



ADELAIDE[™]
**PRODUCE
MARKET**

2011 ANNUAL REPORT



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APML RECOGNISED

"It is pleasing to see the development of a comprehensive plan to raise the profile and promote consumption of South Australian grown produce."

John Rau

Deputy South Australian Premier

"Angelo, I wish to congratulate you and your team on running a smooth operation at the Adelaide Produce Market. We continue to be impressed with the structured trading environment, the professionalism and fairness with the leasing arrangements and the marketing activities undertaken of late to boost fresh produce sales through the market floor. We look forward to remaining at the market and working collaboratively with APML for many years to come."

Nick Pseudos

Chief Financial Officer, Fruitorama (SA) Pty Ltd

"I commend your organisation's commitment to furthering the profile of local and independently owned fruit and vegetable retailers."

Tom Koutsantonis

South Australian Minister for Small Business

"Getting more people eating healthy and cooking at home is a personal passion of mine. I was thrilled when the Adelaide Produce Market asked me to be the face of fruit and vegetables for South Australia."

Callum Hann

2010 MasterChef finalist and 'face' of the retail development program

"I would like to commend APML for a range of activities in your marketing plan to increase fruit and vegetable consumption."

David Swan

Chief Executive, SA Health

"Angelo, I look forward to your ongoing input and contribution to the Board and once again, thank you for your continued interest and commitment to the South Australian horticulture industry."

Michael O'Brien MP

South Australian Minister for Agriculture, Food and Fisheries

"Angelo, as a retailer visiting the site six times a week, I can honestly say doing business with the merchants at APML is a joy. The trading hours, cleanliness of the site and the help received from your operations and marketing staff is absolutely exceptional. Get Fresh will continue doing business with APML well into the future!"

Frank Dinino

Get Fresh stores (Findon, Fairview Park & Hallet Cove)



Savas Christodoulou
Chairman



Angelo Demasi
Chief Executive Officer

REPORT FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Financial Performance Highlights 2011

\$11.55M

Total revenue

(up from \$10.76M in FY2010)

\$4.7M

Consolidated Profit (excluding the revaluation gain,
significant expenses and income tax)

(up from \$4.46M in FY2010)

\$6.6M

Profit for the year

(up from \$4.8M in FY2010)

\$1.19 per share

Earnings per share (fully franked)

40 cents

Distribution per share (fully franked)

\$89.06M

Total assets

(up from \$83.27M in FY2010)

\$56.52M

Net assets

(up from \$51.86M in FY2010)

58,487sq. m

Space leased

99.04%

Average occupancy across the entire market site

7.2 Years

Weighted average lease expiry

24.0%

Gearing ratio

5.24 Times

Banking interest cover



...despite a challenging year with the continuing adverse effects of the Global Financial Crisis and major natural disasters occurring in significant agricultural growing regions across Australia, the Adelaide Produce Markets continues to be resilient and has invested significantly in major capital projects throughout 2010/11.

Financial Position

We are delighted to report another exceptional financial year with the Group continuing to maintain a sound financial position, as reported in the Financial Performance Highlights.

APML has continued to preserve cash whilst maintaining the previous financial year's dividend payment as well as funding significant capital improvements. The payout ratio of 64.7% of profit after income tax (excluding revaluation gain and deferred taxation) continues to be well above most listed property trusts. With uncertainty in financial markets, it was considered prudent to continue to preserve cash. Gearing therefore continues to remain at a modest 24.0%.

The net asset backing of the issued shares was at \$9.73 per share with 94,100 shares traded this year with an average selling price of \$9.51, compared to 32,912 shares traded with an average selling price of \$8.91 in the previous financial year. A further 27,600 shares were transferred as Probate and split between partnerships, compared to 22,900 in the previous year. It has been pleasing to note that during a year of continuing global economic uncertainty and almost universal falls in listed share prices, our Company has seen its share price increase by 60c per share.

Capital Investment

After twenty years of strategic debate and two years of planning, APML has committed to its largest capital investment for the Market since its construction back in 1987. This significant capital investment includes the covering of the retail market square and an upgrade of the fire systems in the existing and new buildings. The milestone canopy project with its innovative ground-breaking design represents a significant investment in the industry and will create an opportunity for the Market to change the way it operates between growers, wholesalers, retailers and other industry players.

After a competitive tendering process and taking full advantage of the favourable construction prices within the market place, the Board was delighted to award the \$3.2M contract to local firm Pike Constructions, with structural steel being fabricated by another local business, Manuele Engineers at their new state-of-the-art complex in North Plympton. The Board took advantage of the favourable pricing on this major project, saving an estimated \$5.2M (as reported last year, the cost estimates completed by Rider Levett Bucknall (quantity Surveyors) then costed the project at \$8.4M).

The project will see roof space almost doubled to 70,000 square metres, resulting in fresh produce being protected from the elements of the weather at all times while it travels through the market system. The vast roof area will also allow captured fresh water to be directed to the City of Salisbury stormwater harvesting system and for future possible investment into solar power generation. As fresh produce will be protected from the weather during every step in the chain, this means we will not only continue to have better quality produce, but greater flexibility towards market hours, opening the way for cost efficiencies and a more family-friendly working environment.

The APML Board felt that this project would pave the way for better trading hours and would see an influx of younger people entering the wonderful world of fruit and vegetables, especially those who had previously been deterred due to the early operating hours. Upon completion of the project in December 2011, the Adelaide Produce Market will become the largest undercover market in South Australia.

In addition to covering the Retail Market square, the APML Board further approved a \$0.5M capital investment to extend Canopy A and Canopy E. This project will see annual rental income increase by just over \$85,000, representing a return on investment of 13.93%. This project will also be undertaken by Pike Constructions.

As reported last year, investigation into the upgrade of the entire site's fire system was completed and we are pleased to announce that after a competitive tendering process, Spectrum Fire Systems was awarded the \$356,000 contract. The upgrade was required as part of the APML Master Plan and as a condition for building approval of the canopy extension.

\$1.2M was invested in Stage One of the bitumen re-profiling and a further \$0.7M will be invested in further stages once the market canopy project has been completed. Furthermore, \$1.4M was invested in the new LaManna Bananas warehouse facility, which not only saw an annual rental increase of over \$150,000, but created an additional 60 carpark spaces.





Artist impression of the new Market Square Canopy

Property Valuation

After 5 years of the one professional firm providing independent valuation services, the Adelaide Produce Markets changed Valuers and appointed Jones Lang LaSalle for the 2011 property valuation. The Market site was valued at \$49.8M, compared to \$44M in the previous year. A 10% capitalisation rate was used in both years in determining these values. The Market valuation considerations has seen a change in the value of the building apportionment and a difference of opinion in land values between valuations, with recent market evidence inferring a lower rate per square metre for the land. There has been increases in rents which have resulted in a higher value overall. This financial year, the land leased to Goodman Trust was capitalised at 7.5%, compared to 7% in the previous financial year. The site is currently valued at \$18.25M, compared to \$18.75M in the previous year. This difference was a result of an opinion of yield based on current conditions and fundamentals driving the investment market. The Cold Store Facility currently leased to Auscold Logistics Pty Ltd was valued using a yield of 9% compared to 8% in the previous year. The Cold Store Facility has therefore been valued at \$13.1M compared to \$13.6M in the previous year. Consistently applying "Fair Market Value", the total property valuation has increased by over \$4.68M, from \$76.47M in 2010 to \$81.15M as at 30 June 2011.

New Business Opportunities

With the Company completing the third of its 5-year Corporate Plan, we are pleased to report that APML continues to look for ways to add value to existing market activities in order to increase shareholder value.

APML Unloading was introduced in September 2010 and unloading costs were immediately reduced by 13.5%. Trading as APML Equipment Management, APML successfully tendered for the right to manage the Chep agency at the Pooraka site within the market commencing August 2011. It is estimated that these business units will contribute an additional \$0.1M in profit next financial year. It is worthy to note that APML Equipment Management began trials of plastic returnable bins this year to ensure growers, wholesalers and retailers have cost-effective packaging available at the market.



Committee Performance

The Finance Committee met on five occasions during the year to manage the current expiring loans, taking advantage of favourable fixed rates, expressing caution especially due to the uncertainty of interest rates. A comprehensive long term cash flow forecast was also considered in order to manage and maintain our long term capital requirements whilst managing debt. The Audit & Corporate Governance Committee met on one occasion throughout the year to discuss the audit and tax services for APML and have decided to tender the two services separately. It was agreed that from the 2011/12 financial year there will be a separation of the two services for Governance and internal control reasons. The Executive Remuneration Committee continued to develop employee assessment based on performance and met on one occasion throughout the year. The Board upheld the Corporate Governance policies with no changes made to the existing policy adopted in 2009. The full Corporate Governance policy is available on our website.

Working with the Industry

APML continues to work with the horticulture industry and all levels of Government to provide input into various matters of interest, including the proposed carbon tax, importation of apples from New Zealand, food security and the effects from Cyclone Yasi. APML provided support in helping the Coalition for SA Horticulture gain a \$10,000 grant from the State Government to complete a 20-year strategic plan. At the time of writing, a draft plan was being circulated throughout the industry.

APML Management Departments

The Asset Management and the Facility Management teams have been busy this year with preparing for the market canopy project whilst ensuring all market users are consulted with before, during and after any work has been undertaken. A particular emphasis is given to ensure work undertaken at the market is done with minimal disruption to market users.

We are pleased to advise that an audit undertaken from Ace Insurance provided APML with an AAA Rating in 15 of the 16 categories. This is a substantial increase from our previous audit which gave us an AAA rating in 12 of the 16 categories. This will ensure that future insurance renewals will not be penalised and that our rates remain competitive within the market place. Future audits should also improve with the installation of the early warning and manual call point system where APML will be connected directly to the fire service. Both the Asset Management team and the Facility Management team are to be commended on their exceptional work in this area over the past financial year.

The Finance team was reviewed and restructured throughout



this financial year, with a number of changes made, including:

- Development of finance and administration software systems, including (1) implementation of Fixed Assets Module (2) integration of Micropay Payroll system and (3) installation of CRM database and integration with current accounting system;
- Design of property management module in CRM to enable more efficient record-keeping, invoicing and reporting
- Review of internal accounting systems and processes resulting in a number of changes to policies, procedures and staff role definitions, aimed at improving efficiency and reliability of the finance function.

During the year, the Market Services Department launched the Burst of Freshness campaign to help the independent retail sector grow its market share. We also welcomed Julian Carbone as a strong addition to our management team as the new Marketing and Business Development Manager whose role has been to implement our marketing section of the corporate plan. APML has also changed the way it communicates with the media and industry, which now includes regular and up-to-date media releases on key issues affecting the horticulture and retail industries. As a result of this, APML has witnessed a substantial increase in the level of media exposure and APML has become one of the first points of contact for industry stories.



ve Marketing Award
(CMAA)

Board and staff

We thank the Board members for their time, energy and specialised expertise in providing APML with a highly viable strategic direction. Furthermore we thank all APML managers and staff for their tireless efforts over the past year, with special mention to Operations Coordinator Frank Cantelmi who remains the company's longest serving employee, having served 23 years with APML.

Future Outlook

Assuming no material change to market conditions, APML expects to continue to grow its revenue base, with the introduction of new business units and the further development of our Pooraka retail market brand in 2012. The trading conditions will continue to prove challenging for market traders, however we will work together to ensure our trading environment continues to improve.

Further to the increased capital investment into the market site over the last financial year and coming 2012 financial year, further large infrastructure spending is not anticipated at this stage. We will continue to investigate further investment opportunities, however will be vigilant by ensuring the risk is minimised and that the return on shareholder equity is maintained or increased.

We look forward to a challenging year ahead, however shareholders can continue to have confidence in our team to deliver further growth and manage our way through the prevailing domestic and international economic uncertainty.

Yours sincerely,

Savas Christodoulou
Chairman

Angelo Demasi
Chief Executive Officer



PROPERTY

...the Property Management team delivered a year of professional leasing management, with strong growth in customers and rental space and the construction of a new warehousing facility

Snapshot:

- 100% of warehouses and stores are leased
 - 16% increase in space licensed to growers in the Growers Pavilion
 - 2,614m² of new warehousing constructed in response to growing demand
 - 10% of store leases have been assigned under very favourable circumstances for all parties
- Establishment of a well-known flower/foilage distributor in the Growers Pavilion
 - New license for the sale of flowers and foliage developed
 - New lighting in the Growers Pavilion
 - New warehousing facilities built with a long term lease signed
 - Tenants investing in refurbishing their premises

	Approx available Area m ²	As at 30 June 2011	As at 30 June 2010
Stores	23,235	100% leased	100% leased
Warehouses	14,563	100% leased	100% leased
Other tenants	1,622	100% leased	100% leased
Growers	2,394	79% leased	63% leased

Optimistic Outlook

Throughout the year, an overall tone of optimism has been strongly reflected throughout the APML with tenants investing in their premises with new signage, new office accommodation and upgrades to cool rooms. Furthermore, allocation of space to registered growers in the Growers Pavilion has increased by 16%, including the establishment of a well-known distributor of flowers and foliage.

This level of optimism and activity has been reciprocated by APML by the establishment of improved lighting in the Growers Pavilion, a newly dedicated licence for the sale of flowers and foliage and the construction of a further 2,614 square metres of warehousing space. This development is made up of 1,210 square metres of cold storage and 1,404 square metres of loading dock space. This new premises has been leased to La Manna Bananas (Adelaide) Pty Ltd on a long-term lease of 10+5+5 years.

Income by Property Segment

The stores (merchants) continue to account for the majority of APML’s income (39%) with income from the warehouses and partnerships accounting for around 20% each. The balance is made up of parking and access fees and other miscellaneous

income sources. Whereas growth is mainly from CPI increases, the increase in the numbers of occupied Grower Sites this year produced an increase in the proportion of APML’s income generated from this segment as indicated to the right:



New LaManna Cold Storage Facility



	Approx. Area m ²	2011 \$pa	% of leasing income	2010 \$pa	% of leasing income	Variance
Merchants (stores)	23,235	\$2,771,812	39%	\$2,698,361	40%	3%
Market tenants (warehouses)	14,563	\$1,259,174	18%	\$1,221,841	18%	3%
Other tenants	1,291	\$210,915	3%	\$208,118	3%	1%
Growers Pavilion	2,394	\$365,019	5%	\$262,972	4%	39%
APML No. One	8,618	\$1,117,540	16%	\$1,084,990	16%	3%
APML No. Two (land lease)	178,000	\$1,360,674	19%	\$1,321,042	19%	3%
Total:	228,101	\$7,085,134	100%	\$6,797,324	100%	

Document Profile – Lease and Licence Agreements

The lease expiry profile has a Weighted Average of 5.7 years. The original Terms of the Store leases provide for a 10 year term expiring in 2018 with an Early Termination clause for 2013. It is pleasing that there appears to be no indications of any Lessee likely to take up early termination. Removing the provision for early terminations in 2013 increases the Weighted Average to 7.2 years. All Grower Licences expire in 2013 which provides APML with an opportunity to review the terms and conditions of access.

Land Holdings

While APML holds some 40 hectares of land across the three companies, development opportunities continue to remain with 42,301sqm of land available for future development. Whilst there are no immediate plans to develop these vacant areas, the land has been considered in the site Master plan for future warehousing and possible parking.



Pooraka
SUNDAY MARKET

CONSUMER MARKET SEGMENT

...with sound growth in the number of Sunday shoppers, the Pooraka Sunday Market continued to make a positive contribution to APML

Snapshot:

- Sound results for weekly buyers, sellers and annual profit, especially in the wake of more Sunday markets emerging
- Loyal customer base
- Introduction of weekly mobile food vans
- More food choices made available to patrons
- New tables and chairs purchased for the food service area
- Upgrade of the lights in the Growers Pavilion completed
- Fire and safety services upgrade completed

Pooraka Sunday Market

The Pooraka Sunday Market continues to maintain its positive contribution to APML's net income, exceeding budget in 2010/11 by 7%. This is a pleasing result considering the increasing numbers of competing weekend markets emerging

throughout the trade area and the limited advertising budget of the Pooraka Sunday Market. The Pooraka Sunday Market has a loyal regular weekly customer-base, with almost 115,000 adult customers visit the Market in 2011, plus their children.

Looking Forward

Canopies covering the entire Market Square are due for completion in December 2011. These canopies will provide APML with the opportunity to provide the biggest undercover outdoor weekend market in South Australia. It also presents APML with significant opportunities for maximizing the value of its assets by using the covered space outside of the usual trading hours of the Wholesale Market.

APML will appoint a new weekend market manager in the new financial year. The scope of the role is to grow the business and consider all opportunities for adding value to the company's asset. This will include looking at further activities that could operate outside of normal market hours.



OPERATIONS

...the Facilities Management team efficiently managed a major upgrade of the bitumen and line marking, whilst continuing to build good working relationships and deliver high levels of customer service and information to Market users

Snapshot:

- New bitumen and profiling completed
- New computer access card system completed
- Introduction of an exclusive heavy vehicle lane
- Upgrade of CCTV completed
- Increased level of staff training

Profiling and Bitumen works

In preparation for the major construction works planned for the Market Square next financial year, major bitumen profiling, construction of spoon drains and new line marking have been undertaken across the site. In order to minimize business disruption, the majority of the works were programmed to commence outside of peak market hours. The profiling and bitumen works were completed successfully ahead of schedule and before the busy Christmas period.

Line Marking and Traffic Management

The site line marking was reorganised to introduce a more efficient traffic flow around the site. The introduction of an exclusive heavy vehicle lane now enables delivery vehicles to travel around the perimeter of the site unimpeded. It also provides areas for vehicles to be staged until a safe unloading area is available. The Facilities Management team made good use of aerial photographs by overlaying the new plans to communicate the changes to Market Users. The new line marking has significantly improved traffic flow around the site.

Human Resources

Staff training has been a major focus this year for Facilities Management staff. Increasing staff knowledge base of the various roles within Facilities Management allows for more efficient use of staff time. With the increased activity on-site during 2010/2011 and the anticipated increased levels of activity across the site during the major construction works planned for 2011/12, cross role training has provided extra support to team members and ensures effective multi-tasking. Training undertaken in 2010/11 included: traffic management,

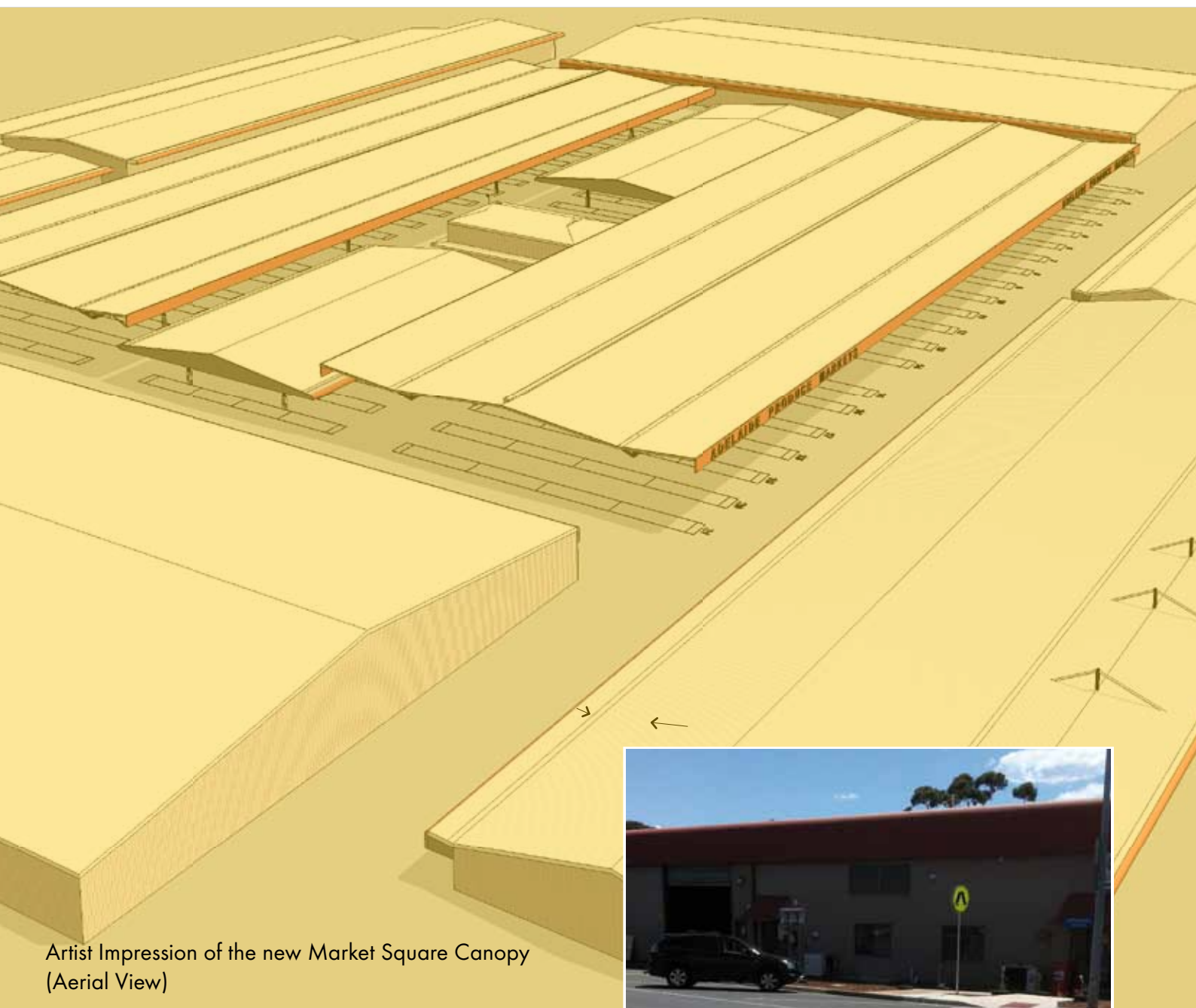
First Aid, hazard identification and computer training. APML has also introduced training courses for contracted security staff and implemented a full training package including a detailed training manual for all Market Officials and security personnel.

Security and Access

Further upgrading of the Closed Circuit Television (CCTV) system has extended site coverage, enabling Market Officials to respond in an efficient and timely manner. The system can also provide visual evidence for prosecution of theft. The Access Card system now provides the Main Gatehouse with detailed market user's information each time a card is used. This enables Market Officials to inform individuals or groups of market users of any changes to parking locations on their entry to the market. It also has the capacity to flag significant dates such as license expiries etc.

Installation of a new computer system at the Main Gatehouse provides a much more efficient communication path between APML administration staff and Market Officials. Notification of events, visitors or emergencies can now also be made electronically and immediately rather than via memo's and notes. Market Officials can now provide a more efficient and personal approach when visitors enter the site.





Artist Impression of the new Market Square Canopy
(Aerial View)

Safety and Communications

A major part of the second half of the year has been devoted to the logistical planning and preparation for construction of canopies covering the Market Square. The construction works are scheduled for the 2011/12 year and will be programmed for after trading. Revised parking arrangements for over 250 market users will be required with daily changes to be communicated to all parties involved. This huge undertaking is being conducted by the Facilities Management team in a steady and methodical manner using various forms of communications.



MARKETING AND COMMUNICATIONS

...the Marketing Services team continued to work with the media, retailers, wholesalers and the industry to promote fruit and vegetable consumption and the benefits of using a central market system

Snapshot:

- \$200,000 raised for the Queensland flood victims
- Corporate partnerships developed with local charities and sporting clubs, including the ETSA Contax Netball Club and Camp Quality.
- New APML directory distributed
- New APML website launched
- New APML Unloading and APML Equipment Management logos designed
- New healthy-choice vending machines launched
- New Marketing & Business Development Manager appointed
- New retail development program launched with 2010 MasterChef finalist appointed as the spokesperson/face of the program
- Presence at the AusVeg and PMA Fresh conferences and the 2010 Royal Adelaide Show
- Regular Crunch Bunch character appearances in retail stores, shopping centres and community fairs, including the 2010 Royal Adelaide Show
- Regular tours of the market conducted
- Regular workshops coordinated on a variety of subjects, including new citrus standards and exporting opportunities
- "Fresh Market Reports" presented on 107.1 SAFM and 107.9 Life FM every Thursday morning during respective breakfast programs
- Wholesale price and produce reporting undertaken every day, with reports sold to growers, wholesalers and other interested parties

Media and Public Relations

Throughout the year, the Adelaide Produce Market has been the first point of contact for most media agencies for stories relating to fresh produce. The market played a proactive role in working with the media through the distribution of regular media releases on a wide range of subjects, including the devastating Queensland floods, Cyclone Yasi, Barbera Farms going into receivership, food security and calling on the State Government to protect the local horticultural industry. The market also introduced weekly "Fresh Market Reports" which

aired on 107.1 SAFM and 107.9 Life FM each Thursday morning. The segments informed listeners on which produce was good in supply and their respective health benefits and matching recipes.

Vending Machines

The Adelaide Produce Market undertook a joint venture with vending machine company, NatVend to install vending machines throughout South Australia, although initially 5 machines were trialled throughout UniSA campuses. Products sold were considered healthy with the majority of their ingredients being sourced through the Adelaide Produce Market. At the time of writing, the machines have access to 15 items and sell rice, fruit, pasta and lettuce-based salads.



Patron saluting the crowd at the charity penalty shoot-out, Hindmarsh Stadium



The new Marketing and Business Development Manager discussing the Adelaide Produce Market with the media



A snapshot of one of the new Burst of Freshness commercials starring 2010 MasterChef Finalist, Callum Hann



Jana Abi-Farraj
Tropical Triangle Fruit Market





The Adelaide Produce Market supporting the Animal Welfare League



Crunch Bunch mascot, Cobba Corn with UniSA students at the launch of the new healthy choice vending machines

Retail Development Program

With the objective of increasing fruit and vegetable consumption in South Australia's independent retail stores, the Burst of Freshness program was launched in October 2010. Key to the campaign was the promotion of easy healthy "Go for 2&5" recipes that consist mainly of fresh produce. Recipes were promoted on television and made available in member stores. Recipes changed each fortnight to reflect changing seasons and allowed viewers to try different meal types. Member stores also received in-store promotional material, recipe cards and stand plus the chance to have visits from 107.1 SAFM and a guest appearance in one of the television commercials. Two in-store competitions were also conducted during the year with the second competition attracting over 400 entries from customers.

After a review in April 2011, the program was given a new, more youthful branding and a new slogan, "easy healthy recipes start with a burst of freshness" was endorsed. 2010 MasterChef finalist and local 'foodie' Callum Hann was duly appointed as the new face and spokesperson of the campaign and replaced the chef who starred in the first series of commercials.

Queensland Flood Appeal

In early 2011, the Adelaide Produce Market and the South

Australian produce industry banded together to raise funds for the victims of the devastating Queensland floods. Working with the Adelaide United Football Club, a charity penalty shoot-out was held during the A-league Adelaide United vs. North Queensland soccer match on Friday 21 January 2011. Kickers included donors from the fresh produce industry and patrons selected randomly from the crowd at the game. Funds were sourced through corporate donations, donations from patrons on the night and APML and Board members. A grand total of \$200,000 was raised and a cheque was presented on the night by the Chief Executive Officer, Angelo Demasi to the Hon. Michael Wright MP, Minister for Police, Emergency Services, Recreation, Sport and Racing.



BOARD OF DIRECTORS



Left to right: Tony Ceravolo, Des Lilley, Danny De Ieso, Nic Minicozzi (Deputy Chairman), Jim Dimasi, Sam Christodoulou (Chairman), Greg Griffin, Angelo Demasi (Chief Executive Officer), Pat Scalzi, Michael Ruggiero, David Schirripa. Absent: David Trosti

Chairman - Mr Savas (Sam) Christodoulou

Sam has been an elected Director since 2006 and Chairman since 2009. A qualified property valuation consultant, Sam also holds a Diploma in Town Planning; is a Fellow of the Australian Property Institute and comes from professional practice in property valuation and has Local Government experience, in particular the Adelaide City Council. In addition to presiding over the APML Board, he also sits on five sub committees, including Audit & Corporate Governance, Constitution, Finance, Master Planning and the Remuneration committees.

Deputy Chairman - Mr Nicola (Nic) Minicozzi

Nic has been a Director since 2000 and Deputy Chairman since 2003. Holding a degree in Law, he brings almost forty years' experience in both non-litigious and litigious commercial law. Nic currently sits on the Audit & Corporate Governance and Remuneration committees.

Director - Mr Pasquale (Pat) Scalzi OAM

Pat is a founding Director having been duly elected when APML was formed in 1987 and he continues to be a major shareholder. Bringing over 45 years' experience in the fruit and vegetable wholesale industry, Pat is the Managing Director of Scalzi Produce. In 2000 he received an Order of Australia Medal for his extensive contribution to the fresh produce industry. Pat also sits on the Master Planning committee.

Director - Mr Desmond (Des) Lilley JP

Des has been a Director since 1999 and was Chairman from 1999 to 2008. From late 1999 to early 2000, he was appointed Acting Manager and Company Secretary during the recruitment process for a CEO. With qualifications in Food Safety and Total Quality Assurance, Des brings over twelve years' experience in the fresh fruit and vegetable Industry and 45 years in the Australian Export Meat and livestock Industry. He sits on the Constitution and Master Planning committees and is a Justice of the Peace.

Director - Mr Daniele (Danny) De Ieso

Danny has been a Director since 2002. Representing Growers, Danny brings over 32 years' experience in the fruit and vegetable industry and is currently the Managing Director of Thornton Park Produce. He holds qualifications in horticulture and business management and currently a Member of the Information Technology Dissemination Group (Horticulture Australia Limited). Danny sits on the Master Planning committee.

Director - Mr David Trosti

David has been a Director since 2004 and brings over seventeen years' experience in the fruit and vegetable industry. David is the Managing Director of Stramare Produce, a wholesaling business based at APML and he currently sits on the Constitution and Master Planning committees.

Director - Mr Vincenzo (Jim) Dimasi

Jim has been a Board member since 2008 and brings over thirty years' experience from the fruit and vegetable retail industry. He is the past President of the South Australian Fruit & Vegetable Retailers Association and is a former Councillor for Mallala Council. Vincenzo has also five years grower experience and currently sits on the Master Planning and Remuneration committees.

Director - Mr Antonio (Tony) Ceravolo

Tony has been a Board member since 2007 and brings almost thirty years' experience from the fruit and vegetable industry. Tony is currently the Managing Director of R Ceravolo & Co Pty Ltd, a major apple and pear grower in the Adelaide Hills and is the founder and Managing Director of Ashton Valley Juices & Co Pty Ltd. Both of these companies have a wholesaling presence at APML. Tony also sits on the Constitution and Master Planning committees.

Director - Mr Gregory (Greg) Griffin

Greg has been a Board member since 2006 and brings to APML almost thirty years of legal experience. Greg is currently the Managing Partner of Griffin Lawyers and regularly represents a number of high profile clients, including various sporting celebrities. He is also a current and former Board member for a number of community organisations, including as Chairman the Adelaide United Football Club, the Law Society of South Australia and Taekwondo Australia. Greg currently sits on the Constitution committee.

Director - Mr Michael Ruggiero

Michael has been a Board member since 2008 and brings almost twenty five years accounting and taxation experience. A qualified Chartered Accountant and a Fellow of the Taxation Institute of Australia, Michael is a former partner of Bentleys Chartered Accounts and a founding partner of RDC Partners Accountants and Business Advisors. He specialises in finance, Capital Gains Tax, taxation, business and property and currently sits on the Audit & Corporate Governance, Constitution, Finance and Remuneration committees.

Director - Mr David Schirripa

David has been a Board member since 2010 however has previously served on the Board from 2004 to 2007, including a period as Deputy Chairman. In addition to being an avocado grower, David is a solicitor and is the principal of Schirripa Commercial Lawyers which specialises in the fields of commercial transactions and disputes for family businesses and private investors. He currently sits on the Audit and Corporate Governance, Constitution and Finance committees. David's family used to own Lamanna Bananas Adelaide (formerly Carbis Banana) and prior to that were fruit and vegetable retailers.



MANAGEMENT AND STAFF



Left to right: Jessica Christensen (Market Official), Cathy Reid (Pooraka Sunday Market Coordinator), Sue Trussell (Property Manager), Xavier Davey (Finance Assistant), Teresa Williams (Administration Assistant), Bob Mitchard (Finance Manager), Frank Cantelmi (Operations Coordinator), Angelo Demasi (Chief Executive Officer), Liberato Colagiovanni (Market Official), Fiona Opitz (Administration Assistant), Julian Carbone (Marketing and Business Development Manager), Sally Wilson (Operations Support Officer), Clive Young (Market Official), Karen Butler (Facilities Manager), John Fitzgerald (Market Official), Wendy Helps (Price and Produce Reporter), Kerry Foster (Executive Assistant), Keren Balkwill (Assistant Accountant)

Chief Executive Officer - Angelo Demasi

Angelo was appointed in March 2000 and brings over twenty years senior management experience from the fresh produce, meat, bakery, manufacturing and retail industries. Tertiary qualified in Accounting and Management, a Fellow of the Australian Institute of Management and a Fellow member of the Institute of Public Accountants, Angelo oversees the general day-to-day operations of the market, which includes mentoring staff, strategic planning, corporate Governance, property development and developing relations with commercial and Government agencies. With an active involvement with the Central Markets Association of Australia, Angelo has addressed issues that affect the horticulture and wholesale market industries and undertaken extensive research on central markets within Australia and Europe. He has also experience in service and policy formulation at State Government, Federal Government and wholesale market levels. Angelo has

extensive industry representation and has been a member of a number of related committees including the Premier's Food Council, Chair of the Primary Industries Horticultural Industry Development Board, Primary Industries Food Care Project, SA Italian Chamber of Commerce, the South Australian Fruit and Vegetable Coalition, the Plant Health Consultative committee and is on the tax committee for the Property Council of Australia.

Property Manager - Sue Trussell

Sue was appointed in 2006 and brings over twenty years' experience in retail, commercial and industrial property management, including four years as State Manager - Property Management for Colonial First State Property. Sue has qualifications in Shopping Centre and Marketing Management and in 2005 was awarded the William J McCallum Award for outstanding services to the Shopping Centre Industry. Her

key role is to manage the facilities team, the Pooraka Sunday Market and coordinate leases for all market users. The Property Manager deputises for the CEO in the CEO's absence.

Finance Manager - Bob Mitchard

Bob was appointed in February 2010 and brings almost fifteen years' experience in taxation, business services and auditing to APML, including both commercial and public practice experience. With tertiary qualifications in Commerce and an accredited CPA, Bob's primary role is to oversee the finance and accounting team and also coordinates the IT operations.

Marketing and Business Development Manager - Julian Carbone

Julian was appointed in December 2010 and brings over ten years of sales and marketing experience from the retail and horticulture industries, including four years in a marketing and business development role within the South Australian fresh potato industry. With tertiary qualifications in Economics and a Master's degree in Business Administration (MBA), Julian's key role is to promote fresh produce consumption through the central market system, liaise with the media, Government and industry and work with retailers through the retail development program. Julian is also a Justice of the Peace.

Facilities Manager - Karen Butler

Karen was appointed in March 2008 and brings almost ten years' experience in facility management, including experience in the United Kingdom with Unilever and more recently with the Adelaide Central Market and Knight Frank in South Australia. With qualifications in OH&S obtained in Australia and the United Kingdom, Karen's primary role is to manage the day-to-day operations of the market to ensure trading is undertaken in a safe and efficient manner. Other duties include managing security, tenancies, parking, cleaning, repairs and maintenance, capital expenditure and general market user enquiries.



DIRECTORS' REPORT

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 2011.

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
- Mr David Schirripa

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

CONSOLIDATED GROUP	2011 \$	2010 \$
Consolidated Profit before income tax	8,649,282	6,414,520
Revaluation Gain included in Consolidated Profit	4,675,000	1,955,473
Consolidated Profit before income tax, excluding the revaluation gain	3,974,282	4,459,047
Income tax payable : Current year	630,458	1,043,149
Consolidated profit after income tax payable excluding the revaluation gain	3,343,824	3,415,898





Dividends Paid or Recommended

The dividends paid and declared to be paid since the start of the 2011 financial year are as follows:

- Fully franked final dividend of 20 cents per share (for the year ended 30 June 2010) paid in December 2010, as recommended by the Directors in September 2010 (making a total fully franked dividend for the year ended 30 June 2010 of 40 cents per share: \$2,309,824)
- Fully franked interim dividend of 20 cents per share (for the year ended 30 June 2011) paid in April 2011, as recommended by the Directors in March 2011: \$1,154,912.
- Fully franked final dividend of 20 cents per share (for the year ended 30 June 2011), as declared by the Directors in September 2011: \$1,154,912 (making a total fully franked dividend for the year ended 30 June 2011 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 Combined Chairman's and Chief Executive Officer's Report.

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 \$4,308,043 from 30 June 2010 to \$56,165,535 as at 30 June 2011.

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

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

Future Developments, Prospects and Business Strategies

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

Share Options

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

Environmental Issues

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

Information on Directors

Mr Savas Christodoulou

Director and Chairman (elected 27 November 2008)

Qualifications

- Fellow of Australian Property Institute
- Diploma in Town Planning
- Practicing 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)

Registered interest in shares and options

Nil

Attendance: Meetings of Directors 1 July 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings Committee Meetings

• Number eligible to attend	14	• Number eligible to attend	10
• Number attended	14	• Number attended	10

Committees presided on:

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

Information on Directors

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 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 14
- Number attended 13

Committee Meetings

- Number eligible to attend 4
- Number attended 6 (inc Finance)

Committees presided on:

- Audit & Corporate Governance Committee
- Remuneration Committee

Mr Pasquale Scalzi (OAM)

Director

Experience

- 47 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 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 14
- Number attended 12

Committee Meetings

- Number attended 0
- Number attended 0

Committees presided on:

- Master Planning Committee

Information on Directors

Mr Desmond Lilley

Director (Non-Executive)

Qualifications

Accredited

- Quality Assurance, Australian Meat Industry
- Total Quality Management
- Quality of Food Safety
- Justice of the Peace in and for the State of SA

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 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 14
- Number attended 13

Committee Meetings

- Number eligible to attend 0
- Number attended 1 (Finance)

Committees presided on:

- Constitution Committee
- Master Planning Committee

Information on Directors

Mr Nicola Minicozzi

Director

Qualifications

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

Experience

- Over 33 years' experience in fruit and vegetable industry
- Grower Board Member since 2002
- Member of Information Technology Dissemination Group for Horticulture Australia
- Vegetable IAC to Horticulture Australia

Registered interest in shares and options **2,400**

Attendance: Meetings of Directors 1 July 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 14
- Number attended 13

Committee Meetings

- Number eligible to attend 0
- Number attended 0

Committees presided on:

- Master Planning Committee

Mr David Trosti

Director

Experience

- 17 years' experience in fruit and vegetable industry

Registered interest in shares and options **45,600**

Attendance: Meetings of Directors 1 July 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 14
- Number attended 13

Committee Meetings

- Number eligible to attend 0
- Number attended 0

Committees presided on:

- Constitution Committee
- Master Planning Committee

Information on Directors

Mr Vincenzo Dimasi

Director

Experience

- Former Councillor for Mallala Council
- 31 years' experience in the retail industry
- 6 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 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 14
- Number attended 13

Committee Meetings

- Number eligible to attend 1
- Number attended 1

Committees presided on:

- Master Planning Committee
- Remuneration Committee

Mr Antonio Ceravolo

Director

Qualifications

- Managing Director, R Ceravolo & Co Pty Ltd
- Director, Ashton Valley Fresh Juices

Experience

- 30 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 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 14
- Number attended 13

Committee Meetings

- Number eligible to attend 0
- Number attended 0

Committees presided on:

- Constitution Committee
- Master Planning Committee

Information on Directors

Mr Dino Musolino

Director (term completed 29 November 2010)

Qualifications

- Advanced Diploma in Horticulture
- Councillor City of Playford Council

Experience

- Horticulture production
- Marketing
- Event Management Group
- Business management
- 2007 Australian Grower of the Year

Registered interest in shares and options **1,500**

Attendance: Meetings of Directors 1 July 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 7
- Number attended 5

Committee Meetings

- Number eligible to attend 0
- Number attended 0

Committees presided on:

- Constitution Committee
- Master Planning Committee

Mr Gregory Griffin

Director (appointed 24 November 2008)

Qualifications

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

Experience

- 30 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
- Chairman of Adelaide United 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 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 14
- Number attended 10

Committee Meetings

- Number eligible to attend 0
- Number attended 0

Committees presided on:

- Constitution Committee

Information on Directors

Mr Michael Ruggiero

Director (appointed 24 November 2008)

Qualifications

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

Experience

- 24 years' experience as a Chartered Accountant
- Founding Partner, RDC 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 Capital Gains Tax, international taxation, structuring property and business acquisitions.

Registered interest in shares and options

Nil

Attendance: Meetings of Directors 1 July 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 14
- Number attended 13

Committee Meetings

- Number eligible to attend 10
- Number attended 10

Committees presided on:

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

Mr David Schirripa

Director (appointed 29 November 2010)

Qualifications

Lawyer (LLB(Hons) GDLP B.Econ.(Accg))

Experience

- Two generations of family interests in fresh produce industry at grower, wholesale and retail level.
- APML director from November 2004 to Oct 2007 including period as Deputy Chairman.
- Principal of Schirripa Commercial Lawyers, a private client commercial law practice.

Registered interest in shares and options

223,900

Attendance: Meetings of Directors 1 July 2010 to 30 June 2011 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 7
- Number attended 7

Committee Meetings

- Number eligible to attend 4
- Number attended 4

Committees presided on:

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

Remuneration Report

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

Directors' Emoluments

Directors' emoluments were determined at the 2010 Annual General Meeting of the Parent Entity and are 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 2011 are as follows:-

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 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.

Name	Title	Directors Fees \$	Committee Fees \$	Salary \$	Retirement and Super Cont. \$	Incentives \$	Non-Cash Benefits \$	Total Emoluments \$
Mr S Christodoulou	Chairman of Directors	50,363.56	-	-	4,532.73	-	-	54,896.29
Mr N Minicozzi	Deputy Chairman	40,363.60	-	-	3,632.73	-	-	43,996.33
Mr D Lilley	Director	29,780.26	-	-	2,680.23	-	-	32,460.49
Mr P Scalzi (OAM)	Director	29,780.26	-	-	2,680.23	-	-	32,460.49
Mr D De Ieso	Director	29,780.26	-	-	2,680.23	-	-	32,460.49
Mr D Trosti	Director	29,780.26	-	-	2,680.23	-	-	32,460.49
Mr V Dimasi	Director	29,780.27	-	-	2,680.23	-	-	32,460.49
Mr A Ceravolo	Director	29,780.26	-	-	2,680.23	-	-	32,460.49
Mr D Musolino	Director	12,500.00	-	-	1,125.00	-	-	13,625.00
Mr M Ruggiero	Director	29,780.26	-	-	2,680.23	-	-	32,460.49
Mr G Griffin	Director	29,780.26	-	-	2,680.23	-	-	32,460.49
Mr D Schirripa	Director	17,280.26	-	-	1,555.23	-	-	18,835.49
TOTALS – DIRECTORS		358,749.51	-	-	32,487.53	-	-	391,037.04
Mr A Demasi	CEO (non Director) and Company Secretary	-	-	138,604.00	12,474.44	-	21,303.00	172,381.44
TOTALS – OVERALL		358,749.51	-	138,604.00	44,961.97	-	21,303.00	563,418.48

Directors' Benefits – Other than Benefits Separately Disclosed In Note 22: Related Party Disclosures (Notes To The Financial Report For The Year Ended 30 June 2011)

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 2011:


- Taxation Services \$4,400



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 on page 63.

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 2011

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 35 to 62 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 2011 and of the performance for the year ended on that date of the Company and Consolidated Group;

2. the Chief Executive Officer and Finance Manager 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 2011

STATEMENT OF COMPREHENSIVE INCOME



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
Revenue	2	11,552,603	10,759,832	10,145,058	9,462,379
Other income	2	4,675,000	1,955,473	4,885,000	2,391,855
Employee benefits expense		(960,776)	(940,828)	(960,776)	(940,828)
Depreciation expense	1(d)	(227,432)	(234,649)	(88,651)	(95,869)
Finance costs		(1,282,085)	(1,214,555)	(1,282,085)	(1,214,555)
Impairment of property, plant and equipment	1(k)	-	-	-	-
Other expenses		(5,108,028)	(3,910,753)	(4,230,586)	(2,913,959)
Profit before income tax	3	8,649,282	6,414,520	8,467,959	6,689,024
Income tax expense	4	(2,031,415)	(1,616,439)	(2,095,958)	(1,747,354)
Profit for the year		6,617,867	4,798,081	6,372,001	4,941,670
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Profit attributable to the members of the Parent Entity		6,617,867	4,798,081	6,372,001	4,941,670
Dividends per share (cents)		40.0	40.0		

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

		Consolidated Group		Parent Entity	
	Note	2011	2010	2011	2010
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash & cash equivalents	6	4,280,411	4,901,620	2,288,997	3,780,334
Trade and other receivables	7	1,313,084	983,297	1,341,581	869,752
Other assets	8	386,054	356,471	245,778	230,085
TOTAL CURRENT ASSETS		5,979,549	6,241,388	3,876,356	4,880,171
Non-Current Assets					
Trade & other receivables	7	59,942	59,942	13,035,482	12,818,920
Property, plant and equipment	9	82,903,292	76,850,239	71,493,859	65,097,169
Financial assets	27	-	-	2	2
Intangible assets	10	120,000	120,000	120,000	120,000
TOTAL NON-CURRENT ASSETS		89,062,784	77,030,181	84,667,343	78,036,091
TOTAL ASSETS		89,062,783	83,271,569	88,543,699	82,916,262
LIABILITIES					
Current Liabilities					
Trade and other payables	11	1,392,586	1,398,484	1,354,981	1,343,333
Borrowings	12	2,180,000	-	2,180,000	-
Current tax liabilities	14	630,458	1,043,149	630,458	1,043,149
Short-term provisions	13	1,227,350	1,216,257	1,227,350	1,216,257
TOTAL CURRENT LIABILITIES		5,430,394	3,657,890	5,392,789	3,602,739
Non-Current Liabilities					
Borrowings	12	18,426,261	19,579,761	18,426,261	19,579,761
Long term provisions	13	15,135	551,925	15,135	551,925
Deferred tax liabilities	14	9,025,458	7,624,501	9,478,770	8,013,270
TOTAL NON-CURRENT LIABILITIES		27,466,854	27,756,187	27,920,166	28,144,956
TOTAL LIABILITIES		32,897,248	31,414,077	33,312,955	31,747,695
NET ASSETS		56,165,535	51,857,492	55,230,744	51,168,567
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		49,998,225	45,690,182	49,063,434	45,001,257
TOTAL EQUITY		56,165,535	51,857,492	55,230,744	51,168,567

The accompanying notes form part of this Financial Report

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2011

Consolidated Group

	Note	Issued Capital \$	Retained Earnings \$	Share Premium Reserve \$	Total \$
Balance at 1 July 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)
Retained Earnings at 30 June 2010		5,774,560	45,690,182	392,750	51,857,492
Profit attributable to members of the Parent Entity		-	6,617,867	-	6,617,867
Total other comprehensive income		-	-	-	-
Subtotal		5,774,560	52,308,049	392,750	58,475,359
Dividends paid or provided for	5	-	(2,309,824)	-	-
Retained Earnings at 30 June 2011		5,774,560	49,998,225	392,750	56,165,535

Parent Entity

	Note	Issued Capital \$	Retained Earnings \$	Share Premium Reserve \$	Total \$
Balance at 1 July 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)
Retained Earnings at 30 June 2010		5,774,560	45,001,257	392,750	51,168,567
Profit attributable to members of the Parent Entity		-	6,372,001	-	6,372,001
Total other comprehensive income		-	-	-	-
Subtotal		5,774,560	51,373,258	392,750	57,540,568
Dividends paid or provided for	5	-	(2,309,824)	-	-
Retained Earnings at 30 June 2011		5,774,560	49,063,434	392,750	55,230,744

The accompanying notes form part of this Financial Report

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated Group		Parent Entity	
		2011 Inflows (Outflows) \$	2010 Inflows (Outflows) \$	2011 Inflows (Outflows) \$	2010 Inflows (Outflows) \$
Cash Flow From Operating Activities					
Receipts from customers net of payments to suppliers and employees		5,271,232	6,939,860	4,192,367	5,399,499
Interest received		132,681	64,624	131,343	144,640
Borrowing costs		(1,282,281)	(1,271,183)	(598,546)	(594,695)
Income tax paid		(1,288,188)	(853,680)	(1,288,188)	(853,680)
GST Paid		(1,104,832)	(1,058,855)	(896,087)	(837,388)
GST Received		538,988	338,687	538,988	338,687
Net cash provided by (used in) Operating Activities	18	2,267,600	4,159,453	1,392,329	3,597,063
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	9	(2,870,781)	(295,593)	(2,865,638)	(295,593)
Net cash provided by (used in) Investing Activities		(2,870,781)	(295,593)	(2,865,638)	(295,593)
Cash Flows From Financing Activities					
Bank loan drawdown		1,026,500	-	1,026,500	-
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		(1,283,324)	(2,309,824)	(1,283,324)	(2,309,824)
Net Increase (Decrease) In Cash Held For The Year		(621,209)	1,554,036	(1,491,337)	991,646
Cash at beginning of financial year		4,901,620	3,347,584	3,780,334	2,788,688
Cash at end of financial year	6	4,280,411	4,901,620	2,288,997	3,780,334

The accompanying notes form part of this Financial Report

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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 (AASB) 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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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).

An independent valuation of all building assets (including all plant & equipment considered to be an integral component of the relevant asset) was conducted by Jones Lang LaSalle as at 30 June 2011. All building assets were valued at market value in accordance with AASB 140.

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 2011 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 2011 (2010: Nil). Consistent with previous financial years, buildings are not depreciated for accounting purposes as they are held for investment purposes.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Depreciation (Continued)

The ranges of depreciation rates used for each class of depreciable asset for the years ended 30 June 2011 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%

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 2011 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.

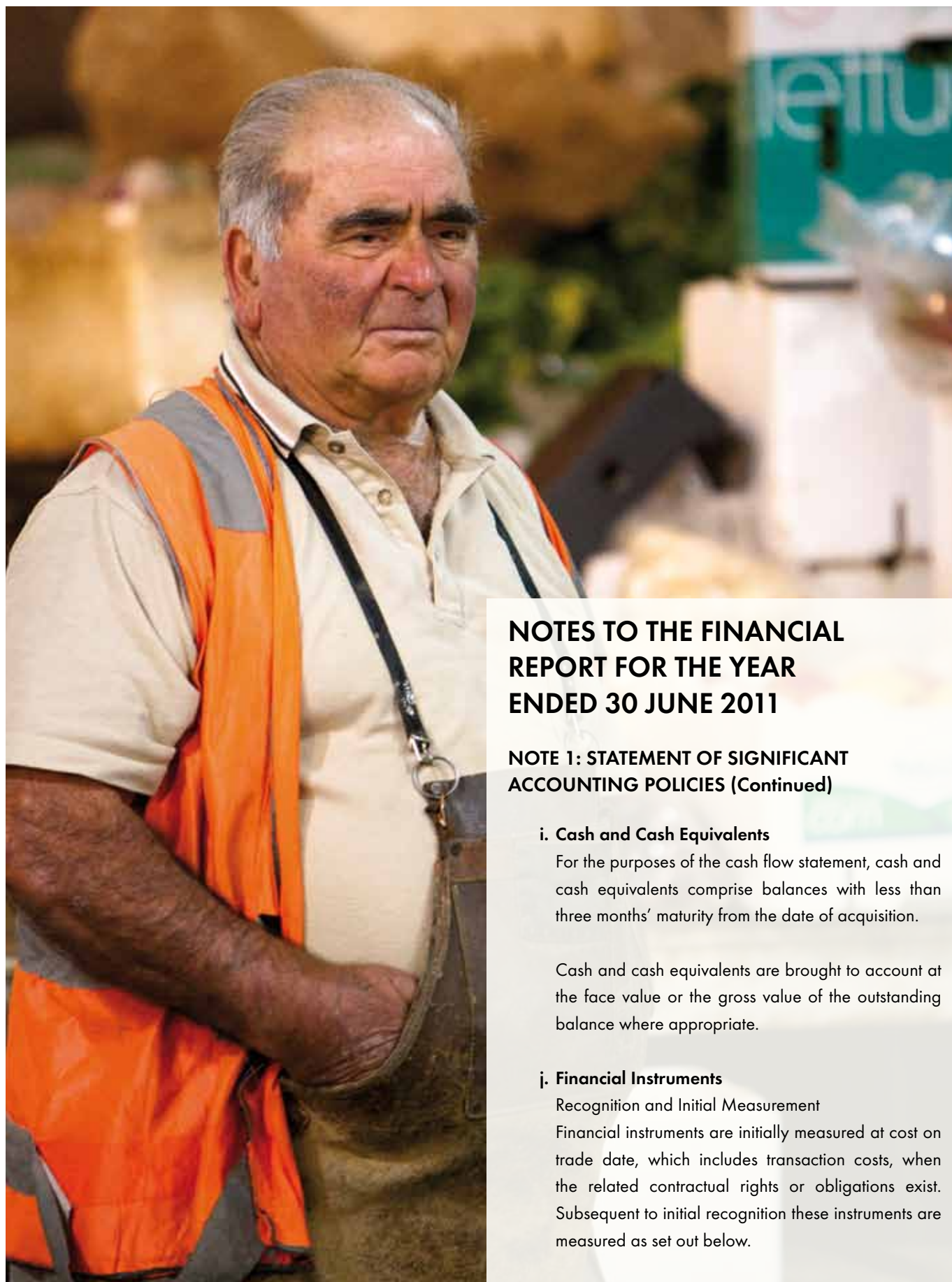
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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.



NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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 2010 have been adjusted to conform to changes in presentation for the current financial year.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 2011.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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 2011.

Key Judgements – Provision for Impairment of Receivables

The Directors have resolved that a provision for impairment of receivables is required for the year ended 30 June 2011.

q. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. A discussion of those future requirements and their impact on the company is as follows:

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013). This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The company has not yet determined any potential impact on the financial statements.

The key 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;
- 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; and

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New Accounting Standards for Application in Future Periods (Continued)

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.
 - 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 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013). AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:
 - Tier 1: Australian Accounting Standards; and
 - Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the company is a for-profit private sector entity that does not have public accountability, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the company will take advantage of Tier 2 reporting at a later date.
 - 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).
- 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 2009-14: 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.
- This Standard is not expected to impact the company.
- AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).
- This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:
- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
 - adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New Accounting Standards for Application in Future Periods (Continued)

- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the company.

- AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous 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. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

- AASB 2010-6: Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011). This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets. This Standard is not expected to impact the company.

- AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013). This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9. As noted above, the company has not yet determined any potential impact on the financial statements from adopting AASB 9.

- AASB 2010-8: Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012). This Standard makes amendments to AASB 112: Income Taxes. The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New Accounting Standards for Application in Future Periods (Continued)

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the company.

- AASB 2010-9: Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the company.

- AASB 2010-10: Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7.]

This Standard 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 at this stage.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 2: REVENUE AND OTHER INCOME**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Revenues				
Rental Revenue:				
- Rents and recoveries	11,407,680	10,676,051	9,260,431	8,643,287
Other Revenue:				
- Insurance recoveries	11,815	1,354	11,815	1,354
- Interest received	134,508	82,227	186,665	144,640
- Interest recovered	-	-	687,547	672,898
- Gain/(Loss) on disposal of property, plant & equipment	(1,400)	200	(1,400)	200
	144,923	83,781	884,627	819,092
	11,552,603	10,759,832	9,457,510	9,462,379
Other Income:				
- Revaluation gain	4,675,000	1,955,473	4,885,000	2,391,855

NOTE 3: PROFIT FOR THE YEAR

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Expenses				
Finance costs	1,282,085	1,214,555	1,282,085	1,214,555
Depreciation of property, plant and equipment	227,432	234,649	88,651	95,869
Bad and doubtful debts	(152,880)	50,004	(22,881)	50,004
Remuneration of auditor:				
- audit	25,000	24,000	25,000	24,000
- taxation services	4,400	4,000	4,400	4,000
	1,386,037	1,527,208	1,377,256	715,529
Significant Revenue and Expenses				
The following significant revenue and expense items are relevant in explaining the financial performance:				
- Revaluation Gain	4,675,000	1,955,473	4,885,000	2,391,855
- Bitumen repairs & maintenance	(726,104)	-	(726,104)	-

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 4: INCOME TAX EXPENSE**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Revenues				
a. The components of Tax Expense comprise:				
Current tax	630,458	1,043,149	630,458	1,043,149
Deferred tax	1,400,957	573,290	1,465,500	704,205
	<u>2,031,415</u>	<u>1,616,439</u>	<u>2,095,958</u>	<u>1,747,354</u>
b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit before income tax at 30% (2010: 30%)	2,594,784	1,924,356	2,540,388	2,006,707
Add Tax Effect of:				
- provision for holiday pay	3,415	927	3,415	927
- provision for long service leave	4,049	(717)	4,049	(717)
- other provisions	-	47,313	-	47,313
- other non-allowable items	2,550	1,296	2,550	1,296
Less Tax Effect of:				
- revaluation gain	(1,402,500)	(586,642)	(1,465,000)	(717,557)
- net movement in debtors	(81,709)	9,240	-	-
- depreciation/capital allowance	(328,374)	(343,407)	(293,187)	(285,603)
- allowable deduction for bitumen work	(161,757)	-	(161,757)	-
- investment allowance	-	(9,218)	-	(9,218)
	<u>630,458</u>	<u>1,043,149</u>	<u>630,458</u>	<u>1,043,149</u>

NOTE 5: DIVIDENDS

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Interim Distribution Paid				
Interim fully franked dividend of 20 cents per share (2010: 20 cents per share), franked at the tax rate of 30% (2010: 30%)	1,154,912	1,154,912	1,154,912	1,154,912
Final Distribution Provided				
Final fully franked dividend of 20 (2010: 20 cents per share), franked at the tax rate of 30% (2010: 30%)	1,154,912	1,154,912	1,154,912	1,154,912
Franking Account				
Balance of franking account at year end	2,443,368	1,848,127	2,443,368	1,848,127

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 6: CASH AND CASH EQUIVALENTS**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Reconciliation of Cash				
Cash on hand	1,050	1,050	1,051	1,051
Cash at bank	4,279,361	4,900,570	2,287,946	3,779,283
	<u>4,280,411</u>	<u>4,901,620</u>	<u>2,288,997</u>	<u>3,780,334</u>

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 12: Borrowings.

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Current				
Trade debtors	713,563	503,929	743,040	261,044
Provision for impairment	(27,123)	(182,967)	(27,123)	(52,968)
	<u>686,440</u>	<u>320,962</u>	<u>715,917</u>	<u>208,076</u>
 Other Debtors	 626,644	 662,335	 625,664	 661,676
	<u>1,313,084</u>	<u>983,297</u>	<u>1,341,581</u>	<u>869,752</u>
 Non-Current				
Trade debtors	59,942	59,942	59,942	59,942
Loans – Subsidiaries	-	-	12,993,540	12,758,978
	<u>59,942</u>	<u>59,942</u>	<u>13,053,482</u>	<u>12,818,920</u>

NOTE 8: OTHER ASSETS

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Prepaid Commercial Bill interest	215,547	222,333	110,955	109,849
Prepayments – other	170,507	134,138	134,823	120,236
	<u>386,054</u>	<u>356,471</u>	<u>245,778</u>	<u>230,085</u>
 Non-Current	 -	 -	 -	 -

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 9: PROPERTY, PLANT AND EQUIPMENT**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Land				
- Independent valuation	45,500,000	42,375,000	39,450,000	38,473,250
Buildings				
- Independent valuation	35,650,000	34,100,000	29,600,000	25,691,750
- Additions/(disposals) at cost since valuation	-	-	-	-
Total Land and Buildings	81,150,000	76,475,000	69,050,000	64,165,000
Construction In Progress And Land Re-Development In Progress				
Construction and Land Re-development in Progress at cost	1,415,431	77,387	1,415,431	77,387
Plant, Equipment and Vehicles				
Plant, equipment & vehicles – at cost	1,750,061	1,482,620	1,744,917	1,482,620
Accumulated depreciation	(1,412,200)	(1,184,768)	(716,489)	(627,838)
Total plant, equipment and vehicles	337,861	297,852	1,028,428	854,782
Total property, plant, equipment and vehicles	82,903,292	76,850,239	71,493,859	65,097,169

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment for the financial year ended 30 June 2011 are as follows:-

	Construction in Progress and Land Re-Development In Progress	Land and Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Consolidated Group				
Balances at 1 July 2010	77,387	76,475,000	297,852	76,850,239
Additions : Cost	1,415,431	-	267,441	1,682,872
Disposals : Carrying value	-	-	-	-
Amounts expensed	(77,387)	-	-	(77,387)
Revaluation increment/(decrement)	-	4,675,000	-	4,675,000
Depreciation expense	-	-	(227,432)	(227,432)
Carrying amounts at 30 June 2011	1,415,431	81,150,000	337,861	82,903,292

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**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 2010	77,387	64,165,000	854,782	65,097,169
Additions : Cost	1,415,341	-	262,297	1,677,728
Disposals : Carrying value	-	-	-	-
Amounts expensed	(77,387)	-	-	(77,387)
Revaluation increment/(decrement)	-	4,885,000	-	4,885,000
Depreciation expense	-	-	(88,651)	(88,651)
Carrying amounts at 30 June 2011	1,415,431	69,050,000	1,028,428	71,493,859

NOTE 10: INTANGIBLE ASSETS

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Goodwill : Sunday Markets	120,000	120,000	120,000	120,000
Reconciliation of Goodwill				
Balance at 1 July 2010	120,000	120,000	120,000	120,000
Additions	-	-	-	-
Disposals	-	-	-	-
Amortisation change	-	-	-	-
Impairment losses	-	-	-	-
Carrying Value 30 June 2011	120,000	120,000	120,000	120,000

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Current				
Unsecured Liabilities:				
Trade payables	182,296	145,534	171,217	134,455
Sundry payables and accrued expenses	1,210,290	1,252,950	1,183,764	1,208,878
	1,392,586	1,398,484	1,354,981	1,343,333
Non-Current	-	-	-	-

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 12: BORROWINGS**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Current				
Bank bills secured	2,180,000	-	2,180,000	-
Non-Current				
Bank bills secured	18,426,261	19,579,761	18,426,261	19,579,761
Total current and non-current secured liabilities				
Bank bills secured	20,606,261	19,579,761	20,606,261	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 \$20,606,261 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	5.87%
\$1,026,500	September 2015	5.03%
\$20,606,261		

NOTE 13: PROVISIONS

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
Current				
Dividends	1,154,912	1,154,912	1,154,912	1,154,912
Employee benefits	72,438	61,345	72,438	61,345
	1,227,350	1,216,257	1,227,350	1,216,257
Non-Current				
Bitumen replacement	-	539,191	-	539,191
Employee benefits	15,135	12,734	15,135	12,734
	15,135	551,925	15,135	551,925

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 13: PROVISIONS (Continued)

Consolidated Group

	Dividends	Employee Benefits	Bitumen Replacement	Total
	\$	\$	\$	\$
Opening Balance at 1 July 2010	1,154,912	74,079	539,191	1,768,182
Additional provisions	2,309,824	15,705	-	2,325,529
Amounts expended	(2,309,824)	(2,211)	(539,191)	(2,851,226)
Balance at 30 June 2011	1,154,912	87,573	-	1,242,485

Parent Entity

	Dividends	Employee Benefits	Bitumen Replacement	Total
	\$	\$	\$	\$
Opening Balance at 1 July 2010	1,154,912	74,079	539,191	1,768,182
Additional provisions	2,309,824	15,705	-	2,325,529
Amounts used	(2,309,824)	(2,211)	(539,191)	(2,851,226)
Balance at 30 June 2011	1,154,912	87,573	-	1,242,485

NOTE 14: TAX

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Current				
Income Tax	630,458	1,043,149	630,458	1,043,149
Non-Current				
Deferred Tax Liabilities	9,025,458	7,624,501	9,478,770	8,013,270

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 15: ISSUED CAPITAL**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
5,774,560 (2010: 5,774,560) fully paid Ordinary shares	5,774,560	5,774,560	5,774,560	5,774,560

Comprising:

1,449,851	Ordinary Grower Shares
3,222,569	Ordinary Wholesaler Shares
542,540	Ordinary Retailer Shares
559,600	Ordinary Unclassified Shares
<u>5,774,560</u>	

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
Total borrowings	12	20,606,261	19,579,761	20,606,261	19,579,761
Trade and other payables	11	1,392,586	1,398,484	1,354,981	1,343,333
Less cash and cash equivalents	6	(4,280,411)	(4,901,620)	(2,288,997)	(3,780,334)
Net debt		<u>17,718,436</u>	<u>16,076,625</u>	<u>19,672,245</u>	<u>17,142,760</u>
Total equity		<u>56,165,535</u>	<u>51,857,492</u>	<u>55,230,744</u>	<u>51,168,567</u>
Total capital		<u>73,883,971</u>	<u>67,934,117</u>	<u>74,902,989</u>	<u>68,311,327</u>
Gearing Ratio		24.0%	23.7%	26.3%	25.1%

NOTE 16: CAPITAL COMMITMENTS

The following capital expenditure was contracted for as at 30 June 2011 (2010: \$1,918,638)

Market Square Canopy	<u>\$ 3,261,450</u>
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:				
-There were no contingent liabilities or contingent assets recorded by the Company as at the date of this report.	-	-	-	-

NOTE 18: CASH FLOW INFORMATION

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Reconciliation of Cash Flow from Operations with Profit after Income Tax				
Profit after Income Tax	6,617,866	4,779,645	6,372,001	4,923,235
Non-cash flows in profit				
- revaluation gain	(4,675,000)	(1,955,473)	(4,885,000)	(2,391,855)
- depreciation	227,432	234,649	88,652	95,869
- other provisions	(455,499)	-	(554,896)	-
Changes in assets and liabilities:				
- (increase) / decrease in trade receivables	(247,346)	782,802	(519,709)	752,002
- (increase) / decrease in other current assets	23,088	31,055	21,299	32,179
- (increase) / decrease in trade payables	(109,017)	89,159	(19,640)	89,159
- (increase) / decrease in tax liability	988,268	499,638	1,002,205	734,021
- (increase) / decrease in other liabilities	(102,192)	(320,458)	(112,583)	(655,982)
	2,267,600	4,159,453	1,392,329	3,597,063

Non-Cash Financing and Investing Activities

There were no transactions or events during the year which affected assets and liabilities and did not result in cash flows.

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	20,606,261	19,579,761	20,626,261	19,579,761
Unused Credit Facility	2,463,740	3,490,240	2,463,740	3,490,240



NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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.

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:

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 19: FINANCIAL RISK MANAGEMENT** *continued*

Consolidated Group 2011	Floating Interest Rate \$	Fixed Interest Rate Within 1 Year \$	Maturing 1 to 5 Years \$	Non-Interest Bearing \$	Total \$
Financial Assets					
Cash	4,279,361	-	-	1,050	4,280,411
Receivables	-	-	-	1,313,084	1,313,084
Other	-	-	-	386,054	386,054
	<u>4,279,351</u>	<u>-</u>	<u>-</u>	<u>1,700,188</u>	<u>5,979,549</u>

Interest Rate (all inclusive)

5.00%

Financial Liabilities

Accounts Payable	-	-	-	1,392,586	1,392,586
Borrowings – Bank Bills	-	2,180,000	18,426,261	-	20,606,261
	<u>-</u>	<u>2,180,000</u>	<u>18,426,261</u>	<u>1,392,586</u>	<u>21,998,847</u>

Interest Rate (all inclusive)

6.04%

5.99%

Consolidated Group 2010 Comparative	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
	<u>4,900,570</u>	<u>-</u>	<u>-</u>	<u>1,400,759</u>	<u>6,301,329</u>

Interest Rate (all inclusive)

5.00%

Financial Liabilities

Accounts Payable	-	-	-	1,398,484	1,398,484
Borrowings – Bank Bills	-	-	19,579,761	-	19,579,761
	<u>-</u>	<u>-</u>	<u>19,579,761</u>	<u>1,398,484</u>	<u>20,978,245</u>

Interest Rate (all inclusive)

6.05%

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 19: FINANCIAL RISK MANAGEMENT** *continued*

	Floating Interest Rate \$	Fixed Interest Rate Within 1 Year \$	Maturing 1 to 5 Years \$	Non-Interest Bearing \$	Total \$
Parent Entity 2011					
Financial Assets					
Cash	2,287,946	-	-	1,051	2,288,997
Receivables	-	-	-	14,395,063	14,395,063
Other	-	-	-	245,778	245,778
	<u>2,287,946</u>	<u>-</u>	<u>-</u>	<u>14,641,892</u>	<u>16,929,838</u>

Interest Rate (all inclusive)

5.00%

Financial Liabilities

Accounts Payable	-	-	-	1,354,981	1,354,981
Borrowings – Bank Bills	-	2,180,000	18,426,261	-	20,626,261
	<u>-</u>	<u>2,180,000</u>	<u>18,426,261</u>	<u>1,354,981</u>	<u>21,961,242</u>

Interest Rate (all inclusive)

6.04%

5.99%

	Floating Interest Rate \$	Fixed Interest Rate Within 1 Year \$	Maturing 1 to 5 Years \$	Non-Interest Bearing \$	Total \$
Parent Entity 2010 Comparative					
Financial Assets					
Cash	3,779,283	-	-	1,051	3,780,334
Receivables	-	-	-	13,688,672	13,688,672
Other	-	-	-	230,085	230,085
	<u>3,779,283</u>	<u>-</u>	<u>-</u>	<u>13,919,808</u>	<u>17,699,091</u>

Interest Rate (all inclusive)

5.00%

Financial Liabilities

Accounts Payable	-	-	-	1,343,333	1,343,333
Borrowings – Bank Bills	-	-	19,579,761	-	19,579,761
	<u>-</u>	<u>-</u>	<u>19,579,761</u>	<u>1,343,333</u>	<u>20,923,094</u>

Interest Rate (all inclusive)

6.05%

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**NOTE 20: REMUNERATION AND RETIREMENT BENEFITS**

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Directors' Remuneration				
Income (excluding retirement and superannuation payments) paid or payable to all Directors of the Company				
	358,750	360,000	358,750	360,000
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				
	32,288	32,400	32,288	32,400
Executive Remuneration				
Remuneration received or due and receivable by executive officers of the Company whose remuneration is \$100,000 or more				
	172,382	162,731	172,382	162,731
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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011**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	
	2011 No.	2010 No.	2011 No.	2010 No.
Adelaide Produce Markets Ltd				
- Ordinary Shares	1,186,099	962,449	1,186,099	962,449

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 2011 that would have a material effect on the 2011 Financial Report (2010: 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**

	Country of Incorporation	Percentage Owned	
		2011	2010
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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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	
	2011	2010	2011	2010
	\$	\$	\$	\$
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 2011.

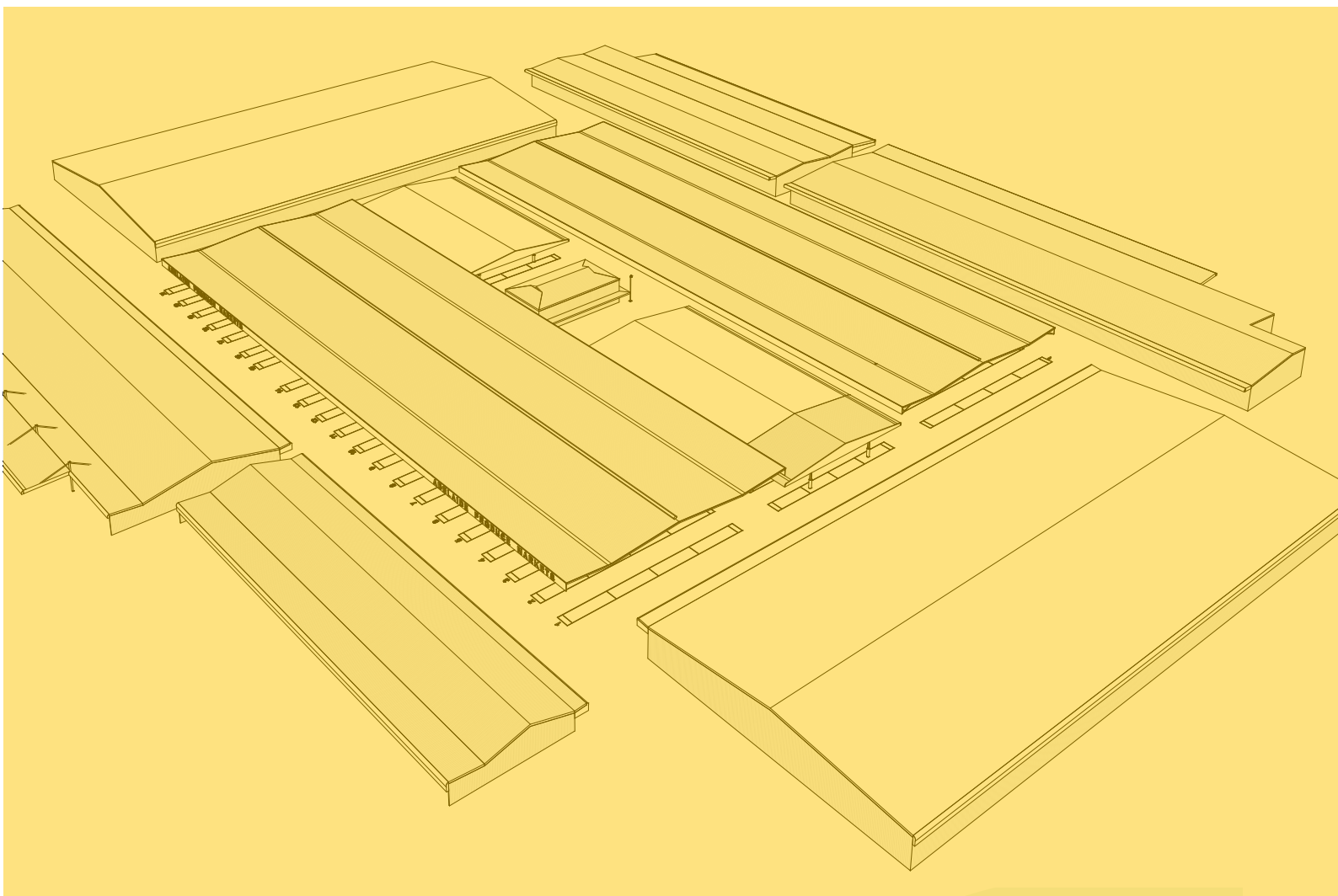
NOTE 29: COMPANY DETAILS

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



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 2011 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 2011



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

Report on the Financial Report

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 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with Australian equivalents to International Financial Reporting Standards (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, which has been given to the directors of the Adelaide Produce Markets Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- a. the financial report of Adelaide Produce Markets Limited and Controlled Entities is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS



DON VENN PARTNER

Signed on the 27th day of October 2011,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

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 Michael Ruggiero
Mr Gregory Griffin
Mr David Schirripa

SECRETARY

Mr Angelo Demasi

REGISTERED OFFICE

Burma Road
Pooraka South Australia 5095
Telephone: 08 8349 4493
Facsimile: 08 8349 6574
Internet website: www.adelaidemarkets.com.au

AUDITOR

Dean Newbery & Partners
Chartered Accountants
214 Melbourne Street
North Adelaide South Australia 5006

BANKER

Commonwealth Bank of Australia
213 Glynburn Road
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