



**ANNUAL REPORT**  
**2014**



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 94<sup>th</sup> Annual General Meeting of the Members of Denmark Co-operative Company Limited will be held at the Denmark Country Club, Denmark on Monday, 29 September 2014 at 7:30 p.m.

### **ORDINARY BUSINESS**

1. To approve the Minutes of the 93<sup>rd</sup> Annual General Meeting.
2. To receive and consider:
  - the Report of the Directors for the year ended 30 April 2014;
  - the Balance Sheet as at 30 April 2014;
  - the Profit and Loss Statement for the year ended 30 April 2014; and
  - the Report of the Auditors for the year ended 30 April 2014.
3. To declare a dividend of zero % on Ordinary Shares for the year ended 30 April 2014.
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 A.A Wilson and Mr P. Wilson retire by rotation and, being eligible for reappointment, offer themselves 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, 2 September 2014

**Chris Langslow**  
Chief Executive and Company Secretary



## THE BOARD OF DIRECTORS

The Directors of the Company during the financial year under review, and the number of meetings of the Board that they attended during the year, were:

Mr A.A. Wilson	-	Chairman	-	12 of 12 meetings
Mr D.D. Sheed	-	Member	-	11 of 12 meetings
Mr S. Hawks	-	Member	-	9 of 12 meetings
Mr P. Middleton	-	Member	-	11 of 12 meetings
Mr P. Wilson	-	Member	-	10 of 12 meetings
Mr G. Collis	-	Member	-	6 of 7 meetings
Mrs B. Marshall	-	Member	-	7 of 7 meetings

## DIRECTORS' REPORT

### **Overview**

This is the fourth year in a row that we have been able to report that the Co-op earned a retained profit. This year, we made a profit of \$356,471, which included an exceptional profit of \$278,143 on the sale of our interest in the block at Hardy Street. Before this exceptional item, our retained profit was \$78,328 (2013: \$29,975), reflecting a year of strong performance from all aspects of our business.

It is particularly satisfying to the Board that the Co-op's journey back to health in recent years enabled it patiently to hold onto its interest in Hardy Street until it could be sold on such attractive terms. Much credit goes to our excellent team of staff and Chris Langslow's management for making this possible.

### **New Memberships**

The Member Shopper Benefit Scheme continues to be enjoyed by a growing number of members and plays its part in stimulating new membership applications. \$37,608 of discounts and credits were earned by members this year by shopping with us, up from \$36,098 last year. We now have 999 active members, of which more than 80 members have joined since 1 May 2013. Around 30% of our members have joined since the launch of the Member Shopper Benefit Scheme in November 2010. This mix of newer and older memberships (all of them active) in these relative proportions represents a vigorous and healthy trend.

Please 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 Co-op's place in Denmark***

In last year's report we pointed out to members that the Shire of Denmark's Local Planning Strategy ("LPS") declares, among other things, that "lower order" retail businesses such as (according to the LPS) the Co-op's should be encouraged to relocate to a service park somewhere on the outskirts of town. We encourage you to read the LPS on the Shire's website at <http://www.denmark.wa.gov.au/councilservices/planning/localplanningstrategy>. Your Board continues to disagree with this aspect of the LPS, remaining convinced that the Co-op is precisely what a town like Denmark needs at its very heart.

The Shire is in the process of preparing its Local Planning Scheme No.4, which is required to be consistent with the LPS. Members are encouraged to be involved in the community engagement sessions being conducted by the Shire so as to let the planners know your views.

### ***An absence of drama***

For the first year in a long time, the Co-op experienced only one surprise, and that was a pleasant one; Hardy Street was sold on attractive terms and the Co-op's balance sheet was accordingly made much more healthy in one fell swoop. Otherwise, the year was what any retail organisation would hope for: increasing sales and profits, a steady and reliable workforce, and management's freedom from distraction so as to concentrate on making incremental and continuous improvements to the core business. We hope that we will continue to be allowed to focus on what the Co-op is here for, the provision of high quality and well priced core products and services to the local community.

### **The Directors**

Denmark Co-operative Company Limited

## **CHIEF EXECUTIVE'S REPORT**

In a year of more traditional management challenges than confronted us in the previous year, the Co-op's businesses again performed well, delivering a fourth consecutive bottom line profit.

The Co-op's gross profit rose by 7% to \$846,670. Total wage costs rose by 11% to \$549,318, whereas non-interest operating expenses rose by only 3%. Interest expense fell from \$133,468 to \$79,992, reflecting the repayment in mid-year of a significant proportion of the Co-op's debt out of the proceeds of the sale of Hardy Street. This resulted in a net profit before exceptional items of \$78,328 compared to \$29,975 in the previous year, and a net profit before interest of \$158,320 (compared to last year's \$163,443). The exceptional profit from the sale of Hardy Street amounted to \$278,143, which resulted in a



retained profit for the year of \$356,471.

The sale of Hardy Street on such attractive terms was always going to make this a good year for the Co-op's financial bottom line, but it is particularly pleasing that the business did not have to rely on this one exceptional (and definitely non-repeatable) profit to generate a good result. The underlying figures demonstrate that, yet again, this has been another record year in terms of profitability from our core businesses, the Department Store and Rural & Hardware. We have not relaxed our focus on seeking to grow our relevance to the town and to our customers, both members and non-members, and to make incremental improvements wherever possible. This was a good year but retail in Denmark will probably have to weather its share of less good years in due course. We want to be as well prepared and our business as soundly based as possible for when the next challenge hits.

### **Department Store**

The Department Store achieved year-on-year sales growth of more than 4%, a pleasing result. Even more pleasing was the 7% growth in gross profit, which meant that the 10% increase in wages and 6% increase in other expenses could be accommodated while still delivering a trading profit of \$166,566, 6% higher than last year's \$157,688.

The Department Store and its outstandingly friendly and helpful staff frequently receive praise from customers and these trading results suggest that the praise is not just lip-service. We do not intend to stand still, though. Since last year we have much improved the Haberdashery department and, with the help of the former proprietor of "A Good Yarn", we have transformed our yarns offering, with excellent results. Initiatives for other departments are currently under consideration, all with the aim of cementing the Department Store as the shopping destination of choice for locals, visitors and residents of neighbouring shires.

During the year Sharon Cowen moved away from Denmark with her husband and so left us, but her shoes were quickly and very competently filled by Jo Shepherd. Viv and Deb now qualify as Department Store stalwarts.

### **Rural & Hardware**

Rural & Hardware's sales grew strongly this year, by 11% to \$1,883,652 and gross profit rose by 6% to \$468,377. Once again, we kept very tight control of non-wage expenses, limiting their increase to less than 3%. Total wages, however, rose by almost 12%, costing \$30,715 more than last year. This is discussed further below. As a result, trading profit for the year dipped from \$110,289 to \$105,094, a decrease of 5%.

The increase in total wage costs was driven by a number of factors, the largest of which was a significant increase this year in the provision for long



service leave. The other factors were a one-off staff bonus celebrating the sale of Hardy Street, the annual increase in hourly wage rates (in line with federal laws) and an increase in the rate of the superannuation guarantee from 9.25% to 9.5%. Whilst the cost of long service leave is high in dollar terms, I am delighted that the Co-op pays it because of what it says about the loyalty and longevity of our staff. The Co-op, in accordance with standard accounting practice, first makes long service leave provisions for an employee after seven years of continuous employment. Of the Co-op's 13 members of staff, five are so entitled and eight will be by next year (representing an aggregate of 73 years of experience and service).

Much of what the team does in Rural & Hardware is solving customers' problems. To do this well, local experience and familiarity with available products are a huge advantage. The fact that Dave, Ros, Danny and Grant have between them 45 years' of combined experience at the Co-op tells a powerful story. James, Barry and Dean are not far behind in years of service, while we have welcomed Heidi Hood and Anita Cottle to the team more recently.

### **Administration and Central Overheads**

Sadly, one of our other stalwarts, Ary Clarke, decided that it was time to seek new challenges this year and moved on from her position of Financial Controller. The Co-op owes Ary much gratitude for the calm, competent and methodical way in which she worked through all of the many accounting, control and reporting issues facing the company when she joined in 2008. It reflects well on the clarity of the systems established under Ary that I have found the assumption of her former duties myself unproblematic.

Total wages in Administration rose by 11%, largely reflecting the same factors as commented on for Rural & Hardware. Other non-interest administrative operating expenses rose by a miserly 2% during the year from \$40,365 to \$41,025. Following the repayment of a significant proportion of outstanding debentures and our long term bank loan, debenture financing costs fell from \$118,822 to \$71,543 and bank interest fell from \$14,638 to \$8,448.

Overall, the net costs of Administration and Central Overheads before exceptional items amounted to \$193,332 (compared to \$238,002 last year). It is good to see this figure steadily reducing towards a much more sustainable level of corporate overheads.

### **Current year**

The current year has started well across the board. Rural & Hardware is trading significantly more strongly than at the same time last year and is well ahead of budget. The Department Store is also trading ahead of budget and last year's performance. At the corporate level, we are enjoying a first full year effect of reduced interest costs. This has all come together to generate a



strong net profit during the first quarter of the year and we remain optimistic about the rest of the year.

The year has been a happy one, with strong trading and repair of our balance sheet well underway. No new skeletons emerged from the cupboard, no new emergencies arose from stage left and we all just got on with what the Co-op is supposed to be about – being a vital and vibrant provider of core products and services to our local member base. We all hope that I will be able to make the same report this time next year.

**Chris Langslow**  
Chief Executive



**STATEMENT OF FINANCIAL POSITION**  
**as at 30 APRIL 2014**

	<b>2014</b>	<b>2013</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<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>		
473,735 (2013: 481,268) Ordinary Shares of 50 cents each	236,868	240,634
10,295 (2013: 40,296) Preference Shares of 50 cents each	5,147	20,148
<b>RESERVES</b>		
Asset Revaluation Reserve	945,808	1,123,531
Forfeited Share Reserve	(1,290)	(1,290)
Profit & Loss Appropriation Account	<u>(69,833)</u>	<u>(602,647)</u>
<b>SHARE CAPITAL &amp; RESERVES</b>	<u><u>1,116,700</u></u>	<u><u>780,376</u></u>
<b>CURRENT ASSETS</b>		
Trade Debtors	121,408	124,477
<u>Less</u> Provision for Doubtful Debts	<u>(500)</u>	<u>(500)</u>
Stock on Hand	120,908	123,977
	<b>3</b> 741,761	664,904
Prepayments	10,231	3,599
Cash at Bank	(2,037)	144,577
Cash on Hand	<u>3,800</u>	<u>3,800</u>
	<u>874,663</u>	<u>940,857</u>



**STATEMENT OF FINANCIAL POSITION**  
as at 30 APRIL 2014

	Note	2014 \$	2013 \$
<b>CURRENT LIABILITIES</b>			
Trade Creditors		188,433	179,173
Other Creditors		83,837	81,031
Provision for Long Service Leave		17,690	10,995
Provision for Holiday Pay		10,928	8,218
Debentures	6	70,000	550,360
Provision for Shareholder Expenses		19,427	19,062
		<u>390,315</u>	<u>848,839</u>
<b>WORKING CAPITAL</b>		<u>484,348</u>	<u>92,018</u>
<b>FIXED ASSETS</b>			
Land & Buildings at Revaluation		1,116,727	1,812,181
Plant & Vehicles at Cost		272,325	269,129
		<u>1,389,052</u>	<u>2,081,310</u>
Provision for Depreciation		(192,593)	(182,290)
		<u>1,196,459</u>	<u>1,899,020</u>
<b>INVESTMENTS AT COST</b>	4	<u>20,000</u>	<u>20,000</u>
<b>TOTAL FIXED ASSETS</b>		<u>1,216,459</u>	<u>1,919,020</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Bank Loan	5	30,000	185,000
Debentures	6	549,169	1,038,414
Deferred Capital Units		4,938	7,248
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>584,107</u>	<u>1,230,662</u>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		<u>1,116,700</u>	<u>780,376</u>



**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 APRIL 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Gross Profit on Trading	<b>2</b> 776,992	729,588
Other Operating Revenue	<b>2</b> 69,677	64,387
	<hr/>	<hr/>
	846,669	793,975
<b>EXPENSES</b>		
Accounting & Audit	5,440	9,032
Advertising	7,677	9,818
Bank Charges	8,218	7,062
Computer & IT	9,098	7,568
Cleaning	6,590	5,814
Dead & Damaged	1,597	1,964
Depreciation	10,302	10,833
Directors' Fees	3,544	1,646
Directors' Meeting Costs	65	-
Electricity	2,958	3,330
Equipment Hire	575	525
Franchise Fees	12,858	10,227
General	5,959	4,420
Insurance	15,610	15,000
Interest on Debentures	71,544	118,822
Interest - Other	8,448	14,646
Legal Fees	-	5,188
Licences	480	572
Long Service Leave	14,506	1,070
Motor Vehicle	10,831	11,703
Postage	3,102	4,115
Printing & Stationery	4,326	4,935
Rates & Taxes	10,526	10,659
Repairs & Maintenance	5,230	738
Rubbish Removal	1,737	1,994
Security	278	496
Staff Amenities	3,680	523
Subscriptions	1,160	1,115



**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 APRIL 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Superannuation	44,649	39,681
Telephone	5,861	5,839
Training	1,329	183
Travel	-	372
Wages	478,557	443,615
Workers Compensation Insurance	11,606	10,495
	<u>768,341</u>	<u>764,000</u>
<b>NET PROFIT BEFORE INCOME TAX</b>	<u><b>78,328</b></u>	<u><b>29,975</b></u>

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>After including</b>		
Interest Received	6,060	3,387
<b>After charging</b>		
Audit Fees	4,440	8,032
Depreciation	10,302	10,833
Directors' Fees	3,544	1,646
Interest (including Debentures)	79,992	133,468
Repairs & Maintenance	5,230	738
<b>Less Income Tax Expense</b>	<u>-</u>	<u>-</u>
	78,328	29,975
Other Comprehensive Income	278,143	-
<b>Net Profit for the Year</b>	<u>356,471</u>	<u>29,975</u>
Transfer from Reserve	177,723	-
Balance Forward at Start of Year	(602,647)	(631,242)
	<u>(68,453)</u>	<u>(601,267)</u>
Dividend Payment to Preference Shareholders	(1,380)	(1,380)
<b>Balance at End of Year</b>	<u><b>(69,833)</b></u>	<u><b>(602,647)</b></u>



**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2014**

**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) Land and buildings

Land and buildings are carried at fair value, which has been determined by the Directors each year since a third party valuation was performed in 2005.

**DENMARK**  
**CO-OPERATIVE**  
COMPANY LIMITED  
ESTABLISHED 1920

<b>2. Revenue</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Sales Revenue	2,645,351	2,430,483
Less: Cost of Goods Sold	1,868,359	1,700,895
Gross Profit on Trading	776,992	729,588
Interest	6,060	3,387
Profit on Sale of Assets	6,746	6,010
Other Income (incl. Rental)	56,871	54,990
Other Operating Revenue	69,677	64,387

### 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 facility of \$185,000 (drawn as to \$30,000), 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>				
30/04/2015	7.65%	70,000		
Current Total			70,000	11%
<u>Non-current</u>				
30/04/2016	6.55%	50,000		
	6.60%	113,669		
			163,669	26%
30/04/2017	8.40%	385,500		
			385,500	62%
Non-current Total			549,169	89%
<b>GRAND TOTAL</b>			<b>619,169</b>	<b>100%</b>



# Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

**Street Address:**

Unit 8  
210 Winton Road  
JOONDALUP WA 6027

**Postal Address:**

PO Box 229  
JOONDALUP DC WA 6919

**By Appointment:**

Level 28, AMP Tower  
140 St Georges Terrace  
PERTH WA 6000

T: (08) 9300 0400 E: reception@amwaudit.com.au

W: www.amwaudit.com.au ABN 59 125 425 274

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

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

### 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 2014. 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 2014 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.

**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 12<sup>th</sup> day of August 2014 in Perth, Western Australia

**AMW (AUDIT) PTY LTD**

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

  
**BILLY-JOE THOMAS**  
Director



## SECRETARY'S CERTIFICATE

I, Chris 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 JOHN SHEED	DENMARK	FARMER
PHILIP CHARLES MIDDLETON	DENMARK	FARMER
PETER HERBERT WILSON	DENMARK	BUSINESS PROPRIETOR
STEPHEN LANCASTER HAWKS	DENMARK	FARMER
GARY PETER COLLIS	DENMARK	RETIRED
BARBARA JEAN MARSHALL	DENMARK	FARMER

12 August 2014

Chris 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 2014 and its results for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial report; and
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.

12 August 2014

A.A. Wilson

D.D. 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 Heidi Hood Anita Cottle
LPG and Delivery	James Alpers
<b><u>Department Store</u></b>	
Department Head	Vivian Herbert
Electricals and White Goods Customer Service	Deborah McNamara Jo Shepherd
<b><u>Administration &amp; Accounts</u></b>	
Admin Officer	Deborah McNamara



THIS PAGE INTENTIONALLY LEFT BLANK



**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 Monday, 29 September 2014 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 .....2014

\_\_\_\_\_  
 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.