



**ANNUAL REPORT  
2012**



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 92<sup>nd</sup> Annual General Meeting of the Members of Denmark Co-operative Company Limited will be held at the Denmark Country Club, Denmark on Wednesday, 26 September 2012 at 7:30 p.m.

### ORDINARY BUSINESS

1. To approve the Minutes of the 91<sup>st</sup> Annual General Meeting.
2. To receive and consider:
  - the Report of the Directors for the year ended 30 April 2012;
  - the Balance Sheet as at 30 April 2012;
  - the Profit and Loss Statement for the year ended 30 April 2012; and
  - the Report of the Auditors for the year ended 30 April 2012.
3. To declare a dividend of zero % on Ordinary Shares for the year ended 30 April 2012.
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 Rule 55.2, Mr D.D. Sheed retires by rotation and, being eligible for reappointment, offers himself for re-election.
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.

By Order of the Board

Denmark, 29 August 2012

**Chris Langslow**  
Chief Executive and Company Secretary



## 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 and an additional special meeting. The attendance of the Directors at those meetings was as follows:

Name	Board Meetings	Special Meeting
Mr A.A. Wilson	11	1
Mr D.D. Sheed	11	0
Mr S. Hawks	12	0
Mr P. Middleton	12	1
Mr P. Wilson	9	1

## DIRECTORS' REPORT

### *Overview*

For the second consecutive year, we are pleased to report that the Co-op earned a retained profit. This year, we made a profit of \$66,457 (2011: \$8,797), after almost \$32,000 in discounts and credits provided to members in the first full year of our Member Shopper Benefit Scheme. The Board is delighted that last year's profit did not represent a "flash-in-the-pan" and that the re-invigoration of the Co-op's business through continuous improvement has continued to translate into better results.

The Department Store has continued to delight both us and our customers, showing strong growth in sales and profitability. Rural & Hardware recovered well from a sustained period of depressed market conditions and ended up achieving a highly creditable trading profit. The results of both businesses testify to the good things that can be achieved by a dedicated and imaginative team, prepared to put in the hard work.

Our Administration team did even better this year for less, a remarkable achievement. Congratulations to them. And thank you again to our Chief Executive who steers the ship, while identifying and executing new initiatives that have scope to bring improvement to the business and to members.



Two examples of such initiatives this year stand out:

#### Solar power installation

In early 2012, the Co-op installed a 15kW solar panel system on the Co-op's roof. This is one of the largest such systems in the Great Southern region and is already going a long way to reducing the Co-op's electricity expenses.

#### Arrangement with WFI

During the year, the Co-op entered into an agreement with WFI, our long-standing business insurer, by which the Co-op has become a sales associate of WFI. The Co-op now receives commission from WFI where a successful referral is made on most types of new insurance policies. The Co-op pays half of the first year's commission to the customer. The Co-op has already circulated details of this offer to all of our members. Very much a win-win.

#### ***Hardy Street***

On a less uplifting note, yet another year has passed in regulatory gridlock concerning road lay-out. Our lead partner in the development, the Castelli Group, has been frustrated in its efforts to achieve any progress with Main Roads Department and Denmark Shire. We continue to hope that those with powers of regulation over such matters will become more responsive. In the meantime, we remain extremely grateful to those members who continue patiently to provide the essential capital to the Co-op in the form of debentures.

#### ***Re-registration under the Co-operatives Act 2009***

The Co-op successfully re-registered under the Co-operatives Act 2009 in October 2011. Sincere thanks to the excellent support provided by Co-operatives WA, our industry association, in steering us through the requirements of the legislation, and congratulations to our Company Secretary for implementing a smooth and seamless transition.

Members should remember that the Co-op's Rules require members to purchase from the Co-op not less than \$250 of goods and services each year and to keep the Co-op informed of their whereabouts. **The Directors are required by law on 30 April each year to cancel the membership of any member who has not shopped with us to that value or whose whereabouts have been unknown to us for a full year.**

The first such cancellations were carried out as at 30 April 2012. This followed a sustained program of courtesy reminders to affected members from our Chief Executive throughout the year. Inevitably, given how long the Co-op has been in existence, a large number of memberships had fallen into permanent inactivity over the years. This first review of memberships was therefore a very extensive task and involved many weeks of sustained company secretarial work. The end result is that, at the time of writing, the



Co-op has 983 members all of whom trade with the Co-op – something that we would not have been able to say about our membership for many a year.

### ***New Memberships***

The Member Shopper Benefit Scheme, introduced on 1 November 2010, has continued to re-energise our existing membership base and to help to stimulate new membership applications. Around \$32,000 of discounts and credits were earned by members this year by shopping with us. We are delighted to report that, out of our 983 current members, 166 have joined through the purchase or transfer of shares since 1 November 2010.

Having 17% new members is a sure sign of an invigorated and newly vibrant co-op, whose continued existence remains meaningful to the community in which it operates. We are accordingly heartened by this indication of health and we look forward to another year in which we continue to justify our existence by providing to our members the goods and services that they need.

### **The Directors**

Denmark Co-operative Company Limited

## **CHIEF EXECUTIVE'S REPORT**

It is cheering to be able to report on another retained profit, especially when it was achieved in a year of such challenging trading conditions. A good result, hard-won.

On a consolidated basis (and excluding Karri Hi from the comparison, as it was discontinued three weeks into the year), gross profit on our continuing businesses rose by 4%. Wage costs rose by only 2%, reflecting continuing efficiency gains, while operating expenses rose by 4%. Taken together with the book profit from the significant activity on the share register, this resulted in a net profit for our continuing businesses of \$69,422 compared to \$27,897 in the previous year, and a net profit before interest of \$194,685.

I am encouraged by what this second year of profitability indicates about the sustainability of our business model as currently configured and in the absence of significant changes in the competitive landscape. We now have two strong and profitable retail configurations, the Department Store and Rural & Hardware, supplemented by rental income streams, which together more than cover fixed overheads and the interest cost of financing our balance sheet. It is invigorating to work on continuous improvements (and there are many still to be made) to healthy businesses.



Given the changes to the composition of the Co-op's consolidated operations, an analysis of the comparative performance of our continuing operations will be helpful:

### **Department Store**

The Department Store had another good year, with almost every month setting a new trading record. Sales grew year-on-year by 10%, resulting in an 8% increase in trading profit to \$157,677. Once again, this was achieved even after an increase in wage costs of 16% during the year, reflecting in part the introduction of Sunday morning trading. The Department Store is continuing to gain new shoppers, impressed with its extensive and imaginative – sometimes even quirky - product range, its excellent pricing and the staff's outstandingly friendly and diligent service.

### **Rural & Hardware**

Rural & Hardware did well to hold its own during a year of very tough market conditions. The decline in the latter half of last year actually worsened in the first four months of this year. Conditions flattened out up to Christmas, and it was only in January that we started to see a return to monthly year-on-year growth. Thankfully, in the final part of the year we made up much of the ground that had been lost, as a result of which gross profit for the year ended up 3%. After a 5% increase in the wages bill and flat operating expenses, trading profit for the year at \$98,944 was very close to last year's result.

Our LPG supplier changed hands during the year, with Elgas buying out Gas Cylinders Australia and taking over their trading relationship with us. This has meant changes for us and for our customers, and like all change this has sometimes been challenging. The end result, however, has been very positive. Elgas has invested strongly in the growth of its (and our) Denmark business and the benefits are plain to see; new signage, generous new customer promotions, an excellent range of keenly priced gas appliances and WA's first store-within-store gas appliance showroom, all while maintaining competitive LPG pricing for our customers. We enthusiastically welcome this kind of active engagement by our trading partners.

We have continued to work on improving the physical appearance of the store, finally completing a long-overdue make-over of the point-of-sale area. Customers will also have noticed further improvements, with a whole store re-lay now in train. This will involve multiple manageable steps over the coming year, but already marked improvements are evident.



## **Karri Hi Shell**

As reported last year, we terminated the business of Karri Hi Shell in May 2011, upon the expiry and non-renewal of our lease. A trading loss of \$2,974 (2011 loss: \$19,108) resulted from the short period of winding down the business and from closure and decommissioning costs. All of our business assets were successfully either sold or redeployed.

## **Administration and Central Overheads**

Our Administration team found new ways to increase efficiency this year, and wage costs fell by another 10% year-on-year. This partly reflected the administrative time savings from the discontinuation of Karri Hi Shell, but it also represented the benefits of having an experienced and diligent team who know their jobs well and are always finding better ways of working.

Total administrative operating expenses were much the same as last year. Upward cost pressure from rates and taxes, insurance and electricity, together with the mailing costs from a regular stream of communications with inactive members, were mitigated by savings in most other overhead categories. Bank interest costs fell year-on-year as our need to make use of overdraft funding reduced considerably.

Overall, the net costs of Administration and Central Overheads fell by 15% to \$187,199, another excellent performance.

## ***Current year trading***

The current year has started well. The Department Store continues to grow from strength to strength, and Rural & Hardware is trading significantly more strongly than at the same time last year. All the while, continuous improvements are being made throughout the store, and further savings in overheads are being implemented. Against this background, I am optimistic about the prospects for another relatively successful year.

As ever, neither the Co-op's strong performance nor its significant improvements would have been possible without the marvellous team that we have here. It is any management's dream to have staff who are so willing, skilled and enthusiastic.

**Chris Langslow**  
Chief Executive



**BALANCE SHEET as at 30 APRIL 2012**

	Note	2012 \$	2011 \$
<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>			
492,444 (2011: 637,084) Ordinary Shares of 50 cents each		246,222	318,542
40,296 (2011: 51,194) Preference Shares of 50 cents each		20,148	25,597
<b>RESERVES</b>			
Asset Revaluation Reserve		1,123,531	1,123,531
Forfeited Share Reserve		(1,290)	(1,290)
Profit & Loss Appropriation Account		<u>(631,242)</u>	<u>(695,926)</u>
<b>SHARE CAPITAL &amp; RESERVES</b>		<u><u>757,369</u></u>	<u><u>770,454</u></u>
<b>CURRENT ASSETS</b>			
Trade Debtors		122,041	191,742
<u>Less</u> Provision for Doubtful Debts		<u>(500)</u>	<u>(500)</u>
		121,541	191,242
Stock on Hand	<b>3</b>	625,400	614,153
Prepayments		3,229	4,198
Cash at Bank		3,860	15,308
Cash on Hand		<u>3,800</u>	<u>4,300</u>
		<u>757,830</u>	<u>829,201</u>





**BALANCE SHEET as at 30 APRIL 2012**

	Note	2012 \$	2011 \$
<b>CURRENT LIABILITIES</b>			
Trade Creditors		135,021	199,376
Other Creditors		76,643	81,828
Provision for Long Service Leave		12,090	8,227
Provision for Holiday Pay		6,324	3,834
Debentures	6	582,936	1,170,314
Provision for Shareholder Expenses		15,000	-
Accrued Debenture Interest		2,099	-
		830,113	1,463,579
<b>WORKING CAPITAL</b>		(72,283)	(634,378)
<b>FIXED ASSETS</b>			
Land & Buildings at Revaluation		1,811,310	1,811,310
Plant & Vehicles at Cost		265,733	238,389
		2,077,043	2,049,699
Provision for Depreciation		(171,888)	(175,874)
		1,905,155	1,873,825
<b>INVESTMENTS (at Cost)</b>	4	20,392	20,392
<b>TOTAL FIXED ASSETS</b>		1,925,547	1,894,217
<b>NON-CURRENT LIABILITIES</b>			
Debentures	6	910,895	339,496
Long Term Bank Loan	5	185,000	149,890
<b>TOTAL NON-CURRENT LIABILITIES</b>		1,095,895	489,386
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		757,369	770,454



**PROFIT & LOSS STATEMENT**  
**YEAR ENDED 30 APRIL 2012**

		<b>2012</b>	<b>2011</b>
		<b>\$</b>	<b>\$</b>
<b>INCOME</b>			
Gross Profit on Trading	<b>2</b>	693,197	758,892
Other Operating Revenue	<b>2</b>	124,066	61,874
		<hr/>	<hr/>
		817,263	820,766
<b>EXPENSES</b>			
Accounting & Audit		8,880	7,066
Advertising		11,400	8,824
Bank Charges		8,992	16,508
Computer & IT		6,777	6,961
Cleaning		6,243	6,703
Dead & Damaged		1,087	444
Depreciation		9,937	11,824
Directors' Fees		2,246	1,414
Directors' Meeting Costs		78	68
Doubtful Debts		-	(26,250)
Electricity		5,834	8,594
Equipment Hire		375	375
Franchise Fees		10,497	9,945
General		3,455	5,379
Insurance		13,244	15,698
Interest on Debentures		112,592	105,943
Interest - Other		15,748	19,318
Legal Fees		900	644
Licences		635	753
Long Service Leave		4,287	8,228
Motor Vehicle		10,705	11,182
Payroll Tax		-	11,244
Postage		3,458	3,077
Printing & Stationery		4,701	3,864
Rates & Taxes		9,428	12,102
Rent		989	30,158
Repairs & Maintenance		1,715	2,422



**PROFIT & LOSS STATEMENT  
YEAR ENDED 30 APRIL 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Rubbish Removal	1,802	1,917
Security	483	1,013
Staff Amenities	757	563
Subscriptions	1,000	833
Superannuation	37,768	42,308
Shareholder Expenses	12,335	-
Telephone	8,867	9,619
Training Staff	268	765
Wages	425,760	463,509
Workers Compensation Insurance	7,563	8,955
	<u>750,806</u>	<u>811,969</u>
<b>NET PROFIT FOR THE YEAR</b>	<u><u>66,457</u></u>	<u><u>8,797</u></u>

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>After including</b>		
Interest Received	3,035	3,171
<b>After charging</b>		
Audit Fees	7,880	6,066
Depreciation	9,937	11,824
Directors' Fees	2,246	1,414
Interest (incl. Debentures)	128,340	125,261
Repairs & Maintenance	1,715	2,422
<b>Less income tax expense</b>	<u>-</u>	<u>-</u>
	66,457	8,797
<b>Balance Forward at Start of Year</b>	<u>(695,926)</u>	<u>(704,723)</u>
	(629,469)	(695,926)
Dividend Payment to Preference Shareholders	(1,773)	-
<b>Balance at End of Year</b>	<u><u>(631,242)</u></u>	<u><u>(695,926)</u></u>



**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2012**

**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 Co-operatives Act 2009 and the Income Tax Assessment Act.

The accounts have been prepared in accordance with the requirements of the Co-operatives Act 2009 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 \$66,457 for the year to 30 April 2012 (2011: \$8,797). However, at the balance sheet date, the Company had a deficiency in working capital of \$72,283 (2011: \$634,378). The Directors believe that preparing the financial report 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>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Sales Revenue	2,429,940	3,600,224
Less: Cost of Goods Sold	1,736,743	2,841,331
Gross Profit on Trading	<u>693,197</u>	<u>758,893</u>
Interest	3,035	3,171
Profit on Sale of Assets	51,280	1,816
Other Income	68,789	48,573
Sundry Income	962	8,315
Other Operating Revenue	<u>124,066</u>	<u>61,874</u>

### 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 and a long term loan of \$150,000, both secured against property, assets and undertaking of the Company.

### 6. Debentures

<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Total</b>
<u>Current</u>			
30/04/2013	4.00%	9,380.14	
	5.70%	10,000.00	
	6.90%	5,171.56	
	7.00%	177,088.63	
	7.25%	21,274.83	
	7.50%	214,272.70	
	7.80%	55,000.00	
	8.00%	30,748.16	
	8.50%	<u>60,000.00</u>	
Current Total			<u>582,936.02</u> 39%



## 6. Debentures (cont'd)

<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Total</b>	
<u>Non-current</u>				
30/04/2014	7.50%	16,107.48		
	7.80%	19,588.45		
	8.15%	<u>50,000.00</u>	85,695.93	6%
30/04/2015	3.75%	2,000.00		
	4.00%	1,218.32		
	5.25%	4,021.23		
	5.70%	10,454.90		
	7.80%	<u>80,054.61</u>	97,749.06	7%
30/04/2016	8.75%	<u>108,750.00</u>	108,750.00	7%
30/04/2017	7.80%	205,500.00		
	7.90%	100,000.00		
	8.00%	<u>313,200.00</u>		
			<u>618,700.00</u>	41%
Non-current Total			<u>910,894.99</u>	61%
Total			<u>1,493,831.00</u>	100%

## 7. Subsequent events

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



## Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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Phone: (08) 9445 9955 Fax: (08) 9445 9966

ABN 59 125 425 274

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*Liability limited by a scheme approved under Professional Standards Legislation*

### **DENMARK CO-OPERATIVE COMPANY LIMITED INDEPENDENT AUDIT REPORT TO THE MEMBERS**

#### **Scope**

We have audited the attached financial report, being a special purpose financial report of Denmark Co-operative Company Limited for the year ended 30 April 2012. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Co-operatives Act 2009 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Co-operatives Act 2009. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of 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 the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

#### **Qualification**

We have accepted the existence and value of stock on hand under a certificate provided by management of the company and we did not attend the physical stocktake.

#### **Qualified Audit Opinion**

In our opinion, subject to the above qualification,

- (a) we have obtained all information and explanations we required;



- (b) the balance sheet and profit and loss statement are properly drawn up in accordance with the Co-operatives Act 2009 as amended so as to give a true and correct view of the state of the company's affairs at 30 April 2012 and of the results of the business of the company for the period ended on that date as shown by the books of the company and are in accordance with the basis of accounting as set out in the notes to the accounts;
- (c) the register of members and other records which the company is required to keep under the Co-operatives Act 2009 as amended or by its rules have been properly kept; and
- (d) the amount provided for depreciation and bad and doubtful debts is sufficient.

**Material Uncertainty Regarding Continuation as a Going Concern**

Without further qualifying our opinion, we draw attention to Note 1(d) in the financial report which indicates that Denmark Co-operative Company Limited generated a net profit of \$66,457 for the year ended 30 April 2012 but cumulative net losses as at 30 April 2012 totalled \$631,242 (2011: \$695,926). As of that date, Denmark Co-operative Company Limited's current liabilities exceeded its current assets by \$72,283 (2011: \$634,378). These conditions, along with other matters as set forth in Note 1(d), indicate the existence of a material uncertainty which may cast significant doubt over Denmark Co-operative Company Limited's ability to continue as a going concern.

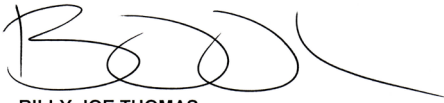
**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the members' financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose.

Dated this 14<sup>th</sup> day of August 2012 in Perth, Western Australia

**AMW (AUDIT) PTY LTD**

*Anderson Munro & Wyllie*  
**ANDERSON MUNRO & WYLLIE**  
Chartered Accountants

  
**BILLY-JOE THOMAS**  
Director





## 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

14 August 2012

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 2012 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.

14 August 2012

Tony Wilson

Don Sheed



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

Chief Executive & Company Secretary	Chris Langslow
<b><u>Rural &amp; Hardware</u></b>	
Joint Department Heads	Dave Carter Ros Criddle
Customer Service	Danny Hedley Grant Moulden Dean Logan Barry Ford
LPG and Delivery	James Alpers
<b><u>Department Store</u></b>	
Department Head	Vivian Herbert
Electricals and White Goods	Deborah McNamara Inga Wyssenbach
<b><u>Administration &amp; Accounts</u></b>	
Financial Controller	Ary Clarke
Admin Assistants	Kerri McCaul Deborah McNamara



**PROXY FORM**

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

I/We .....  
 (Full Name(s), including all Joint Members – 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 or a person nominated by the Chairman of the Meeting

to vote for me/us and on my/our behalf at the Annual General Meeting of Denmark  
 Co-operative Company Limited to be held on Wednesday 26 September 2012 and at  
 any adjournment of the Meeting.

**I/We direct my/our proxy to vote in respect of the following resolutions to be  
 considered as indicated with an “X” below, i.e. as a *directed proxy*, and to vote  
 or abstain from voting 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 declare a 0% dividend	( )	( )
3. To appoint Auditors	( )	( )
4. To fix the Directors' remuneration	( )	( )

If no direction is given above, this is an *open proxy* and I/we authorise my/our proxy  
 to vote or abstain from voting as my/our proxy thinks fit in respect of any and every  
 matter to be considered by the Meeting and any adjournment of the Meeting.

I/we acknowledge that proxy votes will only be counted if a matter is to be  
 determined by a poll or where expressly stated in the Rules.

Dated .....2012

\_\_\_\_\_  
 Signature of 1<sup>st</sup> Named Member

\_\_\_\_\_  
 Signature of 2<sup>nd</sup> Named Member



#### **INSTRUCTIONS FOR THE APPOINTMENT OF PROXIES**

1. 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.
2. Members who are companies must execute this proxy in accordance with the Corporations Act 2001 or by attorney. 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 at its registered office 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 Rule with regard to the upcoming Annual General Meeting, which covers who can attend and vote at the Meeting:

Rule 43.1: The right to vote attaches to membership and not shareholding. Joint members have only one vote between them. Every joint member is entitled to attend and be heard at a general meeting. In the event of a dispute between joint members as to which member will vote (subject to the grant of any proxy or power of attorney), the joint member whose name appears first in the register of members will vote.