



DENMARK CHAMBER OF COMMERCE

ANNUAL REPORT



2023



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 the Denmark Visitor Centre, 73 South Coast Hwy on 7th of September 2023.

AGENDA

- 1. Welcome**
- 2. Apologies**
- 3. Minutes of Annual General Meeting 2022**

MOTION: That the minutes of the 2022 AGM are a true and correct record.

- 4. President's Report**
- 5. Treasurer's Report and Statement of Accounts**

MOTION: That the financial reports be accepted as presented.

- 6. Election of Office Bearers and ordinary committee members**
 - o Confirm the number of ordinary committee members to hold office for the next financial year**
 - o Election**

7. Address by incoming President

8. General Business

9. Close

COMMITTEE REPRESENTATION

Office Bearers:

President - Chris Langslow – Denmark Co-operative

Vice President – Stuart Evans – Kwoorabup Technology

Secretary – Julia Fitzgerald – Artisan Brewing

Treasurer – Kathryn Kinnear – Bio Diverse Solutions

Ordinary Members:

Gill Atkinson – Denmark Good Food Factory

Michael Cranny – Denmark Men’s Shed

Juliet Grist - Rural and Regional Economic Solutions

Committee Members Not Up for Re-Election (in their second term):

President -Chris Langslow – Denmark Co-operative

Secretary - Julia Fitzgerald – Artisan Brewing

Treasurer - Kathryn Kinnear – Bio Diverse Solutions

Ordinary - Juliet Grist - Regional and Rural Economic Solutions

2023 - 2024 Committee Nominations

Vice President - Stuart Evans - Kwoorabup Technology

Ordinary - Gill Atkinson – Denmark Good Food Factory

Ordinary - Christine Rumble - Denmark Chocolate Company

PRESIDENT'S REPORT

The 2022-23 year was the Chamber's first full year located in and operating the Denmark Visitor Centre, delivering Denmark's visitor servicing on behalf of the Shire of Denmark. Under the executive management of our CEO, Dr John Gates, we have made clear headway in establishing a sustainable financial and business basis on which to run the Visitor Centre, delivering the contracted service to specification, to quality and to budget. At the same time, we have continued to look out for the interests of all our Chamber members, focusing on those responsibilities that extend well beyond our role in visitor servicing. Bedding down and running this enlarged enterprise has required considerable focus and both intellectual and emotional energy from John and his management team. They have done an excellent job and I express my thanks to them and to all the Visitor Centre volunteers.

The 2022-23 seven-strong Committee has also performed excellent work. In addition to Stuart Evans, Julia Fitzgerald, Kath Kinnear, Gill Atkinson and Michael Cranny, who remained on the Committee from last year, we were joined by the energetic and thoughtful Juliet Grist. My sincere appreciation to all for making such consistent contributions. I am delighted that there will be significant continuity again in the 2023-24 Committee.

During the year, the Committee reviewed and refreshed the Chamber's Strategic Plan. Our strategic objectives and priority activities can be summarised under three themes: providing support services that benefit our member businesses; maintaining our reputation, governance and financial sustainability; and developing and growing the Discover Denmark brand, including visitor servicing. A continuing focus on these themes will enable us to deliver on our Vision of being the organisation that facilitates and supports economic development for Denmark and the region and on our Mission of empowering, connecting and advocating for sustainable business growth across the Denmark region by providing our businesses with advocacy, networking, promotion and business support.

Every year seems to throw up its own range of unexpected challenges and opportunities and the coming year will, no doubt, be no different. I am confident, though, that your Chamber is very well placed to deliver beneficial outcomes again, equipped as we are with a strong management team, an experienced Committee, a robust balance sheet and business model and – most importantly – the support of our many members.

CHRIS LANGSLOW



TREASURER'S REPORT

The Denmark Chamber of Commerce returned a Net Surplus of \$32,507 in the 2023 Financial Year, which bettered its budgeted surplus of \$9,849. While Membership Fees and Directory Advertising decreased by 5%, the Chamber generated increased income from the first full year of its 3-year Visitor Service Agreement with the Shire of Denmark. Taken together with sales of merchandise, income from the Art Gallery and one-off grant revenue, this contributed towards the surplus result.

Please refer to the attached 2022/23 Financial Statement. Some key highlights are:

- Membership Fees and Directory Advertising at \$152,737 (2022: \$160,632)
- Visitor Servicing Fees at \$95,004 (2022: \$86,461)
- Total Salary & Superannuation Costs \$218,943 (2022: \$188,885)
- Net Surplus of \$32,507 against last year's Net Deficit of \$(14,516)
- Net Equity of \$202,694 (2022: \$170,187)
- Cash on hand and at bank at 30 June 2022 of \$299,344 (2022: \$274,094)

The Chamber's costs increased this year by \$17,731, mainly as a result of the bedding down of the staffing requirements of visitor servicing. The operation of the office at the Visitor Centre is now well-established and costs have been rationalised. Dr John Gates, our new CEO, is well on top of the important task of ensuring that the Chamber continues to be a tightly run ship.

The coming year's budget, which has been approved by the Committee, is for a broadly break-even result. We have been conservative in our projections of income from Membership Fees and Directory Advertising, given the global environment of forecasted tightening financial conditions and a weaker growth outlook for the year ahead. However, with global tourism coming back on stream we also believe that merchandise sales will show healthy growth on the back of a full (COVID-free) year of visitation to the Visitor Centre.

Statistics over the past 12 months have shown a 21% increase in visitor number at the Visitor Centre from 13,706 in 2022/2021 to 16,519 in 2022/23. This is in line with our determination that the Chamber's new responsibilities with visitor servicing should not undermine our financial stability. While we are not expecting to generate a surplus this year, we are operating with the benefit of a strong financial position and a robust balance sheet.

TREASURER'S REPORT

The Chamber's Prepaid Income as at 30 June 2023 is \$90,024, compared to \$85,652 at the same time last year. This represents the Directory Advertising and Membership Fees that the Chamber has been paid for but has yet to provide, and which will be booked as income as soon as the 2023/24 Directory is published later this year. The Committee is very well aware that the future of the Chamber relies on our membership base's continuing to value (and pay for) what the Chamber delivers for the business community in Denmark.



KATHRYN KINNEAR

DENMARK CHAMBER OF COMMERCE INC.
ABN: 62 127 248 004

**SPECIAL PURPOSE
FINANCIAL REPORT**

**FOR THE YEAR ENDED
30 JUNE 2023**



Denmark Chamber of Commerce Inc
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**DENMARK CHAMBER OF COMMERCE INC
SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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12th July 2023

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 2023, 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



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**DENMARK CHAMBER OF COMMERCE INC
SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

COMMITTEE OF MANAGEMENT REPORT

Our committee submits the financial report of the Denmark Chamber of Commerce Inc, for the financial year ended 30 June 2023.

Committee of Management Members

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

Chris Langslow – President

Stuart Evans – Vice President

Kath Kinnear - Treasurer

Julia Fitzgerald - Secretary

Gill Atkinson

Juliet Grist

Michael Cranny

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
- (f) 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.

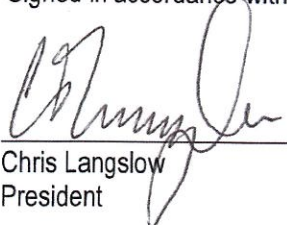
Significant Changes


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

Operating Results

	30 June 2023	30 June 2022
	\$	\$
The operating result was a surplus / (deficit) for the year of	32,507	(14,516)

Signed in accordance with a resolution of the committee


Chris Langslow
President


Kath Kinnear
Treasurer

Dated this: 25th day of August 2023

**DENMARK CHAMBER OF COMMERCE INC
SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

RESPONSIBLE PERSONS DECLARATION

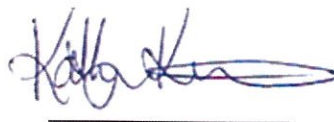
The responsible persons declare that in their opinion:

- 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 2023 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.



Chris Langslow
President



Kath Kinnear
Treasurer

Date: 25th August 2023

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 2023, 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 2023, 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.

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.



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CERTIFIED PRACTISING ACCOUNTANTS



Reviewer's Responsibilities for the Review of the Financial Report

Our objectives are to review information ensuring nothing comes to our attention that causes us to believe the financial report presents a true and fair view, and to issue a review report that includes our opinion. A review is not an audit and no assurance or guarantee is provided by 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 even if 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:

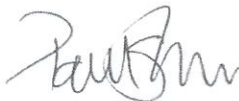
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform review procedures responsive to those risks, and obtain review evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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: 25th day of August 2023



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CERTIFIED PRACTISING ACCOUNTANTS



**DENMARK CHAMBER OF COMMERCE INC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<u>INCOME</u>			
Membership Fees		78,710	77,605
Directory Advertising		74,027	83,027
Visitor Servicing: Shire of Denmark		95,004	86,461
Events & Promotions		12,086	8,412
Grants		20,000	0
Membership Services		15,855	2,297
Hire of Room		7,313	3,364
Merchandise Trading	2	18,410	2,487
Interest		1,633	431
BAH Sponsorship		500	0
Art Gallery		5,935	0
Miscellaneous Income		0	635
TOTAL INCOME		329,473	264,719
 <u>EXPENDITURE</u>			
Cost of Sales: Directory		17,430	20,028
Cost of Sales: Visitor Servicing		0	16,376
Cost of Sales: Events & Promotions		804	4,738
Audit Fees		1,136	1,000
Insurance		7,167	1,050
Membership & Subscriptions		5,493	8,630
Administration Supplies		7,306	7,099
Salaries & Wages		197,650	172,426
Superannuation		21,293	16,459
Other Employment Costs		5,389	1,928
Member Services		4,746	3,794
Depreciation		326	2,083
Office Rent & Outgoings		169	6,621
Office Supplies		9,360	9,562
Sponsorship & Awards		1,619	1,136
Discover Denmark		14,567	3,892
Refunds & Bad Debts		2,511	2,413
		296,966	279,235
Operating Result Surplus/(Loss)	10	32,507	(14,516)

The accompanying notes form part of these financial statements.

DENMARK CHAMBER OF COMMERCE INC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash on Hand		603	456
Cash at Bank	3	298,731	273,638
Trade Debtors		72,441	80,812
Other Receivables	4	370	1,207
Inventory	2	20,975	9,526
TOTAL CURRENT ASSETS		<u>393,120</u>	<u>365,639</u>
NON CURRENT ASSETS			
Leasehold Improvements	5	0	0
Equipment	5	0	327
TOTAL NON-CURRENT ASSETS		<u>0</u>	<u>327</u>
TOTAL ASSETS		<u>393,120</u>	<u>365,966</u>
CURRENT LIABILITIES			
Trade Creditors		114	1,986
Other Accounts Payable	6	36,482	35,496
Deferred Income	7	134,292	144,388
Provision for Employee Entitlements	8	12,495	8,983
TOTAL CURRENT LIABILITIES		<u>183,383</u>	<u>190,853</u>
NON-CURRENT LIABILITIES			
Provision for Employee Entitlements	8	7,043	4,926
TOTAL NON-CURRENT LIABILITIES		<u>7,043</u>	<u>4,926</u>
TOTAL LIABILITIES		<u>190,426</u>	<u>195,779</u>
NET ASSETS		<u>202,694</u>	<u>170,187</u>
Represented by:			
EQUITY			
Accumulated Surplus		202,694	170,187
Asset Revaluation Reserve		0	0
End of prior year Adjustment		0	0
TOTAL EQUITY		<u>202,694</u>	<u>170,187</u>

The accompanying notes form part of these financial statements.

DENMARK CHAMBER OF COMMERCE INC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
EQUITY			
<u>Accumulated Surplus</u>			
Balance as at the beginning of period		170,187	184,703
		0	
Net result for the period		32,507	(14,516)
Adjustment to opening balance		0	0
		<hr/>	<hr/>
Balance as at the end of period		202,694	170,187
<u>Asset Revaluation Reserve</u>			
Balance as at the beginning of the period		0	0
Revaluations of Non- Current Assets		0	0
Revaluation Movement			
		<hr/>	<hr/>
Balance as at the end of the period		0	0
		<hr/>	<hr/>
TOTAL EQUITY		<u>202,694</u>	<u>170,187</u>

The accompanying notes form part of these financial statements.

DENMARK CHAMBER OF COMMERCE INC
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
<u>Receipts –</u>			
- Receipts from Customers		343,114	261,166
- Grants		20,000	0
- Interest		1,633	431
<u>Payments</u>			
- Cost of Sales		(67,716)	(51,785)
- Employees		(213,314)	(186,088)
- Services and charges		(58,477)	(43,647)
Net Cash flows from / (used in) Operating Activities	10	25,240	(19,923)
CASHFLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		0	0
Purchase of Property, Plant & Equipment		0	0
Net Cash flows used in Investing Activities		0	0
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans		0	0
Capital Grants- Other		0	0
Net Cash flows used in Financing Activities		0	0
NET INCREASE/(DECREASE) IN CASH HELD		25,240	(19,923)
Add: Opening Cash Balance Forward		274,094	294,017
CLOSING CASH CARRIED FORWARD		299,334	274,094
<u>Cash Balance made up of:</u>			
Cash on Hand		603	456
Cash at Bank	3	298,731	273,638
		299,334	274,094

The accompanying notes form part of these financial statements.

DENMARK CHAMBER OF COMMERCE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2023

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 Standard's
- 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.

b) Cash and Cash Equivalents

Cash and cash equivalents includes 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.

DENMARK CHAMBER OF COMMERCE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2023

c) Inventories

Inventories held for resale have been valued at the lower of cost and net realisable 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 recognised 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 recognised 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.

Right of use assets where a lessee is granted the right to use an asset over the life of the asset (together with the lease payment obligation liability) have not been brought to account, which is otherwise a requirement of AASB16 "Leases".

Materiality

Assets with an economic life in excess of one year are only capitalised 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:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Leasehold Improvements	10%
Office Equipment	40%

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 recognised for entitlements accruing during the employee's service period.

DENMARK CHAMBER OF COMMERCE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2023

g) Provisions

Provisions are recognised 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 recognised 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 recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The fair value of volunteer services contributed has not been recognised in accordance with AASB 1058 "Income of Not for Profit Entities". As a consequence, no volunteer labour expense and correspondingly no volunteer income has been brought to account.

Donations and bequests are recognised as revenue when received.

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

Dividends are recognised as revenue when received.

Revenue from the rendering of a service is recognised 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 recognised 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.

DENMARK CHAMBER OF COMMERCE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
2 TRADING STATEMENT		
<u>INCOME</u>		
Merchandise Sales	55,925	5,596
<u>Less Cost of Sales</u>		
Opening Stock	9,526	0
Purchases	48,964	12,635
	<hr/>	<hr/>
Closing Stock	(20,975)	(9,526)
Cost of Sales	37,515	3,109
	<hr/>	<hr/>
Gross Profit	18,410	2,487
	<hr/>	<hr/>
3 CASH AT BANK		
NAB Operating Account	20,070	30,609
NAB Cash Management Account	128,661	76,651
WBC Term Deposit	150,000	166,376
Westpac Community Solutions	0	2
	<hr/>	<hr/>
	298,731	273,638
	<hr/>	<hr/>
4 OTHER RECEIVABLES		
Square Settlements	370	1,207
Winter Campaign Expenses	0	0
	<hr/>	<hr/>
	370	1,207
	<hr/>	<hr/>
5 PROPERTY PLANT & EQUIPMENT		
Leasehold Improvements	5,253	5,253
Less Accumulated Depreciation	(5,253)	(5,253)
	<hr/>	<hr/>
	0	0
	<hr/>	<hr/>
Equipment At Cost	11,057	12,099
Less Accumulated Depreciation	(11,057)	(11,772)
	<hr/>	<hr/>
	0	327
	<hr/>	<hr/>
	0	327
	<hr/>	<hr/>

The Chamber is operated from premises subject to a lease agreement. Leasehold improvements are depreciated over the term of the lease.

DENMARK CHAMBER OF COMMERCE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
6 OTHER ACCOUNTS PAYABLE		
Goods & Services Tax	15,157	16,865
PAYG Withholding	7,720	7,226
Superannuation	5,980	5,830
Denmark Dollars	7,625	5,575
	<u>36,482</u>	<u>35,496</u>
7 PREPAID INCOME		
Prepaid Memberships	65,571	72,749
Prepaid Directory Advertising	68,721	71,639
	<u>134,292</u>	<u>144,388</u>
8 EMPLOYEE ENTITLEMENTS		
Provision for Annual Leave	12,496	8,983
Provision for Long Service Leave	7,043	4,926
	<u>19,539</u>	<u>13,909</u>
Current	12,496	8,983
Non-Current	7,043	4,926
	<u>19,539</u>	<u>13,909</u>

9 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 favourable than those available to non-related parties.

DENMARK CHAMBER OF COMMERCE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
10 RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASHFLOWS FROM OPERATING ACTIVITIES		
Surplus/(Loss) from Operating Activities	32,507	(14,516)
<u>Non-cash flows in profit:</u>		
Depreciation & Amortisation	326	2,083
<u>Changes in assets and liabilities, net effects of:</u>		
- (Increase)/Decrease in trade debtors	8,371	(11,592)
- (Increase)/Decrease in other receivables	837	(1,207)
- (Increase)/Decrease in inventory	(11,449)	(9,526)
- Increase/(Decrease) in creditors	(11,968)	1,986
- Increase/(Decrease) in payables	987	3,479
- Increase/(Decrease) in deferred income	0	6,573
- Increase/(Decrease) in provisions	5,629	2,797
Net Cashflow from / used in Operating Activities	<u>25,240</u>	<u>(19,923)</u>