without identifying the four classes.

Adelaide Produce Markets Limited has made an application to the Federal Court for orders extending time for compliance, rectifying the ASIC records and formally relieving it from any civil liability in relation to this technical non-compliance.

Environmental Issues

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

INFORMATION ON DIRECTORS

Mr Savas Christodoulou	Director and Chairman
Qualifications	- Fellow of Australian Property Institute - Diploma in Town Planning - Practising Valuer
Experience	- 30 years sole practice as a property valuer and consultant - 4 years, Valuer, State Government - 4 years, Valuation Manager, Bullock & Wilkinson Pty Ltd (now Knight Frank) - Former Councillor and Alderman, City of Adelaide (9 years service on general Council, Social, Infrastructure and Planning Committees) - President of Australian Property Institute (S.A. Division (1992 - 1994)) - A.P.I. State Board Member for 11 years (1983 – 1994) - APML Board Member since 2005
Registered interest in shares and options	Nil

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings

• Number eligible to attend	13
• Number attended	13

Committee Meetings

• Number eligible to attend	15
• Number attended	15

Committees presided on:
- Audit & Corporate Governance Committee
- Constitution Committee
- Finance Committee
- Master Planning Committee
- Remuneration Committee

Mr Nicola Minicozzi	Director and 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 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings		Committee Meetings	
• Number eligible to attend	13	• Number eligible to attend	7
• Number attended	11	• Number attended	7

Committees presided on:

- Audit & Corporate Governance Committee
- Remuneration Committee

Mr Pasquale Scalzi (OAM)	Director
Experience	- 45 years wholesale fruit and vegetable industry - Wholesaler Board Member since 1987
Registered interest in shares and options	865,199

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings		Committee Meetings	
• Number eligible to attend	13	• Number eligible to attend	5
• Number attended	13	• Number attended	5

Committees presided on:

- Master Planning Committee

Mr Desmond Lilley	Director (Non Executive)
Qualifications	Accredited - Quality Assurance, Australian Meat Industry - Total Quality Management - Quality of Food Safety - Justice of the Peace for the State of South Australia
Experience	- Past Chairman of Adelaide Produce Markets Limited (9 years) - Past Chairman of the Australian Meat and Livestock Council (SA) Division - Past Chairman / Director Live Scales Pty Ltd - Past Chairman Australian Meat Council (AMC) SA section - Past Director Council of Australia Public Abattoir (life member) - Past Board Member Meat and Hygiene Authority SA - Past Works Manager Charles David Pty Ltd - Past General Manager Operations Australian Meat Holdings - Past CEO South Australian Meat Corporation - Past Regional Director Australia IPSC - Past Director Limestone Coast Lamb Company - Past Director/Chairman Dalriada Meat Pty Ltd
Registered interest in shares and options	Nil

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 13
- Number attended 12

Committee Meetings

- Number eligible to attend 9
- Number attended 9

Committees presided on:

- Audit & Corporate Governance Committee
- Constitution Committee
- Master Planning Committee

Mr Daniele De Ieso

Director

Qualifications

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

Experience

- Over 32 years experience in fruit and vegetable industry
- Grower Board Member since 2002
- Member of Information Technology Dissemination Group for Horticulture Australia

Registered interest in shares and options 2,400

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 13
- Number attended 11

Committee Meetings

- Number eligible to attend 7
- Number attended 5

Committees presided on:

- Master Planning Committee
- Constitution Committee

Mr David Trosti

Director

Experience

- Accredited in Quality Management Systems, SQF, WVQMS and HACCP
- 16 years experience in fruit and vegetable industry
- Wholesale Board Member since 2004

Registered interest in shares and options 40,000

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 13
- Number attended 13

Committee Meetings

- Number eligible to attend 7
- Number attended 4

Committees presided on:

- Constitution Committee
- Master Planning Committee

Mr Vincenzo Dimasi

Director

Experience

- Former Councillor for Mallala Council
- 30 years experience in the retail industry
- 5 years Grower experience
- Past President of Two Wells Football Club (life member)
- Past President of Adelaide Plains Football Club (life member)
- Past President of South Australian Fruit & Vegetable Retailers Association

Registered interest in shares and options Nil

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 13
- Number attended 13

Committee Meetings

- Number eligible to attend 5
- Number attended 5

Committees presided on:

- Master Planning Committee

Mr Antonio Ceravolo

Director

Qualifications

- Managing Director, R Ceravolo & Co Pty Ltd

Experience

- 27 years of orchard experience
- Experience in wholesale of fruit and vegetables

Registered interest in shares and options 48,000

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 13
- Number attended 13

Committee Meetings

- Number eligible to attend 7
- Number attended 7

Committees presided on:

- Constitution Committee
- Master Planning Committee

Mr Dino Musolino	Director
Qualifications	- Advanced Diploma in Horticulture - Councillor City of Playford Council 14 years
Experience	- Horticulture production - Marketing - Event management - Business management - 2007 Australian Grower of the year
Registered interest in shares and options	1,500

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings

• Number eligible to attend	13
• Number attended	11

Committees presided on:

- Constitution Committee
- Master Planning Committee

Committee Meetings

• Number eligible to attend	7
• Number attended	7

Mr Gregory Griffin

Director

Qualifications

- Managing Partner at Griffin Lawyers (formed July 1996)
- Admitted to practice in January 1981

Experience

- 28 years legal practice experience
- Former Partner of Ward & Partners (now Hunt & Hunt)
- Former Partner of Phillips Fox, Adelaide from 1989 to 1996
- Registered player's representative of the Australian Football League Players' Association
- Board member of the North Adelaide Football Club
- Secretary General of Taekwondo Australia
- Current member on various charitable boards
- Presiding member on the Board of Integrated Waste Services & Broadwater Hospitality
- Lawyer for numerous high profile sporting personalities
- Former member of the Executive of the Law Society of South Australia

Registered interest in shares and options

Nil

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 13
- Number attended 10

Committee Meetings

- Number eligible to attend 3
- Number attended 3

Committees presided on:

- Constitution Committee

Mr Michael Ruggiero

Director

Qualifications

- Bachelor of Arts (Accounting)
- Chartered Accountant
- Fellow – Taxation Institute of Australia
- Diploma in Financial Services

Experience

- 23 years experience as a Chartered Accountant
- Founding Partner, RDC Partners Accountants and Business Advisors
- Advisor in the area of taxation and business consulting in the property, retail and wholesale sectors and professional services industry
- Experience in finance, Capital Gains Tax, international taxation, structuring property and business acquisitions.

Registered interest in shares and options Nil

Attendance: Meetings of Directors 1 July 2009 to 30 June 2010 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 13
- Number attended 12

Committee Meetings

- Number eligible to attend 10
- Number attended 10

Committees presided on:

- Audit & Corporate Governance Committee
- Constitution Committee
- Finance Committee
- Remuneration Committee

REMUNERATION REPORT

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

Directors' Emoluments

Directors' emoluments were determined at the 2008 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 emoluments of each Director together with the Chief Executive Officer of the Company paid for the financial year ended 30 June 2010 are as follows:-

Name	Title	Directors' Fees $	Committee Fees $	Salary $	Retirement and Superannuation Contributions $	Incentives $	Non Cash Benefits $	Total Emoluments $
Mr S Christodoulou	Chairman of Directors	50,000	-	-	4,500	-	-	54,500
Mr N Minicozzi	Deputy Chairman	40,000	-	-	3,600	-	-	43,600
Mr P Scalzi (OAM)	Director	30,000	-	-	2,700	-	-	32,700
Mr D Lilley	Director	30,000	-	-	2,700	-	-	32,700
Mr D De Ieso	Director	30,000	-	-	2,700	-	-	32,700
Mr D Trosti	Director	30,000	-	-	2,700	-	-	32,700
Mr V Dimasi	Director	30,000	-	-	2,700	-	-	32,700
Mr A Ceravolo	Director	30,000	-	-	2,700	-	-	32,700
Mr D Musolino	Director	30,000	-	-	2,700	-	-	32,700
Mr G Griffin	Director	30,000	-	-	2,700	-	-	32,700
Mr M Ruggiero	Director	30,000	-	-	2,700	-	-	32,700
TOTALS – DIRECTORS		360,000	-	-	32,400	-	-	392,400
Mr A Demasi	Chief Executive Officer (non Director) and Company Secretary	-	-	129,750	11,678	-	21,303	162,731
TOTALS – OVERALL		360,000	-	129,750	44,078	-	21,303	555,131

There are no post-employment remuneration or retirement benefits paid by the Consolidated Group to its Directors, Senior Executives or other employees.

There were no emoluments paid by APML No. One Pty Ltd and APML No. Two Pty Ltd.

Indemnifying Officers or Auditor

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

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or

- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings, **with exception of the following**:-

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

Directors' Benefits – Other than Benefits Separately Disclosed In Note 22: Related Party Disclosures (Notes To The Financial Report For The Year Ended 30 June 2010)

Other than that disclosed in Note 22, 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.

Share Options

There are no 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

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditor during the year ended 30 June 2010:

- Taxation Services $4,000

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out below.

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

SAVAS CHRISTODOULOU
Chairman of Directors
Diagonal Road Pooraka South Australia 5095

DATED this 27th day of October 2010

Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001 to the Directors of Adelaide Produce Markets Limited

I declare that to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS
DONALD JAMES VENN
PARTNER
214 MELBOURNE STREET
NORTH ADELAIDE SOUTH AUSTRALIA 5006

DATED this 27th day of October 2010

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

We have audited the accompanying Financial Report of Adelaide Produce Markets Limited (the Company) and Controlled Entities (the Consolidated Entity), which comprises the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement in Changes in Equity and Statement of Cash Flow for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration of the Consolidated Entity comprising the Company and the Entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report
The Directors of the Company are responsible for the preparation and fair presentation of the Financial Report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the Financial Report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility
Our responsibility is to express an opinion on the Financial Report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of Adelaide Produce Markets Limited on 27 October 2010, would be in the same terms if provided to the Directors as at the date of this auditor's report.

Auditor's Opinion
In our opinion:

a. the Financial Report of Adelaide Produce Markets Limited and Consolidated Entities is in accordance with the Corporations Act 2001, including:
   (i) giving a true and fair view of the Company and Consolidated Entities financial position as at 30 June 2010 and of their performance for the year ended on that date; and

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

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

Name of Firm: **Dean Newbery & Partners**
Chartered Accountants
Name of Partner: **Donald James Venn**
Address: **214 Melbourne Street, North Adelaide SA 5006**

Dated this 30th day of October 2010

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 50 to 74, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards of the Company; and
   (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Company and Consolidated Group;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view
3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Savas Christodoulou
Chairman of Directors

Dated this 27th day of October 2010

CONTENTS

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Revenue	2	10,759,832	10,002,454	8,789,481	8,211,959
Other income	2	1,955,473	2,200,000	2,391,855	3,000,000
Employee benefits expense		(940,828)	(913,835)	(940,828)	(913,835)
Depreciation expense	1(d)	(234,649)	(214,696)	(95,869)	(75,916)
Finance costs		(1,214,555)	(1,281,926)	(541,656)	(591,661)
Impairment of property, plant and equipment	1(k)	-	-	-	-
Other expenses		(3,910,753)	(3,320,589)	(2,913,959)	(2,773,214)
Profit before income tax	3	6,414,520	6,471,408	6,689,024	6,857,333
Income tax expense	4	1,616,439	1,500,595	1,747,354	1,831,930
Profit for the year		4,798,081	4,970,813	4,941,670	5,025,403
Other comprehensive income for the year, net of tax		-	-	-	-
Total attributable income for the year		-	-	-	-
Profit attributable to members of the Parent Entity		4,798,081	4,970,813	4,941,670	5,025,403
Dividends per share (cents)		40.0	40.0		

The accompanying notes form part of this Financial Report

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
ASSETS					
Current Assets					
Cash & cash equivalents	6	4,901,620	3,347,584	3,780,334	2,788,688
Trade and other receivables	7	983,297	1,309,351	869,752	1,035,665
Other assets	8	356,471	940,452	230,085	818,450
TOTAL CURRENT ASSETS		6,241,388	5,597,387	4,880,171	4,642,803
Non-Current Assets					
Trade & other receivables	7	59,942	59,942	12,818,920	12,644,594
Property, plant and equipment	9	76,850,239	74,833,822	65,097,169	62,503,044
Financial assets	27	0	0	2	2
Intangible assets	10	120,000	120,000	120,000	120,000
TOTAL NON-CURRENT ASSETS		77,030,181	75,013,764	78,036,091	75,267,640
TOTAL ASSETS		83,271,569	80,611,151	82,916,262	79,910,443
LIABILITIES					
Current Liabilities					
Trade and other payables	11	1,398,484	1,856,824	1,343,333	1,834,245
Borrowings	12	-	1,200,000	-	1,200,000
Current tax liabilities	14	1,043,149	840,595	1,043,149	931,930
Short-term provisions	13	1,216,257	1,197,747	1,216,257	1,197,747
TOTAL CURRENT LIABILITIES		3,657,890	5,095,166	3,602,739	5,163,922
Non-Current Liabilities					
Borrowings	12	19,579,761	18,379,761	19,579,761	18,379,761
Long term provisions	13	551,925	612,309	551,925	612,309
Deferred tax liabilities	14	7,624,501	7,246,014	8,013,270	7,309,064
TOTAL NON-CURRENT LIABILITIES		27,756,187	26,238,084	28,144,956	26,301,134
TOTAL LIABILITIES		31,414,077	31,333,250	31,747,695	31,465,056
NET ASSETS		51,857,492	49,277,901	51,168,567	48,445,387
EQUITY					
Issued capital	15	5,774,560	5,774,560	5,774,560	5,774,560
Reserves		392,750	392,750	392,750	392,750
Retained earnings		45,670,182	43,110,591	45,001,257	42,278,077
TOTAL EQUITY		51,857,492	49,277,901	51,168,567	48,445,387

The accompanying notes form part of this Financial Report

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

Consolidated Group

	Note	Issued Capital $	Retained Eanings $	Share Premium Reserve $	Total $
Balance at 1 July 2008		5,774,560	40,456,722	392,750	46,624,032
Profit attributable to members of the Parent Entity		-	4,970,813	-	4,970,813
Total other comprehensive income		-	-	-	-
Subtotal		5,774,560	45,427,535	392,750	51,594,845
Dividends paid or provided for		-	(2,316,944)	-	(2,316,944)
Equity at 30 June 2009		5,774,560	43,110,591	392,750	49,277,901
Profit attributable to members of the Parent Entity		-	4,798,081	-	4,798,081
Total other comprehensive income		-	-	-	-
Subtotal		5,774,560	47,908,672	392,750	54,075,982
Overprovision for Income Tax 2009		-	91,334	-	91,334
Dividends paid or provided for	5	-	(2,309,824)	-	(2,309,824)
Equity at 30 June 2010		5,774, 560	45,690,182	392,750	51,857,492

Parent Entity

	Note	Issued Capital $	Retained Eanings $	Share Premium Reserve $	Total $
Balance at 1 July 2008		5,774,560	39,569,618	392,750	45,736,928
Profit attributable to members of the Parent Entity		-	5,025,403	-	5,025,403
Total other comprehensive income		-	-	-	-
Subtotal		5,774,560	44,595,021	392,750	50,762,331
Dividends paid or provided for		-	(2,316,944)	-	(2,316,944)
Equity at 30 June 2009		5,774,560	42,278,077	392,750	48,445,387
Profit attributable to members of the Parent Entity		-	4,941,670	-	4,941,670
Total other comprehensive income		-	-	-	-
Subtotal		5,774,560	47,219,747	392,750	53,387,057
Overprovision for Income Tax 2009		-	91,334	-	91,334
Dividends paid or provided for	5	-	(2,309,824)	-	(2,309,824)
Equity at 30 June 2010		5,774, 560	45,001,257	392,750	51,168,567

The accompanying notes form part of this Financial Report

	Note	Consolidated Group 2010 $ Inflows (Outflows)	Consolidated Group 2009 $ Inflows (Outflows)	Parent Entity 2010 $ Inflows (Outflows)	Parent Entity 2009 $ Inflows (Outflows)
Cash Flows From Operating Activities					
Receipts from customers net of payments to suppliers and employees		6,718,393	5,200,839	5,399,499	4,244,291
Interest received		64,624	79,521	144,640	159,537
Borrowing costs		(1,271,183)	(1,175,098)	(594,695)	(539,532)
Income tax paid		(853,680)	(477,620)	(853,680)	(477,620)
Net GST		(498,701)	(574,987)	(498,701)	(574,987)
Net cash provided by (used in) Operating Activities	18	4,159,453	3,052,655	3,597,063	2,811,689
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	9	(295,593)	(275,423)	(295,593)	(275,423)
Net cash provided by (used in) Investing Activities		(295,593)	(275,423)	(295,593)	(275,423)
Cash Flows From Financing Activities					
Dividends paid by the Parent Entity	5	(2,309,824)	(2,309,824)	(2,309,824)	(2,309,824)
Net cash provided by (used in) Financing Activities		(2,309,824)	(2,309,824)	(2,309,824)	(2,309,824)
Net Increase (Decrease) In Cash Held For The Year		1,554,036	467,408	991,646	226,442
Cash at 1 July 2009		3,347,584	2,880,176	2,788,688	2,562,246
Cash at 30 June 2010	6	4,901,620	3,347,584	3,780,334	2,788,688

The accompanying notes form part of this Financial Report

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This Financial Report includes the consolidated financial statements and notes of Adelaide Produce Markets Limited and Controlled Entities (Consolidated Group) and the separate financial statements of Adelaide Produce Markets Limited as an individual Parent Entity (Parent Entity).

Basis of Preparation
The Financial Report is a General Purpose Financial Report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

The Financial Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The accounting policies set out below have been consistently applied to all years presented.

a. Principles of Consolidation

A Controlled Entity is any entity controlled by Adelaide Produce Markets Limited (the Parent Entity). Control exists where the Parent Entity has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates to achieve the objectives of the Parent Entity. All inter-company balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Where Controlled Entities have entered or left the Consolidated Group during the year, their operating results have been included from the date control was obtained or until the date control ceased. Any outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report (as applicable). Controlled Entities are disclosed in Note 26 to the financial statements. All entities within the Controlled Group have a June financial year end.

All inter-group balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with those adopted by the Parent Entity.

There are no minority interests in the Consolidated Group.

b. Income Tax

The charge for current income tax expense is based on the consolidated accounting profit for the year, adjusted for any non-assessable or disallowed items, calculated at the applicable prescribed rate.

Deferred income tax expense is accounted for using the Balance Sheet liability method in respect of material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply when the asset is realised or the liability is settled. This assumes that no adverse changes will occur in income tax legislation, and the Consolidated Group will derive sufficient assessable income to enable any deferred tax asset (if any) to enable the benefit to be realised and comply with the conditions of deductibility as imposed by legislation.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Income Tax (Continued)

The calculation of deferred tax has assumed that in the event that land and buildings were sold at some future time, all integral plant and equipment would at that time be disposed at written down value for income tax purposes. For buildings acquired after 13 May 1997, taxation deductions for construction expenditure on capital works reduce the cost base when calculating any capital gain or loss on disposal. This has been taken into account in the determination of the calculation of deferred tax liability.

For income tax purposes, the Consolidated Group are an income tax consolidated group under income tax consolidation legislation. Each entity in the Consolidated Group recognises its own current and deferred tax assets and liabilities.

c. 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.

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 Property. Investment property is carried at fair value, determined annually by an independent valuer. Changes to fair value are annually recorded in the Income Statement as other income (as applicable).

Plant & Equipment

Plant and equipment are measured on the cost 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.

d. 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 2010 included all plant and equipment that was considered to be an integral component of the relevant asset and excluded additions at cost since the previous valuation. For this reason, depreciation for accounting purposes has not been calculated on all such installed integral plant and equipment for the year ended 30 June 2010 (2009: Nil). Consistent with previous financial years, buildings are not depreciated for accounting purposes as they are held for investment purposes.

The ranges of depreciation rates used for each class of depreciable asset for the years ended 30 June 2010 are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	3.75 – 50%
Motor vehicles	18.5%
Furniture and fittings	9 – 50%
Office equipment	9 – 50%

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Depreciation (Continued)

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Income Statement.

e. Rents and Fees in Advance

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

f. Land and Development Expenditure

As at 30 June 2010 any construction in progress and land re-development costs are separately disclosed (as applicable).

g. 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 is stated in the Financial Report is net of the amount of goods and services tax.

h. Employee Entitlements

Provisions are made in the Financial Statements 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 date reporting date and are measured at amounts which are expected to be paid as the liability is settled in the ensuing 12 months.

Liability for long-service leave expected to be settled with the next 12 months from the reporting date are recognised in employee provisions and measured with the same principals as annual leave above. The liability for long-service 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.

i. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition.
Cash and cash equivalents are brought to account at the face value or the gross value of the outstanding balance where appropriate.

j. Financial Instruments

Recognition and Initial Measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Financial Instruments (Continued)

Financial assets at fair value through profit and loss – Classification and Subsequent Measurement

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Consolidated Group's intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

k. Impairment of Assets

At each reporting date, the Consolidated Group reviews the carrying values of its 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 Income Statement.

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 the cash-generating unit to which the asset belongs.

l. Cash

For the purpose of the Statement Of Cash Flows included in the Financial Report, cash includes cash on hand and held in bank accounts.

m. Comparative Figures

Where required by Australian Accounting Standards, comparative figures for 2009 have been adjusted to conform 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 Australian Taxation 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.

o. Change in Accounting Policy

There are no changes in accounting policy for the year ended 30 June 2010.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Critical Accounting Estimates and Judgments

The preparation of the Adelaide Produce Market Limited Financial Statements requires management to make estimates and judgments based on the information available at that time that has an affect 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 judgments and estimates made that impact on the Financial Report. Management bases its judgments 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 judgments and estimates about the 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 amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Based on the performance of the Sunday Markets, the Directors have resolved that no impairment in respect of goodwill is required for the year ended 30 June 2010.

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 2010.

q. New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the Consolidated Group has decided not to early adopt. A discussion of those future requirements and their possible impact on the Consolidated Group is as follows:

— AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

— simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
— simplifying the requirements for embedded derivatives;
— removing the tainting rules associated with held-to-maturity assets;
— removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
— allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New Accounting Standards for Application in Future Periods

— requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

— AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the company.

— AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These Standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the company.

— AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

This Standard clarifies the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the company.

— AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

This Standard specifies requirements for entities using the full-cost method in place of retrospective application of Australian Accounting Standards for oil and gas assets and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4, when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the company.

— AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

This Standard clarifies that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments are not expected to impact the company.

— AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New Accounting Standards for Application in Future Periods

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

— AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Standard is not expected to impact the company.

— AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

— AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably, in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the company.

The Consolidated Group does not anticipate early adoption of any of the above reporting requirements (if at all) and where adopted does not expect them to have any material effect on the Company's financial statements.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Revenues				
Rental Revenue				
- Rents and recoveries	10,676,051	9,928,274	8,643,287	8,057,763
Other Revenue:				
- Insurance recoveries	1,354	-	1,354	-
- Interest	82,227	79,521	144,640	159,537
- Gain/(Loss) on disposal of property, plant & equipment	200	(5,341)	200	(5,341)
	83,781	74,180	146,194	154,196
	10,759,832	10,002,454	8,789,481	8,211,959
Other Income				
- Revaluation gain	1,955,473	2,200,00	2,391,855	3,000.000

NOTE 3: PROFIT FOR THE YEAR

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Expenses				
Finance costs	1,214,555	1,281,926	541,656	591,661
Depreciation of property, plant and equipment	234,649	214,696	95,869	75,916
Bad and doubtful debts	50,004	1,309	50,004	1,309
Remuneration of auditor:				
- audit	24,000	22,000	24,000	22,000
- taxation services	4,000	4,000	4,000	4,000
	1,527,208	1,523,931	715,529	694,886

Significant Revenue and Expenses				
The following significant revenue and expense items are relevant in explaining the financial performance:				
- Revaluation Gain	1,955,473	2,200,000	2,391,855	3,000,000
	1,955,473	2,200,000	2,391,855	3,000,000

NOTE 4: INCOME TAX EXPENSE

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
The components of Tax Expense comprise:				
Current tax	1,043,149	840,595	1,043,149	931,930
Deferred tax	573,290	660,000	704,205	900,000
	1,616,439	1,500,595	1,747,354	1,831,930

NOTE 5: DIVIDENDS

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Interim Distribution Paid				
Interim fully franked dividend of 20 cents per share (2009: 20) cents per share, franked at the tax rate of 30% (2009: 30%)	1,154,912	1,154,912	1,154,912	1,154,912
Final Distribution Provided				
Final fully franked dividend of 20 (2009: 20) cents per share, franked at the tax rate of 30% (2009: 30%)	1,154,912	1,154,912	1,154,912	1,154,912
Franking Account				
Balance of franking account at year end	1,848,127	1,687,395	1,848,127	1,687,395

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated Group		Parent Entity	
Reconciliation of Cash	2010	2009	2010	2009
	$	$	$	$
Cash on hand	1,050	1,050	1,051	1,051
Cash at bank	4,900,570	3,346,534	3,779,283	2,787,637
	4,901,620	3,347,584	3,780,334	2,788,688

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 11: Borrowings.

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
Current	$	$	$	$
Trade debtors	503,929	1,314,296	261,044	1,040,610
Provision for impairment	(182,967)	(4,945)	(52,968)	(4,945)
	320,962	1,309,351	208,076	1,035,665
Other debtors	662,335	-	661,676	-
	983,297	1,309,351	869,752	1,035,665
Non-Current				
Trade debtors	59,942	59,942	59,942	59,942
Loans – Subsidiaries	-	-	12,758,978	12,584,652
	59,942	59,942	12,818,920	12,644,594

NOTE 8: OTHER ASSETS

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
Current	$	$	$	$
Prepaid Commercial Bill interest	222,333	208,715	109,849	108,207
Prepayments - other	134,138	731,737	120,236	710,243
	356,471	940,452	230,085	818,450
Non-Current	-	-	-	-

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
LAND				
- Independent valuation	42,375,000	41,225,000	38,473,250	36,115,500
BUILDINGS				
- Independent valuation	34,100,000	33,175,000	25,691,750	25,536,000
- Additions/(disposals) at cost since valuation	-	79,124	-	78,696
Total Land and Buildings	76,475,000	74,479,124	64,165,000	61,730,196
CONSTRUCTION IN PROGRESS AND LAND RE-DEVELOPMENT IN PROGRESS				
Construction and Land Re-development in Progress at cost	77,387	14,156	77,387	14,156
PLANT, EQUIPMENT AND VEHICLES				
Plant, equipment & vehicles – at cost	1,482,620	1,300,747	1,482,620	1,300,747
Accumulated depreciation	(1,184,768)	(960,205)	(627,838)	(542,055)
Total plant, equipment and vehicles	297,852	340,542	854,782	758,692
Total property, plant, equipment and vehicles	76,850,239	74,833,822	65,097,169	62,503,044

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment for the financial year ended 30 June 2010 are as follows:-

	Construction in Progress and Land Re-Development In Progress $	Land and Buildings $	Plant and Equipment $	Total $
<u>Consolidated Group</u>				
Balances at 1 July 2009	14,156	74,479,124	340,542	74,833,822
Additions : Cost	63,231	40,403	191,959	295,593
Disposals : Carrying value	-	-	-	-
Reclassification	-	-	-	-
Revaluation increment	-	1,955,473	-	1,955,473
Depreciation expense	-	-	(234,649)	(234,649)
Carrying amounts at 30 June 2010	77,387	76,475,000	297,852	76,850,239

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (Continued)

	Construction in Progress and Land Re-Development In Progress $	Land and Buildings $	Plant and Equipment $	Total $
Parent Entity				
Balances at 1 July 2009	14,156	61,730,196	758,692	62,503,044
Additions : Cost	63,231	40,403	191,959	295,593
Disposals : Carrying value	-	-	-	-
Reclassification	-	-	-	-
Revaluation increment	-	2,394,401	-	2,394,401
Depreciation expense	-	-	(95,869)	(95,869)
Carrying amounts at 30 June 2010	77,387	64,165,000	854,782	65,097,169

NOTE 10: INTANGIBLE ASSETS

	Consolidated Group		Parent Entity	
	2010 $	2009 $	2010 $	2009 $
Goodwill : Sunday Markets	120,000	120,000	120,000	120,000
Reconciliation of Goodwill Balance at 1 July 2009	120,000	120,000	120,000	120,000
Additions	-	-	-	-
Disposals	-	-	-	-
Amortisation change	-	-	-	-
Impairment losses	-	-	-	-
Carrying Value 30 June 2010	120,000	120,000	120,000	120,000

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated Group		Parent Entity	
	2010 $	2009 $	2010 $	2009 $
Current				
Unsecured Liabilities:				
Trade payables	145,534	56,374	134,455	45,296
Sundry payables and accrued expenses	1,252,950	1,800,450	1,208,878	1,788,949
	1,398,484	1,856,824	1,343,333	1,834,245
Non-Current	-	-	-	-

NOTE 12: BORROWINGS

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
CURRENT				
Bank bills secured	-	1,200,000	-	1,200,000
NON-CURRENT				
Bank bills secured	19,579,761	18,379,761	19,579,761	18,379,761
Total current and non-current secured liabilities				
Bank bills secured	19,579,761	19,579,761	19,579,761	19,579,761

The bank bills are secured by a registered first mortgage over the freehold properties and a fixed and floating charge over all the Consolidated Group's assets. The covenants for the above bank loans relate to interest cover, capital adequacy, dividend policy and reporting and administrative requirements. All required covenants have been met by the Company.

The bank bills (and their current range of all inclusive interest rates, excluding the facility fee of 0.5%) totalling $19,579,761 are due to expire:

Face Value Bank Bills	Due Date	Interest Rate
$2,180,000	September 2011	6.04%
$2,200,000	November 2012	6.05%
$2,989,761	December 2012	6.05%
$3,000,000	March 2013	6.05%
$1,820,000	September 2013	6.38%
$2,000,000	December 2014	6.87%
$1,200,000	September 2015	4.83%
$4,190,000	September 2015	6.00%
$19,579,761		

NOTE 13: PROVISIONS

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Current				
Dividends	1,154,912	1,154,912	1,154,912	1,154,912
Electrical upgrade	-	20,312	-	20,312
Employee benefits	61,345	22,523	61,345	22,523
	1,216,257	1,197,747	1,216,257	1,197,747
Non-Current				
Bitumen replacement	539,191	558,363	539,191	558,363
Employee benefits	12,734	53,946	12,734	53,946
	551,925	612,309	551,925	612,309

NOTE 13: PROVISIONS (Continued)

Consolidated Group	Dividends $	Electrical Upgrade $	Employee Benefits $	Bitumen Replacement $	Total $
Opening Balance at 1 July 2009	1,154,912	20,312	76,469	558,363	1,810,056
Additional provisions	2,309,824	-	8,430	-	2,318,254
Amounts expended	(2,309,824)	(20,312)	(10,820)	(19,172)	(2,360,128)
Balance at 30 June 2010	1,154,912	-	74,079	539,191	1,768,182

Parent Entity	Dividends $	Electrical Upgrade $	Employee Benefits $	Bitumen Replacement $	Total $
Opening Balance at 1 July 2009	1,154,912	20,312	76,469	558,363	1,810,056
Additional provisions	2,309,824	-	8,430	-	2,318,254
Amounts expended	(2,309,824)	(20,312)	(10,820)	(19,172)	(2,360,128)
Balance at 30 June 2010	1,154,912	-	74,079	539,191	1,768,182

NOTE 14: TAX

	Consolidated Group		Parent Entity	
	2010 $	2009 $	2010 $	2009 $
Current				
Income Tax	1,043,149	840,595	1,043,149	931,930
Non-Current				
Deferred Tax Liabilities	7,624,501	7,246,014	8,013,270	7,309,064

NOTE 15: ISSUED CAPITAL

	Consolidated Group		Parent Entity	
	2010 $	2009 $	2010 $	2009 $
5,774,560 (2009: 5,774,560) fully paid Ordinary shares	5,774,560	5,774,560	5,774,560	5,774,560

Comprising:

1,061,551	Ordinary Grower Shares
3,366,869	Ordinary Wholesaler Shares
750,840	Ordinary Retailer Shares
595,300	Ordinary Unclassified Shares
5,774,560	

NOTE 15: ISSUED CAPITAL (Continued)

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Total borrowings	12	19,579,761	19,579,761	19,579,761	19,579,761
Trade and other payables	11	1,398,484	1,856,824	1,343,333	1,834,245
Less cash and cash equivalents	6	(4,901,620)	(3,347,584)	(3,780,334)	(2,788,688)
Net debt		16,076,625	18,089,001	17,142,760	18,625,318
Total equity		51,857,492	49,277,901	51,168,567	48,445,387
Total capital		67,934,117	67,366,902	68,311,327	67,070,705
Gearing Ratio		23.7%	26.9%	25.1%	27.8%

NOTE 16: CAPITAL COMMITMENTS

The following capital expenditure was contracted for as at 30 June 2010 (2009: Nil).

Bitumen Replacement	$1,918,638

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Consolidated Group 2010 $	Consolidated Group 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Estimates of the potential financial effect of contingent liabilities that may become payable:				
In 2009 a claim against the Company by Australian Farmers Fuel Pty Ltd asserted a breach of contract and claimed an unspecified sum in damages. The contingent liability amount has been estimated by lawyers acting for the Company to be nil as at 30 June 2010.	-	-	-	-

NOTE 18: CASH FLOW INFORMATION

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Reconciliation of Cash Flow from Operations with Profit after Income Tax				
Profit after Income Tax	4,798,081	4,970,813	4,941,670	5,025,403
Non-cash flows in profit				
- revaluation gain	(1,955,473)	(2,200,000)	(2,391,855)	(3,000,000)
- depreciation	234,649	214,696	95,869	75,916
- other provisions	-	27,464	-	689,569
Changes in assets and liabilities:				
- (increase) / decrease in trade receivables	782,802	1,033,554	752,002	773,411
- (increase) / decrease in other current assets	31,055	(7,145)	32,179	3,998
- (increase) / decrease in trade payables	89,159	(112,564)	89,159	(267,203)
- (increase) / decrease in tax liability	499,638	(837,229)	734,021	(452,471)
- (increase) / decrease in other liabilities	(320,458)	(36,934)	(655,982)	(36,934)
	4,159,453	3,052,655	3,597,063	2,811,689

Non-Cash Financing and Investing Activities

There were no transactions or events during the year which affected assets and liabilities and did not

Credit Standby Arrangements with Banks to Provide Funds and Support Facilities

Credit facility	23,070,001	23,070,001	23,070,001	23,070,001
Credit facility utilised	19,579,761	19,579,761	19,579,761	19,579,761
Unused Credit Facility	3,490,240	3,490,240	3,490,240	3,490,240

NOTE 19: FINANCIAL RISK MANAGEMENT

Net Fair Values

The net fair value of Commercial Bills that are traded on organised financial markets is based on the quoted market offer price at balance date adjusted for transaction costs expected to be incurred.

The net fair values of other financial assets and financial liabilities approximate their carrying value. No financial assets and liabilities are readily traded on organised markets in standardised form other than Commercial Bills. Where the carrying amount of financial assets exceeds net fair values, they have not been written down as the Company intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to and forming part of the Financial Report.

Credit Risk

Subject to AusCold Logistics Pty Ltd, the maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the Balance Sheet and notes to the Financial Report. The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

Interest Rate Risk

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

Consolidated Group 2010	Floating Interest Rate $	Fixed Interest Rate Within 1 Year $	Maturing 1 to 5 Years $	Non Interest Bearing $	Total $
Financial Assets					
Cash	4,900,570	-	-	1,050	4,901,620
Receivables	-	-	-	1,043,239	1,043,239
Other	-	-	-	356,470	356,470
	4,900,570	-	-	1,400,759	6,301,329
Interest Rate (all inclusive)	5.0%				
Financial Liabilities					
Accounts Payable	-	-	-	1,398,484	1,398,484
Borrowings – Bank Bills	-	-	19,579,761	-	19,579,761
	-	-	19,579,761	1,398,484	20,978,245
Interest Rate (all inclusive)			6.05%		

Consolidated Group Comparative 2009	Floating Interest Rate $	Fixed Interest Rate Within 1 Year $	Maturing 1 to 5 Years $	Non Interest Bearing $	Total $
Financial Assets					
Cash	3,346,534	-	-	1,050	3,347,584
Receivables	-	-	-	1,369,293	1,369,293
Other	-	-	-	940,452	940,452
	3,346,534	-	-	2,310,795	5,657,329
Interest Rate (all inclusive)	5.0%				
Financial Liabilities					
Accounts Payable	-	-	-	1,747,845	1,747,845
Borrowings – Bank Bills	-	1,200,000	18,379,761	-	19,579,761
	-	1,200,000	18,379,761	1,747,845	21,327,606
Interest Rate (all inclusive)		3.40%	6.05%		

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

Parent Entity 2010	Floating Interest Rate $	Fixed Interest Rate Within 1 Year $	Maturing 1 to 5 Years $	Non Interest Bearing $	Total $
Financial Assets					
Cash	3,779,283	-	-	1,051	3,780,334
Receivables	-	-	-	13,688,672	13,688,672
Other	-	-	-	230,085	230,085
	3,779,283	-	-	13,919,808	17,699,091
Interest Rate (all inclusive)	5.0%				
Financial Liabilities					
Accounts Payable	-	-	-	1,343,333	1,343,333
Borrowings – Bank Bills	-	-	19,579,761	-	19,579,761
	-	-	19,579,761	1,343,333	20,923,094
Interest Rate (all inclusive)			6.05%		

Parent Entity Comparative 2009	Floating Interest Rate $	Fixed Interest Rate Within 1 Year $	Maturing 1 to 5 Years $	Non Interest Bearing $	Total $
Financial Assets					
Cash	2,787,637	-	-	1,051	2,788,688
Receivables	-	-	-	13,680,259	13,680,259
Other	-	-	-	710,243	710,243
	2,787,637	-	-	14,391,553	17,179,190
Interest Rate (all inclusive)	5.0%				
Financial Liabilities					
Accounts Payable	-	-	-	1,725,410	1,725,410
Borrowings – Bank Bills	-	1,200,000	18,379,761	-	19,579,761
	-	1,200,000	18,379,761	1,725,410	21,305,171
Interest Rate (all inclusive)		3.40%	6.05%		

NOTE 20: REMUNERATION AND RETIREMENT BENEFITS

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Directors' Remuneration				
Income (excluding retirement and superannuation payments) paid or payable to all Directors of the Company	360,000	318,333	360,000	318,333
Directors' Retirement and Superannuation Payments				
Amounts of a prescribed benefit given during year to a Director or prescribed superannuation fund in connection with the retirement from a prescribed office with the Company	32,400	28,650	32,400	28,650
Executive Remuneration				
Remuneration received or due and receivable by executive officers of the Company whose remuneration is $100,000 or more	162,731	156,330	162,731	156,330
The number of executives whose income was within the following bands:-				
- In excess of $100,000	1	1	1	1

NOTE 21: 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 22: RELATED PARTY DISCLOSURES

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Transactions with Related Parties

Directors of the Company and Director-Related Entities

Some Directors have direct or indirect commercial interests in businesses (including as a supplier of produce) which have agreements under leases, licenses and/or other fee arrangements with the Company, the conditions of which are all entirely consistent with those applying to all other trading parties.

NOTE 22: RELATED PARTY DISCLOSURES (Continued)

. **Share Transactions of Directors**

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 Directors' Report.

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	No.	No.	No.	No.
Adelaide Produce Markets Ltd				
- Ordinary Shares	962,449	957,099	962,449	957,099

NOTE 23: 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 relevant Superannuation Guarantee legislation.

NOTE 24: EVENTS AFTER THE BALANCE SHEET DATE

There are no events subsequent to 30 June 2010 that would have a material effect on the 2010 Financial Report (2009: Nil).

NOTE 25: ECONOMIC DEPENDENCY

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

NOTE 26: CONTROLLED ENTITIES

Controlled Entities

		Percentage Owned	
	Country of Incorporation	2010	2009
APML No. One Pty Ltd	Australia	100%	100%
APML No. Two Pty Ltd	Australia	100%	100%

Controlled Entities Acquired

No controlled entities were acquired during the year.

Controlled Entity Disposal

No controlled entities were disposed during the year.

NOTE 26: CONTROLLED ENTITIES (Continued)

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 27: OTHER FINANCIAL ASSETS

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Current	-	-	-	-
Non-Current				
Unlisted Investments at cost:				
- Shares in Controlled Entities	-	-	2	2

NOTE 28: CHANGES IN ACCOUNTING POLICY

There were no changes in accounting policy for the year ended 30 June 2010.

NOTE 29: 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

CORPORATE DIRECTORY
(as of the date of this report)

DIRECTORS	Mr Savas Christodoulou (Chairman) Mr Nicola Minicozzi (Deputy Chairman) Mr Pasquale Scalzi (OAM) Mr Desmond Lilley Mr Daniele De Ieso Mr David Trosti Mr Vincenzo Dimasi Mr Antonio Ceravolo Mr Dino Musolino Mr Gregory Griffin Mr Michael Ruggiero
SECRETARY	Mr Angelo Demasi
REGISTERED OFFICE	Burma Road Pooraka South Australia 5095 Telephone: 08 8349 4493 Facsimile: 08 8349 6574 Web site: www.adelaidemarkets.com.au
AUDITOR	Dean Newbery & Partners Chartered Accountants 214 Melbourne Street North Adelaide South Australia 5006
BANKER	Commonwealth Bank of Australia Level 8, 100 King William Street Adelaide South Australia 5000
CORPORATE LAWYERS	Thomsons 19 Gouger Street Adelaide South Australia 5000
PROPERTY LAWYERS	Thomsons 19 Gouger Street Adelaide South Australia 5000
SHARE REGISTRAR	David Garry & Associates Medindie House 1 Northcote Terrace MEDINDIE South Australia 5081

NOTES

Adelaide Produce Markets Limited
Burma Road, Pooraka
South Australia 5095
www.adelaidemarkets.com.au
www.burstoffreshness.com.au