



2012 Annual Report



ADELAIDETM
**PRODUCE
MARKET**





Our vision;

To provide the most efficient facility for trading fruit and vegetables in South Australia, with an orderly trading environment, access to all industry participants in one location whilst diversifying income streams to leverage asset portfolios and maximising return for shareholders.



ADELAIDETM PRODUCE MARKET

Contents

2012 Highlights.....	2
Chairman's Report.....	4
Board of Directors	6
Chief Executive Officer's Report.....	8
Grand Opening of the New Market Canopies	16
Directors' Report.....	18
Auditor's Independence Declaration.....	27
Statement of Comprehensive Income	28
Statement of Financial Position	29
Statement of Changes in Equity	30
Statement of Cash Flows	31
Notes to the Financial Report	32
Note 1: Statement of Significant Accounting Policies.....	32
a) Principles of Consolidation	32
b) Income Tax	32
c) Property, Plant and Equipment.....	33
d) Depreciation	33
e) Rents and Fees in Advance.....	34
f) Land and Development Expenditure.....	34
g) Revenue	34
h) Employee Entitlements	34
i) Cash and Cash Equivalents	35
j) Financial Instruments.....	35
k) Impairment of Assets.....	35
l) Comparative Figures.....	36
m) Goods and Services Tax (GST).....	36
n) Change in Accounting Policy	36
o) Critical Accounting Estimates and Judgements.....	36
p) New Accounting Standards for Application in Future Periods	37
Note 2: Revenue.....	39
Note 3: Profit for the Year	39
Note 4: Income Tax Expense	40
Note 5: Dividends.....	41
Note 6: Cash and Cash Equivalents	41
Note 7: Trade and Other Receivables.....	42
Note 8: Other Assets.....	44
Note 9: Property, Plant and Equipment.....	44
Note 10: Intangible Assets	46
Note 11: Trade and Other Payables	46
Note 12: Borrowings	47
Note 13: Provisions	48
Note 14: Tax	48
Note 15: Issued Capital	49
Note 16: Capital Commitments.....	49
Note 17: Contingent Liabilities and Contingent Assets	50
Note 18: Cash Flow Information.....	50
Note 19: Correction of Prior Period Errors and Reclassification of Balances.....	51
Note 20: Financial Risk Management	53
Note 21: Transactions with Key Management Personnel..	56
Note 22: Financial Reporting by Segments	57
Note 23: Related Party Disclosures.....	57
Note 24: Superannuation Commitments.....	58
Note 25: Events After the Balance Sheet Date	58
Note 26: Economic Dependency	58
Note 27: Controlled Entities.....	59
Note 28: Other Financial Assets	59
Note 29: Changes in Accounting Policy.....	59
Note 30: Reserves	59
Note 31: Company Details	59
Corporate Directory.....	60
Directors' Declaration	61
Independent Auditor's Report.....	62

2012 Highlights

Total revenue

\$13.4M

(up from \$11.55M in FY2011)

Consolidated Profit

(excluding revaluation gain/loss, significant expenses and income tax)

\$3.9M

(up from \$3.3M in FY2011)

Operating earnings per share

89 cents

(up from 70 cents in 2011)

Distribution Per Share

50 cents

(fully franked - up from 40 cents in FY2011)

Space Leased 2012

65,101 sq m

Weighted Average Lease Expiry

5.7 years

Gearing ratio

27%

Chairman's Report



the number one critical issue for the produce industry is market dominance and competition in the retail market place and not what time of the day a pallet of produce is delivered.

Dear Shareholders,

On behalf of the Board of Directors I present the 2012 Annual Report for your consideration. The Company has had, once again, a solid year of trading and performance during a period of economic difficulty and uncertainty in the broader Australian economy.

With respect to the Company's operating performance, it is important to note that the Company's operating results were adversely affected by the valuation of the Company's real estate assets. Accounting standards require that any short term reduction in value is reflected in the Company's profit even if no real estate has been sold and therefore no actual loss on the sale of property has occurred. Property valuations reflect the current state of the property market. There will be swings and roundabouts. As the Company is a long term investor in commercial real estate with extremely low bank borrowings and a strong cash flow, the long term fundamentals of the Company remain sound.

During the past year your Company has successfully completed significant infrastructure works and implemented operational changes which were foreshadowed and communicated to Market users some time ago. It is important to note that the completion of the Northern and Southern Canopies, the biggest capital investment since the relocation of the Market 25 years ago, was completed on time and on budget whilst still operating the Market with minimal disruption to day-to-day trading. On behalf of the Board I acknowledge the efforts of our Chief Executive Officer Angelo Demasi and his management team. In addition to the completion of the Northern and Southern Canopies, further capital works included the fire system upgrade and the extension of canopies to Buildings A and E.

The Board and Management are mindful of the need to continue to improve Market infrastructure so as to better utilise the Market site and improve efficiency, occupational health and safety and the working environment generally for all those that use the site, especially Market tenants and licensees. An upgrade of bitumen is scheduled to occur during the 2012/2013 financial year. Further improvements to the handling of Market waste and its recycling are being considered, and a feasibility of solar energy generation will also be undertaken.

Since 1988, when the Market relocated so much has changed, not just in terms of modern technology and communications but even in the produce industry with the development of cool chain logistics, modern refrigeration (including refrigerated transport), produce packing and handling, and food safety and certification. In addition there has been a proliferation of new fruit and veg and other food product lines being offered by growers, wholesalers and independent fruit and veg retailers. The broader industry has had to change in order to survive and prosper.

Chairman's Report continued

Adelaide Produce Markets Ltd is an unlisted public company and is the provider of the place where the Market trading activity occurs. At its core, it is a landlord and a service provider to the industry. Your Company's role is a relatively small but essential link in the industry chain in terms of getting a piece of fruit or vegetable from paddock to plate. Nonetheless the Board made a decision in 2009 to spend several million dollars to build the North and South Canopies. The then Board had the foresight to realise that covering the Market Square was critical to improving the way the Market operates, and ultimately the quality of the fruit and vegetables sold to consumers. Quality is everything. Whether it be in terms of the food we eat, or the service we receive in any shop or the design of a car. We all know quality when we see or experience it, but it is very difficult to define in that broader sense. Being committed to quality means constantly striving to improve in every manner.

Although Adelaide Produce Market is, as landlord, a small link in the produce delivery chain, the Board and Management continue to look for every avenue to create positive change, not only in terms of the infrastructure, but also in terms of the ancillary services offered, work practices and OH&S. Quality in that broadest sense demands that we continue to change and improve. The canopy project is your Company's contribution to the quality of the Market and of the trading that happens there. We have invested in infrastructure and, together with other operational changes that were introduced in July, Market operations better reflect the modern trading environment, workplace needs and the wishes of the vast majority of market tenants. The change to Market hours and related operating rules was foreshadowed and communicated to all Market users at the time that the Board made the decision to build the Northern and Southern Canopies.

With vastly improved logistics, the Adelaide Produce Market is now able to move away from the "horse and cart days" and trade at similar times operated by our counterpart wholesale Markets interstate, including Brisbane, Perth and Sydney. The Board appreciates that some Market users and parties do not support this change due to their particular commercial interests. Whilst the Board is satisfied that the new hours regime is in the best interests of the industry and Market users as a whole, the Company has invited representatives of the Market users to meet as a group to discuss the issue of Market hours with a view to seeing if consensus may be reached on minor changes to the new operating hours and related rules. The Company is not party to those discussions, must remain independent from those discussions and has made clear that as landlord will not be bound to adopt any position.

Fruit and vegetable growers, wholesalers, providores and retailers face many challenges. In particular, the retail environment is fiercely competitive with the two largest supermarket chains being the dominant players whose market share has grown significantly over the past two decades. Food retailing and consumption patterns have changed a great deal during that period. Whilst our Company continues to make its contribution to promoting the consumption of fruit and vegetables through extensive radio and television coverage to educating children through our Crunch Bunch mascot characters, a cohesive and unified promotion strategy by the entire fresh produce sector nationally has eluded the industry to date. If the promotion of fruit and vegetables purchased from independent fruit and vegetable retailers and independent supermarkets is not made a priority, our Market, and the ones like it around Australia will go into a slow decline.

One only has to look at what has occurred in the independent liquor and petrol retailing industries for examples of what may happen. The milk and dairy industry were the focus of sustained price cutting some months ago. Given the announcement of one of the supermarket chains recently that fruit and vegetables are in their sights, it is fair to assume that produce is another battle ground. The number one critical issue for the produce industry is market dominance and competition in the retail market place and not what time of the day a pallet of produce is delivered. Sadly, many operators in the industry cannot see the wood for the trees. The Board is grateful for the maturity and professionalism of the vast majority of Market users who have done their utmost to support progress on this issue.

The Board takes the issue of competition in the broader industry very seriously. It is for this reason that it is considering ways in which the Company may play a future role, as a landlord, in the establishment of independent fresh food retail outlets operated by those members of the Market community who are progressive and have a vision for the future of independent fresh food retailing.

I thank the Board for the valuable contribution of all directors especially Nic Minicozzi, who during a recent period of serious illness and recovery made himself available on many occasions to discuss important matters being considered by the Board. Finally, I take this opportunity to thank our Chief Executive Officer Angelo Demasi and his management team on delivering another year of excellent results.

Yours sincerely



David Schirripa, Chairman
Wednesday the 10th of October 2012

Board of Directors



Standing (left to right): Greg Griffin, Michael Ruggiero, David Trosti, Danny De Ieso, Tony Ceravolo
Sitting (left to right): Pat Scalzi, Angelo Demasi (Chief Executive Officer), David Schirripa (Chairman), Jim Dimasi
Absent: Nic Minicozzi (Deputy Chairman)

CHAIRMAN

Mr David Schirripa

David has been a Board member since 2010 and Chairman since 2011 however has previously served on the Board from 2004 to 2007, including a period as Deputy Chairman. In addition to being an avocado grower in the Adelaide Hills, 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. David's family used to own La Manna Bananas Adelaide (formerly Carbis Banana) and prior to that were fruit and vegetable retailers. He currently sits on all committees, including the Audit, Corporate Governance and Finance committee and the Remuneration committee.

DEPUTY CHAIRMAN

Mr Nicola (Nic) Minicozzi

Nic has been a Director since 2000 and Deputy Chairman since 2003. He brings almost forty years' expertise in non-litigious and litigious commercial law. He is the Managing Partner of Minicozzi Solicitors and specialises in a broad range of legal services, including land transactions, litigation and business law. Nic currently sits on the Audit, Corporate Governance & Finance committee.

Board of Directors continued

DIRECTORS

Mr Pasquale (Pat) Scalzi OAM

Pat has served on the Board since APML's inception in 1987. Bringing over 45 years' experience in the fruit and vegetable wholesale industry, Pat is the Managing Director of Scalzi Produce, a fresh produce wholesaling business based at the Adelaide Produce Market. In 2000 he received an Order of Australia Medal for his service and extensive contribution to the local horticulture industry. He remains APML's largest shareholder.

Mr Daniele (Danny) De Ieso

Danny has been a Director since 2002 and brings over 32 years' experience in the fruit and vegetable industry. A market gardener in Waterloo Corner/Gawler River, Danny is currently the Managing Director of Thorndon Park Produce. He holds qualifications in horticulture and business management and is currently a Member of the Industry Advisory Committee (Horticulture Australia Limited). Danny sits on the Remuneration committee and the Construction committee.

Mr David Trosti

David has been a Director since 2004 and brings almost twenty years' experience in the fruit and vegetable industry. David is the Managing Director of Stramare Produce, a fresh produce wholesaling business based at the Adelaide Produce Market. He currently sits on the Remuneration committee.

Mr Vincenzo (Jim) Dimasi

A fresh produce retailer, Jim has been a Board member since 2008 and brings over thirty years' experience in 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. Jim also has five years grower experience and currently sits on the Remuneration committee.

Mr Antonio (Tony) Ceravolo

Tony has been a Board member since 2007 and brings almost thirty years' experience in 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. He is also the Managing Director of Ashton Valley Fresh Co Pty Ltd and Ceravolo Orchards Pty Ltd. All of these companies have a wholesaling presence at the Adelaide Produce Market. Tony also serves as a Director of The Apple and Pear Growers Association.

Mr Gregory Griffin

Greg has been a Board member since 2006 and brings over thirty years of legal expertise. Greg is currently the Managing Partner of Griffins Lawyers and represents a number of high profile clients, including sporting celebrities. Greg is the Chairman of the Adelaide United Football Club. He is also a current and former Board member for a number of community organisations, including the Law Society of South Australia and Taekwondo Australia. Greg currently sits on the Audit, Corporate Governance & Finance committee.

Mr Michael Ruggiero

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

Chief Executive Officer's Report



the strength of the Adelaide Produce Markets was demonstrated by a solid performance in tighter economic and market conditions over the past year.

Financial Results

We are delighted to report another solid financial year with the Group continuing to maintain a sound financial position. Net profit after tax from continuing operations increased 16% to \$3.9M on total group revenue from continuing operations of \$13.4M, representing an increase of 15.3% from 2011 (\$11.55M). With continuing solid underlying performance, the Board announced a 25% increase in dividends per share, to 50 cents, up from 40 cents last year.

APML has continued to preserve cash whilst increasing dividend payment as well as funding significant capital improvements. The payout ratio of 54.9% of profit after income tax (excluding revaluation gain and deferred taxation) continues to be in-line with most listed property trusts, especially taking into account the \$5.95M of capital expenditure invested back into the business.

The net asset backing of the issued shares was at \$9.81 per share with a modest 15,000 shares traded this year with an average sell price of \$8.83 per share, compared to 94,100 shares traded with an average selling price of \$9.73 in the previous financial year. The current economic climate may have had an impact on the number of large share transfers.

Property Segment

This year's property valuation was completed by Jones Lang LaSalle for the second year running.

The total property valuation has increased by \$2.2M, from \$81.15M in 2011 to \$83.35M as at 30 June 2012.

The Market site was valued at \$52.05M, compared to \$49.8M in the previous year. APML invested \$5.95M in capital projects within the Market, including the Market Square Canopy and Buildings A and E Canopy extensions. However, with no sales of large parcels of land in Adelaide's inner North, land value for the Market reduced from \$100/sq m to \$90/sq m and this, combined with the number of lease renewals set for October 2013, contributed to limit the Market site property value, resulting in a shortfall of \$3.7M.

The land leased to Goodman increased by \$500k in the 2011/12 Financial Year due to an increase in rent which has resulted in a higher value overall for the Goodman site, with the capitalised rate of 7.5% remaining the same as the 2011 financial year. The site is currently valued at \$18.75M, compared to \$18.25M in the previous year.

The Cold Store Facility currently leased to Auscold Logistics Pty Ltd was valued using a yield of 9.25% compared to 9% in the previous year. The Cold Store Facility has therefore been valued at \$12.55M compared to \$13.1M in the previous financial year.

Chief Executive Officer's Report continued

The effect of the lower valuation this year can be better explained in the table below:

	\$
Valuation as of 30/6/12	83,350,000
Valuation as of 30/6/11	81,150,000
Movement in Valuation	2,200,000
Less Capital Additions 2012	5,949,495
Shortfall in Valuation	(3,749,495)

The lease expiry profile of all market leases has a Weighted Average of 5.7 years. Store leases contain an Early Termination clause for 2013. Early indications are that there may be some downsizing of certain tenancies within the market which should create opportunities for new tenancies or expansion of existing tenancies. All Grower Licences expiring in September 2012 have been renewed for a further five year term. A review is currently underway of all Grower Agents licences. Wholesale stores continue to account for the majority of APML's income (36%) with income from the warehouses and Goodman being the other main contributors. It is anticipated that growth will mainly come from CPI increases with additional canopy areas for building A and E accounting for the balance of growth.

The following is a snap shot of the group's property portfolio during the 2011/2012 financial year:

- 100% of warehouses and stores are leased
- 5 new leases signed to the satisfaction of all parties
- All expiring leases renewed
- Increased space licensed to growers in the Growers Pavilion
- Introduction of additional mushroom grower in the Growers Pavilion
- In response to demand for warehousing, APML leased external space to provide additional cold storage

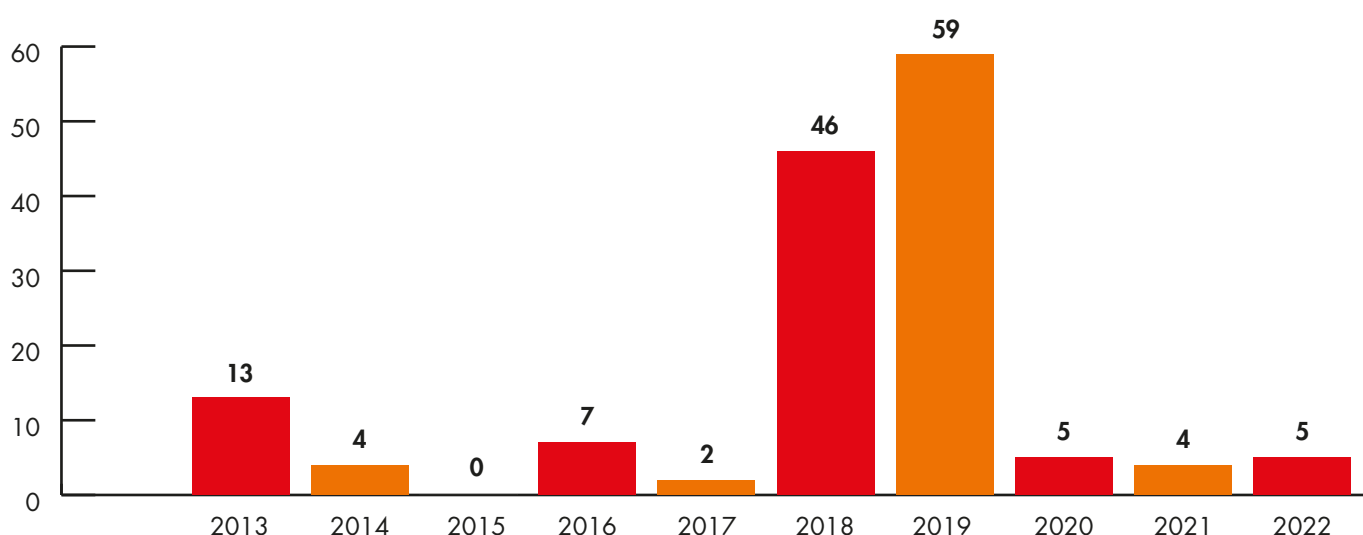


Chief Executive Officer's Report continued

Revenue by Property Segment

Name	Approx Area m ²	2012 \$pa	%	\$pm ²	2011 \$pa	%	\$pm ²	Diff
Merchants (stores)	23,235	2,889,155	36%	124	2,761,042	38%	119	4.6%
Market tenants (warehouses)	14,563	1,402,976	18%	96	1,309,086	18%	90	7.2%
Other tenants	1,291	434,408	5%	336	205,221	3%	159	111.7%
Growers Pavilion	2,394	314,774	4%	131	293,174	4%	122	7.4%
Parking Fees	15,000	453,062	6%	30	412,087	6%	27	9.9%
APML #1	8,618	1,122,857	14%	130	1,090,153	15%	126	3%
APML #2 (land lease)	178,000	1,320,481	17%	7.42	1,274,528	17%	7.16	3.6%
Total:	243,101	7,937,713	100%	33	7,345,291	100%	30	8.1%

APML Lease Expiry Profile - Financial Years



*Note in 2013 there are 45 leases with an early termination clause.

New Business Units

With a full 12 months of APML Unloading Service and APML Equipment Management, Group revenue increased by \$1.06M. We have continued to offer a reduction in unloading costs within the market of 13.5%. Due mainly to an arson attack on the APML Equipment Management yard resulting in \$50k clean-up cost, and some higher than anticipated once-off set up costs, APML Unloading Service and APML Equipment Management returned a modest \$12k profit. With anticipated cost-savings, the now established business units are budgeted to return a profit of \$100k for the 2013 year.

The trial of plastic returnable crates was successfully completed during the year with vital information obtained. It is anticipated the next phase will roll out in early 2013, which will include pallets, plastic crates, wooden and plastic bins. Chep will work closely with APML, Growers and Wholesalers in order to bring innovation and efficiency to the local growing and wholesaling sector, and in turn the Market and independent retailer sector.

Chief Executive Officer's Report continued

Industry Matters

APML has continued to be part of the SA Horticultural Coalition with this year's main agenda item being the restructure of South Australian Farmers Association. APML were once again proactive in becoming involved and providing the Horticultural Coalition a seat on the steering group to discuss the future of a new South Australian agricultural-political organisation.

Capital and Infrastructure Projects and Market Operations

I am pleased to report that all our capital projects were completed on time and within budget. The total cost of the Market square canopy, Building A and E canopy extensions was \$3.9M and \$685K respectively, included in a combined project cost of \$4.64M. Management continues to plan for the final phase of the company's infrastructure improvement project. It is anticipated that the entire bitumen surface of the Market square will be re-sealed during the next financial year with an estimated \$1.3M maintenance project.

As reported last year, the tight economic conditions allowed APML to invest back into the business taking advantage of the favourable construction prices. The canopy project included \$558K fire sprinkler system on the new and existing Market square canopy. This was important to enable Buyers vehicles to be parked overnight during market days and to enable the canopy to be more flexible in its use.

Pike Constructions commenced construction of the Northern and Southern Market Square Canopies in September 2011. In order for this project to be delivered on schedule, it was imperative that the level of communication was drastically increased to ensure the Adelaide Produce Market community were fully informed. APML and Pike Constructions worked closely to plan and phased each section of the construction to keep trading and business disruption to a minimum. The primary objective was to provide a safe working environment for both Market Users and the contractors working on the project.

The overall project consisted of minor and major works. The minor works was the first phase, which consisted of preparation of ground, electrical and water services and the installation of two detention tanks. These detention tanks capture rain water from the canopies, which is then recycled into the City of Salisbury's aquifers.

Major works involved the construction and erection of eight structural columns which resulted in large spans between supports. To achieve these large spans, a deep section webbed truss was used as the main supporting element. The truss is 2.0 metres deep and constructed from 300 x 300 square hollow tube steel members. This truss is very strong yet relatively light weight and is capable of spanning the 49m between each column. Secondary light weight trussed members formed the rafters of the design. The use of truss rafters rather than traditional steel beams resulted in a weight saving of three tonnes per rafter and resulted in significant saving of steel required. Therefore the embodied energy in the structure has been reduced along with reduction of CO₂ produced during manufacture. The project works were successfully completed ahead of schedule.



Chief Executive Officer's Report continued

Before canopy construction



During canopy construction



After canopy construction



Extensions of the existing canopies along Building A and Building E were also commenced in December 2011 and completed ahead of schedule in February 2012. APML thanks Pike Constructions for their support in this project.

As part of the development approval for the canopy works, APML undertook works to install Fire Detection and Occupant Warning Systems across the site.

These works comprised; a canopy sprinkler system, horn speakers, 113 manual call points, a public address system site wide (including inside tenancies) and eight fire indicator panels with the Master Panel located at the Burma Road gatehouse.

All of these systems are connected directly to the South Australian Metropolitan Fire Services (MFS) Control Centre.

Upon activation, the MFS can arrive on site within seven minutes. Spectrum Fire and Security were awarded the tender to install the Fire and Occupant Warning System for the site, which comprised the fire indicator panels, installation of a public address system, the evacuation horn system, manual call points and the canopy sprinklers. To enable these works to be completed, APML and Spectrum conducted individual tenancy assessments to establish an efficient program of works. Installation began in September 2011 with the system going live in December 2011 and the site's systems being fully commissioned in June 2012. The canopies have also been fitted with a new sprinkler system which is designed to only disperse water to the activated area. During the installation phase, training was given to all APML staff on how to operate the systems in the event of an emergency.

With the construction works being undertaken across the site, the Operations team continued to manage the day to day activities of the site in an extremely professional and efficient manner and must be commended for their efforts.

APML was also successful in obtaining \$12k in funding from Zero Waste SA to review its current waste and recycling activities with stage one of a two stage project. The funding assisted in identifying significant opportunities to re-direct waste from landfill, reduce costs and reduce the ecological footprint of APML and its tenants.

Stage One included a review of APML's current waste and recycling performance in diversion from landfill, service costs, the environmental benefits of undertaking this project, and any future price increases which will arise due to landfill levy increases and carbon tax liability. Stage One will also include an assessment of future improvements and opportunities and a review of the contractor's contract terms and conditions which will ensure favourable pricing when the services go to tender.

APML will then seek further funding for Stage Two which will provide support services including preparing tendering documentation specifications and post tender assessment.

During the year APML Board and Management commenced reviewing the Markets Rules and Safety manuals with countless hours of deliberation on ensuring all new regulatory requirements were met both on an operational level and more importantly, on an Occupational Health and Safety front.

Chief Executive Officer's Report continued

Working with the Media

APML continues to be a leading contact for most media agencies with regards to day-to-day fresh produce supply movements. While some statements are often reactionary to negative stories, APML endeavours to promote positive stories not only regarding APML but also the local horticulture community. 49 Fresh Alerts and 35 Media Releases were distributed during the 2011/12 financial year. Media Releases included the new carbon tax, the launch of Juice Revolution and Nunga Produce and successful local growers and retailers winning Awards for their respective individual achievements. APML furthermore continued to work with radio stations 107.1 SAFM and 107.9 Life FM with our weekly Fresh Market Reports to promote fresh produce that is high in supply. Daily price and supply reports continued to be generated and supplied to a stable customer base and a monthly article continued to be written by Produce and Price Reporter Wendy Helps for publication in the SA Grower.

Crunch Bunch

I am pleased to report that following a high level of promotion, the Crunch Bunch achieved a record breaking year in terms of appearances. The Crunch Bunch are six mascot characters that appear at greengrocers, supermarkets, shopping centres, programs undertaken by OPAL and various other community and sporting events to drive the interest in fruit and vegetables, especially amongst children. During the 2011/12 financial year, APML and Maughan Thiem Hyundai formed a new partnership which resulted in APML receiving a new promotional vehicle (Hyundai iMax van) which will be predominantly used for Crunch Bunch performances. APML wishes to thank Maughan Thiem Hyundai for their support in this program.



Retail Development Program

I am also pleased to report that the 'Burst of Freshness' Retail Development Program grew and developed throughout the 2011/12 financial year, with membership climbing from 16 to 62 stores and the program being shortlisted for the 'AUSVEG Innovative Marketing Award' and the 'PMA-Fresh Connections Marketer of the Year'. Throughout the financial year, meetings with all member stores were regularly held in the APML Boardroom to review the program, vote on the advertising agency and collectively discuss ways in which the program could improve. The television commercials featured MasterChef All Stars winner Callum Hann, a collection of local retailers and for the first time, additional revenue was earned through product placement.



Chief Executive Officer's Report continued

Fruitorama, Adelaide Mushrooms, The Mitolo Group, Nippys and Wild Salad elected to promote their respective products throughout the commercials. During 2011/12, APML formed a new partnership with Metcash Food & Grocery which resulted in several stores that Metcash supplies becoming members of the program. Furthermore, Advantage SA through their BuySA campaign was able to financially contribute towards our program. APML wishes to thank Metcash Food & Grocery, Advantage SA, member stores and sponsors for their support in this program throughout the year.



Events

Throughout the 2011/12 financial year, APML either hosted or partnered in a number of special events. In addition to workshops, presentations, fundraisers, the Camp Quality Golf Day, the Toyota Materials Handling Christmas BBQ and the Grand Opening of the Northern and Southern Market Square Canopies, APML took part in several in-store cooking demonstrations by MasterChef All Stars winner Callum Hann, the 'Year of the Farmer' exhibition in Rundle Mall and the 'Royal Flying Doctor Service Pitstop Health Check' held at the Market. Furthermore, APML had stands at the PMA-Fresh Connections and AUSVEG respective conferences under the CMAA (Central Market Association of Australia) banner. I am also particularly pleased to report that our stand at the 2011 Royal Adelaide Show won the 'Most Impressive Exhibit' Award.



Tours

Throughout the 2011/12 financial year, APML undertook tours for new and potential buyers and suppliers and other interested parties. In 2011/12, APML was delighted that the recently-elected Premier, the Hon Jay Weatherill was able to visit the Adelaide Produce Market early one morning to meet retailers, growers, wholesalers and APML Directors and management to discuss issues facing the industry. On the morning of his tour, he was joined by the Minister for Agriculture Gail Gago and Deputy Speaker Tony Piccolo. We have also been pleased to introduce other Members of Parliament to our Market community, including the Minister for Industrial Relations Russell Wortley, Susan Close, Leesa Vlahos and Federal Senator Nick Xenophon.



Chief Executive Officer's Report continued

Future Outlook and to our staff

With the increasing poor economic conditions, it is anticipated that the income growth the Group has enjoyed over the past 5 years and especially this year with the introduction of our new business units will not continue in the 2012/13 Financial Year. A modest increase in line with inflation will be the best outcome in the 2012/13 financial year.

APML management will focus on streamlining the current businesses it manages and ensure further innovation is introduced whilst continuing to explore other business and property opportunities. With the increased demand for weekend markets, APML will develop a plan to work with industry groups to expand our retail and Market business opportunities.

The trading conditions will continue to prove challenging for market traders, however we will work together to ensure our trading environment continues to improve.

The major infrastructure investment program for the 2012/13 Financial Year will include the overlaying of bitumen throughout the entire Market Square, at an estimated cost of \$1.3M. With the current Strategic Plan coming to the end of its five years, the Board and APML management will commence work on the new Strategic Plan for the next five years. With the introduction of the Carbon Tax, APML will continue to lobby the State and Federal Government and explore areas of funding for green power, such as solar energy.

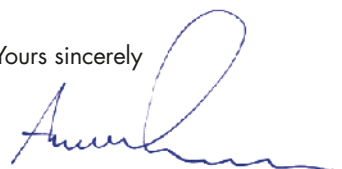
In closing I would like to make a special mention to all APML staff who have worked tirelessly this year in often difficult circumstances, especially with the constructions of the Northern and Southern Market Square Canopies and the change of Market Hours.

I would also like to make special mention to APML's longest serving staff member, Frank Cantelmi. A temporary two-week job while on holidays turned into a life-long career for Operations Coordinator Frank Cantelmi. The sole remaining original APML employee began working in the East End Markets in 1983 selling vegetables for his father-in-law and carrot grower, Carmine Leombruno and later started cleaning and working as a parking attendant. In the late 1980s, Doug Schirripa convinced Frank to commence employment with APML once construction was complete at its new site in Pooraka. In the mid 1990s, Frank received his first promotion into a supervisory role and today is APML's Operations Coordinator.

Frank joked "in 1983 I was getting up at 2am to get to work by 3am, and almost 30 years later, nothing much has changed. But I love it; working for APML is a massive part of my life and my one wish for the future is to see the industry grow stronger and more resilient".

We look forward to the year ahead, our 25th year at Pooraka. I believe we have the right team to deliver further growth and manage our way through the prevailing economic conditions.

Yours sincerely



Angelo Demasi, Chief Executive Officer
Wednesday the 10th of October 2012



Grand Opening of the New Market Canopies

After almost 25 years in the making, to celebrate the completion and the milestone accomplishment, APML held a Grand Opening of the Northern and Southern Market Square Canopies on Tuesday 7 February 2012.

The canopies will not only ensure best industry practice with better lighting, water management and protection of fresh produce and vehicles from the elements, they will also allow APML to better utilise the Market square during non-trading periods. Our Pooraka Sunday Market can now be extended and other independent events such as Swap Meets have already been undertaken.



The Grand Opening was attended by His Excellency, Rear Admiral Kevin Scarce, Governor of South Australia, 10 Members of Parliament (including the Minister for Finance, Michael O'Brien MP) and over 200 leaders from the horticulture, media and retail industries.

MasterChef All Stars winner (and the face of our Burst of Freshness retail development program) Callum Hann provided guests with an interactive cooking demonstration and Sonny Pineapple from the Crunch Bunch was also on hand to provide entertainment.



Grand Opening of the New Market Canopies continued



Below is an excerpt from the Governor's speech, delivered at the Grand Opening on Tuesday 7 February 2012:

"It is a pleasure to be here to officially unveil the Northern and Southern Canopies at the Adelaide Produce Markets, and I would like to thank you for inviting me here to do so. Standing here now and looking at the size and scope of the project, I can see that the development of these two canopies is certainly something of which all parties involved should be proud.

They are indeed a symbol of the strength of the local horticultural and produce industry. A moment ago, Chairman Schirripa explained that this Market was built in the mid- to late-1980s during a time of economic uncertainty. Interestingly, this \$5 million project was also undertaken during a period that could have been given the same description.

Despite this, the end result is a remarkable one. The canopies are almost 20,000 square metres in size, and consist of 200 tonnes of concrete and 380 tonnes of steel. With a roof space now totalling 70,000 square metres, I understand that the Adelaide Produce Market is now the largest undercover market in the State, and one of the largest in Australia.

Also impressive are the innovative design features. Intelligent engineering practices, including web trusses, have been used to hold the roof aloft using fewer pillars than would otherwise be required. Fresh water will be collected on the roof of the canopies, and directed to the City of Salisbury storm water harvesting system. This will be done using a syfonic drainage system that directs water through recycled plastic vessels at up to 320 litres per second. Further, I understand that large scale solar power generation has been floated as a project for the near future. I am pleased and proud to hear that supplies and labour for this project have largely been sourced locally.

The majority of the products used have been Australian, including the steel which was sourced through OneSteel and fabricated by Manuele Engineers. The construction of the canopies was undertaken by a local family owned and operated business, Pike Constructions, and 75 jobs over the life of the six-month construction period were created. An additional 150 people have worked on the project directly and indirectly over the period from conception to completion.

The local horticulture industry comprises of 3,500 businesses and employs over 37,000 permanent and seasonal staff throughout the year. This is an important and vital sector that feeds South Australians and keeps both us healthy and the economy strong. Events such as today offer a wonderful opportunity to recognise and celebrate this contribution to our communal wellbeing.

I wish the Adelaide Produce Market a prosperous future.

I am pleased to declare the Northern and Southern Market Square Canopies open."



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 2012.

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 David Schirripa (Chairman – Appointed 29 November 2011)
- Mr Savas Christodoulou (Chairman – Ceased 29 November 2011)
- Mr Nicola Minicozzi (Deputy Chairman)
- Mr Pasquale Scalzi (OAM)
- Mr Desmond Lilley (Ceased 29 November 2011)
- Mr Daniele De Ieso
- Mr David Trosti
- Mr Vincenzo Dimasi
- Mr Antonio Ceravolo
- Mr Gregory Griffin
- Mr Michael Ruggiero

Company Secretary

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

Principal Activities

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

Operating Result: Summary

	Consolidated Group	
	2012	2011
	\$	\$
Consolidated Profit before income tax	1,390,979	8,725,253
Revaluation (loss)/Gain included in Consolidated Profit	(3,749,495)	4,675,000
Consolidated Profit before income tax, excluding the revaluation gain	5,140,474	4,050,253
Income tax payable: Current year	1,214,127	630,458
Consolidated profit after income tax payable excluding the revaluation gain	3,926,347	3,343,824

Directors' Report continued

Dividends Paid or Recommended

The dividends paid and declared to be paid since the start of the 2012 financial year are as follows:

- Fully franked final dividend of 20 cents per share (for the year ended 30 June 2011) paid in December 2011, as declared by the Directors in September 2011 (making a total fully franked dividend for the year ended 30 June 2011 of 40 cents per share: \$2,309,824)
- Fully franked interim dividend of 25 cents per share (for the year ended 30 June 2012) paid in April 2012, as declared by the Directors in March 2012: \$1,443,640.
- Fully franked final dividend of 25 cents per share (for the year ended 30 June 2012), as declared by the Directors in September 2012: \$1,443,640 (making a total fully franked dividend for the year ended 30 June 2012 of 50 cents per share: \$2,887,280). This dividend has not been provided for in the financial statements.

Review of Operations

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

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

Significant Changes in 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 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.

Directors' Report continued

INFORMATION ON DIRECTORS

Mr David Schirripa

Director and Chairman (appointed 29 November 2011)

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 Nov 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 2011 to 30 June 2012 (for the Consolidated Group)

Board Meetings:

- | | |
|-----------------------------|----|
| • Number eligible to attend | 12 |
| • Number attended | 12 |

Committee Meetings:

- | | |
|-----------------------------|---|
| • Number eligible to attend | 5 |
| • Number attended | 5 |

Committees presided on:

- Audit, Corporate Governance & Finance Committee
- Remuneration Committee

Mr Savas Christodoulou

Director and Chairman (ceased 29 November 2011)

Qualifications:

- Fellow of Australian Property Institute
- Diploma in Town Planning
- Practising Valuer

Experience:

- 33 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))
- API State Board Member for 11 years (1983 – 1994)

Registered interest in shares and options:

Nil

Attendance: Meetings of Directors 1 July 2011 to 29 November 2011 (for the Consolidated Group)

Board Meetings:

- | | |
|-----------------------------|---|
| • Number eligible to attend | 5 |
| • Number attended | 5 |

Committee Meetings:

- | | |
|-----------------------------|---|
| • Number eligible to attend | 1 |
| • Number attended | 1 |

Committees presided on:

- Audit, Corporate Governance & Finance Committee

Directors' Report continued

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 2011 to 30 June 2012 (for the Consolidated Group)

Board Meetings:

- Number eligible to attend 12
- Number attended 9

Committee Meetings:

- Number eligible to attend 3
- Number attended 2

Committees presided on:

- Audit, Corporate Governance & Finance Committee

Mr Pasquale Scalzi (OAM)

Director

Experience:

- 48 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 2011 to 30 June 2012 (for the Consolidated Group)

Board Meetings:

- Number eligible to attend 12
- Number attended 12

Mr Desmond Lilley

Director (ceased 29 November 2011)

Qualifications:

- 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 2011 to 29 November 2011 (for the Consolidated Group)

Board Meetings:

- Number eligible to attend 5
- Number attended 4

Directors' Report continued

Mr Daniele De Ieso

Director

Qualifications:

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

Experience:

- Over 34 years' experience in fruit and vegetable industry
- Grower Board Member since 2002
- Industry Advisory Committee Member to Horticulture Australia

Registered interest in shares and options:

2,400

Attendance: Meetings of Directors 1 July 2011 to 30 June 2012 (for the Consolidated Group)

Board Meetings:

- Number eligible to attend 12
- Number attended 10

Committee Meetings:

- Number eligible to attend 4
- Number attended 4

Committees presided on:

- Remuneration Committee
- Construction Committee

Mr David Trosti

Director

Experience:

- 18 years' experience in fruit and vegetable industry

Registered interest in shares and options

46,600

Attendance: Meetings of Directors 1 July 2011 to 30 June 2012 (for the Consolidated Group)

Board Meetings

- Number eligible to attend 12
- Number attended 10

Committee Meetings

- Number eligible to attend 1
- Number attended 1

Committees presided on:

- Remuneration Committee

Mr Vincenzo Dimasi

Director

Experience:

- Former Councillor for Mallala Council
- 32 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 2011 to 30 June 2012 (for the Consolidated Group)

Board Meetings:

- Number eligible to attend 12
- Number attended 12

Committee Meetings:

- Number eligible to attend 1
- Number attended 1

Committees presided on:

- Remuneration Committee

Mr Antonio Ceravolo

Director

Qualifications:

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

Experience:

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

Registered interest in shares and options:

50,800

Attendance: Meetings of Directors 1 July 2011 to 30 June 2012 (for the Consolidated Group)

Board Meetings:

- Number eligible to attend 12
- Number attended 12

Directors' Report continued

Mr Gregory Griffin

Director

Qualifications:

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

Experience:

- 31 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 2011 to 30 June 2012 (for the Consolidated Group)

Board Meetings:

- Number eligible to attend 12
- Number attended 10

Committee Meetings:

- Number eligible to attend 3
- Number attended 3

Committees presided on:

- Audit, Corporate Governance & Finance Committee

Mr Michael Ruggiero

Director

Qualifications:

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

Experience:

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

Registered interest in shares and options:

Nil

Attendance: Meetings of Directors 1 July 2011 to 30 June 2012 (for the Consolidated Group)

Board Meetings:

- Number eligible to attend 12
- Number attended 12

Committee Meetings:

- Number eligible to attend 5
- Number attended 5

Committees presided on:

- Audit, Corporate Governance & Finance Committee
- Remuneration Committee

Directors' Report continued

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 2011 Annual General Meeting of the Parent Entity and are made in accordance with the Constitution.

Senior Executive – Chief Executive Officer

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

The emoluments of each Director together with the Chief Executive Officer of the Company paid for the financial year ended 30 June 2012 are as follows:-

Name	Title	Director's Fee	Committee Fees	Salary	Retirement and Super-annuation Contributions	Incentives	Non Cash Benefits	Total Emoluments
		\$	\$	\$	\$	\$	\$	\$
Mr D Schirripa	Chairman of Directors	40,472	-	-	3,643	-	-	44,115
Mr S Christodoulou	Chairman of Directors	22,778	-	-	2,050	-	-	24,828
Mr N Minicozzi	Deputy Chairman	40,000	2,000	-	3,780	-	-	45,780
Mr D Lilley	Director	13,211	-	-	1,189	-	-	14,400
Mr P Scalzi (OAM)	Director	29,583	-	-	2,663	-	-	32,246
Mr D De Ieso	Director	29,583	2,500	-	2,888	-	-	34,971
Mr D Trosti	Director	29,583	-	-	2,663	-	-	32,246
Mr V Dimasi	Director	29,583	1,000	-	2,753	-	-	33,336
Mr A Ceravolo	Director	29,583	-	-	2,663	-	-	32,246
Mr M Ruggiero	Director	29,583	5,000	-	3,113	-	-	37,696
Mr G Griffin	Director	29,583	3,000	-	2,933	-	-	35,516
TOTALS - DIRECTORS		323,544	13,500	-	30,334	-	-	367,378
Mr A Demasi	Chief Executive Officer (non Director) and Company Secretary	-	-	130,109	12,829	-	21,303	164,242
TOTALS - OVERALL		323,544	13,500	130,109	43,163	-	21,303	531,620

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

Indemnifying Officers or Auditor

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

- indemnified or made any relevant agreement for indemnifying against a liability 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:-

Directors' Report continued

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

Directors' Benefits – Other than Benefits Separately Disclosed In Note 23: Related Party Disclosures (Notes To The Financial Report For The Year Ended 30 June 2012)

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

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

Fees for non-audit services were not paid/payable to the external auditor during the year ended 30 June 2012.

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 27.

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

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the left.

David Schirripa, Chairman of Directors
Diagonal Road Pooraka South Australia 5095

DATED this 19th day of October 2012

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

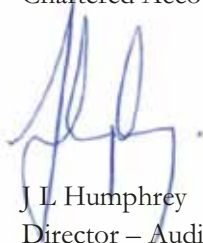
**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ADELAIDE PRODUCE MARKETS LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Adelaide Produce Markets Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Director – Audit & Assurance

Adelaide, 19 October 2012

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation

Statement of Comprehensive Income for the Year Ended 30 June 2012

		Consolidated Group		Parent Entity	
		2012	2011	2012	2011
	Note	\$	\$	\$	\$
Revenue	2	13,454,442	11,668,833	11,958,585	10,261,288
Investment property revaluation gain/(loss)	3	(3,749,495)	4,675,000	(3,199,495)	4,885,000
Employee benefits expense		(1,183,213)	(960,776)	(1,183,213)	(960,776)
Depreciation expense	3	(289,996)	(227,432)	(151,216)	(88,651)
Finance costs	3	(1,332,072)	(1,282,085)	(1,274,406)	(1,282,085)
Other expenses		(5,508,687)	(5,148,287)	(4,466,131)	(4,270,846)
Profit before income tax		1,390,979	8,725,253	1,684,124	8,543,930
Income tax expense		(89,278)	(2,031,415)	(275,620)	(2,095,958)
Profit for the year		1,301,701	6,693,838	1,408,504	6,447,972
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		1,301,701	6,693,838	1,408,504	6,447,972
Profit attributable to the members of the Parent Entity		1,301,701	6,693,838	1,408,504	6,447,972

The accompanying notes form part of this Financial Report

Statement of Financial Position as at 30 June 2012

		Consolidated Group		Parent Entity	
		2012	2011	2012	2011
	Note	\$	\$	\$	\$
ASSETS					
Current Assets					
Cash & cash equivalents	6	2,425,607	4,280,411	1,559,426	2,288,997
Trade and other receivables	7	518,710	732,112	518,710	732,112
Other assets	8	504,726	386,054	352,219	245,778
TOTAL CURRENT ASSETS		3,449,043	5,398,577	2,430,355	3,266,887
Non-Current Assets					
Trade & other receivables	7	59,942	59,942	11,416,941	13,053,482
Property, plant & equipment	9	85,366,933	83,928,822	73,623,616	71,493,859
Financial assets	28	-	-	2	2
Intangible assets	10	120,000	120,000	120,000	120,000
TOTAL NON-CURRENT ASSETS		85,546,875	84,108,764	85,160,559	84,667,343
TOTAL ASSETS		88,995,918	89,507,341	87,590,914	87,934,230
LIABILITIES					
Current Liabilities					
Trade & other payables	11	1,737,128	1,404,597	1,567,331	1,338,495
Current tax liabilities	14	517,434	6,511	517,434	6,511
Short-term provisions	13	260,383	195,889	260,383	195,889
TOTAL CURRENT LIABILITIES		2,514,945	1,606,997	2,345,148	1,540,895
Non-Current Liabilities					
Borrowings	12	21,606,261	20,606,261	21,606,261	20,606,261
Long term provisions	13	17,464	15,135	17,464	15,135
Deferred tax liabilities	14	8,208,268	9,333,117	8,518,920	9,478,770
TOTAL NON-CURRENT LIABILITIES		29,831,993	29,954,513	30,142,645	30,100,166
TOTAL LIABILITIES		32,346,938	31,561,510	32,487,793	31,641,061
NET ASSETS		56,648,980	57,945,831	55,103,121	56,293,169
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		50,481,670	51,778,521	48,935,811	50,125,859
TOTAL EQUITY		56,648,980	57,945,831	55,103,121	56,293,169

The accompanying notes form part of this Financial Report

Statement of Changes in Equity for the Year Ended 30 June 2012

Consolidated Group		Issued Capital	Retained Earnings	Share Premium Reserve	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2010		5,774,560	47,394,507	392,750	53,561,817
Profit attributable to members of the Parent Entity		-	6,693,838	-	6,693,838
Total other comprehensive income for the period		-	-	-	-
Subtotal		5,774,560	54,088,345	392,750	60,255,655
Dividends paid or provided for	5	-	(2,309,824)	-	(2,309,824)
Balance at 30 June 2011		5,774,560	51,778,521	392,750	57,945,831
Profit attributable to members of the Parent Entity		-	1,301,701	-	1,301,701
Total other comprehensive income for the period		-	-	-	-
Subtotal		5,774,560	53,080,222	392,750	59,247,532
Dividends paid or provided for	5	-	(2,598,552)	-	(2,598,552)
Balance at 30 June 2012		5,774,560	50,481,670	392,750	56,648,980

Parent Entity		Issued Capital	Retained Earnings	Share Premium Reserve	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2010		5,774,560	45,987,711	392,750	52,155,021
Profit attributable to members of the Parent Entity		-	6,447,972	-	6,447,972
Total other comprehensive income for the period		-	-	-	-
Subtotal		5,774,560	52,435,683	392,750	58,602,993
Dividends paid or provided for	5	-	(2,309,824)	-	(2,309,824)
Balance at 30 June 2011		5,774,560	50,125,859	392,750	56,293,169
Profit attributable to members of the Parent Entity		-	1,408,504	-	1,408,504
Total other comprehensive income for the period		-	-	-	-
Subtotal		5,774,560	51,534,363	392,750	57,701,673
Dividends paid or provided for	5	-	(2,598,552)	-	(2,598,552)
Balance at 30 June 2012		5,774,560	48,935,811	392,750	55,103,121

The accompanying notes form part of this Financial Report

Statement of Cash Flows for the Year Ended 30 June 2012

		Consolidated Group		Parent Entity	
		2012	2011	2012	2011
	Note	\$	\$	\$	\$
Cash Flows From Operating Activities					
Receipts from customers		13,575,820	11,785,510	13,634,103	9,977,701
Payments to suppliers and employees		(6,411,218)	(6,842,018)	(5,460,127)	(5,822,857)
Interest received		92,024	134,508	153,083	186,665
Borrowing costs		(1,332,072)	(1,282,085)	(1,274,406)	(1,282,085)
Income tax paid		(703,204)	(1,667,096)	(703,204)	(1,667,096)
Net cash provided by (used in) Operating Activities	18	5,221,350	2,128,819	6,349,449	1,392,328
Cash Flows From Investing Activities					
Purchase of property, plant and equipment		(5,477,602)	(1,466,704)	(5,480,468)	(1,600,341)
Net cash provided by (used in) Investing Activities		(5,477,602)	(1,466,704)	(5,480,468)	(1,600,341)
Cash Flows From Financing Activities					
Proceeds from borrowings		1,000,000	1,026,500	1,000,000	1,026,500
Dividends paid by the Parent Entity		(2,598,552)	(2,309,824)	(2,598,552)	(2,309,824)
Net cash provided by (used in) Financing Activities		(1,598,552)	(1,283,324)	(1,598,552)	(1,283,324)
Net Increase (Decrease) In Cash Held For The Year		(1,854,804)	(621,209)	(729,571)	(1,491,337)
Cash at 1 July		4,280,411	4,901,620	2,288,997	3,780,334
Cash at 30 June	6	2,425,607	4,280,411	1,559,426	2,288,997

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012

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 the notes 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.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

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 is 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 Statement of Comprehensive Income as other income.

An independent valuation of all land and 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 2012. 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 2012 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 2012 (2011: Nil). Consistent with previous financial years, buildings are not depreciated for accounting purposes as they are held for investment purposes.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Depreciation (Continued)

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 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 Statement of Comprehensive Income.

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 2012 any construction in progress and land re-development costs are separately disclosed.

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 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 reporting date and are measured at amounts which are expected to be paid as the liability is settled.

Liability for long-service leave expected to be settled 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.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) **Cash and Cash Equivalents**

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

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.

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 Statement of Comprehensive Income 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.

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 Statement of Comprehensive Income.

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

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

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) **Comparative Figures**

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

m) **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.

n) **Change in Accounting Policy**

There are no changes in accounting policy for the year ended 30 June 2012.

o) **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 2012.

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 2012.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) **New Accounting Standards for Application in Future Periods**

- (i) AASB 9 Financial Instruments, 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) (effective from 1 January 2013*) AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013* but is available for early adoption.

The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The group has not yet decided when to adopt AASB 9.

*In December 2011, the IASB delayed the application date of IFRS 9 to 1 January 2015. The AASB is expected to make an equivalent amendment to AASB 9 shortly.

- (ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. While the group does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) **New Accounting Standards for Application in Future Periods (continued)**

The group does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

(iii) **AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)**

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(iv) **Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)**

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 2: REVENUE

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Rental Revenue:				
- Rents and recoveries	13,328,298	11,523,910	11,139,594	9,376,661
Other Revenue:				
- Insurance recoveries	12,219	11,815	12,219	11,815
- Interest received	92,024	134,508	153,083	186,665
- Interest recovered	-	-	631,788	687,547
- Bad debts recovered	21,901	-	21,901	-
- Gain on disposal of property, plant & equipment	-	(1,400)	-	(1,400)
	13,454,442	11,668,833	11,958,585	10,261,288

NOTE 3: PROFIT FOR THE YEAR

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Expenses				
Finance costs	1,332,072	1,282,085	1,274,406	1,282,085
Depreciation of property, plant and equipment	289,996	227,432	151,216	88,651
Bad and doubtful debts	1,412	(152,880)	1,412	(22,881)
Remuneration of auditor:				
- audit	23,300	25,000	23,300	25,000
- taxation services	-	4,400	-	4,400
	1,646,780	1,386,037	1,450,334	1,377,255

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

Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

- Investment Property	(3,749,495)	4,675,000	(3,199,495)	4,885,000
- Bitumen repairs & maintenance	-	(726,104)	-	(726,104)

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 4: INCOME TAX EXPENSE

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
The components of Tax Expense comprise:				
Current tax	1,214,127	630,458	1,235,469	630,458
Deferred tax	(1,124,849)	1,400,957	(959,849)	1,465,500
	89,278	2,031,415	275,620	2,095,958
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% (2011: 30%)	417,294	2,617,575	505,237	2,563,179
Add: Tax Effect of:				
- revaluation loss	1,124,849	-	959,849	-
- provision for holiday pay	8,515	3,415	8,515	3,415
- provision for long service leave	11,532	4,049	11,532	4,049
- other non-allowable items	16,027	2,550	16,027	2,550
- under/over provision prior years	(27,746)	(22,791)	(27,746)	(22,791)
Less: Tax Effect of:				
- revaluation gain	-	(1,402,500)	-	(1,465,000)
- net movement in debtors	-	(81,709)	-	-
- depreciation/capital allowance	(325,160)	(328,374)	(226,760)	(293,187)
- allowable deduction for bitumen works	-	(161,757)	-	(161,757)
- other allowable items	(11,184)	-	(11,185)	-
	1,214,127	630,458	1,235,469	630,458

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 5: DIVIDENDS

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Final Distribution Paid Final fully franked dividend for the year ended 30 June 2011 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
Interim Distribution Paid Interim fully franked dividend for the year ended 30 June 2012 of 25 cents per share (2011: 20) cents per share, franked at the tax rate of 30% (2011: 30%)	1,443,640	1,154,912	1,143,640	1,154,912
Franking Account Balance of franking account at year end.	2,032,908	2,443,368	2,032,908	2,443,368

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Cash on hand	1,050	1,050	1,050	1,050
Cash at bank	2,424,557	4,279,361	1,558,376	2,287,947
	2,425,607	4,280,411	1,559,426	2,288,897
Reconciliation of Cash Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the items in the statement of financial position as follows:				
Cash and cash equivalents	2,425,607	4,280,411	1,559,426	2,288,997

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

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Current				
Trade debtors	517,508	743,040	517,508	743,040
Provision for impairment	(20,599)	(27,123)	(20,599)	(27,123)
	496,909	715,917	496,909	715,917
Other debtors	21,801	16,195	21,801	16,195
	518,710	732,112	518,710	732,112
Non-Current				
Trade debtors	59,942	59,942	59,942	59,942
Loan – Subsidiaries	-	-	11,356,999	12,993,540
	59,942	59,942	11,416,941	13,053,482

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of \$20,599 (2011: \$27,123) has been recorded accordingly within other expenses. The impaired trade receivables are due from customers in the business-to-business market that are experiencing financial difficulties.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 7: TRADE AND OTHER RECEIVABLES (continued) PAST DUE NOT IMPAIRED

Consolidated Group - 2012	Gross Amount	Past Due and Impaired	Past due but not impaired (days overdue)				Within Initial Trade Terms
			<30	31-60	61-90	90 + days	
	\$	\$	\$	\$	\$	\$	\$
Trade receivables	517,508	20,599	201,387	37,914	19,630	5,429	232,549

Parent Entity - 2012	Gross Amount	Past Due and Impaired	Past due but not impaired (days overdue)				Within Initial Trade Terms
			<30	31-60	61-90	90 + days	
	\$	\$	\$	\$	\$	\$	\$
Trade receivables	517,508	20,599	201,387	37,914	19,630	5,429	232,549

Consolidated Group - 2011	Gross Amount	Past Due and Impaired	Past due but not impaired (days overdue)				Within Initial Trade Terms
			<30	31-60	61-90	90 + days	
	\$	\$	\$	\$	\$	\$	\$
Trade receivables	743,041	27,123	354,328	160,954	31,792	8,018	160,826

Parent Entity - 2011	Gross Amount	Past Due and Impaired	Past due but not impaired (days overdue)				Within Initial Trade Terms
			<30	31-60	61-90	90 + days	
	\$	\$	\$	\$	\$	\$	\$
Trade receivables	743,041	27,123	354,328	160,954	31,792	8,018	160,826

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 8: OTHER ASSETS

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Current				
Prepaid commercial bill interest	206,943	215,547	99,382	110,955
Prepayments - other	297,783	170,507	252,837	134,823
	504,726	386,054	352,219	245,778

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
INVESTMENT PROPERTIES:				
LAND				
- Independent valuation	44,000,000	45,500,000	37,950,000	39,450,000
BUILDINGS				
- Independent valuation	39,350,000	35,650,000	33,850,000	29,600,000
Total Investment Properties	83,350,000	81,150,000	71,800,000	69,050,000
CONSTRUCTION IN PROGRESS				
Construction in progress at cost	616,743	1,415,431	616,743	1,415,431
PLANT, EQUIPMENT AND VEHICLES				
Plant, equipment & vehicles – at cost	3,102,385	2,775,591	2,074,578	1,744,917
Accumulated depreciation	(1,702,195)	(1,412,200)	(867,705)	(716,489)
Total	1,400,190	1,363,391	1,206,873	1,028,428
Total property, plant and equipment and investment properties	85,366,933	83,928,822	73,623,616	71,493,859

The Group's investment properties were re-valued at 30 June 2012 by independent valuers, Jones Lang LaSalle. The investment properties were previously re-valued in June 2011. Fair values were estimated using a capitalisation approach based on recent market transactions, which were then adjusted for specific conditions relating to the properties.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment for the financial year ended 30 June 2012 are as follows:-

Consolidated Group	Construction in Progress	Investment Properties	Plant and Equipment	Total
	\$	\$	\$	\$
Balances at 1 July 2011	1,415,431	81,150,000	1,363,391	83,928,822
Additions : Cost	5,128,401	22,406	326,795	5,477,602
Disposals : Carrying value	-	-	-	-
Amounts reclassified from construction in progress	(5,927,089)	5,927,089	-	-
Revaluation increment/(decrement)	-	(3,749,495)	-	(3,749,495)
Depreciation expense	-	-	(289,996)	(289,996)
Carrying amounts at 30 June 2012	616,743	83,350,000	1,400,190	85,366,933

Parent Entity	Construction in Progress	Investment Properties	Plant and Equipment	Total
	\$	\$	\$	\$
Balances at 1 July 2011	1,415,431	69,050,000	1,028,428	71,493,859
Additions : Cost	5,128,401	22,406	329,661	5,480,468
Disposals : Carrying value	-	-	-	-
Amounts reclassified from construction in progress	(5,927,089)	5,927,089	-	-
Revaluation increment/(decrement)	-	(3,199,495)	-	(3,199,495)
Depreciation expense	-	-	(151,216)	(151,216)
Carrying amounts at 30 June 2012	616,743	71,800,000	1,206,873	73,623,616

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 10: INTANGIBLE ASSETS

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Goodwill: Sunday Markets	120,000	120,000	120,000	120,000
Reconciliation of Goodwill:				
Balance at 1 July	120,000	120,000	120,000	120,000
Additions	-	-	-	-
Disposals	-	-	-	-
Amortisation change	-	-	-	-
Impairment losses	-	-	-	-
Carrying Value 30 June	120,000	120,000	120,000	120,000

The Directors have determined that the Goodwill relating to the Pooraka Sunday Market is not impaired.

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Current Unsecured Liabilities:				
Trade payables	20,008	182,295	8,929	171,217
Sundry payables and accruals	1,717,120	1,222,302	1,558,402	1,167,278
	1,737,128	1,404,597	1,567,331	1,338,495

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 12: BORROWINGS

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
NON-CURRENT				
Bank bills secured	21,606,261	20,606,261	21,606,261	20,606,261
Total current and non-current secured liabilities				
Bank bills secured	21,606,261	20,606,261	21,606,261	20,606,261

The bank bills are secured by a registered first mortgage over the freehold properties and a security interest 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 \$21,606,261 are due to expire as follows:

Face Value Bank Bills	Due Date	Interest Rate
\$1,026,500	Jul-12	4.41%
\$1,000,000	Jul-12	4.36%
\$1,200,000	Sep-12	3.71%
\$2,180,000	Sep-12	3.72%
\$2,200,000	Nov-12	6.05%
\$2,989,761	Dec-12	6.05%
\$3,000,000	Mar-13	6.05%
\$1,820,000	Sep-13	6.38%
\$2,000,000	Dec-14	6.87%
\$4,190,000	Sep-15	5.87%
\$21,606,261		

The bills will continue to be rolled in line with the facility agreement expiring in 2015.

Amounts previously classified as current under the ongoing facility have been reclassified to non-current in the current financial year.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 13: PROVISIONS

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Current				
Employee benefits	260,383	195,889	260,383	195,889
Non-Current				
Employee benefits	17,464	15,135	17,464	15,135

Consolidated Group	Employee	Total
	\$	\$
Opening balance at 1 July 2011	211,024	211,024
Additional provisions	129,057	129,057
Amounts paid	(62,234)	(62,234)
Balance at 30 June 2012	277,847	277,847

Parent Entity	Employee	Total
	\$	\$
Opening balance at 1 July 2011	211,024	211,024
Additional provisions	129,057	129,057
Amounts paid	(62,234)	(62,234)
Balance at 30 June 2012	277,847	277,847

NOTE 14: TAX

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Current				
Income Tax	517,434	6,511	517,434	6,511
Non-Current				
Deferred Tax Liabilities	8,208,268	9,333,117	8,518,920	9,478,770

Deferred Tax Liabilities are comprised of deferred income tax on revaluation gains/losses on investment properties.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 15: ISSUED CAPITAL

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
5,774,560 (2011: 5,744,560) fully paid Ordinary shares	5,774,560	5,774,560	5,774,560	5,774,560
Comprising:				
Ordinary Grower Shares	1,439,451			
Ordinary Wholesaler Shares	3,222,569			
Ordinary Retailer Shares	552,540			
Ordinary Unclassified Shares	560,000			
	5,774,560			

		Consolidated Group		Parent Entity	
		2012	2011	2012	2011
	Note	\$	\$	\$	\$
Total borrowings	12	21,606,261	20,606,261	21,606,261	20,606,261
Trade and other payables	11	1,737,128	1,404,597	1,567,331	1,338,495
Less cash and cash equivalents	6	(2,425,607)	(4,280,411)	(1,559,426)	(2,288,997)
Net debt		20,917,782	17,730,447	21,614,166	19,655,759
Total equity		56,648,980	57,945,831	55,103,121	56,293,169
Total capital		77,566,762	75,676,278	76,717,287	75,948,928
Gearing Ratio		27%	23%	28%	26%

NOTE 16: CAPITAL COMMITMENTS

The following capital expenditure was contracted for as at 30 June 2012 (2011: \$3,261,450)

	\$
Building A & E Canopies	68,527
Building E Electrical Upgrade	117,273
	185,800

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets recorded by the Company as at the date of this report (2011: Nil)

NOTE 18: CASH FLOW INFORMATION

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Reconciliation of cash flow from operations with profit after income tax				
Profit after income tax	1,276,638	6,693,838	1,404,783	6,447,972
Non-cash flows in profit				
- revaluation gain	3,749,495	(4,675,000)	3,199,495	(4,885,000)
- depreciation	289,996	88,651	151,216	88,651
Changes in assets and liabilities:				
- (increase)/decrease in trade receivables	213,402	251,185	1,828,601	(96,922)
- (increase)/decrease in other current assets	(118,672)	(29,583)	(106,441)	(15,693)
- increase/(decrease) in trade payables	332,531	(162,345)	228,836	(173,296)
- increase/(decrease) in tax liability	(588,863)	364,319	(423,864)	428,862
- increase/(decrease) in provisions	66,823	(402,246)	66,823	(402,246)
	5,221,350	2,128,819	6,349,449	1,392,328
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	22,780,000	23,070,001	22,780,000	23,070,001
Credit facility utilised	21,606,261	20,606,261	21,606,261	20,606,261
Unused Credit Facility	1,173,739	2,463,740	1,173,739	2,463,740

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 19: CORRECTION OF PRIOR PERIOD ERRORS AND RECLASSIFICATION OF BALANCES

The following prior period errors have come to the Board's attention during the year:

- A review of plant and equipment identified assets that had not been correctly brought to account on consolidation in the prior year. The equipment had been incorrectly accounted for as part of the land and building valuation in prior years. The impact is to recognise \$1,025,530 in plant and equipment with a deferred tax liability implication of \$307,659.
- Rental outgoings receivable relating to the 2011 financial year was not recognised as had been the case in the past. This has been accounted for below as a receivable in 2011 for \$116,230 with the corresponding outgoings received.
- Land tax payable for the last quarter of the 2011 year was not recognised as a liability in the prior year resulting in an understatement of trade and other payables of \$208,717.
- A provision for dividend was removed given it was not declared at 30 June for \$1,154,912.

The effect of these errors has been corrected by restating each of the affected financial statement line items for the prior period is as follows:

Consolidated		2011	Increase/ (Decrease)	2011 restated	2010	Increase/ (Decrease)	2010 restated
		\$	\$	\$	\$	\$	\$
Statement of financial position (extract)							
Current tax liability	(ii)	(630,458)	623,947	(6,511)	(1,043,149)	-	(1,043,149)
Trade and other payables	(i) (iii)	(1,392,586)	(12,011)	(1,404,597)	(1,398,484)	(168,458)	(1,566,942)
Short term provisions	(i)	(1,227,350)	1,031,461	(195,889)	(1,216,257)	1,154,912	(61,345)
Deferred tax liability		(9,025,458)	(307,659)	(9,333,117)	(7,264,501)	(307,659)	(7,932,160)
Trade and other receivables	(ii) (iii)	1,313,084	(580,972)	732,112	983,297	-	983,297
Property, plant and equipment		82,903,292	1,025,530	83,928,882	76,850,239	1,025,530	77,875,769
Net assets		56,165,535	1,780,296	57,945,831	51,857,492	1,704,325	53,561,817
Retained earnings		49,998,225	1,780,296	51,778,521	45,690,182	1,704,325	47,394,507
Total equity		56,165,535	1,780,296	57,945,831	51,857,492	1,704,325	53,561,817

Consolidated		2011	Increase/ (Decrease)	2011 restated
		\$	\$	\$
Statement of comprehensive income (extract)				
Revenue		11,552,603	116,230	11,668,833
Other expenses		(5,108,028)	(40,259)	(5,148,287)
Profit before income tax		8,649,282	75,971	8,725,253
Profit after tax		6,617,867	75,971	6,693,838

- (i) Annual leave liability has been reclassified from trade and other payables to short term provisions for \$123,451.
(ii) PAYG instalments have been reclassified from trade and other receivables to offset current tax liability for \$623,947.
(iii) Negative receivables of \$73,255 have been reclassified from trade and other receivables to trade and other payables.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 19: CORRECTION OF PRIOR PERIOD ERROR (continued)

Parent	2011	Increase/ (Decrease)	2011 restated	2010	Increase/ (Decrease)	2010 restated
	\$	\$	\$	\$	\$	\$
Statement of financial position (extract)						
Current tax liability (ii)	(630,458)	623,947	(6,511)	(1,043,149)	-	(1,043,149)
Trade and other payables (i) (iii)	(1,354,981)	16,486	(1,338,495)	(1,343,333)	(168,458)	(1,511,791)
Short term provisions (i)	(1,227,350)	1,031,461	(195,889)	(1,216,257)	1,154,912	(61,345)
Trade and other receivables (ii) (iii)	1,341,581	(609,469)	732,112	869,752	-	869,752
Net assets	55,230,744	1,062,425	56,293,169	51,168,567	986,454	52,155,021
Retained earnings	49,063,434	1,062,425	50,125,859	45,001,257	986,454	45,987,711
Total equity	55,230,744	1,062,425	56,293,169	51,168,567	986,454	52,155,021

Parent	2011	Increase/ (Decrease)	2011 restated
	\$	\$	\$
Statement of comprehensive income (extract)			
Revenue	10,145,058	116,230	10,261,288
Other expenses	(4,230,586)	(40,259)	(4,270,845)
Profit before income tax	8,467,959	75,971	8,543,930
Profit after tax	6,372,001	75,971	6,447,972

- (i) Annual leave liability has been reclassified from trade and other payables to short term provisions for \$123,451.
(ii) PAYG instalments have been reclassified from trade and other receivables to current tax liability for \$623,947.
(iii) Negative receivables of \$101,752 have been reclassified from trade and other receivables to trade and other payables.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 20: 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 Statement of Financial Position and in the notes to and forming part of the Financial Report.

Credit Risk

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 Statement of Financial Position 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:

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

Consolidated Group 2012	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Maturing 1 to 5 Year	Non Interest Bearing	Total
	\$	\$	\$	\$	\$
Financial Assets					
Cash	2,424,557	-	-	1,050	2,425,607
Receivables	-	-	-	518,710	518,710
	2,424,557	-	-	519,760	2,944,317
Interest Rate (all inclusive)	2.00%				
Financial Liabilities					
Accounts Payable	-	-	-	1,737,128	1,737,128
Borrowings - Bank Bills	5,406,500	8,189,761	8,010,000	-	21,606,261
	5,406,500	8,189,761	8,010,000	1,737,128	23,343,389
Interest Rate (all inclusive)	3.97%	6.05%	6.24%		

Consolidated Group Comparative 2011	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Maturing 1 to 5 Year	Non Interest Bearing	Total
	\$	\$	\$	\$	\$
Financial Assets					
Cash	4,279,361	-	-	1,050	4,280,411
Receivables	-	-	-	732,112	732,112
	4,279,361	-	-	733,162	5,012,523
Interest Rate (all inclusive)	2.00%				
Financial Liabilities					
Accounts Payable	-	-	-	1,404,597	1,404,597
Borrowings - Bank Bills	-	2,180,000	18,426,261	-	20,606,261
	-	2,180,000	18,426,261	1,404,597	22,010,858
Interest Rate (all inclusive)		6.04%	5.99%		

The Board has determined that the carrying values of Financial Assets and Financial Liabilities are consistent with their fair value.

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

Parent Entity 2012	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Maturing 1 to 5 Year	Non Interest Bearing	Total
	\$	\$	\$	\$	\$
Financial Assets					
Cash	1,558,376	-	-	1,050	1,559,426
Receivables	-	-	-	11,935,651	11,935,651
	1,558,376	-	-	11,936,701	13,495,077
Interest Rate (all inclusive)	2.00%				
Financial Liabilities					
Accounts Payable	-	-	-	1,567,331	1,567,331
Borrowings - Bank Bills	5,406,500	8,189,761	8,010,000	-	21,606,261
	5,406,500	8,189,761	8,010,000	1,567,331	23,173,592
Interest Rate (all inclusive)	3.97%	6.05%	6.24%		
Parent Entity Comparative 2011	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Maturing 1 to 5 Year	Non Interest Bearing	Total
	\$	\$	\$	\$	\$
Financial Assets					
Cash	2,287,947	-	-	1,050	2,288,997
Receivables	-	-	-	13,785,594	13,785,594
	2,287,947	-	-	15,786,644	16,074,591
Interest Rate (all inclusive)	2.00%				
Financial Liabilities					
Accounts Payable	-	-	-	1,338,495	1,338,495
Borrowings - Bank Bills	-	2,180,000	18,426,261	-	20,606,261
	-	2,180,000	18,426,261	1,338,495	21,944,756
Interest Rate (all inclusive)		6.04%	5.99%		

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 21: TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management of the Group are the Board of Directors and Chief Executive Officer. Key management personnel remuneration includes the following expenses:

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Short term employee benefits				
- Salaries & Directors fees	467,153	497,354	467,153	497,354
- Other	21,303	21,303	21,303	21,303
Total short term employee benefits	488,456	518,657	488,456	518,657
Post-employment benefits				
- Superannuation Contributions	43,163	44,962	43,163	44,962
Total post-employment benefits	43,163	44,962	43,163	44,962
Total remuneration	531,620	563,618	531,620	563,618

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 22: FINANCIAL REPORTING BY SEGMENTS

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

NOTE 23: RELATED PARTY DISCLOSURES

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

	Consolidated Group		Parent Entity	
	2012 No	2011 No	2012 No	2011 No
	\$	\$	\$	\$
Adelaide Produce Market Ltd - Ordinary Shares	1,188,899	1,186,099	1,188,899	1,186,099

The Group used the legal services of three directors in the company and the law firm over which they exercise significant influence. The amounts billed were based on normal market rates and amounted to:

	2012	2011	2012	2011
	\$	\$	\$	\$
Schirripa Commercial Lawyers	20,285	-	20,285	-
Griffins Lawyers	10,251	-	10,251	-
N Minicozzi	6,583	-	6,583	-
	37,119	-	37,119	-

The outstanding balances at the reporting dates were as follows:

	2012	2011	2012	2011
	\$	\$	\$	\$
Schirripa Commercial Lawyers	10,800	-	10,800	-
Griffins Lawyers	2,580	-	2,580	-
N Minicozzi	-	-	-	-
	13,380	-	13,380	-

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 23: RELATED PARTY DISCLOSURES (continued)

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

	2012	2011	2012	2011
	\$	\$	\$	\$
P & E Scalzi Services Pty Ltd	180,404	170,301	180,404	170,301
Paseva Pty Ltd ATF P & E Scalzi Superannuation Fund	97,579	89,898	97,579	89,898
Thorndon Park Produce Co Pty Ltd	4,659	3,624	4,659	3,624
Dublin Fruit & Veg	1,405	1,608	1,405	1,608
R Ceravolo & Co Pty Ltd	203,720	182,442	203,720	182,442
Pooraka Fruit & Vegetable Supply	25,278	35,481	25,278	35,481
	513,045	483,354	513,045	483,354

The outstanding balances at the reporting dates were as follows:

	2012	2011	2012	2011
	\$	\$	\$	\$
P & E Scalzi Services Pty Ltd	17,657	15,629	17,657	15,629
Paseva Pty Ltd ATF P & E Scalzi Superannuation Fund	8,569	9,391	8,569	9,391
Thorndon Park Produce Co Pty Ltd	1,315	1,111	1,315	1,111
Dublin Fruit & Veg	284	884	284	884
R Ceravolo & Co Pty Ltd	19,196	17,372	19,196	17,372
Pooraka Fruit & Vegetable Supply	13,677	13,641	13,677	13,641
	60,698	58,028	60,698	58,028

NOTE 24: SUPERANNUATION COMMITMENTS

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

NOTE 25: EVENTS AFTER THE BALANCE SHEET DATE

There are no events subsequent to 30 June 2012 that would have a material effect on the 2012 Financial Report (2011: Nil).

NOTE 26: ECONOMIC DEPENDENCY

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

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

NOTE 27: CONTROLLED ENTITIES

Controlled Entities	Country of Incorporation	Percentage Owned	
		2012	2011
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.

Controlled Entities with Ownership Interest of 50% or Less

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

NOTE 28: OTHER FINANCIAL ASSETS

	Consolidated Group		Parent Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
Non-Current				
Unlisted Investments at cost: - Shares in Controlled Entities	-	-	2	2

NOTE 29: CHANGES IN ACCOUNTING POLICY

There were no changes in accounting policy for the year ended 30 June 2012.

NOTE 30: RESERVES

Reserves represent share premiums.

NOTE 31: 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

The accompanying notes form part of this Financial Report

Notes to the Financial Report for the Year Ended 30 June 2012 continued

CORPORATE DIRECTORY (AS OF THE DATE OF THIS REPORT)

DIRECTORS

Mr David Schirripa (Chairman)
Mr Nicola Minicozzi (Deputy Chairman)
Mr Pasquale Scalzi (OAM)
Mr Daniele De Ieso
Mr David Trosti
Mr Vincenzo Dimasi
Mr Antonio Ceravolo
Mr Michael Ruggiero
Mr Gregory Griffin

SECRETARY

Mr Angelo Demasi

REGISTERED OFFICE

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

AUDITOR

Grant Thornton Audit Pty Ltd
Level 1
67 Greenhill Road
Wayville South Australia 5034

BANKER

Commonwealth Bank of Australia
213 Glynburn Road
Firle South Australia 5070

SHARE REGISTRAR

David Garry & Associates
225 Fullarton Road
Eastwood South Australia 5063

The accompanying notes form part of this Financial Report

Director's Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 28 to 60, 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 2012 and of the performance for the year ended on that date of the Company and Consolidated Group;
2. the Chief Executive Officer has 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.



David Schirripa, Chairman of Directors
DATED this 19th day of October 2012

The accompanying notes form part of this Financial Report

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

We have audited the accompanying financial report of Adelaide Produce Markets Limited (the "Company"), which comprises the statement of financial position as at 30 June 2012, 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 of the company, the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation

The accompanying notes form part of this Financial Report

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

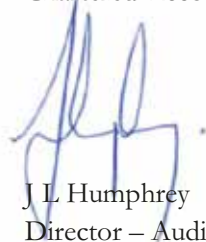
Auditor's opinion

In our opinion:

- a the financial report of Adelaide Produce Markets Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Director – Audit & Assurance

Adelaide, 19 October 2012

The accompanying notes form part of this Financial Report

Notes





**ADELAIDETM
PRODUCE
MARKET**

Adelaide Produce Markets Limited

ABN 49 008 129 566

Burma Road, Pooraka SA 5095

P: +61 8 8349 4493

F: +61 8 8349 6574

E: enquiry@adelaidemarkets.com.au

www.adelaidemarkets.com.au

