

Adelaide Produce Markets Limited
2008 Annual Report



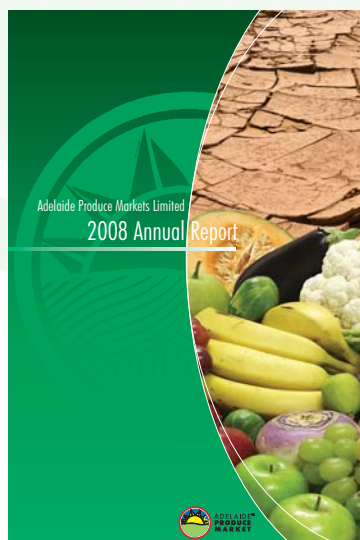
**ADELAIDE™
PRODUCE
MARKET**



40 Cents Dividend Fully Franked

\$8.4M Revenue

\$3.7M Profit



COVER IMAGE:

Through a harsh drought the fresh produce industry continues to grow and deliver quality product to consumers.

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REPORT FROM CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Despite the current challenging conditions in the global and Australian financial markets, APML is delighted to report on another successful year.

Revenues have increased to \$8.4M being 14% over 2007 and by 75% in the past six years.

Consolidated net profit before income tax has likewise improved, increasing from 2007 by 43% to \$3.7M. This represents a doubling in net profit before income tax over the past six years.

With the increased financial performance, we are pleased to announce a record fully franked dividend of 40 cents per share for 2008, representing an increase of 111% over that paid for 2007.

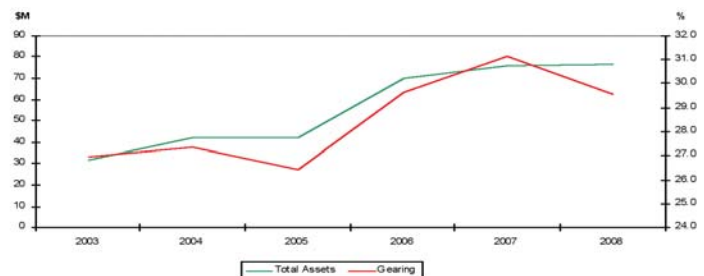
Importantly, earnings per share before income tax have increased by 43% from 45 cents last financial year to 64 cents in 2008.

With the increase to shareholder equity over the prior financial year, the net asset backing of APML shares has further strengthened by 10 cents per share to \$8.07. A total of 303,600 shares traded in the 2008 financial year, with prices traded between \$4 and \$10, averaging \$7.51 per share.

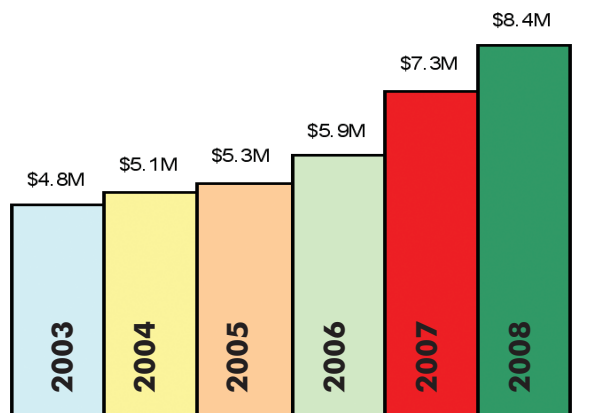
	30 June 08	30 June 07	Variance
Total Assets (\$M)	76.9	76.0	0.9
Borrowings (\$M)	19.6	20.8	(1.2)
Gearing (%)	29.6	31.1	(1.5)
Net Asset Backing (\$)	8.07	7.97	0.1
Earnings per Share before Income Tax (\$)	0.64	0.45	0.19
Dividend Distribution per Share (\$)	0.40	0.19	0.21

The Company remains conservatively geared when compared to the listed property sector, with a reduction to borrowings by \$1.2M, reducing the gearing ratio by 1.5% to less than 30%.

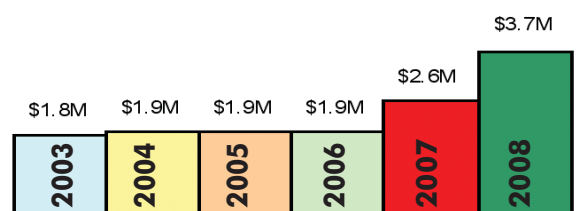
Total Asset Gearing



Financial Performance



Revenue from Ordinary Activities (excluding Revaluations)



Consolidated Net Profit before Income Tax



REPORT FROM CHAIRMAN AND CHIEF EXECUTIVE OFFICER *continued.*

In the opinion of our independent expert Valuer, the local industrial property market has strengthened considerably over the past 5 years in response to a number of factors, including strong regional, state and federal economic growth and competitive interest rates. Metropolitan Adelaide has benefited from the various large scale infrastructure developments, in particular within the northern region where APML is located. This has contributed to yields for industrial and commercial properties firming to a range of between 7% to 8.5%, reflective in the Market's property valuation over the past five years.

The past twelve months has seen continued solid demand for northern industrial properties, with yields remaining reasonably firm. The last six months, however has seen some uncertainty particularly in the listed property market, in part due to a tightening in the refinancing sector. This uncertainty has led to required yields in the listed property market increasing, in some cases to double digit returns. Whilst there is no evidence of this in the direct market place, this may be because of the lack of sufficient transactions to give valuers guidance in this area.

There is anecdotal evidence that yields have softened however, by between 25 and 150 basis points, with the better quality property experiencing the lower increase in yields. Given the uniqueness of the 'Adelaide Produce Market', the property should be somewhat insulated from the general property market. APML's independent valuers have advised that they are comfortable with maintaining the capitalisation rate at last year's level of 10%.

In 2003, the Company's Total Assets were valued at \$31.9M, increasing to \$76.8M as at 30 June 2008, compared to \$76M at the 2007 balance date.

The future direction of property values, in particular short to medium term, is unclear with the financial turbulence that currently exists, in particular at the global level. In the opinion of the Directors, APML is poised to overcome these challenges, by maintaining its income stream, debt reduction policy and working with the Commonwealth Bank, in building upon the exceptional working partnership we have developed since 2003. The available cash of \$2.8M as at 30 June 2008 has enabled the Company to pay a fully franked dividend of 40 cents, with a payout ratio of 79% of net profit after tax. This result compares well to the listed property investment market place where preliminary evidence indicates that a number of listed property investment groups have suspended their dividend payments for the 2008 financial year.

As indicated in note 10 of the 2008 Accounts, a provision of \$518K has been provided for bitumen replacement to be expensed over the next 12 months. As we enter our 20th year at Pooraka, it is important to appreciate the high cost required to maintain the aging facility moving forward. The Board is committed to continuing to maintain the facility to its optimum standard and therefore has maintained a healthy provision for these reasons.

The continued rental growth once again experienced in the 2008 financial year has been again made possible with the land lease agreement with Goodman International, which has added a further \$315k to this year's income along with the 100% occupancy rate maintained on the APML site. This growth should continue during the 2009 financial year, with the full take up of the Goodman site occurring in November 2008, together with market rent reviews to commence in October 2008 on a total of 50 store leases within the Market complex.

An equitable consultative process was implemented to obtain market valuations from independent valuers, to ensure that shareholders' returns are in line with market values. An average increase of 15% was achieved across 50 stores, and on the basis that all Wholesalers take up the new lease and increased rent, a total of \$346,000 pa will be achieved from 1 October 2008. At the time of writing this report all Wholesalers have accepted the Company's offer of new rents and a new 10 year lease.

The cold stores facility built in 2006 had a minor setback during the year with DWN Distributors Pty Ltd being placed in voluntary administration. The property lease was assigned to AusCold Logistics Pty Limited with increased guarantees put in place. APML and APML No. One Pty Ltd incurred no loss as a result of these matters.

At the 2007 AGM, Directors sought to address the shareholders' dissatisfaction with the eligibility criteria within the Company's Constitution by decreasing the number of unclassified shareholders that are ineligible to vote. As this change was grouped with other proposed changes, shareholders voted against it as a grouped resolution. During the 2008 financial year, the Board established a subcommittee of Directors to review the Constitution and Company structure. The Committee made various recommendations to the Board that included proposing to shareholders any changes to the Constitution as included in the explanatory memorandum for the 2008 AGM. The Board is confident that these changes will address most of the long standing issues raised by shareholders in the past.

As the changes to the Company structure were raised at the last AGM, the Board resolved that any changes would be costly and would need the support of at least 75% of shareholders which would be difficult to achieve. With the assistance of an independent facilitator, the Board conducted a strategic review of the Company structure and corporate objectives and have adopted many recommendations from that review.

The main challenge has always been to separate the Company's corporate shareholders' interest versus operational and industry issues. During 2008, management and the Board worked tirelessly to establish a new 5 year Corporate Plan and revolving 1 year Business Plan in order to adopt the recommendations that came out of the corporate planning sessions conducted by the independent facilitator. With these changes came a new reporting structure, with new Business Units established. Directors debated the importance of moving forward with a three, five or ten year plan and it was finally recommended to formulate the Company's new five year plan. The new structure can be viewed in the enclosed Key Highlight Report for 2008 in this report, including four key components of the new Corporate Plan.

In light of the significant cost and the complexity of changing the shareholding structure, the Board will continue to monitor changes made in the new Corporate Plan, in order to establish if these issues have been addressed.

There has been no significant capital expenditure in the 2008 financial year when compared to previous years, with \$172,000 spent on various projects, including the finalisation of warehouse extensions, capital upgrades to the IT and security networks and finalisation of office relocations.

REPORT FROM CHAIRMAN AND CHIEF EXECUTIVE OFFICER *continued.*

As our Shareholders are aware, the Company previously issued proceedings against its former external auditors and Mr William Woods. The Company's former auditors joined other parties to the action. Mr Woods and the Company's former Managing Director, Mr Chan, pleaded guilty in the Supreme Courts of South Australia to four counts of fraudulent conversion on 2 October 2007. The civil proceedings against the Company's former auditors settled by mediation in May 2008. As a result, the Company received payment in the sum of \$850,000 in full and final satisfaction of its claims. The Directors resolved to retire a variable \$1.1M bank bill with the proceeds. The Directors resolved that this was an acceptable commercial outcome, as the cost of pursuing the matter to full litigation would have placed a high financial exposure in legal costs on the Company, with no guarantee of achieving a better result.

We continue to actively work with industry organisations and the Future Leaders Committee that was incorporated during the 2008 financial year, as they continue to work through the seven main issues raised in the previous year's Youth Forum.

As market hours gathered momentum through the Youth Forum and sections of the industry, the Board sought submissions from all industry sectors in order to consider the future trading hours of the Market. One of the main objectives of the new Corporate Plan has included commencing a comprehensive Master Plan during the following financial year to ascertain costing and infrastructure changes required to meet the 2010 vision in addressing our tenants' needs for a later market. The Master Plan is also required to ensure that APML remains at the forefront of logistics and continues to have the most efficient and 'state of the art' facility that takes into account current and future needs of our tenants.

APML continued to work well with State Government and was fortunate to be involved with the Thinker in Residence Program, sponsored by the State Government. The APML Board invited key Industry Associations to a joint forum championed by Dr Andrew Fearn, a value chain and consumer behavior specialist from the UK. This enabled APML to remain at the forefront of global value chains and understanding tomorrow's consumer so that our market facility remains relevant within the supply chain. The outcomes of the forum have been included in the company's new Corporate Plan.

With the review of the Company's structure, staffing opportunities presented themselves during the year with the departures of Nicole Spehr, Leanne Bruno and John Spagnoletti in appointing new key management positions with roles redefined. We welcome Dion Trimmer to the position of Finance Manager, Luke Westley in the newly established business unit of Market Services and position of Marketing and Business Development Coordinator and Karen Butler as Facilities Manager.

It is essential that the Company is at the forefront of its core business and ensure we have the required skill sets to move forward with the new corporate objectives. A complete new Organisational Chart has been included in the key highlights for 2008, including a brief description of the new roles of the key areas.

The Board continued to review its corporate governance procedure and the main highlight in 2008 was the establishment of five new Committees:

- Finance Committee
- Audit Committee
- APML Constitution Committee
- Executive Remuneration Committee
- Lease Renewal Committee

With the exception of the Executive Remuneration Committee, all Committees met on many occasions in 2008 in order to address the issues at hand. The Board will continue to review the corporate governance in the next financial year to further enhance the current internal control procedures.

We conclude by acknowledging the dedicated efforts of our employees, and all APML Directors for their contribution and assistance during the 2008 financial year.

As Chairman, I close by acknowledging the CEO, Angelo Demasi, and his outstanding dedication and professional management throughout the year. Angelo and his team are to be congratulated for a job well done. I also take this opportunity to thank the Directors for their contribution during the 2008 Financial Year.



DESMOND LILLEY
Chairman of Directors

POORAKA, this 7th day of October 2008



ANGELO DEMASI
Chief Executive Officer
Company Secretary

POORAKA, this 7th day of October 2008

We look
forward to another
challenging and
rewarding year for
all shareholders.

KEY HIGHLIGHTS 2008

1. CORPORATE PLAN 2008-2013

The Board and CEO have developed a new Corporate Plan to pave the way for the Company to move forward from 2008 and beyond. This new plan, with key excerpts below, will be in operation from July 2008 through until the end of June 2013. It is important to understand that the new Corporate Plan makes a conscious effort to separate the wholesale market operation and different business units within the Company. The wholesale operation is now referred to as APM and the Company is as it has always been referred to as APML.

Excerpts of 2008-2013 Corporate Plan

Adelaide Produce Markets Limited comprises of various business units of which its primary business unit is the Adelaide Produce Market (APM).

Adelaide Produce Markets Limited owns and manages the APM facility from which the primary source of revenue is received via leases and licenses. APML also receives income via leases from property outside the facility.

The positioning of the APM has been to:

- Provide the most efficient facility for trading fruit & vegetables in South Australia at its current location;
- Provide an orderly trading environment;
- Provide access to all industry participants in one location.

The recent strategy of APML has been to grow revenue streams through non - fruit and vegetable market activities, including leasing of under - utilised land to third parties for development of associated activities, owning and operating a weekend business (Pooraka Sunday Market) and providing cold storage infrastructure on a contract basis (AusCold Logistics Pty Limited).

MISSION STATEMENT

To be the best facility for the wholesale trading of fresh produce in Australia.

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 maximizing return for Shareholders.

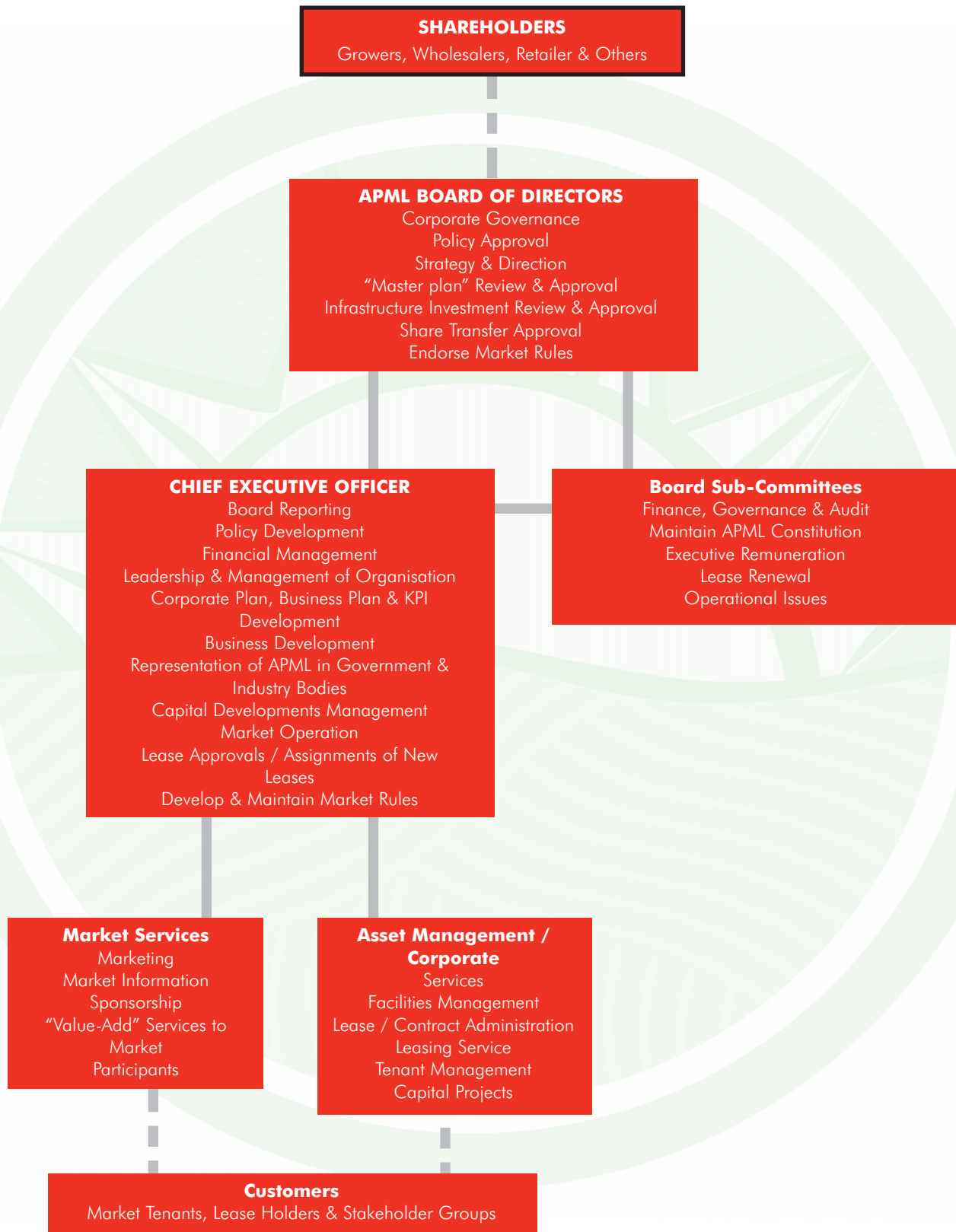
STRUCTURE

APML is a Public Unlisted Company with Shareholders generally made up of fruit and vegetable growers and wholesalers. Shares in APML are tradable, with transactions subject to the Board of Directors approval.

A Board of Directors is appointed by Shareholders and consists of 10 representatives. The roles and responsibilities of the Board of Directors, CEO and Asset Management / Corporate Services and Market Services teams are shown on the following page:



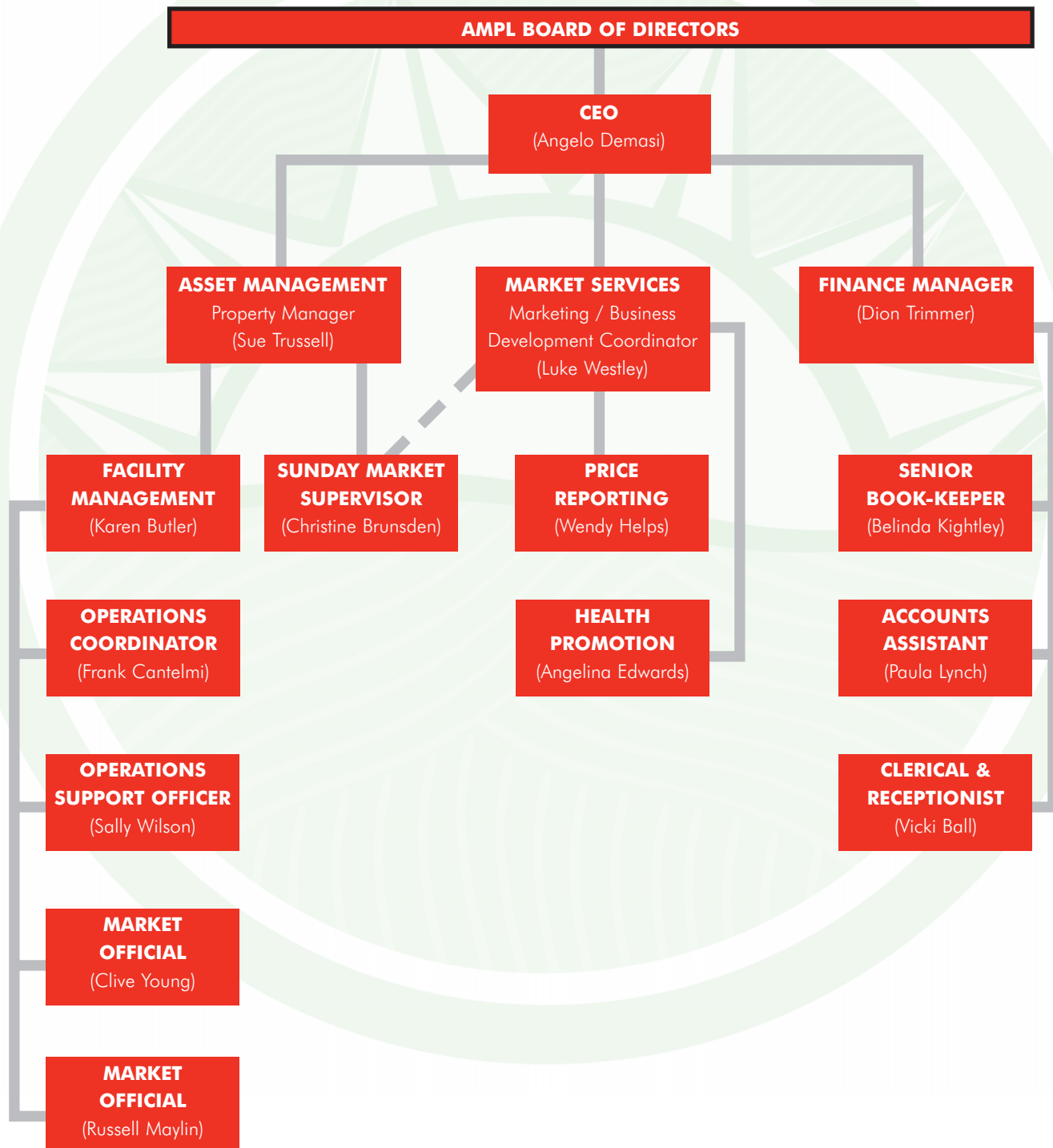
KEY HIGHLIGHTS 2008 *continued.*



KEY HIGHLIGHTS 2008 *continued.*

A range of shared services are also provided to Asset Management / Corporate Services and Market Services business units, primarily finance, accounting and information systems. These costs, along with CEO costs, are allocated to the business units.

The APML Organisation Structure is shown below:



Reporting for the objectives and goals set out in the previous APML Corporate Plan, the following are key highlights for the 2008 financial year:

KEY HIGHLIGHTS 2008 *continued.*

2. COMMUNICATION & PARTNERSHIP

Strengthening communication between APML, its various stakeholders and the horticulture industry at large, continues to be important to APML.



Left to Right: Brad Homan (Wholesale); Fab Scalzi (Providore); Teresa Riccio (Providore); James Fragnitto (Chairman, Retail); Rick Schirripa (Vice-Chairman, Wholesale); Ricky Musolino (Grower); William Allen (Treasurer, Grower); Dean Maddock (Independent). Absent - Andrew Corso (Retail)

This was demonstrated through the establishment of the Future Leaders Association. Following on from attendees at a forum held in May 2007 electing a committee, the Constitution was finalised with the Association being Incorporated and APML providing a Secretariat to support the Committee.

Like many market users, the Committee has been discussing market hours, taking consultation from younger members of the market community in their relevant sectors.

Consisting of eight members (respectively 2 individuals each from the Wholesale, Grower, Retail and Providore sectors), the Committee meets monthly, collectively working to create a positive business culture within the Market and endeavouring to address any new strategic objectives.



Regularly updated and managed in-house, the APML website (www.adelaidemarkets.com.au) continues to play an integral role in providing information on activities including strategic, operational, and marketing as they occur. Following consultation with web users and market stakeholders the website will be redesigned with new and relevant information in the next financial year.



Burst of Freshness, APML's magazine, continued to be distributed to over 2000 stakeholders of the Company including Shareholders, Growers, Wholesalers, Buyers, food service, and industry related stakeholders including training, export, industry groups, research and development, refrigeration, and transport related organisations.

The magazine will be redesigned to appeal to a greater amount of readers, with more information and columns whilst maximising advertising revenue opportunities.



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

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

KEY HIGHLIGHTS 2008 *continued.*2. COMMUNICATION
& PARTNERSHIP *continued*

Go for 2&5[®]
FRUIT VEG

SAfvc

South Australian
Fruit & Vegetable Coalition

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

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

The partnership with the Port Adelaide Football Club, as sponsor of the Power's Youth Development Program - Planet Teal, promoting healthy choices to young South Australians was renewed until the end of December 2008. This paves the way for further opportunities to be acquired with other community and sporting organisations to support increased consumption of fruit and vegetables.



ABOVE: Angelo Demasi, Thunda Power and Darren Adamson at the launch of Fruit and Veg month. BELOW: The Hon. Kevin Foley MP Launches Fruit and Veg month 2007



3. CORPORATE

An up-to-date register of shareholders in the Company has continued to be provided through the share trading platform, known as the Share Transfer Introduction Register (STIR). The facility enhances the buying & selling of the Company's shares, and allows parties to contact each other independently.

New standard leases have been created to provide consistency for all tenants and will be effective from October 2008. This standardisation will ensure renewal periods are much smoother and ensure a level playing field where tenants can feel comfortable that they are given equal consideration to others, whilst ensuring all tenants pay a market rent on buildings leased to them by APML and that shareholders are provided a fair market return based on these values.

The Board engaged David Page, a consultant from Melbourne, who has done work with other markets around Australia in relation to corporate strategy and structures.

From this strategic review with David Page, the Board established short and long-term objectives and developed the 2008-2013 Corporate Plan separating the individual business units. David challenged the board in their thinking and, in doing so, brought about the new vision and mission for the Company.



KEY HIGHLIGHTS 2008 *continued.*

4. SITE OPTIMISATION & DEVELOPMENT

The 2008 financial year has been one of consultation and consolidation for Adelaide Produce Markets Limited (APML). This has resulted in a reduction of major capital expenditure and expansion until the 2008-2013 Corporate Plan is in operation and APML has a clearer vision on where it will head as a market in the future.



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

Concentration on the areas of Marketing, Operations, and Human Resources contributed to the increased public attendance to the business. An increase in the number of sellers and an expansion in the range of products and services available have all contributed to the unique experience.

This weekend business enables the Company to maximise under-utilised space within the market complex. A marketing strategy is being finalised and will be implemented in the next financial year to further guide this growth.



5. INNOVATION IN MARKET MANAGEMENT

APML's involvement with State and Commonwealth Government continues to be on issues relevant to the market complex and all Central Markets collectively. Particularly, the State's Industry Development Board (IDB) for Horticulture, enables the Company to remain aware of the issues affecting the broader horticulture industry.

APML has tendered for funds available through State Government to assist in a roll out of healthy eating and increased activity programs in South Australian Primary Schools. Programs such as this not only give APML a voice in the ears of Government decision makers, but also establish the market as an essential link to be part of future projects to increase consumption of fruit and vegetables.

In 2008, we welcomed Dr Andrew Fearne, a world-recognised leader in value chain management, food marketing and consumer behaviour. With over 20 years experience, he has been researching consumer requirements and expectations in a wide range food supply chains in the UK, and has also worked in France, Ireland, Slovenia, Germany, North America, the Middle East and South-East Asia.

APML sponsored part of Dr Fearne's visit to Adelaide, and we were granted the opportunity to hold a workshop with APML's Board of Directors, Future Leader Committee members and various industry associations, to listen to his expertise and recommendations on how the Adelaide Produce Markets and all players involved from 'paddock to plate' in the SA horticulture industry can stay ahead in the game to enhance and strengthen the industry. Dr Fearne provided the workshop members information on areas including latest trends in interstate markets, threats to wholesale / central markets, emerging issues including climate change, ecological footprint, environmental sustainability, and consumer trends and behaviour.



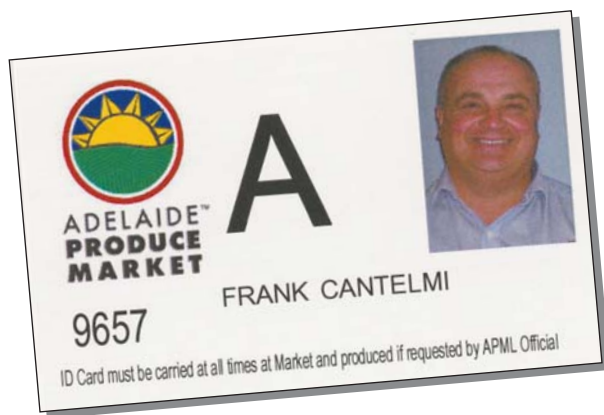
Dr Andrew Fearne

Such information has enabled major players within the horticulture industry to be aware and understand the challenges and opportunities ahead, and what is required for the industry to sustain a competitive advantage at a state, national and even global level, as well as establish projects for future development and implementation.



6. OPERATIONAL & PROCEDURAL EFFICIENCY

The topic of market hours has been extensively discussed with submission papers and views invited from various industry groups and stakeholders. With this information the APML Board will review all options and advise action on a change in hours.



To ensure safety and security, all market users were issued with an access identification card in October 2007. This replaced the blank access card, so that market officials could be aware of and identify market users, and ensure that their business on market land is relevant and carried out safely.

After an extensive consultation process the 'Adelaide Produce Markets Operating Articles and Rules' incorporating the new photo ID system was smoothly implemented in October 2007.



Market Operations Coordinator Frank Cantelmi gives the thumbs up to the new Market ute.

7. TECHNOLOGY & APPLICATION TRANSFER

In the past, APML installed an integrated wireless network with the main purpose being for the installation of a security network. Due to a severe thunderstorm which occurred in December 2006 this network has required continuous and costly maintenance.

During the 2008 financial year, technicians were sought to diagnose the issue for relevant insurance claims to be made, with the prognosis being a complete upgrade requirement in order to reduce ongoing costs.

Insurance claims have been lodged and tenders have been issued to selected tenders for the reparation and reinstatement of both the security system and the IT network.

This will result in a completely refurbished information technology backbone with the current wireless system complimented by the installation of a fibre optic network, which is envisaged to be able to be expanded to further uses within the market's 22 hectare site.



Sally Wilson in the new Operations office.

DIRECTORS' REPORT

Your Directors present their Report on the Parent Company (Adelaide Produce Markets Limited) and its two controlled entities, APLM No. One Pty Ltd and APLM No. Two Pty Ltd ("the Consolidated Group"), for the financial year ended 30 June 2008.

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 Desmond Lilley** (*Chairman*)
- **Mr Frank Merenda**
- **Mr Daniele De Ieso**
- **Mr Savas Christodoulou**
- **Mr David Schirripa**
- **Mr Vincenzo Dimasi**
- **Mr Dino Musolino**
- **Mr Nicola Minicozzi** (*Deputy Chairman*)
- **Mr Pasquale Scalzi**
- **Mr Antonio Capobianco**
- **Mr Allen Baulderstone**
- **Mr David Trosti**
- **Mr Antonio Ceravolo**
- **Mr Michael Ruggiero** (*Alternate Director*)

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	
	2008 \$	2007 \$
Consolidated Profit before income tax	3,706,687	6,290,103
Revaluation Gain included in Consolidated Profit	0	3,705,231
Consolidated Profit before income tax, excluding the revaluation gain	3,706,687	2,584,872
Income tax payable : Current year only	481,114	343,489
Consolidated profit after income tax payable (current year), excluding the revaluation gain	3,225,573	2,241,383

Dividends Paid or Recommended

The dividends paid and declared to be paid since the start of the 2008 financial year are as follows:

- Fully franked final dividend of 12 cents per share (for the year ended 30 June 2007) paid in December 2007, as recommended by the Directors in September 2007 (making the total fully franked dividend for the year ended 30 June 2007 19 cents per share: \$1,097,166)
- Fully franked interim dividend of 20 cents per share (for the year ended 30 June 2008) paid in April 2008, as recommended by the Directors in February 2008: \$1,154,912.
- Fully franked final dividend of 20 cents per share (for the year ended 30 June 2008), as declared by the Directors in September 2008: \$1,154,912 (making the total fully franked dividend for the year ended 30 June 2008 40 cents per share: \$2,309,824).

Review of Operations

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

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

Financial Position

The net assets of the Consolidated Group have increased by \$605,265 from 30 June 2007 to \$46,624,032 as at 30 June 2008.

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

There are no matters or circumstances that have arisen since the end of the 2008 financial year which significantly affected or may significantly affect the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future financial years.

Future Developments, Prospects and Business Strategies

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

Share Options

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

Environmental Issues

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

Information on Directors

Mr Desmond Lilley

Director and Chairman (Non Executive)

Qualifications

Accredited
 - Quality Assurance, Australian Meat Industry
 - Total Quality Management
 - Quality and Food Safety

Experience

- 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
 - Justice of the Peace in and for the State of SA
 - 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 2007 to 30 June 2008 (for the Consolidated Group)

• Number eligible to attend	16
• Number attended	16

Mr David Schirripa Director and Deputy Chairman (Resigned 6 October 2007)

Qualifications

- Bachelor of Economics (Accounting)
- Bachelor of Laws (Hons)

Experience

- Grower Board Member
- Director of numerous companies

Registered interest in shares and options 323,900

Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)

• Number eligible to attend	3
• Number attended	2

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 2007 to 30 June 2008 (for the Consolidated Group)

• Number eligible to attend	16
• Number attended	14

Mr Pasquale Scalzi Director (Formal leave of absence granted from 22 January 2008)

Experience

- 44 years wholesale fruit and vegetable industry
- Wholesaler Board Member since 1987

Registered interest in shares and options 823,199

Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)

• Number eligible to attend	16
• Number attended	6

Mr Michael Ruggiero Alternate Director to Mr Pasquale Scalzi (appointed 11 January 2008)

Qualifications

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

Experience

- 21 years experience as a Chartered Accountant
- Founding Partner, RDC Accountants and Business Advisors
- Former Partner – Bentleys MRI Chartered Accountants
- 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 2007 to 30 June 2008 (for the Consolidated Group)

• Number eligible to attend	10
• Number attended	10

Mr Frank Merenda Director (Resigned 26 November 2007)

Qualifications

- Diploma in Horticulture
- Certificate in Project Management
- Certificate in Total Quality Management

Experience

- Directorships in horticultural and project management entities
- 32 years fruit and vegetable industry
- Grower Board Member since 1999

Registered interest in shares and options Nil

Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)

• Number eligible to attend	5
• Number attended	5

Mr Daniele De Ieso

Director

Qualifications

- Diploma in Horticulture Production

Experience

- Over 30 years experience in fruit and vegetable industry
- Grower Board Member since 2002
- Member of Information Technology Dissemination Group, Horticultural Australia Limited

Registered interest in shares and options 2,400**Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)**

- Number eligible to attend 16
- Number attended 14

Mr David Trosti

Director

Experience

- 14 years experience in fruit and vegetable industry

Registered interest in shares and options 40,000**Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)**

- Number eligible to attend 16
- Number attended 14

Mr Antonio Capobianco

Director (Resigned 26 November 2007)

Experience

- 35 years experience in retail fruit and vegetable industry

Registered interest in shares and options 238,100**Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)**

- Number eligible to attend 5
- Number attended 4

Mr Allen Baulderstone

Director

Experience

- 53 years experience in retail fruit and vegetable industry

Registered interest in shares and options 26,800**Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)**

- Number eligible to attend 16
- Number attended 16

Mr Savas Christodoulou

Director

Qualifications

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

Experience

- 29 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)
- Past President of Australian Property Institute (SA Division)

Registered interest in shares and options Nil**Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)**

- Number eligible to attend 16
- Number attended 15

Mr Vincenzo Dimasi

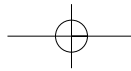
Director (Appointed 26 November 2007)

Experience

- Former Councillor for Mallala Council
- Retailer since 1979
- 5 years Grower experience
- Past President of Two Wells Football Club (life member)
- Past President of Adelaide Plains Football Club (life member)

Registered interest in shares and options Nil**Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)**

- Number eligible to attend 11
- Number attended 11

**Mr Antonio Ceravolo**

Director (Appointed 26 November 2007)

Qualifications

- Managing Director, R Ceravolo & Co Pty Ltd

Experience

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

Registered interest in shares and options 48,000**Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)**

• Number eligible to attend	11
• Number attended	10

Mr Dino Musolino

Director (Appointed 26 November 2007)

Qualifications

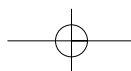
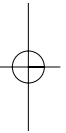
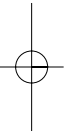
- Advanced Diploma in Horticulture
- Councillor City of Playford Council

Experience

- Horticulture production
- Marketing
- Event management
- Business management

Registered interest in shares and options 1,500**Attendance : Meetings of Directors 1 July 2007 to 30 June 2008 (for the Consolidated Group)**

• Number eligible to attend	11
• Number attended	10



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 2007 Annual General Meeting of the Parent Entity Company and are in accordance with the Constitution.

Senior Executive - Chief Executive Officer

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

The emoluments of each Director together with the Chief Executive Officer of the Company paid for the financial year ended 30 June 2008 are as follows:-

Name	Title	Directors' Fees \$	Committee Fees \$	Salary \$	Retirement and Superannuation Contributions \$	Incentives \$	Non Cash Benefits \$	Total Emoluments \$
Mr D Lilley	Chairman of Directors	38,000	1,443	-	3,488	-	-	42,931
Mr N Minicozzi	Director, Deputy Chairman	27,000	150	-	2,444	-	-	29,594
Mr S Christodoulou	Director	24,000	900	-	2,241	-	-	27,141
Mr D De Ieso	Director	24,000	-	-	2,160	-	-	26,160
Mr D Trosti	Director	24,000	-	-	2,160	-	-	26,160
Mr A Boulderstone	Director	24,000	-	-	2,160	-	-	26,160
Mr P Scalzi	Director	14,000	-	-	1,260	-	-	15,260
Mr V Dimasi	Director	14,000	-	-	1,260	-	-	15,260
Mr A Ceravolo	Director	14,000	-	-	1,260	-	-	15,260
Mr D Musolino	Director	14,000	-	-	1,260	-	-	15,260
Mr M Ruggiero	Alternate Director (to Mr P Scalzi)	10,000	750	-	968	-	-	11,718
Mr F Merenda	Director	10,000	-	-	900	-	-	10,900
Mr A Capobianco	Director	10,000	-	-	900	-	-	10,900
Mr D Schirripa	Director	5,000	-	-	450	-	-	5,450
TOTALS - DIRECTORS		252,000	3,243	-	22,911	-	-	278,154
Mr A Demasi	Chief Executive Officer (non Director) and Company Secretary	-	-	120,769	10,869	-	18,488	150,126
TOTALS - OVERALL		252,000	3,243	120,769	33,780	-	18,488	428,280

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

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

Indemnifying Officers or Auditor

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

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

The Company paid insurance premiums totalling \$43,456 (2007: \$28,485) 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 20: Related Party Disclosures (Notes To The Financial Report For The Year Ended 30 June 2008)

Other than that disclosed in Note 19, 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

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

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

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2008:

- Taxation Services \$4,000

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration signed by the Lead Auditor, as required under Section 307C of the Corporations Act 2001 is set out on page 18.

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

DESMOND LILLEY
Chairman of Directors
Diagonal Road Pooraka South Australia 5095

DATED this 23 day of September 2008

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

I declare that to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

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

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS
DONALD JAMES VENN
PARTNER
214 MELBOURNE STREET
NORTH ADELAIDE SOUTH AUSTRALIA 5006
NORTH ADELAIDE, this 23 day of September 2008

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADELAIDE PRODUCE MARKETS LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of Adelaide Produce Markets Limited (the Company) and Controlled Entities (the Consolidated Entity), which comprises the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of Significant Accounting Policies and other explanatory notes and the Directors' Declaration of the Consolidated Entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Audit Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Adelaide Produce Markets Limited on 23 September 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the Financial Report of Adelaide Produce Markets Limited and Controlled Entities is in accordance with:

the Corporations Act 2001, including:

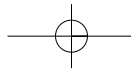
- i. giving a true and fair view of the Company's and the Consolidated Entity's financial position as at 30 June 2008 and of their performance for year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- iii. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS
DONALD JAMES VENN
214 MELBOURNE STREET
NORTH ADELAIDE SA 5006

DATED this 7 day of October 2008



DIRECTORS' DECLARATION

The Directors declare that

1. the financial statements and notes, as set out on pages 22 to 39 are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company and Consolidated Group;

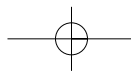
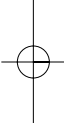
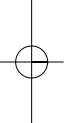
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view;

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.

DESMOND LILLEY
Chairman of Directors

DATED this 23 day of September 2008



FINANCIAL REPORT

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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated Group		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Revenues from ordinary activities	2	8,361,383	7,342,231	7,185,532	6,219,213
• Other income	2	847,000	3,705,231	847,000	3,433,173
		<u>9,208,383</u>	<u>11,047,462</u>	<u>8,032,532</u>	<u>9,652,386</u>
Classification of expenses by nature					
• Employee benefits Expense		774,597	730,876	774,597	730,876
• Depreciation expense	1(c)	202,488	168,086	61,898	29,306
• Finance costs		1,391,893	1,323,349	649,428	627,703
• Impairment of property, plant and equipment	1(k)	0	0	0	0
• Other expenses		3,132,718	2,535,048	2,925,518	2,186,754
		<u>5,501,696</u>	<u>4,757,359</u>	<u>4,411,441</u>	<u>3,574,639</u>
Profit before income tax	3	3,706,687	6,290,103	3,621,091	6,077,747
Income tax expense	4	764,268	1,800,847	838,367	1,710,939
PROFIT FROM CONTINUING OPERATIONS		<u>2,942,419</u>	<u>4,489,256</u>	<u>2,782,724</u>	<u>4,366,808</u>
Profit attributable to minority equity interest		0	0	0	0
Profit attributable to members of the Parent Entity		<u>2,942,419</u>	<u>4,489,256</u>	<u>2,782,724</u>	<u>4,366,808</u>

The accompanying notes form part of this Financial Report

BALANCE SHEET AS AT 30 JUNE 2008

	Note	Consolidated Group		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash & cash equivalents	5	2,880,176	2,010,284	2,562,246	1,650,230
Trade and other receivables	6	275,797	299,198	262,254	284,553
Other current assets	7	947,597	879,120	814,452	744,561
TOTAL CURRENT ASSETS		<u>4,103,570</u>	<u>3,188,602</u>	<u>3,638,952</u>	<u>2,679,344</u>
NON-CURRENT ASSETS					
Trade & other receivables	6	59,942	59,942	12,430,756	12,716,165
Investment property, plant and equipment	8	72,573,095	72,636,859	59,303,537	59,227,139
Financial assets	26	0	0	2	2
Intangible assets	28	120,000	120,000	120,000	120,000
TOTAL NON-CURRENT ASSETS		<u>72,753,037</u>	<u>72,816,801</u>	<u>71,854,295</u>	<u>72,063,306</u>
TOTAL ASSETS		<u>76,856,607</u>	<u>76,005,403</u>	<u>75,493,247</u>	<u>74,742,650</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	9	1,637,432	1,074,885	1,514,913	975,669
Financial liabilities	11	1,200,000	4,400,560	1,200,000	4,400,560
Current tax liabilities	10	481,114	343,489	601,253	335,198
Short-term provisions	10	1,179,912	752,947	1,179,912	752,947
TOTAL CURRENT LIABILITIES		<u>4,498,458</u>	<u>6,571,881</u>	<u>4,496,078</u>	<u>6,464,374</u>
NON-CURRENT LIABILITIES					
Financial liabilities	11	18,379,761	16,379,761	18,379,761	16,379,761
Other long term provisions	10	593,210	557,002	593,210	557,002
Deferred tax liabilities	27	6,761,146	6,477,992	6,287,270	6,050,155
TOTAL NON-CURRENT LIABILITIES		<u>25,734,117</u>	<u>23,414,755</u>	<u>25,260,241</u>	<u>22,986,918</u>
TOTAL LIABILITIES		<u>30,232,575</u>	<u>29,986,636</u>	<u>29,756,319</u>	<u>29,451,292</u>
NET ASSETS		<u>46,624,032</u>	<u>46,018,767</u>	<u>45,736,928</u>	<u>45,291,358</u>
EQUITY					
Issued capital	12	5,774,560	5,774,560	5,774,560	5,774,560
Reserves		392,750	392,750	392,750	392,750
Retained earnings	23	40,456,722	39,851,457	39,569,618	39,124,048
TOTAL EQUITY		<u>46,624,032</u>	<u>46,018,767</u>	<u>45,736,928</u>	<u>45,291,358</u>
PARENT ENTITY INTEREST		<u>46,624,032</u>	<u>46,018,767</u>	<u>45,736,928</u>	<u>45,291,358</u>

The accompanying notes form part of this Financial Report

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Retained Earnings at 30 June 2007	39,851,457	36,463,810	39,124,048	35,858,849
Net Profit after income tax attributable to members of the Parent Entity	2,942,419	4,489,256	2,782,724	4,366,808
Interim dividend paid for 2007/08	(1,154,912)	(404,219)	(1,154,912)	(404,219)
Dividend: prior years	(1,200)	(4,443)	(1,200)	(4,443)
Income Tax underprovided 2006/07	(26,130)	0	(26,130)	0
Final dividend provided for 2007/08	<u>(1,154,912)</u>	<u>(692,947)</u>	<u>(1,154,912)</u>	<u>(692,947)</u>
Retained Earnings at 30 June 2008	<u>40,456,722</u>	<u>39,851,457</u>	<u>39,569,618</u>	<u>39,124,048</u>

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Share Premium Reserve	<u>392,750</u>	<u>392,750</u>	<u>392,750</u>	<u>392,750</u>
Movement during the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Reserves	<u>392,750</u>	<u>392,750</u>	<u>392,750</u>	<u>392,750</u>
Net Increase in Total Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The accompanying notes form part of this Financial Report

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated Group		Parent Entity	
		2008 \$ Inflows (Outflows)	2007 \$ Inflows (Outflows)	2008 \$ Inflows (Outflows)	2007 \$ Inflows (Outflows)
Cash Flows From Operating Activities					
• Receipts from customers net of payments to suppliers and employees		5,909,402	4,582,046	4,619,995	3,552,825
• Interest received		90,889	47,158	171,408	124,270
• Borrowing costs		(1,275,902)	(1,300,595)	(595,309)	(588,910)
• Income tax paid		(609,840)	(570,366)	(264,695)	(568,341)
• Net GST		(752,624)	(412,777)	(527,778)	(334,043)
Net cash provided by (used in) Operating Activities	14	<u>3,361,925</u>	<u>2,345,466</u>	<u>3,403,621</u>	<u>2,185,801</u>
Cash Flows From Investing Activities					
• Purchase of property, plant and equipment	8	<u>(171,569)</u>	<u>(1,136,365)</u>	<u>(171,141)</u>	<u>(1,078,370)</u>
Net cash provided by (used in) Investing Activities		<u>(171,569)</u>	<u>(1,136,365)</u>	<u>(171,141)</u>	<u>(1,078,370)</u>
Cash Flows From Financing Activities					
Bank loan repayment		(1,164,352)	720,560	(1,164,352)	720,560
Dividends paid by the Parent Entity	13	<u>(1,156,112)</u>	<u>(697,390)</u>	<u>(1,156,112)</u>	<u>(697,390)</u>
Net cash provided by (used in) Financing Activities		<u>(2,320,464)</u>	<u>23,170</u>	<u>(2,320,464)</u>	<u>23,170</u>
Net Increase (Decrease) In Cash Held For The Year		869,892	1,232,271	912,016	1,130,601
Cash at 1 July 2007		<u>2,010,284</u>	<u>778,013</u>	<u>1,650,230</u>	<u>519,629</u>
Cash at 30 June 2008	5	<u>2,880,176</u>	<u>2,010,284</u>	<u>2,562,246</u>	<u>1,650,230</u>

The accompanying notes form part of this Financial Report

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

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

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

They have been consistently applied unless otherwise stated.

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

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

(a) Principles of Consolidation

A Controlled Entity is any entity controlled by Adelaide Produce Markets Limited (**the Parent Entity**). Control exists where the Parent Entity has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates to achieve the objectives of the Parent Entity. All inter-company balances and transactions between entities in the **Consolidated Group**, including any unrealised profits or losses, have been eliminated on consolidation. Where Controlled Entities have entered or left the Consolidated Group during the year, their operating results have been included from the date control was obtained or until the date control ceased. Any outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report (as applicable). Controlled Entities are disclosed in Note 25 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 calculation of deferred tax has assumed that in the event that land and buildings were sold at some future time, all integral plant and equipment would at that time be disposed at written down value for income tax purposes. For buildings acquired after 13 May 1997, taxation deductions for construction expenditure on capital works reduce the cost base when calculating any capital gain or loss on disposal. This has been taken into account in the determination of the calculation of deferred tax liability.

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

(c) Investment Property, Plant & Equipment**Property, Plant & Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Investment Property

Investment property, comprising all land and buildings owned by the Consolidated Group, is held to generate long term rental yields. All tenant leases are on an arm's length basis. In accordance with AASB 140 Investment Property, investment property is carried at fair value, determined annually by an independent valuer. Changes to fair value are annually recorded in the Income Statement as other income (as applicable).

Plant and 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.

With reference to Note 1(b) above, the independent expert valuation of buildings as at 30 June 2008 included all plant and equipment that was considered to be an integral component of the relevant asset but 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 2008 (2007 : Nil). Consistent with previous financial years, buildings are not depreciated for accounting purposes as they are held for investment purposes.

The ranges of depreciation rates used for each class of depreciable asset for the years ended 30 June 2008 are:

	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 if appropriate, at each balance sheet date.

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

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

(e) Rents and Fees in Advance

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

(f) Land and Development Expenditure

As at 30 June 2008 any construction in progress and land re-development costs are separately disclosed (as applicable).

(g) Revenue

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

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

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

(h) Employee Entitlements

Provisions are made in the Financial Statements for all employee benefits. On-costs have been recognised in calculating employee provisions. Liabilities for wages, salaries and annual leave are recognised in the provision for employee benefits in respect of employees services up to the date reporting date and are measured at amounts which are expected to be paid as the liability is settled in the ensuing 12 months.

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

(i) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition.

Cash and cash equivalents are brought to account at the face value or the gross value of the outstanding balance where appropriate.

(j) Financial Instruments**Recognition and Initial Measurement**

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

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

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

(k) Impairment of Assets

At each reporting date, the Consolidated Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

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

(l) Cash

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

(m) Comparative Figures

Where required by Australian Accounting Standards, comparative figures for 2007 have been adjusted to conform changes in presentation for the current financial year.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

(o) Change in Accounting Policy

There are no changes in accounting policy for the year ended 30 June 2008.

(p) Critical Accounting Estimates and Judgments

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

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

Key Estimates – Impairment

The Consolidated Group assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Based on the performance of the Sunday Markets, the Directors have resolved that no impairment in respect of goodwill is required for the year ended 30 June 2008.

Key Judgments – Provision for impairment of Receivables

The Directors have resolved that no provision for impairment of receivables is required for the year ended 30 June 2008.

NOTE 2: REVENUE

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
(a) Operating Activities				
Revaluation gain	0	3,705,231	0	3,433,173
Legal recoveries	847,000	0	847,000	0
Rents and recoveries from property investment	8,270,494	7,297,878	7,014,124	6,174,860
Interest	90,889	47,158	171,408	47,158
Net Profit / (Loss) on Sale of Property, Plant and Equipment	0	(2,805)	0	(2,805)
Total Revenue: Operating Activities	9,208,383	11,047,462	8,032,532	9,652,386
(b) Non-Operating Activities				
Disposal of non-current assets: carrying value	0	0	0	0
Total Revenue: Non-Operating Activities	0	0	0	0

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Profit from ordinary activities before income tax expense has been determined after:				
Expenses				
• Borrowing Costs	1,391,893	1,323,349	649,428	627,703
• Depreciation of Non-Current Assets	202,488	168,086	61,898	29,306
• Debts Written-off	3,031	2,750	3,031	2,750

Significant Revenues

The following significant revenue items are relevant in explaining the financial performance.

Revenues

• Revaluation Gain	0	3,705,231	0	3,433,173
• Legal Recovery	847,000	0	847,000	0

NOTE 4: INCOME TAX

The components of Tax Expense comprise:	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Expenses				
• Current tax	481,114	343,489	601,253	335,198
• Deferred tax	283,154	1,454,594	237,114	1,375,741
	<u>764,268</u>	<u>1,798,083</u>	<u>838,367</u>	<u>1,710,939</u>

NOTE 5: CASH & CASH EQUIVALENTS

Reconciliation of cash at the end of the financial year as shown in the Statement Of Cash Flows is reconciled to items in Balance Sheet as follows:	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash on hand	1,000	1,000	1,001	1,001
Cash at bank	2,879,176	2,009,284	2,561,245	1,649,229
	<u>2,880,176</u>	<u>2,010,284</u>	<u>2,562,246</u>	<u>1,650,230</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

Current	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Trade debtors – rental tenancies	293,913	252,414	280,370	237,769
Provision for impairment of receivables	(18,116)	(5,981)	(18,116)	(5,981)
Other debtors	0	52,765	0	52,765
	<u>275,797</u>	<u>299,198</u>	<u>262,254</u>	<u>284,553</u>
Non-Current				
Trade debtors – 1989 indemnity undertaking to reimburse tenancy fit-out costs	59,942	59,942	59,942	59,942
Loans – Subsidiaries	0	0	12,370,814	12,656,223
Provision for impairment of receivables	0	0	0	0
	<u>59,942</u>	<u>59,942</u>	<u>12,430,756</u>	<u>12,716,165</u>

NOTE 7: OTHER ASSETS

Current	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Prepaid commercial bill interest	217,610	224,342	108,653	107,133
Prepayments	729,987	654,778	705,799	637,428
	<u>947,597</u>	<u>879,120</u>	<u>814,452</u>	<u>744,561</u>
Non-Current	0	0	0	0

NOTE 8: INVESTMENT, PROPERTY, PLANT, EQUIPMENT AND VEHICLES

	Note	Consolidated Group		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Land and Buildings					
Land at independent 2008 valuation (2007 : 2007 valuation)		38,225,000	38,225,000	34,651,500	34,651,500
Buildings at independent 2008 valuation (2007 : 2007 valuation)		33,975,000	33,975,000	24,000,000	24,000,000
Additions at cost since valuation		76,912	0	76,484	0
Total Land and Buildings	1(b)	<u>72,276,912</u>	<u>72,200,000</u>	<u>58,727,984</u>	<u>58,651,500</u>
Construction in Progress and Land Re-development in Progress					
Construction in Progress and Land Re-development in Progress – at cost	1(b) and 1(e)	<u>2,212</u>	<u>32,845</u>	<u>2,212</u>	<u>32,845</u>
Total Construction in Progress and Land Re-development		<u>2,212</u>	<u>32,845</u>	<u>2,212</u>	<u>32,845</u>
Plant, Equipment & Vehicles					
Plant, equipment & vehicles – at cost		1,065,025	972,580	1,065,025	972,580
Accumulated depreciation		<u>(771,054)</u>	<u>(568,566)</u>	<u>(491,684)</u>	<u>(429,786)</u>
Total Plant, Equipment & Vehicles	1(b)	<u>293,971</u>	<u>404,014</u>	<u>573,341</u>	<u>542,794</u>
Total Property, Plant, Equipment & Vehicles		<u>72,573,095</u>	<u>72,636,859</u>	<u>59,303,537</u>	<u>59,227,139</u>

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment (refer note 1(b)) for the financial year ended 30 June 2008 are as follows:-

	Construction in Progress and Land Re-development In Progress	Land and Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Consolidated Group				
Balances at 1 July 2007	32,845	72,200,000	404,014	72,636,859
Additions : Cost	2,212	76,912	92,445	171,569
Disposals : Carrying value	0	0	0	0
Reclassification	(32,845)	0	0	(32,845)
Revaluation	0	0	0	0
Depreciation expense	<u>0</u>	<u>0</u>	<u>(202,488)</u>	<u>(202,488)</u>
Carrying amounts at 30 June 2008	<u>2,212</u>	<u>72,276,912</u>	<u>293,971</u>	<u>72,573,095</u>
Parent Entity				
Balances at 1 July 2007	32,845	58,651,500	542,794	59,227,139
Additions : Cost	2,212	76,484	92,445	171,141
Disposals : Carrying value	0	0	0	0
Reclassification	(32,845)	0	0	(32,845)
Revaluation	0	0	0	0
Depreciation expense	<u>0</u>	<u>0</u>	<u>(61,898)</u>	<u>(61,898)</u>
Carrying amounts at 30 June 2008	<u>2,212</u>	<u>58,727,984</u>	<u>573,341</u>	<u>59,303,537</u>

NOTE 9: TRADE AND OTHER PAYABLES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
Current	\$	\$	\$	\$
Trade creditors	64,580	104,603	52,460	33,568
Sundry creditors and accrued expenses	<u>1,572,852</u>	<u>970,282</u>	<u>1,462,453</u>	<u>942,101</u>
	<u>1,637,432</u>	<u>1,074,885</u>	<u>1,514,913</u>	<u>975,669</u>
Non-Current	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

NOTE 10: PROVISIONS

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
Current	\$	\$	\$	\$
• Final dividend for 2008	1,154,912	692,947	1,154,912	692,947
• Electrical upgrade	<u>25,000</u>	<u>60,000</u>	<u>25,000</u>	<u>60,000</u>
	<u>1,179,912</u>	<u>752,947</u>	<u>1,179,912</u>	<u>752,947</u>
• Current tax liability	<u>481,114</u>	<u>343,489</u>	<u>601,253</u>	<u>335,198</u>
Non-Current				
• Bitumen pavement replacement	518,700	480,000	518,700	480,000
• Employee entitlements (relative to 12 employees at 30 June 2008)	<u>74,510</u>	<u>77,002</u>	<u>74,510</u>	<u>77,002</u>
	<u>593,210</u>	<u>557,002</u>	<u>593,210</u>	<u>557,002</u>

NOTE 11: INTEREST BEARING LIABILITIES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
Current	\$	\$	\$	\$
Bank loan secured	<u>1,200,000</u>	<u>4,400,560</u>	<u>1,200,000</u>	<u>4,400,560</u>
Non-Current				
Bank loan secured	<u>18,379,761</u>	<u>16,379,761</u>	<u>18,379,761</u>	<u>16,379,761</u>

The bank loan is secured by a first mortgage over freehold land and buildings and a fixed and floating charge over all the Consolidated Group's assets as disclosed in the Balance Sheet and throughout the Financial Report.

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
The bank loans are expected to be fully settled:	\$	\$	\$	\$
- within 12 months	1,200,000	4,400,560	1,200,000	4,400,560
- 12 months or more	<u>18,379,761</u>	<u>16,379,761</u>	<u>18,379,761</u>	<u>16,379,761</u>
	<u>19,579,761</u>	<u>20,780,321</u>	<u>19,579,761</u>	<u>20,780,321</u>
Total current and non-current secured liabilities				
Bank loan – secured	<u>19,579,761</u>	<u>20,780,321</u>	<u>19,579,761</u>	<u>20,780,321</u>
The carrying amounts of Non-Current Assets pledged as security are:				
First mortgage over Market land and buildings	72,276,912	72,200,000	58,727,984	58,651,500
Floating charge over all other assets of the Company	<u>4,579,695</u>	<u>3,805,403</u>	<u>16,765,263</u>	<u>16,091,150</u>
Total Assets Pledged As Security	<u>76,856,607</u>	<u>76,005,403</u>	<u>75,493,247</u>	<u>74,742,650</u>

Covenants

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

The bank bills (and their current range of all inclusive interest rates) totalling \$19,579,761 are due to expire:

Face Value Bank Bills	Due Date	Interest Rate
\$1,200,000	August 2008	7.95%
\$4,190,000	November 2010	6.00%
\$2,180,000	September 2011	6.04%
\$2,200,000	November 2012	6.05%
\$2,989,761	December 2012	6.05%
\$3,000,000	March 2013	6.05%
\$1,820,000	September 2013	6.38%
\$2,000,000	December 2014	6.87%
\$19,579,761		

NOTE 12: ISSUED CAPITAL

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Issued and fully paid Ordinary shares	<u>5,774,560</u>	<u>5,774,560</u>	<u>5,774,560</u>	<u>5,774,560</u>
Comprising:				
971,078	ordinary grower shares			
2,675,769	ordinary wholesaler shares			
519,800	ordinary retailer shares			
<u>1,607,913</u>	ordinary unclassified shares			
	<u>5,774,560</u>			

NOTE 13: DIVIDENDS

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Interim				
Interim fully franked dividend for the year ended 30 June 2008 of 20 cents per share (2007: 7 cents), franked at the tax rate of 30% (2007: 30%)	<u>1,154,912</u>	<u>404,219</u>	<u>1,154,912</u>	<u>404,219</u>
Final				
Proposed final fully franked dividend for the year ended 30 June 2008 of 20 cents per share (2007: 12) cents per share, franked at the tax rate of 30% (2007: 30%)	<u>1,154,912</u>	<u>692,947</u>	<u>1,154,912</u>	<u>692,947</u>
Franking Account				
Balance of franking account at year end	<u>2,183,153</u>	<u>2,809,724</u>	<u>2,183,153</u>	<u>2,809,724</u>

NOTE 14: CASH FLOW INFORMATION

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
(a) Profit from Ordinary Activities after income tax	2,942,419	4,489,256	2,782,724	4,366,808
Non Cash Flows in Profit from Ordinary Activities:				
• Revaluation Gain	0	(3,705,231)	0	(3,433,173)
• Depreciation	202,488	168,086	61,898	29,306
• Other provisions	(52,216)	72,352	260,009	75,102
Changes in assets and liabilities:				
• (Increase) / Decrease in trade receivables	(23,401)	(3,821)	(22,299)	(28,161)
• (Increase) / Decrease in other current assets	68,477	6,957	69,892	(113,718)
• Increase / (Decrease) in payables	(446,556)	(50,151)	(485,125)	9,001
• Increase / (Decrease) in tax liability	1,133,887	1,345,106	1,199,695	1,257,724
• Increase / (Decrease) in provisions	(463,173)	22,912	(463,173)	22,912
Cash Flows From Operating Activities	<u>3,361,925</u>	<u>2,345,466</u>	<u>3,403,621</u>	<u>2,185,801</u>

(b) 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.

(c) Credit Standby Arrangements with Banks to Provide Funds and Support Facilities

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Credit facility	19,579,761	20,780,321	19,579,761	20,780,321
Credit facility utilised	<u>19,579,761</u>	<u>20,780,321</u>	<u>19,579,761</u>	<u>20,780,321</u>
Unused Credit Facility	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

NOTE 15: FINANCIAL INSTRUMENTS

(a) 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.

(b) 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.

(c) 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:

	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Maturing 1 to 5 years	Non Interest Bearing	Total
	\$	\$	\$	\$	\$
Consolidated Group 2008					
Financial Assets					
Cash	2,879,176	0	0	1,000	2,880,176
Receivables	0	0	0	335,739	335,739
Other	0	0	0	735,061	735,061
	<u>2,879,176</u>	<u>0</u>	<u>0</u>	<u>1,071,800</u>	<u>3,950,976</u>
	6.0%				

	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Maturing 1 to 5 years	Non Interest Bearing	Total
	\$	\$	\$	\$	\$
2008					
Financial Liabilities					
Accounts Payable	0	0	0	1,424,896	1,424,896
Borrowings – Bank Bills	0	1,200,000	18,379,761	0	19,579,761
	0	1,200,000	18,379,761	1,424,896	21,004,657
Interest Rate (all inclusive)		7.95%	6.05%		

	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Maturing 1 to 5 years	Non Interest Bearing	Total
	\$	\$	\$	\$	\$
Consolidated Group Comparative 2007					
Financial Assets					
Cash	2,009,284	0	0	1,000	2,010,284
Receivables	0	0	0	359,140	359,140
Other	0	0	0	879,120	879,120
	2,009,284	0	0	1,239,260	3,248,544
	6.0%				

Comparative 2007					
Financial Liabilities					
Accounts Payable	0	0		1,074,865	1,074,865
Borrowings – Bank Bills	0	4,400,560	16,379,761	0	20,780,321
	0	4,400,560	16,379,761	1,074,865	21,855,186
Interest Rate (all inclusive)		6.78%	6.05%		

	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Maturing 1 to 5 years	Non Interest Bearing	Total
	\$	\$	\$	\$	\$
Parent Entity 2008					
Financial Assets					
Cash	2,561,246	0	0	1,000	2,562,246
Receivables	0	0	0	12,693,010	12,693,010
Other	0	0	0	601,915	601,915
	2,561,246	0	0	13,295,925	15,857,171
	6.0%				

	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Maturing 1 to 5 years	Non Interest Bearing	Total
	\$	\$	\$	\$	\$
2008					
Financial Liabilities					
Accounts Payable	0	0	0	1,302,377	1,302,377
Borrowings – Bank Bills	0	1,200,000	18,379,761	0	19,579,761
	0	1,200,000	18,379,761	1,302,377	20,882,138
Interest Rate (all inclusive)		7.95%	6.05%		

Comparative 2007					
Financial Assets					
Cash	1,649,230	0	0	1,000	1,650,230
Receivables	0	0	0	13,000,718	13,000,718
Other	0	0	0	744,561	744,561
	1,649,230	0	0	13,746,279	15,395,509
	6.0%				

NOTE 15: FINANCIAL INSTRUMENTS *continued*

Parent Entity Comparative 2007 Financial Liabilities	Floating Interest Rate \$	Fixed Interest Rate Within 1 Year \$	Maturing 1 to 5 years \$	Non Interest Bearing \$	Total \$
Accounts Payable	0	0	0	975,669	975,669
Borrowings – Bank Bills	0	4,400,560	16,379,761	0	20,780,321
	0	4,400,560	16,379,761	975,669	21,755,990
Interest Rate (all inclusive)		6.78%	6.05%		

NOTE 16: REMUNERATION AND RETIREMENT BENEFITS

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
(a) Directors' Remuneration				
Income (excluding retirement and superannuation payments) paid or payable to all Directors of the Company	255,243	220,417	255,243	220,417
(b) Directors' Retirement and Superannuation Payments				
Amounts of a prescribed benefit given during year to a Director or prescribed superannuation fund in connection with the retirement from a prescribed office with the Company	22,911	19,838	22,911	19,838
(c) Executive Remuneration				
• Remuneration received or due and receivable by executive officers of the Company whose remuneration is \$100,000 or more	150,126	142,631	150,126	142,631
• The number of executives whose income was within the following bands:-				
- In excess of \$100,000	1	1	1	1

NOTE 17: AUDITOR'S REMUNERATION

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Remuneration paid or payable to the auditor of the Company for:				
a) Auditing or reviewing the Financial Report	22,000	21,000	22,000	21,000
b) Taxation Services	4,000	2,000	4,000	2,000
c) Other Services	0	0	0	0

NOTE 18: 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 19: RELATED PARTY DISCLOSURES

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

Transactions with Related Parties**(i) Directors of the Company and Director-Related Entities**

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

(ii) Share Transactions of Directors

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

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	No.	No.	No.	No.
Adelaide Produce Markets Limited				
- Ordinary Shares	<u>941,899</u>	<u>1,464,399</u>	<u>941,899</u>	<u>1,464,399</u>

Information relating to Directors' remuneration is set out in Note 17 and in the Director's Report.

NOTE 20: CAPITAL COMMITMENTS

There were no material capital expenditure commitments by the consolidated group as at 30 June 2008 (2007: \$Nil).

NOTE 21: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
CONTINGENT LIABILITIES				
Estimates of the potential financial effect of contingent liabilities that may become payable:-				
A claim against the Company by Australian Farmers Fuel Pty Ltd asserting a breach of contract and claiming an unspecified sum in damages. The contingent liability amount has been estimated by lawyers acting for the Company.	<u>150,000</u>	<u>50,000</u>	<u>150,000</u>	<u>50,000</u>

NOTE 22: SUPERANNUATION COMMITMENTS

The Company does not participate in any employer sponsored defined benefit superannuation plans for its employees.

All superannuation payments by the Company are in accordance with relevant Superannuation Guarantee legislation.

NOTE 23: EVENTS AFTER THE BALANCE SHEET DATE

There are no events subsequent to 30 June 2008 that would have a material effect on the 2008 Financial Report (2007: Nil).

NOTE 24: ECONOMIC DEPENDENCY

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

NOTE 25: CONTROLLED ENTITIES**(a) Controlled Entities****Parent Entity**

Subsidiary	Country of Incorporation	Percentage Owned	
		2008	2007
APML No. One Pty Ltd	Australia	100%	100%
APML No. Two Pty Ltd	Australia	100%	100%

(b) Controlled Entities Acquired

No controlled entities were acquired during the year.

(c) Controlled Entity Disposed

No controlled entities were disposed during the year.

(d) 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 26: OTHER FINANCIAL ASSETS

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Current	0	0	0	0
Non-Current				
Unlisted Investments at cost:				
- Shares in Controlled Entity	0	0	2	2

NOTE 27: CHANGES IN ACCOUNTING POLICY

There were no changes in accounting policy for the year ended 30 June 2008.

NOTE 28: INTANGIBLE ASSETS

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Goodwill: Sunday Markets	120,000	120,000	120,000	120,000
Reconciliation of Goodwill				
Balance at 1 July 2007	120,000	120,000	120,000	120,000
Additions	0	0	0	0
Disposals	0	0	0	0
Amortisation change	0	0	0	0
Impairment losses	0	0	0	0
Carrying Value 30 June 2008	120,000	120,000	120,000	120,000

NOTE 29: COMPANY DETAILS**The registered office of the economic entity is:-**

Diagonal Road
Pooraka SA 5095

The principal place of business of economic entity is:-

Diagonal Road
Pooraka SA 5095

CORPORATE DIRECTORY

Directors

Mr Desmond Lilley (Chairman)
Mr Nicola Minicozzi (Deputy Chairman)
Mr Pasquale Scalzi
Mr Daniele De Ieso
Mr Sam Christodoulou
Mr Allen Boulderstone
Mr David Trosti
Mr Vincenzo Dimasi
Mr Antonio Ceravolo
Mr Dino Musolino
Mr Michael Ruggiero (Alternate Director)

Secretary

Mr Angelo Demasi

Registered Office

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

Auditor

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

Banker

Commonwealth Bank of Australia
213 Glynburn Road
Firle, South Australia 5070

Corporate Lawyer

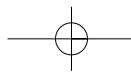
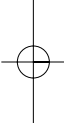
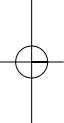
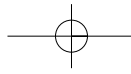
Cowell Clarke
Level 5, 63 Pirie Street
Adelaide, South Australia 5000

Property Lawyers

Thomson Playford Cutlers
101 Pirie Street
Adelaide, South Australia 5000

Share Registrar

David Garry & Associates
Level 1, 215 Greenhill Road
Eastwood, South Australia 5063





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