

2006 Annual Report
Adelaide Produce Markets Limited

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Adelaide Produce Markets is South Australia's centre for the distribution and marketing of fresh fruit and vegetables.

The Market complex is situated on 22ha at Pooraka, just 20 minutes north of the Adelaide CBD and within close proximity of the major transport corridors for the State.

The Adelaide Produce Markets provide a leading edge facility for fruit and vegetable wholesalers, retailers, providores, secondary wholesalers, food processors, transporters, exporters and industry organisations to trade in fresh produce.

The Adelaide Produce Markets offer South Australia the best exposure for marketing fresh produce. It provides an efficient marketing facility with access to a large customer base in the one central location. It is highly regarded for developing business contacts and relationships for all aspects of the fruit and vegetable industry.

Currently, the Market operates with an estimated 80 South Australian growers, over 50 wholesalers and up to 1000 individuals using the Market everyday.

Our Mission

Adelaide Produce Markets Limited is committed to providing a facility and service standard of excellence through a professional and innovative team that will benefit the South Australian Fruit and Vegetable Industry in a safe environment.

Our Vision

To professionally manage a wholesale market that adheres to world's best practice, which is locally and globally recognised for its excellence and industry leadership, which is the preferred venue for the sale and distribution of fresh produce in South Australia and is open to opportunities of diversification that support the Company's core business function of operating a wholesale market facility, while maximising shareholder value.

The Company's Corporate Objectives are focused around six main focus areas, these being:

- Communication & Partnership
- Corporate
- Site Optimisation & Development
- Innovation in Market Management
- Operational & Procedural Efficiency
- Technology Application & Transfer

CHAIRMAN'S REPORT



The Board is very committed to the long term sustainability of the complex to operate as a vibrant wholesale market, one which encourages strong business interaction.

It is with great pleasure that we present this report to Shareholders on the financial trading and position of Adelaide Produce Markets Limited, accompanied with an overview of the main activities over the past financial year.

The Company continues to achieve strong financial growth, particularly through the expansion in Market facilities, optimum utilisation of vacant surplus land and the strong growth in property value being experienced in most of the northern region. The demand for facilities associated with the Market continues to grow as businesses within the industry look to minimise and reduce costs within the supply chain.

This year Directors and Management have been faced with the challenge of determining priorities for the Company, from the increasing demand for additional facilities, review on the operations of the Market, the better utilisation of surplus land, to the long term structure of the Company.

Last year I reported on the strong interest the Company had been receiving for the vacant property adjacent to the Market, known as Goldsborough Estate. The Directors deliberated for many months over the long term uses and value to the Company of this valuable site. The consensus of the Directors was that the site was surplus to the Market's needs and accordingly an offer by international property developers, Macquarie Goodman, was accepted to lease the site. As a result the Company has entered into a long term land lease agreement with Macquarie Goodman - for an initial term of fifty years. All Directors were very mindful of the long term implications of such a decision, but after extensive analysis agreed that the land was surplus to what would be realistically required in the long term to further expand the Market operation, while securing a long term income stream for land surplus to our current requirements.

The Board is very committed to the long term sustainability of the complex to operate as a vibrant wholesale market, one which encourages strong business interaction. The Company is always considering avenues to improve the day to day operation of the Market, while maintaining our systems of control to ensure the safety and well-being over everyone on site.

The Company is pleased to be working closely with a number of new industry organisations, in particular the retailing and growing sectors

of the Market community have formed or re-established associations to represent their interests. This has seen the formation of the South Australian Fruit and Vegetable Retailers Association over the past year and the reformation of the Fruit and Vegetable Growers Association of SA. We encourage these groups to continue their good work in representing their members on Market related issues and broader industry concerns.

Shareholders and Market users alike can be reassured of the strong representation which continues on the Company's Board of Directors from within the Industry. Currently the structure of the Board includes seven industry Directors and two Directors from outside the industry in the capacity of Independent Directors, of which I am one.

The Directors continue to advocate for the importance of the Company to be owned by the industry and encourage ownership of shares by active industry participants, whether that be from within the growing, wholesaling or retailing sectors. Shareholders considering selling their shares in the Company are again reminded of the independent introductory service the Company facilitates for interested buyers and sellers.

I do not have any further information to report to you since my report last year on the alleged fraudulent activities that occurred at the Company between 1997 to 1999. The Public Prosecutions investigation is continuing - once I am in a position to update Shareholders on any progress I will do so through a separate, direct communication.

In addition, the financial damages claim by the Company against its previous external auditors is continuing.

I take this opportunity to thank the Directors together with our CEO, Angelo Demasi, for their continued support throughout the year. The Market has seen a steady growth in recent years both from an operational and Company administration perspective, of which I thank the team for their strong commitment to improving our customer service and operations of the business.

Desmond Lilley

Chairman of Directors

POORAKA, this 17th day of October 2006

CEO'S REPORT



The delivery of three major projects during the 2006 Financial Year have set the foundation to deliver long term shareholder value and sustainable growth for the Company.

Financial Highlights

Our optimisation of the Market site and surplus land ensures that shareholders will continue to benefit through increased earnings per share.

Some key financial highlights include:

- Income up 11% from \$5.2M to \$5.8M
- Profit before income tax increased from \$1.8M to \$1.9M (excluding the revaluation gain)
- Total assets up 61% from \$43.4M to \$70.1M
- Net assets per share has increased from \$5.20 to \$8.25
- Goldsbrough Business & Industry Park leased to Macquarie Goodman valued at \$16.5M

The Company has continued with another busy year, in particular with the delivery of three major projects which will significantly contribute to the long term sustainable growth for shareholders. These projects include;

- Completion of an \$11.8M cold storage facility, with a current valuation of \$12.4M and fully leased,
- Landmark land lease agreement of 19ha property, Goldsbrough Estate, to international property developers Macquarie Goodman, *and*
- Purchase of Sunday Market retail business from a former tenant, Starspec Pty Ltd.

The new infrastructure projects the Company has been involved with over the last few years and the increasing property valuations places the Company in a strong position as we move forward into the future.

As shareholders will note from the financial report, the new international accounting standards allow the Company to include the difference in each year's asset valuation in the Income Statement for the financial year. This is the first year that this has been applied. This change in reporting has created a large variation in reported profit between the 2005

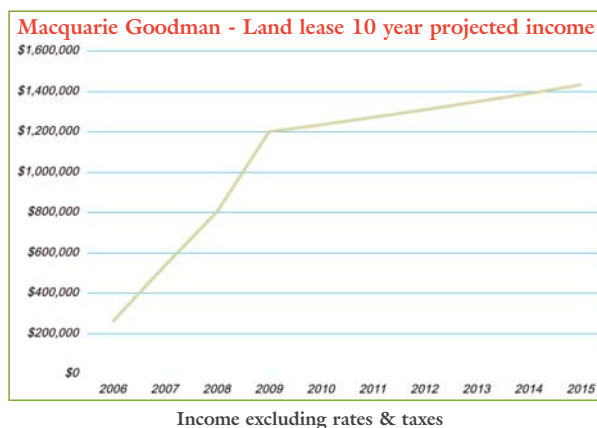
and 2006 financial year, with a profit of \$18.2M in 2006. Without the revaluation gain of \$16.7M, the recorded profit is \$1.9M, a 0.38% increase on last year. Due to timing, the income stream from the three major projects were not fully realised in the 2006 financial year, however the full income will be realised over the following three financial years.

The reported asset increase of 62% from last year's financial report is due to the asset revaluation, in particular the significant capital growth of Goldsbrough Estate and the inclusion of the new cold storage facility. It is important that shareholders remain mindful of the variations companies such as ours experience at times when property values are at their peak, due to a strong economic environment with low interest rates. Commercial property valuations have increased by 100-120% over the last 3-5 years, for the Company these increases have been recognised at both the 2003 and 2006 asset revaluation.

The Board's decision to long term lease under utilised land is one of the many strategies the Company has considered in recent years. This is anticipated to firm up the security of the business and place it in a strong position for continued strength in the wholesale Market operation.

The decision to lease the 19ha Goldsbrough Estate to Macquarie Goodman has seen rapid growth, as they commence the large scale construction program for the new business park.

The lease agreement with Macquarie Goodman was negotiated for a term of fifty years with annual rental of \$1.2M plus annual CPI. Rates and taxes associated with the land holding are also recoverable. The four year take up arrangement for rental income commenced in November 2005 and will reach full take up in November 2008, as disclosed below in graph.



CEO'S REPORT *Continued*

New cold storage and distribution tenant, DWN Distributors, consolidated their operations by moving into their new facility adjacent to the Market complex in March 2006. The total project cost of \$9.65M was funded through 92% bank finance and 8% cash flow from the Parent Entity. The Company's decision to invest in a cold storage facility has been to make provision for a future key service provider to the Industry. As Market tenants continue to expand and all sectors of the Industry look to improved efficiencies, services of cold storage and logistics will become increasingly important for businesses to remain competitive in future years.

The Company continues to maintain a strong interest and involvement in industry related issues. The announcement of a Mandatory Code of Conduct to Australia's horticulture industry came as a disappointment to the wholesale sector of the industry. The Adelaide Produce Markets along with the other markets, as members of the Central Markets Association of Australia, actively lobbied the Federal Government for a Voluntary Code that is not anticompetitive, is cost effective to both implement and administer and includes the whole supply chain.

We continue to build a strong rapport with all levels of Government and have received strong recognition with the State Government through my appointment as Chair of the Minister for Primary Industries', Industry Development Board.

I trust you are continuing to receive our regular Market communication, Burst of Freshness, so that you may stay abreast of the activities of the Company and wider industry community.

This year has been no different to others as we face the many challenges of managing the affairs of the Company and in particular strengthening the wholesale market operation as an integral part of the fresh fruit and vegetable supply chain.

I take this opportunity to publicly acknowledge and thank the team for their continued support and commitment to improving the operations of the Company, not only for our shareholders but importantly all customers of the Market.



Angelo Demasi

Chief Executive Officer

Company Secretary

POORAKA, this 17th day of October 2006



KEY HIGHLIGHTS IN 2006



KEY HIGHLIGHTS IN 2006 *Continued*

Communication and Partnership

Throughout 2006 the horticulture industry has been in the eyes of the local South Australian media on numerous occasions of which the Company had a key role in facilitating key industry personnel to act as spokes people. Some of these areas have included:

- Impact from Cyclone Larry
- Wholesale markets view on the potential Mandatory Code of Conduct
- Industry implications from the new Country of Origin Labeling standards
- Importance of fruit and vegetable for healthy eating
- Rising obesity amongst children
- Healthy eating within school canteens.

The Company positioned itself to begin building media relationships over the past year. Providing regular communication through various mediums including print, television and radio, industry magazines and publications, forums, workshops, and conferences all relating to the horticulture industry.



The Company's bi-monthly magazine Burst of Freshness aims to provide regular communication to our different customer groups on company and industry activities. The magazine continues to be well received by over 2000 industry stakeholders, and incorporates articles surrounding the Markets, facility, safety, events, promotions, industry, and corporate updates.

During the year, the Company launched a new website, which again aims to communicate the Company activities including marketing, operational and strategic updates. APML's website www.adelaidemarkets.com.au is regularly updated in-house to remain abreast of situations as they occur. Positive feedback has been received since the site has been live.



The Company remains an active contributor to the network of other Australian central market authorities, through membership of the Central Markets Association of Australia.



Collectively, the Association meets twice a year, and focuses on exchanging views on matters of interest to central markets and coordinating submissions and recommendations to State and Commonwealth Governments on issues relevant to central markets.

This, along with the Company's involvement with the State Industry Development Board for Horticulture, enables the Company to remain abreast of issues affecting the broader horticulture industry.

SAfVC

**South Australian
Fruit & Vegetable Coalition**

The SAFVC is a group of organisations from the horticulture, health, education and environment sectors, government, non-government and community organisations, working collaboratively to promote fruit and vegetable consumption in South Australia, and increase consumption by an average of one serve per day by 2008.



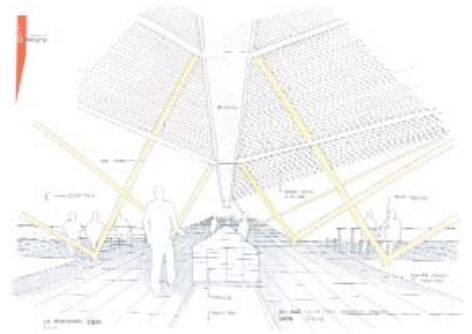
The Company provides the secretariat role to the Coalition, through a State Government funded project. The Coalition have adopted the national Go for 2 Fruit & 5 Veg as its key message, with promotional activities of the Coalition centered around a seasonal focus.

The Company continues to be involved in the promotion of fresh produce through school canteens, with the Kids Eat Fresh in the Canteen program. The program aims to enhance children's health and wellbeing by providing opportunities to increase fruit and vegetable consumption within the school environment as part of a healthy diet.

The program aligns itself well with the recent pre-election announcement of mandating Healthy Eating Guidelines in school canteens across South Australia, as well as the strong media focus on the increasing obesity amongst children in Australia.

Schools within the Salisbury, Tea Tree Gully, Playford, Murray Bridge and Morphett Vale regions have been funded primarily through their local government authority to participate in the program.

In conjunction with the Associazione Beneficenza Calabrese in Sud Australia Incorporated, the Company hosted a dinner dance in June 2006 to support the far north Queensland community of Innisfail after the recent devastation of Cyclone Larry.



A generous \$52,000 was raised on the night, with over 400 guests attending from across the horticulture industry and Italian community, expressing their generosity by digging deep into their pockets and supporting a worthwhile cause.

Predominantly the funds will be used to build a picnic shelter which will benefit the whole community. Leading Adelaide architects, Studio 9, gratefully donated their expertise to design the community facility.



The Market Ball is a traditional trademark on the South Australian horticulture industry calendar, and the season's first box of cherries was auctioned to the highest bidder, with all proceeds going towards the work of Camp Quality.

The 2005 Cherry King, Peter Mercurio from Bache Bros, was crowned the proud owner of the season's first box of cherries, paying a generous \$10,000. The night raised over \$50,000 with funds being used to bring fun and laughter into the lives of children living with cancer.



KEY HIGHLIGHTS IN 2006 *Continued*

Site Optimisation & Development

During the 2006 financial year, the Company entered into long term land lease agreement with international property developers, Macquarie Goodman for the 19ha Goldsborough Industry & Business Park property adjacent to the Market complex. The additional land was deemed to be surplus to the long term requirements of the Market.



New cold storage and distribution company, DWN Distributors, moved into their new facility in March 2006. The total land and building project amounted to \$11.8M, and provides a combination of dry, refrigerated and freezer warehouse facilities.



The facility is the largest investment the Company has made since relocating to the Pooraka site in 1988.



Construction work to expand Warehouse H commenced in 2006 to provide new warehousing facilities for an existing tenant.

As part of the new warehouse extension development, a new car parking facility is being constructed. Both projects are due for completion in December 2006.



During the 2006 financial year, the Company purchased the weekend market business. This was previously operated within the Market complex by an interstate leasee. Since taking over the business in October 2005, a re-brand to be known as the 'Pooraka Sunday Market' was undertaken. Along with improved marketing, advertising and the appointment of a new weekend market manager, the Company aims to increase the public market on Sunday, and maximise space within the Market at a time when the facility is under utilised.



The Company now looks forward to increasing public interest in these markets.

Corporate

The share trading platform, known as the Share Transfer Introduction Register (STIR), continues to be well utilised amongst shareholders to assist Buyers and Sellers with the buying and selling of Company shares. The Register allows both parties to independently contact each other.



Operational and Procedural Efficiency

The Company continues to undertake a proactive approach in maintaining the buildings and site infrastructure, by implementing a preventative maintenance program throughout the year. In particular the main infrastructure cost centers of electrical, bitumen, building structure and doors.

The site operations and governing rules have undergone an extensive review throughout the later part of the year. The Company must remain aware of the facility and operational needs of our Market customers. This review will address concerns of site congestion, site access, behavior and occupational health and safety requirements.



Innovation in Market Management

The Company remains abreast of national and international trends in the management of wholesale markets. As an active member of the Central Markets Association of Australia (CMAA), which is Australia's network of wholesale market authorities and also a member of the World Union of Wholesale Markets.

CMAA have actively lobbied over the past two years for a Voluntary Code of Conduct in place of the Federal Governments election promise of a Code which is Mandatory for the Industry. In late September the announcement came that the Federal Government would be imposing a Mandatory Code of Conduct on the wholesale horticulture sector.



CMAA's position on the code is:

- a. That the CMAA will support a Mandatory Code which applies to all first point of sale transactions by growers (excluding direct to consumers) and which promotes good business practices and provides a dispute resolution mechanism in a cost-effective and commercial manner
- b. That the CMAA will continue to oppose a Mandatory Code which is anticompetitive and discriminatory in its application, and which is considered to be uncommercial and/or costly to implement.



DIRECTOR'S REPORT

Your Directors present their Report on the Company (Adelaide Produce Markets Limited) and its controlled entities, (APML No. One Pty Ltd and APML No. Two Pty Ltd) (combined being "the economic entity") for the financial year ended 30 June 2006.

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 David Schirripa (*Deputy Chairman*)
Mr Frank Merenda
Mr Pasquale Scalzi
Mr Daniele De Ieso
Mr Espedito Stramare
Mr Peter Scalzi
Mr David Trosti
Mr Antonio Capobianco
Mr Savas Christodoulou
Mr Allen Baulderstone

Principal Activities

The principal activities of the economic entity during the financial year were the management of the wholesale market, property rental, property development and investment. No significant change in the nature of these activities occurred during the year.

Operating Result

The consolidated Net Profit of the economic entity for the financial year ended 30 June 2006 inclusive of the revaluation gain (\$16,735,445) but after income tax payable (\$455,741) amounted to \$18,183,482 (2005 \$1,478,005).

The revaluation gain (\$16,735,445) included in the 2006 Income Statement for the first time is in accordance with AASB 140, Investment Property (AASB 140 applies to annual reporting periods beginning on or after 1 January 2005).

Dividends Paid or Recommended

The dividends paid and proposed to be paid since the beginning of the 2006 financial year are as follows:

- Fully franked final dividend of 7 cents per share (for the year ended 30 June 2005) paid in December 2005, as recommended by the Directors in September 2005 (making the total fully franked dividend for the year ended 30 June 2005 10 cents per share: \$577,456)

- Fully franked interim dividend of 5 cents per share (for the year ended 30 June 2006) paid in April 2006, as recommended by the Directors in February 2006 : \$288,728.

- Fully franked final dividend of 5 cents per share (for the year ended 30 June 2006), as recommended by the Directors in October 2006 : \$288,728 (making the total fully franked dividend for the year ended 30 June 2006 10 cents per share : \$577,456)

Review of Operations

A review of operations of the economic entity and the results of those operations is contained in the accompanying Chief Executive Officer's Report.

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

Significant Changes in State of Affairs

No significant changes in the state of affairs of the economic entity occurred during the financial year.

After Balance Date Events

With reference to the following matter which was also disclosed in the 2005 Annual Report, no other matters or circumstances have arisen since the end of the 2006 financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

The Directors, acting on formal legal advice from independent lawyers, continue to pursue the Supreme Court action against the Company's previous external auditors.

Future Developments

Future developments in the operations of the economic entity are referred to in the accompanying Chairman's Report and Chief Executive Officer's Report.

Share Options

No options to have shares issued in the economic entity 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 economic entity has fully complied with all environmental regulations.

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
- Regional Director Australia IPSC
- Justice of the Peace
- Director Limestone Coast Lamb Company
- Director/Chairman Dalriada Meat Pty Ltd

Interest in shares and options Nil

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006

(for the economic entity)

- Number eligible to attend 12
- Number attended 12

Mr David Schirripa

Director and Deputy Chairman

Qualifications

- Bachelor of Economics (Accounting)
- Bachelor of Law (Hons)
- Legal Practitioner

Experience

- Wholesaler Board Member

Interest in shares and options 323,900

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006

(for the economic entity)

- Number eligible to attend 12
- Number attended 11

Mr Pasquale Scalzi

Director

Experience

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

Interest in shares and options 823,199

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006

(for the economic entity)

- Number eligible to attend 12
- Number attended 12

Mr Frank Merenda

Director

Qualifications

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

Experience

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

Interest in shares and option Nil

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006

(for the economic entity)

- Number eligible to attend 12
- Number attended 10

Mr Daniele De Ieso

Director

Qualifications

- Diploma in Horticulture Production

Experience

- 28 years fruit and vegetable industry
- Grower Board Member since 2002
- Chairman of SA Bunchline Growers Association
- Product Group Member for Horticultural Association Limited

Interest in shares and options 1,400

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006

(for the economic entity)

- Number eligible to attend 12
- Number attended 12



DIRECTOR'S REPORT *Continued*

Information on Directors *Continued*

Mr Espedito Stramare

Director (resigned as Director on 9 August 2005)

Experience

- 40 years fruit and vegetable industry
- Wholesale Board Member since 2003
- Previous Company Board Member

Interest in shares and options 45,600

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006 (for the economic entity)

- Number eligible to attend 2
- Number attended 0

Mr Peter Scalzi

Director (resigned 13 July 2005)

Qualifications

- Bachelor of Arts

Experience

- 11 years experience in retail fruit and vegetable industry
- Retailer Board Member since 11 December 2003

Interest in shares and options 10,000

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006 (for the economic entity)

- Number eligible to attend 0
- Number attended 0

Mr David Trosti

Director (appointed 15 August 2005)

Experience

- 11 years experience in fruit and vegetable industry

Interest in shares and options 40,000

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006 (for the economic entity)

- Number eligible to attend 12
- Number attended 10

Mr Antonio Capobianco

Director (appointed 15 July 2005)

Experience

- 33 years experience in retail fruit and vegetable industry

Interest in shares and options 238,100

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006 (for the economic entity)

- Number eligible to attend 12
- Number attended 10

Mr Allen Baulderstone

Director (appointed 15 July 2005)

Experience

- 51 years experience in retail fruit and vegetable industry

Interest in shares and options 36,800

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006 (for the economic entity)

- Number eligible to attend 12
- Number attended 10

Mr Savas Christodoulou

Director

Qualifications

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

Experience

- 26 years sole practice as a property valuer and consultant
- 4 years, Valuer, State Government
- 4 years, Valuation Manager, Bullok & Wilkinson Pty Ltd (now Knight Frank)
- Councillor and Alderman, City of Adelaide (9 years service on general Council, Social, Infrastructure and Planning Committees)

Interest in shares and options NIL

Attendance: Meetings of Directors 1 July 2005 to 30 June 2006 (for the economic entity)

- Number eligible to attend 12
- Number attended 12

Directors' and Executive Officer's Emoluments

The economic entity'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 2005 Annual General Meeting of the Parent Entity Company and are in accordance with the Constitution.

Senior Executives

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 2006 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	35,000	-	-	3,150	-	-	38,150
Mr D Schirripa	Director, Deputy Chairman	25,000	-	-	2,250	-	-	27,250
Mr P (Pat) Scalzi	Director	15,417	-	-	1,388	-	-	16,805
Mr F Merenda	Director	15,417	-	-	1,388	-	-	16,805
Mr D De Ieso	Director	15,417	-	-	1,388	-	-	16,805
Mr P (Peter) Scalzi	Director (resigned 13/07/05)	1,666	-	-	150	-	-	1,816
Mr E Stramare	Director (resigned 9/08/05)	3,333	-	-	300	-	-	3,633
Mr S Christodoulou	Director	15,000	-	-	1,350	-	-	16,350
Mr A Baulderstone	Director (appointed 15/07/05)	13,750	-	-	1,238	-	-	14,988
Mr A Capobianco	Director (appointed 15/07/05)	13,750	-	-	1,238	-	-	14,988
Mr D Trosti	Director (appointed 15/08/05)	12,500	-	-	1,125	-	-	13,625
TOTALS - DIRECTORS		166,250	-	-	14,965	-	-	181,215
Mr A Demasi	Chief Executive Officer (non Director) and Company Secretary	-	-	105,000	9,450	-	14,438	128,888
TOTALS - OVERALL		166,250	-	105,000	24,415	-	14,438	310,103

There are no post employment remuneration or retirement benefits paid by the economic entity 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.



DIRECTOR'S REPORT *Continued***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 \$27,265 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 2006)

Other than that disclosed in Note 20, 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.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307 C of the Corporations Act 2001 is set out on page 14.

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



DESMOND LILLEY
Chairman of Directors
POORAKA, this 17th day of October 2006

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

We declare that to the best of our knowledge and belief, during the year ended 30 June 2006 there have been:

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



DONALD VENN
Partner
DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS
MELBOURNE STREET
NORTH ADELAIDE SA 5006

NORTH ADELAIDE, this 17th day of
October 2006

INDEPENDENT AUDIT REPORT

To the Members of Adelaide Produce Markets Ltd

Scope

We have audited the Financial Report of Adelaide Produce Markets Limited and its controlled entities (APML No. One Pty Ltd and APML No. Two Pty Ltd) for the financial year ended 30 June 2006 as set out on pages 18 to 35.

The Financial Report includes the consolidated financial statements of the economic entity comprising the Company and the entities that it controlled at the year's end or from time to time during the financial year. The Company's directors are responsible for the Financial Report. We have conducted an independent audit of this Financial Report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the Financial Report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the Financial Report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The Audit Opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements.

Audit Opinion

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

- a. 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 2006 and of their performance for the year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b. other mandatory professional reporting requirements in Australia.

DONALD VENN
Partner
DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS
MELBOURNE STREET
NORTH ADELAIDE SA 5006

NORTH ADELAIDE, this 17th day of
October 2006



DIRECTOR'S DECLARATION

The Directors declare that the financial statements and notes (Financial Report) set out on pages 18 to 35

- (a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's financial position as at 30 June 2006 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, and
- (c) there are reasonable grounds to believe that the Company and its consolidated entity 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 Directors.



DESMOND LILLEY
Chairman of Directors

POORAKA, this 17th day of October 2006



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INCOME STATEMENT

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
Revenue from ordinary activities	3	22,596,662	5,280,254	21,438,411	5,280,254
Classification of expenses by nature					
•Employee Benefits		653,454	545,471	653,454	545,471
•Depreciation		53,947	81,965	53,947	81,965
•Borrowing Costs		719,365	580,301	719,365	580,301
•Other expenses from ordinary activities		2,530,673	2,175,931	2,326,129	2,175,931
		3,957,439	3,383,668	3,752,895	3,383,668
Profit from ordinary activities before related income tax	4	18,639,223	1,896,586	17,685,516	1,896,586
Income tax relating to ordinary activities	5	455,741	418,581	453,215	418,581
Profit from ordinary activities after related income tax		18,183,482	1,478,005	17,232,301	1,478,005
NET PROFIT		18,183,482	1,478,005	17,232,301	1,478,005
Net profit attributable to outside equity interests		0	0	0	0
Net profit attributable to members of the Parent Entity		18,183,482	1,478,005	17,232,301	1,478,005
Net Increase (Decrease) in Total Reserves		0	0	0	0
Total changes in Shareholders' Equity other than those relating from transactions with owners as owners		18,183,482	1,478,005	17,232,301	1,478,005

The accompanying notes form part of this Financial Report



BALANCE SHEET AS AT 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
CURRENT ASSETS					
Cash & Cash Equivalents	6	778,013	586,838	519,629	521,453
Receivables	7	295,377	299,886	289,777	299,886
Other assets	8	886,077	731,364	630,841	610,862
TOTAL CURRENT ASSETS		<u>1,959,467</u>	<u>1,618,088</u>	<u>1,440,247</u>	<u>1,432,201</u>
NON-CURRENT ASSETS					
Receivables	7	59,942	87,912	12,685,532	2,630,393
Property, plant and equipment	9	67,966,154	41,727,604	54,747,707	39,021,376
Other financial assets	27	0	0	2	1
Intangible assets	28	120,000	0	120,000	0
TOTAL NON-CURRENT ASSETS		<u>68,146,096</u>	<u>41,815,516</u>	<u>67,553,241</u>	<u>41,651,770</u>
TOTAL ASSETS		<u>70,105,563</u>	<u>43,433,604</u>	<u>68,993,488</u>	<u>43,083,971</u>
CURRENT LIABILITIES					
Payables	10	1,125,036	1,325,315	966,668	975,682
Current tax liabilities	4 & 11	455,741	418,581	453,215	418,581
Provisions	11	318,728	454,219	318,728	454,219
TOTAL CURRENT LIABILITIES		<u>1,899,505</u>	<u>2,198,115</u>	<u>1,738,611</u>	<u>1,848,482</u>
NON-CURRENT LIABILITIES					
Interest bearing liabilities	12	20,059,761	10,779,761	20,059,761	10,779,761
Provisions	11	494,543	410,000	494,543	410,000
TOTAL NON-CURRENT LIABILITIES		<u>20,554,304</u>	<u>11,189,761</u>	<u>20,554,304</u>	<u>11,189,761</u>
TOTAL LIABILITIES		<u>22,453,809</u>	<u>13,387,876</u>	<u>22,292,915</u>	<u>13,038,243</u>
NET ASSETS		<u>47,651,754</u>	<u>30,045,728</u>	<u>46,700,573</u>	<u>30,045,728</u>
EQUITY					
Contributed equity	13	5,774,560	5,774,560	5,774,560	5,774,560
Reserves		392,750	392,750	392,750	392,750
Retained profits		41,484,444	23,878,418	40,533,263	23,878,418
TOTAL EQUITY		<u>47,651,754</u>	<u>30,045,728</u>	<u>46,700,573</u>	<u>30,045,728</u>
PARENT ENTITY INTEREST		<u>47,651,754</u>	<u>30,045,728</u>	<u>46,700,573</u>	<u>30,045,728</u>

The accompanying notes form part of this Financial Report



STATEMENT OF CHANGES IN EQUITY

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Retained profits at the beginning of the year	23,878,418	22,918,571	23,878,418	22,977,869
Net Profit after income tax payable	18,183,482	1,478,005	17,232,301	1,478,005
Amounts Capitalised	0	59,298	0	0
Interim dividend paid 2005/06	(288,728)	(173,237)	(288,728)	(173,237)
Final dividend provided 2005/06	(288,728)	(404,219)	(288,728)	(404,219)
Retained profits at the end of the financial year	<u>41,484,444</u>	<u>23,878,418</u>	<u>40,533,263</u>	<u>23,878,418</u>

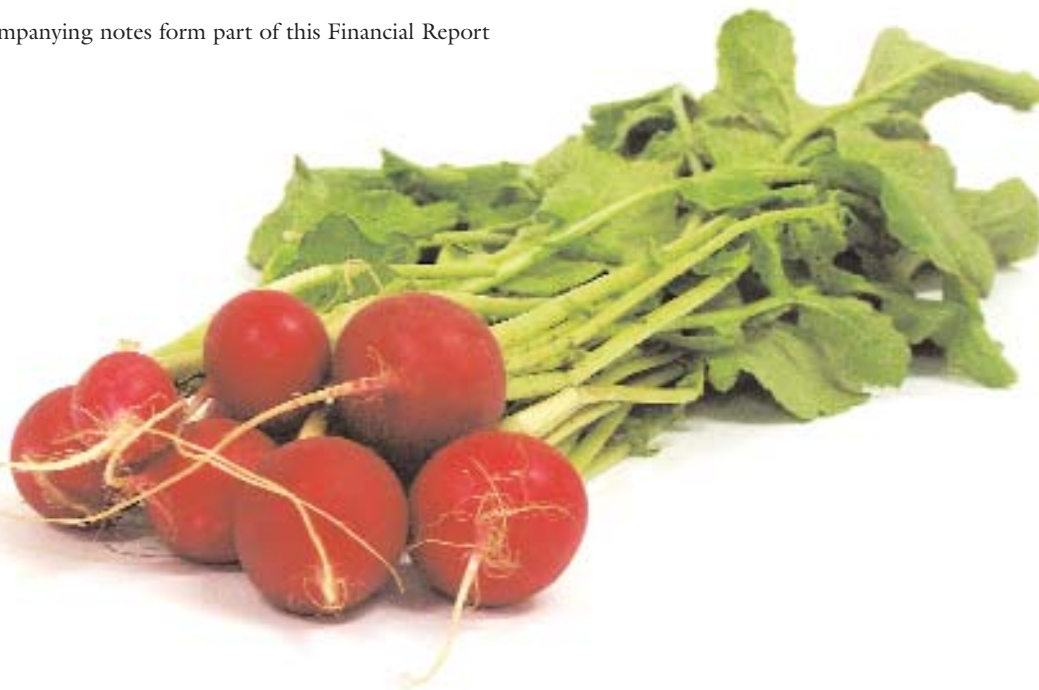
	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Share Premium Reserve	<u>392,750</u>	<u>392,750</u>	<u>392,750</u>	<u>392,750</u>
Movement during the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Reserves	<u>392,750</u>	<u>392,750</u>	<u>392,750</u>	<u>392,750</u>
Net Increase in Total Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



STATEMENT OF CASH FLOWS

	Note	Economic Entity		Parent Entity	
		2006 \$ Inflows (Outflows)	2005 \$ Inflows (Outflows)	2006 \$ Inflows (Outflows)	2005 \$ Inflows (Outflows)
Cash Flows From Operating Activities					
• Receipts from customers net of payments to suppliers and employees		3,033,696	2,471,254	3,012,140	2,471,254
• Interest received		28,697	55,354	196,799	55,354
• Borrowing costs		(1,050,313)	(580,301)	(719,365)	(580,301)
• Income tax paid		(418,582)	(409,206)	(418,582)	(409,206)
• Net GST		(455,815)	(115,577)	(401,324)	(115,577)
Net cash provided by (used in) Operating Activities	15	<u>1,137,683</u>	<u>1,421,524</u>	<u>1,669,668</u>	<u>1,421,524</u>
Cash Flows From Investing Activities					
• Business Acquired Activities		(120,000)	0	(120,000)	0
• Loan to Director related entity		0	669,615	0	669,615
• Purchase of property, plant and equipment		(9,529,052)	(2,500,011)	(170,927)	(1,232,212)
• Gross proceeds from sale of property, plant and equipment	0	6,591	0	6,591	
• Loan to subsidiaries		0	0	(10,083,108)	(1,332,973)
• Payment for Subsidiaries		0	0	(1)	0
Net cash provided by (used in) Investing Activities	15	<u>(9,649,052)</u>	<u>(1,823,805)</u>	<u>(10,374,036)</u>	<u>(1,888,979)</u>
Cash Flows From Financing Activities					
Bank Bills		9,280,000	(160,481)	9,280,000	(160,481)
Dividends paid by the Parent Entity	14	(577,456)	(577,456)	(577,456)	(577,456)
Net cash provided by (used in) Financing Activities		<u>8,702,544</u>	<u>(737,937)</u>	<u>8,702,544</u>	<u>(737,937)</u>
Net Increase (Decrease) In Cash Held For The Year		191,175	(1,140,218)	(1824)	(1,205,392)
Cash at 1 July 2005		<u>586,838</u>	<u>1,727,056</u>	<u>521,453</u>	<u>1,726,845</u>
Cash at 30 June 2006	5	<u>778,013</u>	<u>586,838</u>	<u>519,629</u>	<u>521,453</u>

The accompanying notes form part of this Financial Report



NOTES TO THE FINANCIAL REPORT

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The Financial Report of Adelaide Produce Markets Limited as a Parent Entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Adelaide Produce Markets Limited in the preparation of the Financial Report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards ("AIFRS")

Adelaide Produce Markets Limited has prepared Financial Statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

These accounts are the first Financial Statements prepared by Adelaide Produce Markets Limited in accordance with AIFRS.

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

Adelaide Produce Markets Limited has elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2, First-time Adoption to AIFRS to this report.

Reporting Basis and Conventions

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, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(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 Economic Entity (being the Parent Entity and its Controlled Entities), including any unrealised profits or losses, have been eliminated on consolidation. Where Controlled Entities have entered or left the Economic Entity during the year, their operating results have been included from the date control was obtained or until the date control ceased. Any outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report (as applicable). Controlled Entities are disclosed in Note 26 to the financial statements.

(b) Income Tax

Income Tax is calculated and disclosed in the Financial Report as being the actual Income Tax Payable by each entity for the 2006 financial year, based on legislative requirements.

(c) Property, Plant & Equipment and Revaluation of Non-Current Physical Assets

"Property" comprises land and buildings. "Plant & Equipment" comprises plant and equipment, motor vehicles, furniture and fittings and office equipment.

Property, plant and equipment are brought to account at cost or at independent expert valuation, less, where applicable, any accumulated depreciation. The net total of these amounts represents the carrying amounts. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure that it is not in excess of the recoverable amount of these assets.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the employment of the assets and subsequent disposal. The expected net cash flows have not been discounted by the Directors to their present values in determining the recoverable amount.

In accordance with Section 294(4) of the Corporations Act 2001, the Directors are required to obtain a current market valuation of the Company's interest in land and buildings every three years. This requirement has been exceeded by the Directors as the latest valuation was performed as at 30 June 2006 by Gil Piccinato Pty Ltd. The valuation undertaken was in accordance with Australian Accounting Standards AASB 104 (Revaluation of Non-Current Assets) and AASB 140 (Investment Property).

The 2006 independent revaluation of land and buildings has not taken into account the potential capital gains tax effect on assets acquired after the introduction of Australian Capital Gains Tax legislation in 1985.

(d) Depreciation of Non-Current Assets

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(c) above, the independent expert valuation of land and buildings as at 30 June 2006 included all plant and equipment that was considered to be an integral component of the relevant asset. For this reason, depreciation for accounting reporting purposes has not been calculated on all such installed integral plant and equipment for the year ended 30 June 2006 (2005 : Nil). Consistent with all previous financial years, buildings have also not been depreciated for accounting reporting purposes as they are held for investment purposes in addition to their income earning (landlord) activities. This practice is in accordance with AASB 140, Investment Property.

Depreciation periods applicable for each class of asset group for the year ended 30 June 2006 are:

	Useful Life
• Plant and equipment	2.5 to 13.3 years
• Motor vehicles	5.4 years
• Furniture and fittings	2.5 to 11.1 years
• Office equipment	2.5 to 11.1 years

(e) Rents and Fees in Advance

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

(f) Land and Development Expenditure

As at 30 June 2006, any construction in progress and land re-development costs are separately disclosed.

(g) Revenue

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

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

All revenue 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. Long-service leave that is expected to be settled more than 12 months from the reporting date have been discounted using market yields at the reporting date on national government bond rates with terms to maturity based on the expected estimated future cash outflows.

(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.



NOTES TO THE FINANCIAL REPORT *Continued*

(j) Financial Instruments

Recognition

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

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

At each reporting date, Adelaide Produce Markets Limited assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement, as applicable.

Intangible Assets with an indefinite useful life are not amortised but tested annually for impairment.

(l) Comparative Figures

Where required by Australian Accounting Standards and as such where material, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(m) Goods and Services Tax (GST)

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

(n) Impact of Judgment and estimates on the Financial Report

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.

NOTE 2: TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

These are the first Financial Statements prepared by Adelaide Produce Markets Limited in accordance with AIFRS. International accounting standards were adopted for the financial year commenced 1 July, 2005. The accounting policies set out in Note 1 above have been applied in preparing these Financial Statements.

In preparing the opening AIFRS Balance Sheet and the comparative information contained in these Financial Statements, the adjustments made to the financial information previously reported in accordance with the prior basis of accounting (AGAAP).

The following notes and reconciliations, along with the accounting policies detailed in Note 1, provide an explanation of how the transition from AGAAP to AIFRS has affected the Financial Statements.

Recognition and measurement adjustments that arise as a result of the opening transition process affect Balance Sheet values and are recognised in either retained earnings or an appropriate equity reserve at the date of transition.

Impacts and the corresponding adjustments arising from adoption of AIFRS are summarised in the notes below. In certain cases the transitional and measurement adjustments detailed in the following reconciliations differ from information disclosed in previous Financial Statements.

Reconciliation of Equity as at 1 July 2004

Economic Entity	Previous AGAAP 1 July 2004	Effect of Transition to AIFRS	AIFRS 1 July 2004
Contributed Equity	5,774,560	0	5,774,560
Reserves	11,242,632	(10,849,882)	392,750
Retained Profits	<u>12,068,689</u>	<u>10,849,882</u>	<u>22,918,571</u>
Total Equity	<u><u>29,085,881</u></u>	<u><u>0</u></u>	<u><u>29,085,881</u></u>

Parent Entity	Previous AGAAP 1 July 2004	Effect of Transition to AIFRS	AIFRS 1 July 2004
Contributed Equity	5,774,560	0	5,774,560
Reserves	11,242,632	(10,849,882)	392,750
Retained Profits	<u>12,127,987</u>	<u>10,849,882</u>	<u>22,977,869</u>
Total Equity	<u><u>29,145,179</u></u>	<u><u>0</u></u>	<u><u>29,145,179</u></u>

Reconciliation of Equity as at 30 June 2005

Economic Entity	Previous AGAAP 30 June 2005	Effect of Transition to AIFRS	AIFRS 30 June 2005
Contributed Equity	5,774,560	0	5,774,560
Reserves	11,242,632	(10,849,882)	392,750
Retained Profits	<u>13,028,536</u>	<u>10,849,882</u>	<u>23,878,418</u>
Total Equity	<u><u>30,045,728</u></u>	<u><u>0</u></u>	<u><u>30,045,728</u></u>

Parent Entity	Previous AGAAP 30 June 2005	Effect of Transition to AIFRS	AIFRS 30 June 2005
Contributed Equity	5,774,560	0	5,774,560
Reserves	11,242,632	(10,849,882)	392,750
Retained Profits	<u>13,028,536</u>	<u>10,849,882</u>	<u>23,878,418</u>
Total Equity	<u><u>30,045,728</u></u>	<u><u>0</u></u>	<u><u>30,045,728</u></u>

Explanation: Effect of Transition to AIFRS: AASB 140 Investment Property

On transition to IFRS, Adelaide Produce Markets Limited has restated its Reserves to ensure previously accounted for asset revaluations (relating to land and buildings) have been appropriately treated in accordance with AASB 140, Investment Property.

Land and buildings owned by Adelaide Produce Markets Limited are classified as Investment Properties and as such, under AASB 140, any gains or losses realised arising from a change in the fair value of the investment property must be recognised directly in the Income Statement.

Retained Profits has been restated retrospectively to reflect all previously recognised revaluation increases, in accordance with the requirements set out under AASB 140.

The gain on revaluation to the economic entity for the year ended 30 June 2006 of \$16,763,445 (2005 \$Nil) as disclosed in Note 3(a) is included in the Income Statement as Revenue from Operating Activities. As the previous independent revaluation of land and buildings owned by Adelaide Produce Markets Limited was carried out in 2004, the 2005 comparative gain on revaluation as disclosed in Note 3(a) is nil.



NOTES TO THE FINANCIAL REPORT *Continued*

NOTE 3: REVENUES

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
(a) Operating Activities				
Revaluation Gain	16,735,445	0	15,581,381	0
Rents and recoveries	5,832,520	5,224,900	5,660,231	5,224,900
Interest	28,697	55,354	196,799	55,354
NetProfit/(Loss) on Sale of Property, Plant and Equipment	0	0	0	0
Total Revenue : Operating Activities	<u>22,596,662</u>	<u>5,280,254</u>	<u>21,438,411</u>	<u>5,280,254</u>
(b) Non-Operating Activities				
Disposal of non-current assets : carrying value	0	6,946	0	6,946
Total Revenue : Non-Operating Activities	<u>0</u>	<u>6,946</u>	<u>0</u>	<u>6,946</u>

NOTE 4 : PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax payable has been determined after:	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Expenses				
• Borrowing Costs	<u>719,365</u>	<u>580,301</u>	<u>719,365</u>	<u>580,301</u>
• Depreciation of Non-Current Assets	<u>53,947</u>	<u>81,965</u>	<u>53,947</u>	<u>81,965</u>
• Debts Written-off	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

NOTE 5 : INCOME TAX

The income tax payable on profit from ordinary activities before income tax is reconciled to the income tax provided in the Financial Report as follows:-	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Income Tax Payable - Income Statement				
Profit from Ordinary Activities Before Income Tax, less	18,639,223	1,896,586	17,685,516	1,896,586
• Revaluation gain	16,735,475	0	15,581,381	0
• Special building allowance and depreciation on installed integral building plant and equipment	776,440	627,207	616,259	627,207
• Net of Income and expense adjustments	<u>(391,827)</u>	<u>(125,891)</u>	<u>(22,842)</u>	<u>(125,891)</u>
	17,120,088	501,316	16,174,798	501,316
Taxable Income	1,519,135	1,395,270	1,510,718	1,395,270
Company Income Tax Rate	30%	30%	30%	30%
Income Tax Payable	<u>455,741</u>	<u>418,581</u>	<u>453,215</u>	<u>418,581</u>
Provision for Income Tax - Balance Sheet	<u>455,741</u>	<u>418,581</u>	<u>453,215</u>	<u>418,581</u>

NOTE 6 : CASH AND CASH EQUIVALENTS

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Cash on hand	1,000	800	1,000	800
Cash at bank	<u>777,012</u>	<u>586,038</u>	<u>518,629</u>	<u>520,653</u>
	<u>778,012</u>	<u>586,838</u>	<u>519,629</u>	<u>521,453</u>
Reconciliation of cash at the end of the financial year as shown in the Statement Of Cash Flows is reconciled to items in the Statement of Financial Position as follows:				
Cash on hand	1,000	800	1,000	800
Cash at bank	<u>777,012</u>	<u>586,038</u>	<u>518,629</u>	<u>520,653</u>
	<u>778,012</u>	<u>586,838</u>	<u>519,629</u>	<u>521,453</u>

NOTE 7 : RECEIVABLES

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Current				
Trade debtors - rental tenancies	301,358	311,886	295,758	311,886
Provision for impairment	<u>(5,981)</u>	<u>(12,000)</u>	<u>(5,981)</u>	<u>(12,000)</u>
	<u>295,377</u>	<u>299,886</u>	<u>289,777</u>	<u>299,886</u>
Non-Current				
Trade debtors - 1989 indemnity undertaking to reimburse tenancy fit-out costs	59,942	87,912	59,942	87,912
Loans - wholly owned Subsidiaries	<u>0</u>	<u>0</u>	<u>12,625,590</u>	<u>2,542,481</u>
	<u>59,942</u>	<u>87,912</u>	<u>12,685,532</u>	<u>2,630,393</u>

NOTE 8 : OTHER ASSETS

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Current				
Prepaid commercial bill interest	337,117	210,799	109,230	155,606
Prepayments	<u>548,960</u>	<u>520,565</u>	<u>521,611</u>	<u>455,256</u>
	<u>886,077</u>	<u>731,364</u>	<u>630,841</u>	<u>610,862</u>
Non- Current	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

NOTE 9 : PROPERTY, PLANT AND EQUIPMENT

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
Land and Buildings					
Land at independent 2006 valuation		36,450,000	19,500,000	33,135,553	18,350,000
Buildings at independent 2006 valuation		30,900,000	19,150,000	21,000,000	19,150,000
Buildings at cost		<u>0</u>	<u>2,580,372</u>	<u>0</u>	<u>1,024,144</u>
Total Land and Buildings	1(b)	<u>67,350,000</u>	<u>41,230,372</u>	<u>54,131,553</u>	<u>38,524,144</u>
Construction in Progress and Land-development in Progress					
Construction in Progress and Land Re-development in Progress - at cost	1(b) & 1(c)	<u>58,311</u>	<u>0</u>	<u>58,311</u>	<u>0</u>
Total Construction in Progress and Land Re-development		<u>58,311</u>	<u>0</u>	<u>58,311</u>	<u>0</u>
Plant and Equipment					
Plant and equipment - at cost		958,323	862,591	958,323	862,591
Accumulated depreciation		<u>(400,480)</u>	<u>(365,359)</u>	<u>(400,480)</u>	<u>(365,359)</u>
Total Plant and Equipment	1(b)	<u>557,843</u>	<u>497,232</u>	<u>557,843</u>	<u>497,232</u>
Total Property, Plant and Equipment		<u>67,966,154</u>	<u>41,727,604</u>	<u>54,747,707</u>	<u>39,021,376</u>



NOTES TO THE FINANCIAL REPORT *Continued*NOTE 9: PROPERTY, PLANT AND EQUIPMENT *Continued*

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment (refer note 1(c)) for the financial year ended 30 June 2006 are as follows:-

	Construction in Progress & Land Redevelopment in progress	Land and Buildings \$	Plant and Equipment \$	Total \$
<u>Economic Entity</u>				
Balances at 1 July 2005	0	41,230,372	497,232	41,727,604
Additions : Cost	58,311	9,356,183	114,558	9,529,052
Disposals : Carrying value	0	(2,000)	0	(2,000)
Revaluation	0	16,765,445	0	16,765,445
Depreciation expense	0	0	(53,947)	(53,947)
Carrying amounts at 30 June 2006	58,311	67,350,000	557,843	67,966,154
<u>Parent Entity</u>				
Balances at 1 July 2005	0	38,524,144	497,232	39,021,376
Additions : Cost	58,311	(1,942)	114,558	170,927
Disposals : Carrying value	0	0	0	0
Revaluation	0	15,609,351	0	15,609,351
Depreciation expense	0	0	(53,947)	(53,947)
Carrying amounts at 30 June 2006	58,311	54,131,553	557,843	54,747,707

NOTE 10 : PAYABLES

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Current				
Trade creditors	304,231	624,056	158,397	274,423
Sundry creditors and accrued expenses	820,805	701,259	808,271	701,259
	<u>1,125,036</u>	<u>1,325,315</u>	<u>966,668</u>	<u>975,682</u>
Non-Current	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

NOTE 11 : PROVISIONS

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Current				
• Final dividend for 2006	288,728	404,219	288,728	-404,219
• Electrical upgrade	30,000	50,000	30,000	50,000
	<u>318,728</u>	<u>454,219</u>	<u>318,728</u>	<u>454,219</u>
• Income tax payable	<u>455,741</u>	<u>418,581</u>	<u>453,215</u>	<u>418,581</u>
Non-Current				
• Bitumen pavement replacement	440,453	410,000	440,453	410,000
• Employee entitlements	54,090	0	54,090	0
	<u>494,543</u>	<u>410,000</u>	<u>494,543</u>	<u>410,000</u>

NOTE 12: INTEREST BEARING LIABILITIES

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Current				
Bank loan (bank bills) secured	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Non-Current				
Bank loan (bank bills) secured	<u>20,059,761</u>	<u>10,779,761</u>	<u>20,059,761</u>	<u>10,779,761</u>

The bank loan (bank bills) are secured by a first mortgage over freehold land and buildings and a fixed and floating charge over all the Economic Entity's assets as disclosed in the Statement of Financial Position and throughout the Financial Report.

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
The bank loans (bank bills) are expected to be fully settled:				
- within 12 months	0	0	0	0
- 12 months or more	<u>20,059,761</u>	<u>10,779,761</u>	<u>20,059,761</u>	<u>10,779,761</u>
Total current and non-current secured liabilities	<u>20,059,761</u>	<u>10,779,761</u>	<u>20,059,761</u>	<u>10,779,761</u>
Bank loan (bank bills) - secured	<u>20,059,761</u>	<u>10,779,761</u>	<u>20,059,761</u>	<u>10,779,761</u>
The carrying amounts of non-current assets pledged as security are:				
First mortgage over land and buildings	67,350,000	41,049,562	54,131,553	38,524,144
Floating charge over all other assets	<u>2,783,533</u>	<u>2,185,151</u>	<u>6,009,905</u>	<u>4,559,827</u>
Total Assets Pledged As Security	<u>70,133,533</u>	<u>43,234,713</u>	<u>60,141,458</u>	<u>43,083,971</u>

Covenants

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

The bank bills (and their current range of all inclusive interest rates) totalling \$20,059,761 are due to expire:

- \$4,000,000 due 29 September 2006 (6.34%) - to be renewed
- \$3,680,000 due 13 October 2006 (6.3%) - to be renewed
- \$4,190,000 due 22 November 2010 (6.0%)
- \$2,200,000 due 5 November 2012 (6.05%)
- \$2,989,761 due 28 November 2012 (6.05%)
- \$3,000,000 due 1 March 2013 (6.05%)

\$20,059,761

NOTE 13 : CONTRIBUTED EQUITY

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
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>



NOTES TO THE FINANCIAL REPORT *Continued*

NOTE 14 : DIVIDENDS

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Interim				
Interim fully franked dividend for the year ended 30 June 2006 of 5 cents per share (2005 : 3 cents), franked at the tax rate of 30%	<u>288,728</u>	<u>173,237</u>	<u>288,728</u>	<u>173,237</u>
Final				
Proposed final fully franked dividend for the year ended 30 June 2006 of 5 cents per share (2005 : 7) cents per share, franked at the tax rate of 30% (2005 : 30%)	<u>288,728</u>	<u>404,219</u>	<u>288,728</u>	<u>404,219</u>
Franking Account				
Balance of franking account at year end	<u>2,887,264</u>	<u>2,659,034</u>	<u>2,887,264</u>	<u>2,659,034</u>

NOTE 15 : CASH FLOW INFORMATION

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
(a) Profit from Ordinary Activities after related income tax	18,183,482	1,478,005	17,232,301	1,478,005
Non Cash Flows in Profit from Ordinary Activities:				
• Revaluation Gain	(16,763,445)	0	(15,609,351)	0
• Depreciation	53,947	81,965	53,947	81,965
• Net loss (profit) on disposal of property, plant and equipment	0	355	0	355
• Other provisions	(18,477)	90,000	(18,477)	90,000
• Assets Written Off	25,000	4,484	25,000	4,484
Changes in assets and liabilities:				
• (Increase) Decrease in Investment	0	0	(1)	0
• (Increase) / Decrease in trade receivables	4,509	(182,227)	10,109	(182,227)
• (Increase) / Decrease in prepaid expenses	(154,713)	(287,460)	(19,979)	(287,460)
• Increase / (Decrease) in payables	(162,464)	195,792	28,801	195,792
• Increase / (Decrease) in income tax payable	37,160	5,384	34,634	5,384
• Increase / (Decrease) in provision for employee entitlements	(67,316)	35,226	(67,316)	35,226
Cash Flows From Operating Activities	<u>1,137,683</u>	<u>1,421,524</u>	<u>1,669,668</u>	<u>1,421,524</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

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Credit facility	20,059,761	11,190,000	20,059,761	11,190,000
Credit facility utilised	<u>20,059,761</u>	<u>10,779,761</u>	<u>20,059,761</u>	<u>10,779,761</u>
Unused Credit Facility	<u>0</u>	<u>410,239</u>	<u>0</u>	<u>410,239</u>

NOTE 16 : 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:

<u>Economic Entity</u>	Floating Interest \$	Fixed Interest Rate Within \$	Maturing 1-7 Years \$	Non Interest Bearing \$	Total \$
2006					
Financial Assets					
Cash	777,013	0	0	1,000	778,013
Receivables	0	0	0	383,289	383,289
Other	0	0	0	886,077	886,077
	<u>777,013</u>	<u>0</u>	<u>0</u>	<u>1,270,366</u>	<u>2,047,379</u>
	5.3%				
2006					
Financial Liabilities					
Accounts Payable	0	0	0	1,125,036	1,125,036
Borrowings - Bank Bills	0	7,680,000	12,379,761	0	20,059,761
		<u>7,680,000</u>	<u>12,379,761</u>	<u>1,125,036</u>	<u>21,184,797</u>
Interest Rate (all inclusive)		6.3%	6.05%		
Economic Entity					
Comparative 2005					
Financial Assets					
Cash	586,038	0	0	800	586,838
Receivables	0	0	0	387,798	387,798
Other	0	0	0	731,364	731,364
	<u>586,038</u>	<u>0</u>	<u>0</u>	<u>1,119,962</u>	<u>1,706,000</u>
	4.9%				
Financial Liabilities					
Accounts Payable	0	0	0	1,325,315	1,325,315
Borrowings - Bank Bills	0	0	10,779,761	0	10,779,761
	<u>0</u>	<u>0</u>	<u>10,779,761</u>	<u>1,325,315</u>	<u>12,105,076</u>
Interest Rate (all inclusive)			6.02%		

NOTES TO THE FINANCIAL REPORT *Continued*NOTE 16 : FINANCIAL INSTRUMENTS *Continued*

<u>Parent Entity</u>	Floating Interest \$	Fixed Interest Rate Within \$	Maturing 1-7 Years \$	Non Interest Bearing \$	Total \$
2006					
Financial Assets					
Cash	518,629	0	0	1,000	519,629
Receivables	0	0	0	13,003,279	13,003,279
Other				630,841	630,841
	<u>518,629</u>			<u>13,635,120</u>	<u>14,153,749</u>
	5.3%			6.05%	
2006					
Financial Liabilities					
Accounts Payable				966,668	966,668
Borrowings - Bank Bills	0	7,680,000	12,379,761	0	20,059,761
		<u>7,680,000</u>	<u>12,379,761</u>	<u>966,668</u>	<u>21,026,429</u>
Interest Rate (all inclusive)		6.3%	6.05%		
Comparative 2005					
Financial Assets					
Cash	520,653	0	0	800	521,453
Receivables	0	0	0	2,930,279	2,930,279
Other	0	0	0	610,802	610,862
	<u>520,653</u>	<u>0</u>	<u>0</u>	<u>3,541,941</u>	<u>4,062,594</u>
	4.9%				
Financial Liabilities					
Accounts Payable	0	0	0	975,682	975,682
Borrowings - Bank Bills	0	0	10,779,761	0	10,779,761
	<u>0</u>	<u>0</u>	<u>10,779,761</u>	<u>975,682</u>	<u>11,755,443</u>
Interest Rate (all inclusive)	0	0	6.02%		

(d) Net Fair Values

For all assets and liabilities disclosed in the Financial Report, the net fair value approximates their carrying value.

NOTE 17 : REMUNERATION AND RETIREMENT BENEFITS

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
(a) Director's Remuneration				
Income (excluding retirement and superannuation payments) paid or payable to all Directors of the Company	<u>166,250</u>	<u>182,503</u>	<u>166,250</u>	<u>182,503</u>
(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	<u>14,965</u>	<u>16,428</u>	<u>14,965</u>	<u>16,428</u>

NOTE 17 : REMUNERATION AND RETIREMENT BENEFITS *Continued*

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
(c) Executive Remuneration				
• Remuneration received or due and receivable by executive officers of the Company whose remuneration is \$100,000 or more	<u>128,888</u>	<u>131,180</u>	<u>128,888</u>	<u>131,180</u>
• The number of executives whose income was within the following bands:- In excess of \$100,000	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Note 18 : AUDITOR'S REMUNERATION

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Remuneration paid or payable to the auditor of the Company for:				
a) Auditing or reviewing the Financial Report	<u>19,000</u>	<u>18,323</u>	<u>19,000</u>	<u>18,323</u>
b) Other Services	<u>19,050</u>	<u>9,840</u>	<u>19,050</u>	<u>9,840</u>

NOTE 19 : FINANCIAL REPORTING BY SEGMENTS

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

NOTE 20 : 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**

All Directors, except Mr D Lilley and Mr S Christodoulou, have direct or indirect commercial interests in businesses which have agreements under leases, licenses and/or other fee arrangements with the Company (as applicable), 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.

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Adelaide Produce Markets Limited				
- Ordinary Shares	<u>1,518,999</u>	<u>1,504,299</u>	<u>1,518,999</u>	<u>1,504,299</u>

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

NOTE 21 : CAPITAL COMMITMENTS

There were no material capital expenditure commitments by the economic entity as at 30 June 2006 (2005 \$Nil).



NOTES TO THE FINANCIAL REPORT *Continued***NOTE 22 : CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
CONTINGENT LIABILITIES				
Estimates of the potential financial effect of contingent liabilities that may become payable:-				
A claim against the Company by Mr B A Woods relating to maintenance work (the Company has lodged a \$50,000 counter claim against Mr Woods)				
	<u>21,103</u>	<u>21,103</u>	<u>21,103</u>	<u>21,103</u>

CONTINGENT ASSETS

In 2005 the Company instigated legal action against its former auditors. The information required by Accounting Standard AASB 137: Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to seriously prejudice the outcome of the litigation.

NOTE 23 : SUPERANNUATION COMMITMENTS

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

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

NOTE 24 : EVENTS SUBSEQUENT TO REPORTING DATE

Other than that disclosed in the Director's Report, there are no events subsequent to 30 June 2006 that would have a material effect on the 2006 Financial Report (2005: Nil).

NOTE 25 : 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 26 : CONTROLLED ENTITIES**(d) Controlled Entities**

Subsidiary	Country of Incorporation	Percentage Owned	
		2006	2005
APML No. One Pty Ltd	Australia	100%	100%
APML No. Two Pty Ltd	Australia	100%	100%

(b) Controlled Entities Acquired

On 9 November 2005 the parent entity incorporated APML No. Two Pty Ltd. One fully paid ordinary share has been issued to the Company - there are no other shareholders.

(c) Controlled Entity Disposed

No controlled entities were disposed during the year.

(e) Controlled Entities With Ownership Interest Of 50% Or Less

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

NOTE 27 : OTHER FINANCIAL ASSETS

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Current	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Non-Current				
Unlisted Investments at cost:				
- Share in Controlled Entities	<u>0</u>	<u>0</u>	<u>2</u>	<u>1</u>

NOTE 28: INTANGIBLE ASSETS

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Current	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Non-Current				
Goodwill - Sunday Market	<u>120,000</u>	<u>0</u>	<u>120,000</u>	<u>0</u>

The Goodwill relating to the Sunday Market has an indefinite useful life. There is no impairment adjustment required as at 30 June 2006.

NOTE 29: CHANGE IN ACCOUNTING POLICY

The Company has adopted the following accounting Standards for application on or after 1 January 2005:

- AASB 132: Financial Instruments: Disclosure and Presentation
- AASB 139: Financial Instruments: Recognition and Measurement

The changes resulting for the adoption of AASB 132 by the Company relate primarily to increased disclosures required under the standard and do not affect the value of amounts reported in the financial statements.

The adoption of AASB 139 by the Company has not resulted in material differences in the recognition and measurement of the Company's financial instruments.

The following Australian Accounting Standards issued or amended and are applicable to the Company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	AASB Standard Affected	Nature of Change in Accounting Policy	Application Date of the Standard	Application Date for the Company
2005-5	AASB 1: First-time Adoption of AIFRS	No change, no impact	01-Jan-06	01-Jul-06
	AASB 139: Financial Instruments: Recognition and Measurement	No change, no impact	01-Jan-06	01-Jul-06
2005-6	AASB 3: Business Combinations	No change, no impact	01-Jan-06	01-Jul-06
2005-10	AASB 139: Financial Instruments: Recognition and Measurement	No change, no impact	01-Jan-07	01-Jul-07
	AASB 101: Presentation of Financial Statements	No change, no impact	01-Jan-07	01-Jul-07
	AASB 114: Segment Reporting	No change, no impact	01-Jan-07	01-Jul-07
	AASB 117: Leases	No change, no impact	01-Jan-07	01-Jul-07
	AASB 133: Earnings per Share	No change, no impact	01-Jan-07	01-Jul-07
	AASB 132: Financial instruments: Disclosure and Presentation	No change, no impact	01-Jan-07	01-Jul-07
	AASB 1: First-time Adoption of AIFRS	No change, no impact	01-Jan-07	01-Jul-07
	AASB 4: Insurance Contracts	No change, no impact	01-Jan-07	01-Jul-07
	AASB 1023: General Insurance Contracts	No change, no impact	01-Jan-07	01-Jul-07
	AASB 1038: Life Insurance Contracts	No change, no impact	01-Jan-07	01-Jul-07
New Standard	AASB 7: Financial Instruments: Disclosure	No change, no impact	01-Jan-07	01-Jul-07

All other pending Standards issued between the previous 2005 financial report and the current 2006 reporting dates have no application to the Company.



CORPORATE DETAILS

The registered office of the economic entity is:-

Diagonal Road
POORAKA South Australia 5095

The principal place of business of economic entity is:-

Diagonal Road
POORAKA South Australia 5095

CORPORATE DIRECTORY

DIRECTORS

Mr Desmond Lilley (Chairman)
Mr David Schirripa (Deputy Chairman)
Mr Pasquale Scalzi
Mr Frank Merenda
Mr Daniele De Ieso
Mr Savas Christodoulou
Mr Antonio Capobianco
Mr Allen Baulderstone
Mr David Trosti

SECRETARY

Mr Angelo Demasi

REGISTERED OFFICE

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Facsimile : 08 8349 6574
Internet site : www.adelaidemarkets.com.au

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Chartered Accountants
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BANKER

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ADELAIDE South Australia 5000

SOLICITORS

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Cowell Clarke
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SHARE REGISTRAR

David Garry & Associates
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