



Denmark Chamber of Commerce

Annual General Report 2019



DENMARK CHAMBER OF COMMERCE ANNUAL REPORT 2019

Notice of Annual General Meeting:

Notice is hereby given that the Annual General Meeting of the Members of the Denmark Chamber of Commerce Inc. will be held at Estate 807 on 12th September 2019 commencing 6.00pm.

Agenda:

- Present / Apologies
- Confirmation of previous AGM minutes
- President's Report
- Treasurer's Report and Statement of Accounts
- Business of which notice has been given
- Appointment of Returning Officer
- Election of Officer Bearers
- Address by incoming President
- General business
- Close of meeting

Committee Representation:

The Committee members during the financial year under review were:

President - Stuart Evans – Solutions IT

Vice President - Vacant

Secretary - Carl Heslop – Spirit of Play Community School

Treasurer - Chris Langslow - Denmark Co-operative

Committee members:

- Joss Harman – Country Property Brokers
- Kim Riley – Great Southern Windows
- John Maxwell – Maxwell Designs
- Shirley Thurston – The Apprenticeship Community
- Jeremy Spencer – Great Southern Biologic
- Ian Rayson – Fridge and Washer City
- Nick Raven – Ravens

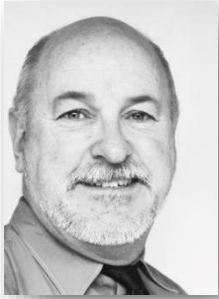
Thanks go to the Committee members who are not standing for the forthcoming year and the contribution they have made to the Denmark Chamber and broader business community.

Committee Members Not Up for Re-Election as they are in their 2nd term include:

- John Maxwell – Maxwell Designs
- Jeremy Spencer – Great Southern Biologic
- Ian Rayson – Fridge and Washer City
- Carl Heslop – Spirit of Play Community School

Positions Vacant include:

- President
- Vice President
- Treasurer Nomination: Chris Langslow Denmark Co-operative
- Three Committee positions
 - Nominations include:
 - Stuart Evans Kwoorabup Courier Services,
 - James Hinter Boston Brewing Co and Willoughby Park
 - Joss Harman Country Property Brokers



PRESIDENTS REPORT Stuart Evans

President 2017-2019

For the past two years, the Denmark Chamber of Commerce has focused on strengthening the foundations of the Chamber through the hosting of the traditional printed Denmark and District Business Directory on a digital platform. This new platform has been launched and I invite you to take a look at www.denmarkchamber.com.au. We will, of course, continue to publish our marvellous printed Directory in parallel with the digital platform.

Global economic conditions are having a direct ripple effect through to our local business community and the imperative to innovate is affecting us all. The strategy for the Chamber is simple. Be the “Google” for Denmark business – the place to go to find businesses, products and services in Denmark. We will achieve that by maintaining a high-ranking directory across search sites and providing members with a well-maintained website profile that showcases their capacity and availability. We will support this with ongoing social media campaigns, networking and training opportunities. This will provide our local business members with support to innovate and grow. As always, the Chamber will continue to represent the business community as a collective voice to Government and Local Government.

The Chamber Committee believes this strategy will enable greater opportunity and prosperity for all Chamber members. Whilst it will inevitably expand our reach beyond Denmark, the economic benefit of this will be funnelled through to the Chamber members - 80% of whom reside within the 6333 postcode. We continue to be unashamedly Denmark centric whilst acknowledging the importance of regional collaboration.

This year we have endeavoured to keep membership fees as low as we can, whilst continually looking for ways to create a valuable “showbag” of opportunities for members. If keeping your business fit and flexible is a key to managing the change taking place within our economic system, then your membership of the Chamber is a bit like joining the gym. You need to turn up, be engaged and keep active. In turn, that ensures that we, your Chamber, stay active as well.

In 2019, our membership revenue has grown as has the revenue from advertising. Over the next year, we will continue to supplement the tried and tested value provided by our printed Directory by building our online advertising via the web site and the Chamber in general will have an increased online and social media focus. As mentioned, this will contribute to our online directory starting to become the first point of call for those looking for businesses in Denmark. I encourage you to utilise the Chamber Directory Platform as the basis of your business website and assist us in the promotion of your business by providing us with captivating images and information, so your business really shines.

Within a regional context, there has been greater collaboration with the Albany Chamber of Commerce and Industry, as collectively we work out how to support the various industry segments across the lower south coast. The Denmark Chamber believes that collaboration with the ACCI and the exploration of potential resource and cost sharing is a preferred path rather than creating a single entity to represent the region. Denmark is a unique economy. Ensuring our members have a business advocate that knows and understands their priorities and the intricacies of the community remains of key importance.

Key industry segments on our radar continue to be manufacturing (including food and wine), tourism, agriculture, building and trades and the creative industry sector. Health services, Aged Care and

Education are some of the biggest employers in our community and region, however they are dominated by government.

I'd like to thank all the members who have hosted a BAH in the past year. It requires a big commitment to make a successful event and your contribution is much appreciated. There are many opportunities for the business after hours to innovate so that every member has the opportunity to showcase themselves.

The Chamber continues to work closely with the Shire of Denmark and will continue to raise issues of opportunity and concern from the business community back through to the Councillors and administrative staff. Of particular interest to our members are the ongoing rate increases and the impacts this has on small business, revitalisation of the CBD and the future of funding Denmark's visitor servicing. I would like to take this opportunity to welcome David Schober as acting CEO and wish Bill Parker all the best with his career. The Chamber has enjoyed a positive working relationship with the Shire, and I would particularly like to thank Councillor Kingsley Gibson; the Chamber Shire representative; for his contribution to the Chamber meetings.


We continue to work with and partner with the Small Business Centre Great Southern, Denmark Arts, Denmark Community Resource Centre, the Great Southern Development Commission, Regional Development Australia Great Southern and the Albany Chamber of Commerce and Industries.

All of the above could not happen without the tireless work of our CEO Liz Jack, Office Manager Anna Boaden and Social Media News officer Caren Blair. Staff drive the Chamber and its initiatives and all of them are passionately committed to providing value to members and the broader community. I am very grateful for the support that all staff have provided me in the role of President this past year.

Many thanks and immense appreciation to all of our Committee. Our committee members are dedicated volunteers who give their time in support of the business community of Denmark. It is an important role in ensuring the Chamber continues to be effective and deliver on the expectations to our members. This year we will say goodbye to Shirley Thurston of the Apprenticeship Community, Kim Riley of Great Southern Windows and Nick Raven of Raven's Coffee who have all been fantastic contributors to the Committee.

Our CEO Liz Jack has resigned from her role after over 7 years of dedicated service. Her knowledge, experience, skill, passion and importantly her love of the region has led to a continuing growth of the chamber and a stronger engagement with our members and the wider community. Liz leaves the Chamber in a very healthy state with strong foundations, effective strategies and a clear vision for the future. I am very grateful to Liz for her continual support for me in my position as President, and for her commitment to the role. I wish Liz the greatest of success in the new adventures awaiting her.

Thank you all for continuing to support your Denmark Chamber of Commerce and I wish you all the best for the coming year.



Stuart Evans

President



TREASURER'S REPORT

Chris Langslow

2019 Treasurer's Report

The Denmark Chamber of Commerce has exceeded its budgeted financial expectations for the 2019 Financial Year. Please refer to the attached 2018/19 Financial Statement.

Key highlights:

- Membership Fees and Directory Advertising 6.5% higher than last year
- Net Deficit of \$21,336 against budgeted Net Deficit of \$24,129
- Net Equity of \$86,997
- Cash on hand at 30 June 2019 of \$208,972
- Total Salary & Superannuation Costs \$127,819, up from \$116,942 in 2018

It was a great achievement by Liz Jack, Anna Boaden and the team to report another year of increased core revenue. Both Membership Fees and Directory Advertising grew strongly, in what we regularly observe to be a difficult economic environment. This highlights the perceived quality of the Chamber's offering and bodes well for its continuing strength.

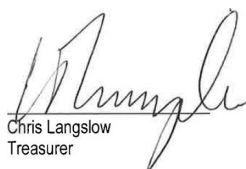
Following a number of years in which DCC strengthened its equity base by operating at a net profit, last year the Committee made a deliberate decision to dedicate funds to employ an additional part time staff member specifically for the development and implementation of DCC's new website. This required a budgeted Net Deficit, which the Committee considered to be in the best long-term interests of DCC and its members. In time (though by no means immediately), the new website will provide an increasing proportion of the underpinning for DCC's main income source, the Directory and its associated advertising.

As usual, Liz Jack did a great job in keeping general and administrative costs under tight control, which, together with the continuing increase in income from new members and growth in advertising, resulted in the Net Deficit coming in slimmer than budgeted.

Having achieved in 2019 the implementation of the new website, with its associated development costs, the Committee has reverted to the adoption of an essentially balanced budget for 2020.

As always, the Balance Sheet lists a significant volume of Prepaid Income as a liability. This represents services that the Chamber has been paid for but has yet to provide - primarily Directory Advertising and Membership Fees. These are booked as income as soon as the Directory is actually published. This year, the Prepaid Income as at 30 June was recorded at \$105,121, compared to \$169,773 last year. This does not represent a drop off in invoices; rather, it reflects a more conservative accounting approach this year to the treatment of invoices that are unpaid at the year end. The Committee expects that this core revenue will be very similar in 2020 to 2019's levels.

Having funded a strategically important development in 2019 on the back of a strong balance sheet and previous years of Operating Surpluses, I believe that DCC has positioned itself well for the next phase of its future growth. DCC remains in a strong financial position, which enables it to continue to perform its key roles of engagement with and advocacy for our members.



Chris Langslow
Treasurer

Audited Financial Statements

DENMARK CHAMBER OF COMMERCE INC.

ABN: 62127 248 004

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE YEARENDED 30 JUNE 2019



Denmark Chamber of Commerce Inc
ABN: 62 127 248004

Email: info@denmarkchamber.com.au
Web: www.denmarkchamber.com.au

Unit 1, 81 Strickland Street
DENMARK WA 6333
WESTERN AUSTRALIA

Phone: (61) 08 9848 2065
Fax: (61) 08 9848 2063

**DENMARKCHAMBEROFCOMMERCE
INC SPECIAL PURPOSE FINANCIAL
REPORT FOR THE YEARENDED 30**

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**DENMARK CHAMBER OF COMMERCE
INC SPECIAL PURPOSE FINANCIAL
REPORT FOR THE YEAR ENDED 30**

COMMITTEE OF MANAGEMENT

Our committee submits the financial report of the Denmark Chamber of Commerce Inc, for the financial year ended 30 June 2019.

Committee of Management Members

The names of the committee members throughout the year and at the date of this report are: Stuart

Evans - President

Chris Langslow - Treasurer

Jeremy Spencer

Shirley Thurston

John Maxwell

Carl Heslop

Kim Riley

Joss Harman

Nick Raven

Ian Rayson

Principal Activities

In accordance with the Denmark Chamber of Commerce Inc's objects, its activities are:

- (a) to facilitate, network, advocate, protect and promote the interests of trade, commerce and industry in the region;
 - (b) to provide opportunities for the region's businesses to pursue common goals and communicate with each other;
 - (c) to promote high standards of education and training in the region and awareness within educational and training institutions in the business sector;
 - (d) to communicate, work with, lobby and develop strategic partnerships with other bodies and people to achieve those objects;
 - (e) to promote, encourage and assist the development of businesses which are in keeping with the character of the region; and
- (D) to provide a centre in the region, to be known as The Denmark Chamber of Commerce, which provides assistance, information and advocacy to established and prospective businesses and thence the community.

Significant Changes

No significant changes in the nature of these activities occurred during the year.

Operating Results

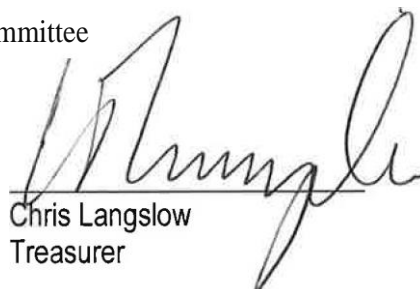
	30 June 2019	30 June 2018
The operating result was a surplus/(deficit) for the year of	\$ (21,336)	\$ 8,339

Signed in accordance with a resolution of the committee



Stuart Evans President

Dated this 30th day of July 2019



Chris Langslow
Treasurer



16th July 2019

The Committee
Denmark Chamber of Commerce Inc
Unit 1, 81 Strickland Street
DENMARK WA 6333

Dear Committee,

REVIEWER'S INDEPENDENCE DECLARATION

Pursuant to Section 80 of the
Associations Incorporation Act 2015.

In relation to the review for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of the review independence requirements of:

1. The Associations Incorporation Act 2015, or
2. The Accounting Professional and Ethical Standards Board.
3. Any applicable code of professional conduct.

Yours sincerely.

Paul Gilbert FCPA MBA
Macleod Corporation Pty Ltd

MACLEOD

CORPORATION PTY LTD.

A.B.N. 25 082 636 968

Unit 8, 76 Proudlove Parade

ALBANY WA 6330

PO Box 5779

ALBANY WA 6332

ph 08.98412118

m. 0412 375 667

e. paul@macleodcpa.com.au

www.macleodcpa.com.au

CERTIFIED PRACTICING ACCOUNTANTS

**DENMARK CHAMBER OF COMMERCE
INC SPECIAL PURPOSE FINANCIAL
REPORT FOR THE YEAR ENDED 30
JUNE 2019**

RESPONSIBLE PERSONS DECLARATION

The responsible persons declare that in their opinion:

- i) This financial report has been prepared as a special purpose financial report on the basis that Denmark Chamber of Commerce Inc. is a non-reporting entity because there are no users of this financial report, who would otherwise be dependent on general purpose financial reports to satisfy all of their information needs.
- ii) The Special Purpose Financial Report presents fairly the financial position of Denmark Chamber of Commerce Inc. as at 30 June 2019 and the income and expenditure for the year then ended in accordance with the accounting policies described in the notes to the Special Purpose Financial Report.
- iii) There are reasonable grounds to believe that Denmark Chamber of Commerce Inc. will be able to pay all of its debts, as and when they become due and payable.
- iv) The financial report and notes satisfy the requirements of the Associations Incorporation Act 2015.

Signed in accordance with subsection 63 (4) (c) of the Associations Incorporation Act 2015.



Stuart Evans President
Date: 30 h July 2019



Chris Langslow
Treasurer

Chris Langslow Treasurer
Date: 30th July 2019

INDEPENDENT REVIEW REPORT

To: The Members of the Denmark Chamber of Commerce Inc.



Report on the Financial Report

We have reviewed the accompanying financial report of the Denmark Chamber of Commerce Inc, which comprises the Statement of Financial Position as at

30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies, other explanatory information, and the responsible persons declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Denmark Chamber of Commerce Inc, has not been prepared in accordance with Division 3 of the Associations Incorporation Act 2015, including:

- (a) giving a true and fair view of the Chamber's financial position as at 30 June 2019, and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 3 of the Associations Incorporation Act 2015.

Basis of Opinion

We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report: in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report does not satisfy the requirements of Division 3 of the Associations Incorporation Act 2015. Our responsibilities under those standards are further described in the Reviewer's Responsibilities for the Review of the Financial Report section of our report.

We are independent of the Chamber in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our review of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

MACLEOD

CORPORATION PTYLTD.

A.B.N. 25 082 636 968

Unit 8, 76 Proudlove
Parade

ALBANY WA 6330

PO Box 5779

ALBANY WA 6332

ph 089841 2118

m.0412 375 667

e.paul@macleodcpa.com.a
u

www.macleodcpa.com.au



Emphasis of Matter - Basis of Accounting

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 Chamber's financial reporting responsibilities under the Associations Incorporation Act 2015 and Constitution. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of Management for the Financial Report

The Management of the Chamber are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Act 2015 and the needs of the members. Managements' responsibility also includes such internal control as management determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management are responsible for assessing the Chamber's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so. Management are responsible for overseeing the Chamber's financial reporting process.

Reviewer's Responsibilities for the Review of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that a review conducted in accordance with the Australian Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report, we exercise professional judgement and maintain professional scepticism throughout the review We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform review procedures responsive to those risks, and obtain review evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the review in order to design review procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chamber.

- Conclude on the appropriateness of Chamber's use of the going concern basis of accounting and, based on the review evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chamber's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our review report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the review evidence obtained up to the date of our review report. However, future events or conditions may cause the Chamber to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the review and significant review findings, including any significant deficiencies in internal control that we identify during our review.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 82 of the Associations Incorporation Act 2015. We are satisfied that:

- a) we have received all information, explanation and assistance necessary for the conduct of the review.
- b) the Chamber has kept financial records sufficient to enable a special purpose financial report to be prepared and reviewed.
- c) the Chamber has kept other records as required by the Associations Incorporation Act 2015.



Paul Gilbert FCPA MBA
Macleod Corporation Pty Ltd
Dated this 30th day of July 2019

CERTIFIED PRACTISING ACCOUNTANTS

LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL
STANDARDS LEGISLATION



DENMARK CHAMBER OF COMMERCE

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
INCOME			
Membership Fees		74,075	65,619
Directory Advertising		104,279	101,841
Workshops & Training		5,082	12,410
Winter Campaign		8,861	34,817
Hire of Room		1,557	7,411
Christmas Festival		0	11,295
BAH Sponsorship		1,818	1,091
Contract Services		10,970	4,496
Employee Subsidy		0	1,882
Miscellaneous Income		53	19
Interest		2,203	2,114
TOTAL INCOME		208,898	242,995
COST OF SALES			
Directory Costs		19,440	24,489
Xmas Festival Promotion		0	10,528
Winter Campaign		9,554	31,983
Workshops, BAH & OTB Contract.		11,584	780
TOTAL COST OF SALES		40,578	67,780
GROSS PROFIT		168,320	175,215
EXPENDITURE			
Audit Fees		850	764
Insurance		3,897	3,161
Membership & Subscriptions		3,589	850
Administration Supplies		4,259	5,422
Salaries & Wages		117,436	106,923
Superannuation		10,383	10,019
Other Employment Costs		1,358	288
Member Services		18,302	10,065
Depreciation		2,150	2,358
Office Rent & Outgoings		15,731	17,103
Office Supplies		6,794	4,401
Sponsorship & Awards		3,009	2,727
Workshops & Conferences		1,375	1,535
Refunds & Bad Debts		523	1,260
		189,656	166,876
Operating Result Surplus/(Loss)	9	(21,336)	8,339

The accompanying notes form part of these financial statements.

**DENMARK CHAMBER OF COMMERCE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash at Bank	2	208,972	217,846
Trade Debtors		12,516	82,284
Prepayments & Deposits	3	0	599
TOTAL CURRENT ASSETS		<u>221,488</u>	<u>300,729</u>
NON-CURRENT ASSETS			
Leasehold Improvements	4	288	1,384
Equipment	4	4,181	5,142
TOTAL NON-CURRENT ASSETS		<u>4,469</u>	<u>6,526</u>
TOTAL ASSETS		<u>225,957</u>	<u>307,255</u>
CURRENT LIABILITIES			
Trade Creditors		0	46
Other Accounts Payable	5	16,482	25,426
Prepaid Income	6	105,121	169,773
Demark Tourism Funds		12,851	
Provision for Employee Entitlements	7	4,436	3,677
TOTAL CURRENT LIABILITIES		<u>138,890</u>	<u>198,922</u>
NON-CURRENT LIABILITIES			
Provision for Employee Entitlements	7	0	0
TOTAL NON-CURRENT LIABILITIES		<u>0</u>	<u>0</u>
TOTAL LIABILITIES		<u>138,890</u>	<u>198,922</u>
NET ASSETS		<u>86,997</u>	<u>108,333</u>
Represented by:			
EQUITY			
Accumulated Surplus		86,997	108,333
Asset Revaluation Reserve		0	0
TOTAL EQUITY		<u>86,997</u>	<u>108,333</u>

The accompanying notes form part of these financial statements.

DENMARK CHAMBER OF COMMERCE
STATEMENT OF CHANGES IN
EQUITY FOR THE YEAR ENDED 30
JUNE 2019

	Note	2019 \$	2018 \$
EQUITY			
<u>Accumulated Surplus</u>			
Balance as at the beginning of period		108,333	99,996
Net result for the period		21,336	8,337
Balance as at the end of period		86,997	108,333
<u>Asset Revaluation Reserve</u>			
Balance as at the beginning of the period		0	0
Revaluations of Non- Current Assets		0	0
Revaluation Movement			
Balance as at the end of the period		0	0
TOTAL EQUITY		86,997	108,333

The accompanying notes form part of these financial statements.

DENMARK CHAMBER OF COMMERCE
 INC STATEMENT OF CASHFLOWS
 FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
<u>Receipts-</u>			
- Receipts from Customers		212,376	244,004
- Grants		12,851	0
- Interest		2,203	2,114
<u>Payments</u>			
- Cost of Sales		(40,532)	(58,515)
- Employees		(128,575)	(120,619)
- Services and charges		(64,519)	(57,481)
Net Cash flows from / (used in) Operating Activities	9	<u>(6,196)</u>	<u>9,503</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		0	0
Purchase of Property, Plant & Equipment		(2,679)	(2,240)
Net Cash flows used in Investing Activities		<u>(2,679)</u>	<u>(2,240)</u>
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans		0	0
Capital Grants- Other		0	0
Net Cash flows used in Financing Activities		<u>0</u>	<u>0</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>(8,875)</u>	<u>7,263</u>
Add: Opening Cash Balance Forward	2	217,846	210,583
CLOSING CASH CARRIED FORWARD	2	<u>208,971</u>	<u>217,846</u>

The accompanying notes form part of these financial statements.

ENMARK CHAMBER OF COMMERCE INC
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR YEAR ENDED 30 JUNE 2019

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

The Committee of Management have prepared the financial statements on the basis that the entity is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared to meet Committee of Management's financial reporting requirements under the Denmark Chamber of Commerce Inc constitution and the Associations Incorporations Act, 2015.

The financial report has been prepared in accordance with the significant accounting policies disclosed below, which the Committee of Management have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act 2015 of Western Australia and the following Australian Accounting Standards:

AASB 101, Presentation of Financial Statements
AASB 107, Statement of Cash Flows
AASB 108, Accounting Policies, Changes in accounting Estimates and Errors AASB
1031, Materiality
AASB 1048, Interpretation of Standards
AASB 1054, Australian Additional Disclosures.

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on a modified accrual basis of accounting including the historical cost convention and the going concern assumption.

The following material accounting policies, which are consistent with the previous periods unless otherwise stated, have been adopted in the preparation of the financial report:

a) Income Tax

Income Taxation Exemption

The Chamber has self-assessed under section 50(1) of the Income Tax Assessment Act 1997, and established that it is exempt from income tax as an Association established (pursuant to Item 8.2 of section 50 (40)) for:

- a) the promotion of tourism and industry, and
- b) for the purpose of promoting the development of Australian resources.

The Chamber is registered for Goods and Services Tax (GST) (Refer Note 1 i) The

Chamber is liable to Fringe Benefits Tax on benefits paid to employees.

No change in its tax status as a result of activities undertaken during the year is likely.

ENMARK CHAMBER OF COMMERCE INC
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR YEAR ENDED 30 JUNE 2019

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

c) Inventories

Inventories held for resale have been valued at the lower of cost and net realizable value.

d) Investments

Investments comprise available-for-sale financial assets designated as available-for-sale, but which are not deemed to be held principally for trading purposes, and include equity investments. Investments are initially recognized at fair value plus transaction costs.

Subsequent gains or losses arising from changes in fair value are included as a separate component of equity in the available-for-sale revaluation reserve except for interest, dividends and foreign exchange gains and losses on monetary assets, which are recognized directly in the income statement. When the investment is sold, the cumulative gain or loss relating to the investment is transferred from the available-for-sale revaluation reserve to the income statement.

e) Property, Plant and Equipment (PPE)

Plant and equipment including leasehold improvements are measured on the cost basis less depreciation and any impairment losses.

Impairment losses, in accordance with Accounting Standard AASB 136 "Impairment of Assets" is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Materiality

Assets with an economic life in excess of one year are only capitalized where the cost of acquisition exceeds materiality threshold of \$ 500.

Depreciation

The depreciable amount of plant and equipment, is depreciated on a diminishing value and straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are: Class of

<u>Fixed Asset</u>	<u>Depreciation Rate</u>
Leasehold Improvements	10%
Office Equipment	30%

f) Employee Benefits

Provision is made for the Chamber's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured based on the present entitlement benefit. No provision has been recognized for entitlements accruing during the employee's service period.

g) Provisions

Provisions are recognized when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

h) Revenue and Other Income

Non-reciprocal grant revenue is recognized in profit or loss when the Chamber obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Chamber and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognized in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognized as income on receipt.

Donations and bequests are recognized as revenue when received.

Interest revenue is recognized as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividends are recognized as revenue when received.

Revenue from the rendering of a service is recognized upon the delivery of the service to the customers.

i) Goods and Services Tax (GST)

Denmark Chamber of Commerce Inc is registered for GST Revenues, expenses and assets are recognized exclusive of GST,

Receivables and payables including all assets and liabilities recorded in the Statement of Financial Position are shown inclusive of GST.

j) Going Concern & Economic Dependency

The accounts have been prepared on a going concern basis. The ability of the Chamber to continue as a going concern is dependent upon continued support from the business community and government agencies. At the date of this report the committee have no reason to believe that business community and government agencies will not continue to fund the operations of the Chamber.

k) Comparatives

Comparative figures for the previous year have been reclassified to conform to the new format financial report.

ENMARK CHAMBER OF COMMERCE INC
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR YEAR ENDED 30 JUNE 2019

Note	2019 \$	2018 \$
2 CASH AT BANK		
Operating Account	11,045	21,065
Investment Account	128,439	128,955
Term Deposit	69,407	67,154
Westpac Community Solutions	1	530
Petty Cash	80	142
	<u>208,972</u>	<u>217,846</u>
3 PREPAYMENTS & DEPOSITS		
Customer Deposits	0	599
Winter Campaign Expenses	0	0
	<u>0</u>	<u>599</u>
4 PROPERTY PLANT & EQUIPMENT		
Leasehold Improvements	5,252	1,899
Less Accumulated Depreciation	(4,964)	(515)
	<u>288</u>	<u>1,384</u>
Equipment At Cost	15,161	15,835
Less Accumulated Depreciation	(10,980)	(10,693)
	<u>4,181</u>	<u>5,142</u>
	<u>4,469</u>	<u>6,526</u>
<p>The Chamber is operated from premises subject to a lease agreement. Leasehold improvements are depreciated over the term of the lease.</p>		
5 OTHER ACCOUNTS PAYABLE		
Goods & Services Tax	9,250	17,861
PAYG Withholding	4,158	4,656
Superannuation	2,509	2,909
Denmark Dollars	565	0
	<u>16,482</u>	<u>25,426</u>

**FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2019**

Note	2019 \$	2018 \$
6 PREPAID INCOME		
Prepaid Memberships	46,430	69,799
Prepaid Directory	58,691	99,974
	105,121	169,773
7 EMPLOYEE ENTITLEMENTS		
Provision for Annual Leave	4,436	3,677
Provision for Long Service Leave	0	0
	4,436	3,677
Current	4,436	3,677
Non-Current	0	0
	4,436	3,677
8 RELATED PARTY TRANSACTIONS		
Members of the Committee may have entered into transactions with Denmark Chamber of Commerce Inc. All transactions with related parties have been conducted on an arm's length basis and on terms and conditions that are no more favorable than those available to non-related parties.		
9 RECONCILIATION OF PROFIT FOR THE YEAR		
TONET CASHFLOWS FROM OPERATING ACTIVITIES		
Surplus/(Loss) from Operating Activities	(21,336)	8,339
<u>Non-cash flows in profit: Depreciation & Amortization</u>	2,150	2,358
<u>Changes in assets and liabilities, net effects of:</u>		
- (Increase)/Decrease in trade debtors	69,768	4,819
- (Increase)/Decrease in prepayments & deposits	599	1,314
- Increase/(Decrease) in creditors	(46)	(9,265)
- Increase/(Decrease) in payables	(6,289)	1,271
- Increase/(Decrease) in prepaid income	(64,652)	(3,010)
- Increase/(Decrease) in Tourism Funds	12,851	0
- Increase/(Decrease) in provisions	759	3,677
Net Cashflow from / used in Operating Activities	(6,196)	9,503



CEO'S REPORT

Liz Jack

In its thirtieth year of incorporation, the Denmark Chamber of Commerce has consolidated its position as an independent voice of small business within the Shire of Denmark and the lower south coast region.

The Denmark Chamber network continues to grow as we prove our value to existing members and the next generation of business owners within Denmark and its districts. Over the past seven years, this business network has grown to over three hundred and eighty businesses which ensures a strong chamber voice.

Creating new income streams whilst continuing to provide value for money to members is a perennial issue and despite the print directory having a lifespan that is being challenged by technology, we are confident our online directory will pick up some of this space and continue to provide cost effective solutions for businesses within the online environment and up to-date information on Denmark for those new to the area.

The Chamber has improved its operational and governance requirements and we have been able to maintain employment of three local staff on a permanent part time position including the CEO role.

I am a firm believer in renewal, and it is time for the Chamber to welcome a new face to this leadership role and the next phase of the organization's evolution. My role was to re-engage the Chamber with its community, create a professional and financial organization with clear strategies on future direction whilst building our advocacy for members. This has been achieved.

The past seven years with the Chamber have been incredibly rewarding and the connections I have made with the business community of Denmark will remain. I will continue to be an ardent advocate for small business and believe that whilst a regional approach is going to be increasingly important, investment into brand Denmark is essential if we are to increase our resilience.

Thank you to Anna Boaden for her ongoing commitment to the Chamber and support. Without Anna's quiet dedication and attention, the Denmark Chamber could not achieve this ongoing growth. It has been an honor to work alongside her. Thanks to all the staff and regional supporters who have worked alongside me. You have taught me a great deal about small business, regional development, human resources and importantly, myself.

Thanks to the successive Chamber Committees. These small band of dedicated volunteers are busy in their own small businesses whilst also looking out for the broader economic development of our Shire. They continue a legacy that has been held by many within the community over the past thirty years and I thank them all for their mentoring, insights and input. As Sir Issac Newton said "If I have seen further than others, it is by standing upon the shoulders of giants". Thank for an incredible opportunity over the past seven years.

Elizabeth Jack

Chief Executive Officer