



# **ANNUAL REPORT 2011**



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 91<sup>st</sup> Annual General Meeting of the Shareholders of Denmark Co-operative Company Limited will be held at the Denmark Country Club, Denmark on Wednesday, 28 September 2011 at 7:30 p.m.

### ORDINARY BUSINESS

1. To approve the Minutes of the 90<sup>th</sup> Annual General Meeting.
2. To receive and consider:
  - the Report of the Directors for the year ended 30 April 2011;
  - the Balance Sheet as at 30 April 2011;
  - the Profit and Loss Statement for the year ended 30 April 2011; and
  - the Report of the Auditors for the year ended 30 April 2011.
3. To declare that no dividend shall be paid on A Class Shares for the year ended 30 April 2011.
4. To consider and, if thought fit, pass the following resolution:

“That Anderson Munro & Wyllie, Chartered Accountants, being eligible for appointment, be appointed Auditors and that the Directors be authorised to fix the Auditors’ remuneration.”
5. To elect Directors. In accordance with Article 37, the following Directors retire by rotation and, being eligible for reappointment, offer themselves for re-election:

Mr A.A. Wilson  
Mr P. Wilson
6. To fix the remuneration of the Directors at a maximum aggregate amount of \$15,000.
7. To transact such other business as may be legally brought forward or which is brought under discussion by the Chairman’s Report on behalf of the Directors.

### SPECIAL BUSINESS

8. To receive a report from the Board on registering Denmark Co-operative under the Co-operatives Act 2009 (WA).
9. To receive a unanimous recommendation from the Directors that members vote in favour of both Special Resolutions 1 and 2.
10. To receive the Disclosure Statement approved by the Registrar of Co-operatives in accordance with the Co-operatives Act 2009 section 16.
11. To consider and, if thought fit, pass the following resolutions as special resolutions in accordance with the Co-operatives Act 2009 section 22(3):

#### Special Resolution 1

“That, subject to the approval of Special Resolution 2, the Board apply to the Registrar of Co-operatives to have the registration of Denmark Co-operative Company Limited transferred from the Companies (Co-operative) Act 1943 to the Co-operatives Act 2009 (the “Act”) in accordance with section 22(1)(a) of the Act.”



## **Special Resolution 2**

“That, subject to the approval of Special Resolution 1, the application to register Denmark Co-operative Company Limited under the Co-operatives Act 2009 be based on the Rules approved by the Registrar of Co-operatives under section 17 of the Act.”

## **Background Information**

The reason for proposing the Special Resolutions is to transfer Denmark Co-operative's incorporated status to the Co-operatives Act 2009 prior to the repeal of the Companies (Co-operative) Act 1943 on 31 August 2012.

The Board has consulted with the Department of Commerce and Co-operatives WA on the transition requirements of the 2009 Act, resulting in the Registrar's approval having been obtained for a set of rules that are compliant with the Act.

Passing the above special resolutions will have the following consequences:

1. Your Board will proceed with an application to have Denmark Co-operative registered under the Co-operatives Act 2009;
2. On registration under the Co-operatives Act 2009:
  - the Registrar of Co-operatives will cancel the registration of Denmark Co-operative Company Limited under the Companies (Co-operative) Act 1943;
  - the Memorandum and Articles of Association registered under the Companies (Co-operative) Act 1943 will cease to apply;
  - Denmark Co-operative's incorporation will be subject to the Co-operatives Act 2009; and
  - the Rules as approved by Special Resolution 2 will come into effect.

The business of the meeting is a matter of corporate governance and will not affect the retail and merchandising operations of Denmark Co-operative.

The approved Rules referred to in Special Resolution 2 can be inspected at Denmark Co-operative's office during normal business hours.

All of the Directors have indicated that they intend to vote in favour of both Special Resolutions.

By Order of the Board

Chris Langslow, CEO and Secretary

Denmark, 31 August 2011

Note:

The Co-operatives Act 2009 requires both Special Resolutions to be approved by a 2/3rds majority of members choosing to vote.



## THE BOARD OF DIRECTORS

The Directors of the Company during the financial year under review were:

Mr A.A. Wilson	-	Chairman
Mr D.D. Sheed	-	Member
Mr S. Hawks	-	Member
Mr P. Middleton	-	Member
Mr P. Wilson	-	Member

There were 12 meetings of the Board during the year under review. The attendance of the Directors at those meetings was as follows:

<b>Name</b>	<b>Board Meetings</b>
Mr A.A. Wilson	11
Mr D.D. Sheed	11
Mr S. Hawks	11
Mr P. Middleton	12
Mr P. Wilson	9

## DIRECTORS' REPORT

### *Overview*

We are delighted to be able to report the Co-op's return to profitability for the first time since 2001. Whilst the year's net profit, at around \$9,000, is modest, it is net of almost \$18,000 in discounts and credits provided to shareholders under our newly introduced Member Shopper Benefit Scheme. The Board welcomes these results and the re-invigoration of the Co-op's business that has generated them, while recognising that there remains considerable scope for further improvements at many levels.

Once again the Department Store has led the way in trading improvement, as word-of-mouth, local advertising and ever-improving floor and window display have increased local awareness of what Denmark now has to offer the discerning and price-conscious shopper. Rural & Hardware worked hard to achieve a steady performance again, despite increasingly difficult market conditions.

The Karri Hi Shell service station continued, despite our best efforts, to make losses in a chronically over-supplied retail fuel market. The Co-op's lease on the Karri Hi premises came to an end shortly after the year end and the lease was not renewed by the landlord. As a result, the business has been terminated. We thank the staff who laboured away and to our fuel customers who supported Karri Hi over the years.



Well done, again, to the Co-op's staff, whose customer service skills, product knowledge and plain hard work make such a vital contribution to the viability of the Co-op. Thank you to our Administration team who make the business function so smoothly. And thank you to our Chief Executive who continues to navigate the Co-op back to success.

### ***Hardy Street***

In our report last year, we looked forward to the prospect of construction of the retail development at Hardy Street commencing in early 2011. Plainly, this has not happened and we are, again, frustrated by the latest delay brought on by unresolved planning conditions. This time, the issue revolves around road lay-out. Our partners in the development, the Castelli Group, continue to engage with Main Roads Department and Denmark Shire in an effort to achieve a mutually acceptable resolution as soon as possible.

### ***Co-operatives Act 2009***

WA's new Co-operatives Act 2009 became law in 2010 and all co-operatives are required to approve resolutions to re-register under this legislation by August 2012. As foreshadowed in our report last year, the Denmark Co-op is embarking on this process this year. Members are being asked to consider and, if thought fit, approve special resolutions at the upcoming AGM in order for re-registration to occur. Your attention is drawn to the special resolutions set out in the Notice of Meeting - Special Business at the front of this Report, together with the Disclosure Statement which accompanies this Report.

In particular, members should note that the new Rules of the Co-op, which would, if approved, take the place of our existing Memorandum and Articles of Association, require a member to purchase from the Co-op not less than \$250 of goods and services each year. **The Directors will be required by law to cancel the membership of any member who does not shop with us to that value or whose whereabouts are unknown to us for a full year.**

The Board has no wish to cancel memberships in coming years and would much prefer to have an active body of members who are well known to us through their regular trading with us; this is, after all, what a co-operative is all about. Accordingly, all members are urged to review their activity with us and to ensure that any changes of address are promptly notified to our Company Secretary.

### ***Member Shopper Benefit Scheme***

The introduction, on 1 November 2010, of the Member Shopper Benefit Scheme was intended to reward members for shopping at the Co-op in a way which allowed us to track that spending. In light of the upcoming compulsory "activity test", it is in the interest of both the Co-op and its members for members' shopping to be recorded as such in our systems. We have been very happy with how successful the Scheme has been, not only in re-



energising the existing membership base but also in helping to stimulate new membership applications.

Welcome, then, to the large number of new members who joined this year. Thanks to all our members, recent and not-so-recent, whose active engagement in the Co-op is the reason for our existence.

### **The Directors**

Denmark Co-operative Company Limited

## **CHIEF EXECUTIVE'S REPORT**

I ended last year's report by looking forward to "another important year in the Co-op's return to fortune". I am delighted that the year delivered on its early promise and that I can now analyse a retained profit for the period.

On a consolidated basis, sales rose very modestly again, by only 1% to \$3.6 million, but gross profit rose by 5% to \$820,767. Wage costs rose by only 4%, broadly in line with inflation, while operating expenses fell by another 10%. These improvements resulted in a net profit of \$8,789 compared to a net loss of \$43,841 in the previous year, and a net profit before interest of \$134,052.

This result is cheering. Many challenges remain and we know only too well that there is endless scope for continuing improvement in the business. Yet it is immensely encouraging that the persistent, focused and energetic effort of all our staff has been promptly rewarded by positive results. By putting its energies into finding how to improve its level of service, the Co-op has made good progress even in quite depressed market conditions.

Some commentary on a departmental basis is helpful to understand the make-up of the year's result:

### **Department Store**

The Department Store continued to perform well. Sales grew year-on-year by 14%, resulting in a 14% increase in trading profit to \$146,613. This was a particularly pleasing result given that wage costs rose by 16% during the year as we increased the level of staffing in the store to cope with customer volume. We continue to receive encouraging feedback from shoppers about the Department Store's look and feel, its product range and the staff's excellent service.

### **Rural & Hardware**

Rural & Hardware struggled to hold its own during a year that started well but turned down in the second half. The full year result was also adversely affected by the recognition of two significant charges against profits that



emerged from much earlier financial years. These contributed to a decline in trading profit to \$100,758, on largely unchanged sales of around \$1.9 million. Our staff continues to devote significant energy into the improvement of the Rural & Hardware business, both in terms of our product range and the physical appearance of the store.

### **Karri Hi Shell**

Karri Hi made a trading loss of \$19,108 during the year, as Denmark's competitive landscape for service stations continued to divide total market revenue into unsustainably small shares. Shortly after the end of the financial year, our lease on Karri Hi expired and the landlord did not renew. As a result, we terminated the business in May 2011.

### **Administration and Central Overheads**

Our smoothly functioning Administration team managed to increase its efficiency this year, resulting in wage costs that fell year-on-year by 5%. This was achieved even after the recognition of a significant charge for pay roll tax that emerged from much earlier financial years. Improved processes around the year-end stocktake significantly contributed to this increased efficiency.

On the income side, a full year of revenue was received from both the Denmark Pharmacy lease and the CashCard ATM lease, which boosted our recurring income when compared with last year's part-year contribution.

Overall, the net costs of Administration and Central Overheads fell by 27% to \$219,474, an excellent performance.

### ***Current year trading***

The first four months of the current year has shown a continuation of the trends that developed last year. The Department Store continues to trade strongly, while Rural & Hardware is encountering tough market conditions. Uncertain economic conditions and low levels of consumer confidence will, no doubt, ensure that we have to continue to work hard and imaginatively to consolidate the recent progress that the Co-op has made.

Thankfully, we continue to benefit from the efforts of an excellent team of staff members. Their hard work and customer service ethos make the Co-op what it is and drive our improvements.

**Chris Langslow**  
Chief Executive Officer



**BALANCE SHEET as at 30 APRIL 2011**

	Note	2011 \$	2010 \$
<b>AUTHORISED CAPITAL</b>			
20,000,000 Shares of 50 cents each		<u>10,000,000</u>	<u>10,000,000</u>
<b>ISSUED CAPITAL</b>			
637,084 (2010: 626,628) Ordinary Shares of 50 cents each		318,542	313,314
51,194 (2010: 50,200) Preference Shares of 50 cents each		25,597	25,100
<b>RESERVES</b>			
Asset Revaluation Reserve		1,123,531	1,123,531
Forfeited Share Reserve		(1,290)	(1,290)
Profit & Loss Appropriation Account		<u>(695,926)</u>	<u>(704,723)</u>
<b>SHARE CAPITAL &amp; RESERVES</b>		<u><u>770,454</u></u>	<u><u>755,932</u></u>
<b>CURRENT ASSETS</b>			
Trade Debtors		191,742	168,224
<u>Less</u> Provision for Doubtful Debts		<u>(500)</u>	<u>(26,750)</u>
		191,242	141,474
Stock on Hand	<b>3</b>	614,153	590,274
Prepayments		4,198	-
Cash at Bank		15,308	5,052
Cash on Hand		<u>4,300</u>	<u>4,300</u>
		<u>829,201</u>	<u>741,100</u>





**BALANCE SHEET as at 30 APRIL 2011**

	Note	2011 \$	2010 \$
<b>CURRENT LIABILITIES</b>			
Trade Creditors		199,376	228,467
Other Creditors		81,828	24,001
Provision for Long Service Leave		8,227	-
Provision for Holiday Pay		3,834	6,566
Unclaimed Monies		-	6,205
Debentures	6	1,170,314	596,869
Accrued Debenture Interest		-	61,399
Provision for Income Tax		-	(1,044)
		1,463,579	922,463
<b>WORKING CAPITAL</b>		(634,377)	(181,363)
<b>FIXED ASSETS</b>			
Land & Buildings at Revaluation		1,811,310	1,811,310
Plant & Vehicles at Cost		238,389	258,236
		2,049,699	2,069,546
Provision for Depreciation		(175,874)	(184,809)
		1,873,825	1,884,737
<b>INVESTMENTS (at Cost)</b>	4	20,392	20,392
<b>TOTAL FIXED ASSETS</b>		1,894,217	1,905,129
<b>NON-CURRENT LIABILITIES</b>			
Debentures	6	339,496	817,834
Long Term Bank Loan	5	149,890	150,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		489,386	967,834
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		770,454	755,932



**PROFIT & LOSS STATEMENT  
YEAR ENDED 30 APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Gross Profit on Trading	758,892	744,401
Interest	3,171	3,339
Profit on Sale of Assets	1,816	-
Other Income	48,573	26,648
Sundry Income	8,315	5,091
	<hr/>	<hr/>
	820,766	779,479
<b>EXPENSES</b>		
Accounting & Audit	7,066	14,839
Advertising	8,824	10,223
Bad Debts	-	414
Bank Charges	16,508	18,580
Banking Arrangement Costs	-	3,624
Computer & IT	6,961	7,866
Cleaning	6,703	6,802
Dead & Damaged	444	382
Depreciation	11,824	15,439
Directors' Fees	1,414	1,300
Directors' Meeting Costs	68	106
Donations	-	14
Doubtful Debts	(26,250)	26,250
Electricity	8,594	8,238
Equipment Hire	375	460
Franchise Fees	9,945	8,403
General	5,379	3,523
Insurance	15,698	13,716
Interest on Debentures	105,943	98,611
Interest - Other	19,318	11,594
Legal Fees	644	(25,006)
Licences	753	551
Long Service Leave & Redundancy	8,228	-
Motor Vehicle	11,182	9,170
Payroll Tax	11,244	-
Postage	3,077	4,443
Printing & Stationery	3,864	7,428
Rates & Taxes	12,102	9,550
Rent	30,158	31,851
Repairs & Maintenance	2,422	4,919



**PROFIT & LOSS STATEMENT  
YEAR ENDED 30 APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Rubbish Removal	1,917	2,609
Security	1,013	1,046
Staff Amenities	563	678
Subscriptions	833	900
Superannuation	42,308	45,545
Telephone	9,619	10,076
Training Staff	765	771
Wages	463,509	458,040
Workers Compensation Insurance	8,955	10,365
	<hr/>	<hr/>
	811,969	823,319
	<hr/>	<hr/>
<b>NET PROFIT/( LOSS) FOR THE YEAR</b>	<b>8,797</b>	<b>(43,841)</b>
	<hr/> <hr/>	<hr/> <hr/>

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>After including</b>		
Interest Received	3,171	3,339
<b>After charging</b>		
Audit Fees	6,066	10,038
Bad Debts	-	414
Depreciation	11,824	15,439
Directors' Fees	1,414	1,300
Donations	-	14
Interest (incl. Debentures)	125,261	110,205
Repairs & Maintenance	2,422	4,919
<b>Less income tax expense</b>		
	<hr/>	<hr/>
	8,797	(43,841)
<b>Balance Forward at start of year</b>	<hr/>	<hr/>
	(704,723)	(660,882)
<b>Balance at end of year</b>	<hr/>	<hr/>
	(695,926)	(704,723)
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2011**

**1. Statement of accounting policies**

(a) This is not a general purpose financial report. It is a special purpose report prepared for the members of the Company to enable compliance with the requirements of the Companies (Co-operative) Act 1943-1976 and the Income Tax Assessment Act.

The accounts have been prepared in accordance with the requirements of the Companies (Co-operative) Act 1943-1976 including the disclosure requirements of that Act.

The Company is of a type identified in Statement of Accounting Concepts 1 as a non-reporting entity. No regard has been paid to other Statements of Accounting Concepts or Accounting Standards in the preparation of this report.

The accounts have been prepared from historical cost records, except where stated otherwise. The accrual and going concern basis of accounting have been adopted.

(b) Depreciation of fixed assets

Depreciation on buildings, plant and motor vehicles has been provided for on a diminishing value basis, so as substantially to write off the cost of the assets over their effective working life.

(c) Income tax

The charge for income tax in the profit and loss statement has been calculated by applying the current rate of income tax to the estimated taxable income.

(d) Going concern

The Company has incurred a net profit of \$8,797 for the year to 30 April 2011 (2010: \$43,841 net loss). At the balance sheet date, the Company had a deficiency in working capital of \$634,377 (2010: \$181,363). The Directors believe that preparing the financial reports on the going concern basis is warranted as in prior years the majority of the holders of Debentures have rolled forward their holdings and have not redeemed them.

<b>2. Revenue</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Sales revenue	3,600,224	3,581,384
Other operating revenue:		
Dividends, interest, rental income, etc.	61,874	35,078



### 3. Stock on hand

Stock on hand has been valued at the lower of cost and net realisable value. The auditors did not attend the physical stocktake and have accepted the existence and value of stock under a certificate supplied by management.

### 4. Investments

Investments have been included at the cost of each investment.

### 5. Banking facility

Banking arrangements include a Business Overdraft Facility for \$150,000, a Bank Guarantee for \$50,000 and a long term loan of \$150,000, all secured against property, assets and undertaking of the Company.

### 6. Debentures

Maturity Date	Interest Rate	Principal Amount	Totals	
30/04/2012	3.75%	2,152.81		
	4.00%	8,799.84		
	5.25%	4,724.42		
	5.70%	25,746.11		
	6.00%	14,552.87		
	7.00%	208,156.17		
	7.20%	6,590.80		
	7.50%	166,431.38		
	7.80%	290,985.60		
	7.90%	103,917.53		
	8.00%	338,256.00	1,170,314	78%
30/04/2013	7.00%	10,761.96		
	7.20%	9,074.71		
	7.30%	55,979.00		
	8.00%	28,470.52		
	8.50%	65,100.00	169,386	11%
30/04/2014	4.00%	3,237.00		
	7.20%	9,880.69		
	7.40%	51,834.79		
	7.80%	5,053.42	70,006	5%
30/04/2016	8.00%	100,103.61	100,104	6%
Total			1,509,810	100%

### 7. Subsequent events

The Directors are unaware of any material subsequent events after the balance sheet date.







## SECRETARY'S CERTIFICATE

I, Christopher Langslow, Secretary of Denmark Co-operative Company Limited, hereby certify that:

1. the reserves of the Company are used in the business;
2. the accompanying Profit and Loss Statement and Balance Sheet are, to the best of my knowledge and belief, true in every particular; and
3. the names and occupations of persons who were Directors of the Company at the date of the Statement are:

ALBERT ANTHONY WILSON	DENMARK	RETIRED
DONALD DAVID SHEED	DENMARK	FARMER
PHILIP MIDDLETON	DENMARK	FARMER
PETER WILSON	DENMARK	BUSINESS PROPRIETOR
STEPHEN HAWKS	DENMARK	FARMER

19 August 2011

Christopher Langslow

## DIRECTORS' CERTIFICATE

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Directors declare that:

1. the financial statements and notes present fairly the Company's financial position as at 30 April 2011 and its results for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial report;
2. in the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

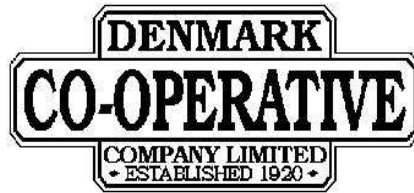
This declaration is made in accordance with a resolution of the Directors.

19 August 2011

Tony Wilson

Don Sheed





**DENMARK CO-OP'S STAFF MEMBERS**

CEO and Company Secretary	Chris Langslow
<b><u>Rural &amp; Hardware</u></b>	
Joint Department Heads	Dave Carter Ros Criddle
Customer Service	Danny Hedley Grant Moulden Janine Bell
LPG and Delivery	James Alpers
<b><u>Department Store</u></b>	
Department Head	Vivian Herbert
Electricals and White Goods	Deborah McNamara
<b><u>Administration &amp; Accounts</u></b>	
Financial Controller	Ary Clarke
Admin Assistants	Kerri McCaul Dallas Newcombe



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**PROXY FORM**

The Secretary  
 Denmark Co-operative Company Limited  
 Strickland Street  
 DENMARK, WA 6333

I/We .....  
 (Full Name – Block Letters)

of .....

being a Member/Members of Denmark Co-operative Company Limited, hereby  
 appoint as my/our proxy

.....  
 (Name of Proxy)

of .....

**OR** failing such person, or if no such person is designated, the Chairman of the  
 Meeting

to vote on my/our behalf at the Annual General Meeting of Denmark Co-operative  
 Company Limited to be held on Wednesday 28 September 2011 and at any  
 adjournment thereof.

**I/We direct my/our proxy to vote in respect of each resolution to be considered  
 as indicated with an “X” below i.e. as a *directed proxy*, and to vote or abstain in  
 respect of any procedural resolution as my/our proxy thinks fit.**

<b>Ordinary Resolutions:</b>	<b>FOR</b>	<b>AGAINST</b>
1. To receive and approve Reports	( )	( )
2. To appoint Auditors	( )	( )
3. To fix the Directors' remuneration	( )	( )

<b>Special Resolution 1</b>	<b>FOR</b>	<b>AGAINST</b>
That, subject to the approval of Special Resolution 2, the Board apply to the Registrar of Co-operatives to have the registration of Denmark Co-operative Company Limited transferred from the Companies (Co-operative) Act 1943 to the Co-operatives Act 2009 (the <b>Act</b> ) in accordance with section 22(1)(a) of the Act.	<input style="width: 100px; height: 40px;" type="checkbox"/>	<input style="width: 100px; height: 40px;" type="checkbox"/>



**Special Resolution 2**

**FOR**

**AGAINST**

That, subject to approval of Special Resolution 1, the application to register Denmark Co-operative Company Limited under the Co-operatives Act 2009 be based on the Denmark Co-operative Company Limited Rules approved by the Registrar of Co-operatives under section 17 of the Act.

If no direction is given above this is an *open proxy* and I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of each resolution (including any procedural resolution) to be considered by the meeting and any adjournment of the meeting.

Dated .....2011

\_\_\_\_\_  
Sole Member  
Please clearly print name

\_\_\_\_\_  
Joint Member (if required)  
Please clearly print name

\_\_\_\_\_  
Signature of Director/Sole Director and Secretary

\_\_\_\_\_  
Signature of 2<sup>nd</sup> Director or Secretary

Signed in accordance with Section 127 of the Corporations Act or by an authorised officer in accordance with the constitutional document if the member is incorporated under a law other than the Corporations Act.

**INSTRUCTIONS FOR THE APPOINTMENT OF PROXIES**

1. "Active" Members who are entitled to attend and vote at this Meeting of the Company are entitled to appoint an individual or a body corporate as their proxy to vote on their behalf.
2. A proxy must be a Member who is entitled to attend and vote in his/her own right, except for a corporation (whether a Member or a proxy for a Member) which may by resolution of its directors appoint one of its officers to act as its representative.
3. Members who are companies must execute this proxy in accordance with the Corporations Act 2001. Other incorporated entities must sign in accordance with their constitution. If the proxy is the member's attorney, the document under which the attorney was appointed must be presented to Denmark Co-operative with or prior to lodging this Proxy Form. Proxy Forms must be lodged at least 48 hours prior to the meeting.

Your attention is also drawn to the following Article of the Company's Articles of Association with regard to the upcoming Annual General Meeting, which covers who can attend and vote at the Meeting:

Article 32: Every member qualified to vote shall have equal voting power irrespective of the number of shares held by him. Where there are joint registered holders of any share the member whose name stands first in the register in respect of such share shall alone be entitled to a vote in respect thereof but the other joint holders shall be entitled to be present at the meeting.