



SolarShare

2020 Annual Report



SOLARSHARE COMMUNITY ENERGY LTD

ACN: 600 571 220

ANNUAL REPORT

For the reporting period 30th June 2019 to 30th June 2020

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CHAIR OF THE BOARD'S REPORT

On behalf of the SolarShare Board of Directors, I am pleased to present the sixth Annual Report of SolarShare Community Energy Limited.

What a year this has been – for once I'm using that statement in a positive sense.

SolarShare has progressed steadily on the build of the farm, and we are delighted with the progress (as I write this, our Engineering, Procurement and Construction contractor are assembling panels onto frames at the farm).

Highlights for the last year were our modification to the design of the farm. In the Offer Information Statement, we proposed a fixed plane farm – which means that the solar panels are mounted to a rigid frame and are angled in one direction only. However as we reviewed the results of the capital raise, and commenced detailed design with our Engineering, Procurement and Construction vendor, Epho, we were able to negotiate the change in design from fixed plane to single-axis tracking.

This design change means that the panels will tilt during the day from east to west, following the sun, which allows us to make more electricity from the same panels. In making the decision we spent a significant amount of time considering both the engineer aspects of this, which the Board was satisfied did not materially increase risks to the investors, as well as the financial impacts, which resulted in a higher cost for the farm, but a greater return to the investors.

The farm development has concluded, with our successful completion of all heritage studies for the land. These, however, took longer than expected, and this has caused a delay to our schedule.

From a Board perspective, we welcomed David Maywald and Donna McShane as directors. Donna and David bring valuable skills in financing, investment, accounting and audit, and round out the Board as we transition from a start-up to an operating company. The Board has been working on governance improvements in line with this change.



In August (subsequent to the period of this report), Dan Carton resigned from the board. Dan's approach to, and management of our financial and commercial interests was a key factor behind SolarShare's success, and we thank him for his support and contribution.

We are looking ahead with great expectation and delight to the start of production in January 2021. We continue to thank you, our investors, for your support. We anticipate the farm will deliver the expected rate of return as outlined in the Offer statement - as the improved performance compensates for the delays to the start of production due to the design change.

I want to highlight again the efforts of our Principal Executive Officer, Lawrence McIntosh, who continues to be the heart of the operation. Lawrence has elected to step back from SolarShare once the farm is in full production. We're all feeling several emotions simultaneously – gratitude for what Lawrence has contributed, sadness that he's chosen to move on and understanding for his reasons. We will continue to draw upon Lawrence's expertise in several ways, as well as always offering him employment as SolarShare develops, and we continue to improve our staffing positions.

As well, the work of our volunteer groups, being our Communications, Development, Finance and Legal and Risk teams are crucial to our work. Part of the pleasure of SolarShare is the people you get to work with - thank you all!

We all have a strong imperative to execute against our vision and deliver a reliable, well-performing piece of electricity infrastructure.

I look forward to seeing all members at our Annual General Meeting or the plant opening.



NICK FEJER

Chair of the Board





PRINCIPAL EXECUTIVE OFFICER'S REPORT

Well the goal is in sight, trenches are dug, racking is in the ground, solar panels are being mounted, and our site is a flurry of activity.

In fact this whole year has felt like we are on the home stretch, its all thanks to the SolarShare community backing the project with such strength that this year we have been able to proceed ahead with our plans despite the challenges we are all facing in the broader world.

Many in our community have been directly (or at least indirectly) affected by fires or hailstorm earlier in the year, and of course the entire planet has been affected by Covid19. Covid19 caused a couple of scares for us too in the early part of the year with wild currency fluctuations and potential delays to international shipments, but for the large part the project has been able to proceed more or less on track.

I feel incredibly proud of the achievements of SolarShare and proud of the Canberra community's efforts to lead the way in creating a sustainable city.

This will be my last year as Principle Executive Officer. At the beginning of last decade a group of six of us sat around a kitchen table, dreamed big, and said to ourselves that we should start a community solar farm. That decision would take us on a journey we couldn't have possibly foreseen. It's been a journey that has introduced me to such a wealth of amazing people, new friends, mentors, colleagues, volunteers and community members. All these people have come together and turned the dream into a reality. I want to give my thanks and gratitude for the support and belief that each and every person involved has given SolarShare.

Its time now for me to pass my role on to someone with fresh energy and vision, who can lead the organisation and the SolarShare community through the next part of our transition towards our sustainable future.

We'll be turning on the new solar plant in about a month's time, and with any luck we'll be able to have an event to celebrate this milestone together. After a year that we've all spent in hibernation it will be such a treat to see the whole SolarShare community come together.



LAWRENCE MCINTOSH

Principal Executive Officer

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The Company's principal activities during the reporting period focused on our flagship project, the Mount Majura Solar Farm. There were no significant changes in the nature of SolarShare's principal activities during the reporting period.

Principal activities comprised of:

- Modification of the design of the solar farm from the proposed fixed plane to a single axis tracker design
- Completed and executed an Engineering, Procurement and Construction contract with Epho Pty Ltd
- Executed the lease on our site, Block 707 Majura, (corner Lime Kiln Rd and Majura Rd)
- Completed Heritage studies and gained heritage approval on the site
- Assessed other appropriate solar project opportunities

OPERATING RESULTS AND REVIEW OF OPERATIONS

OPERATING RESULTS

For 2019-20, SolarShare recorded a net loss of \$30,011, after income tax.

Year ended 30 th June 2020	Year ended 30 th June 2019
(\$30,011)	(\$53,069)

We expect a change to strong profitability once the farm commences production early in 2021, and do not expect any other losses subsequently going forward.



DIRECTORS' REPORT

REVIEW OF OPERATIONS

INVESTMENT ACTIVITIES

As part of our project development operations, SolarShare progressed these two broad streams:

1. The Flagship project, Mount Majura Solar Farm, supported by an ACT Government Feed-in-Tariff, and
2. Medium-sized rooftop installation of photovoltaic plants, coupled with power purchase agreements from end consumers.

STREAM 1—MOUNT MAJURA SOLAR FARM

This financial year saw tremendous progress in the Company. After the completion of the Tranche 2 financial raise in June 2019, and the completion of debt financing in May 2019, the Board considered other possibilities for the solar farm's technical specifications to improve generation capabilities and increase revenue and approved the change in design from a fixed plane to a single axis tracker system. This change means the panels will track the sun across the sky from east to west each day, which increases the generated output of the farm (the panels do not tilt on the second axis, between summer and winter).

We signed the lease on the property from Mt Majura Winery in October, and we executed our Engineering, Procurement and Construction contract with Epho Pty Ltd in March. We submitted our Construction Environmental Management Plan and our Construction Workplace Health and Safety Plan to the ACT Government in November 2019.

Our heritage consultants commenced heritage studies once the design of the solar farm matured. The heritage studies included the digging of pits in the locations of trenches for cabling to determine if there were any significant indigenous artefacts, with indigenous representatives reviewing and checking the contents. There were 101 pits excavated, and in these 241 artefacts found.



DIRECTORS' REPORT

Subsequently, the design of the solar farm was modified to minimise the potential impacts on the site, resulting in impacts on less than 1%. The ACT Heritage Council approved the Statement of Heritage Effects on 9th June 2020.

STREAM 2—ROOFTOP OPERATIONS

SolarShare has a small pipeline of projects in the development stage and is in various stages of discussions with building owners and energy users for the sites involved. These projects are slowly evolving, given that our main priority is the Mount Majura Solar Farm flagship project.

DIVIDENDS

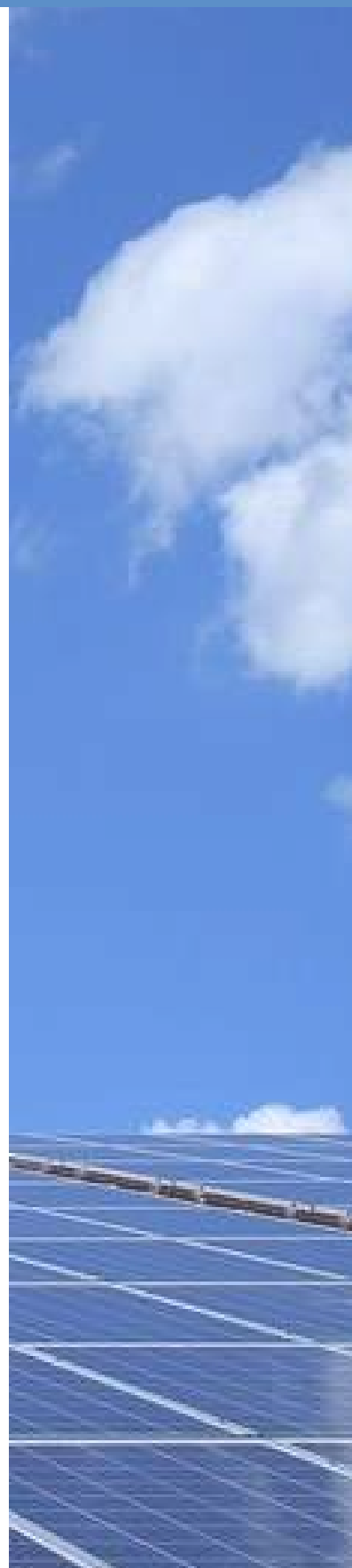
No dividends were declared or paid for 2018–19.

The directors recommend that no dividend be paid for 2019–20. The Board accepted this recommendation.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes occurred during the reporting period. These included:

1. David Maywald joined the Board in July 2019. David brings two decades of experience as a Research Analyst and top-quartile Portfolio Manager, with specialties in utilities, infrastructure and energy. He brings technical skills in accounting, valuation, finance and investment.
2. In January 2020, Donna McShane joined the Board of Directors. Donna has over 20 years of experience working within the Australian Public Service in internal audit, external financial statements audit, accounting policy, and strategic planning roles. Donna has a long-held interest in corporate governance. Donna is currently a Senior Manager for a Canberra-based professional services firm.
3. After the reporting period, in August 2020 Dan Carton resigned from the Board due to personal commitments.



DIRECTORS' REPORT

FUTURE DEVELOPMENTS

In the immediate future, SolarShare's primary focus will remain on our flagship project, the Mount Majura Solar Farm. The project's building phase began during the reporting period.

EVENTS SUBSEQUENT TO REPORTING PERIOD

The farm construction completion has occurred, with first electricity generation occurring on Friday 12th March 2021. The farm will go through an acceptance process, including performance testing, which is expected to complete in April 2021. Sales of Electricity and operation of the feed in tariff commenced on Friday 12th March.

Substantial capital expenditure has occurred on the farm, in line with the EPC contract we have previously executed with Epho. As end February 2021, \$2,002,606 of our contracts have been paid to vendors.

We have drawn down on our loan facilities, comprising:

- a) \$800,000 of debt, which has a 10-year loan term, and
- b) a \$200,000 line of credit, which repayable by 30th May 2021.

This interest rate is indexed to the BBSW, 180-day rate.

Subsequent to the reporting period, we have entered into and completed a contract with PV-Lab Australia, for \$8,410.00 ex GST, for panel testing services. Michelle McCann and Lawrence McIntosh are associated with PV-Lab Australia.

ENVIRONMENTAL ISSUES

SolarShare's operations are subject to significant environmental regulation under Australian Government law and ACT Government law.

No significant events occurred in relation to any environmental regulation during the reporting period.



DIRECTORS' REPORT

DIRECTOR BENEFITS

CONTRACTUAL BENEFITS

No director received or became entitled to receive, during the reporting period, a benefit because of a contract made by:

- SolarShare;
- a controlled entity or related body corporate with a director;
- a firm in which a director is a member;
- an entity in which a director has a substantial financial interest.

DIRECTOR AND OFFICER INDEMNIFICATION AND INSURANCE

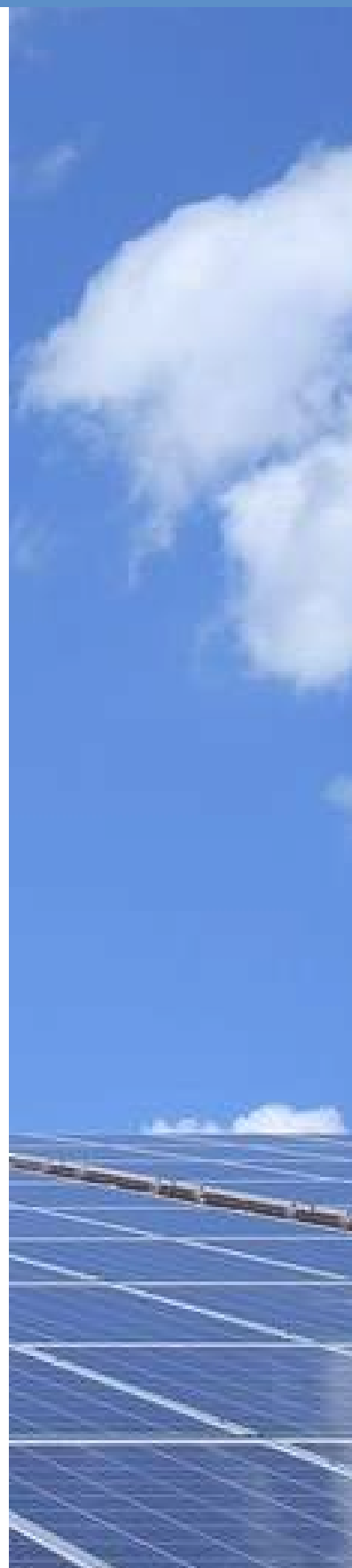
SolarShare has indemnified all directors and officers in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as directors or officers of the Company, except where the liability arises out of conduct involving negligence or the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of SolarShare's contract of insurance.

The Company did not provide any insurance for an auditor of the Company or a related body corporate during this reporting period or previous reporting periods.

COMPANY DIRECTOR INFORMATION

The names and details of the Company's directors who held office during the reporting period are as follows:



DIRECTORS' REPORT



Mr. Nicolas Fejer

BEng (Hons), BSc, MAIPM, GAICD

Chair (since August 2017), Non-Executive Director (since July 2014)

Nicolas Fejer is a business leader with extensive experience gained working for or with engineering, financial and large corporate firms. He specialises in technology and high performance teams. Nicolas runs the Enakt Group, which provides professional services in the areas of program and project management and processes.

Previously, Nicolas was a public servant, working in program management. Before his time with the Australian Government, he was a founding member of start-up Spark Solar.

Nicolas' extensive corporate experience includes senior management positions at Siemens and Bosch, where he held positions in business development and manager of project management.

Interest in shares and option: Holds 1000 shares in SolarShare Community Energy Ltd, a combination of personal holdings and holdings in a personal trust—Feathertop Holdings Pty Ltd—as trustee.

Special responsibilities: Chairperson

Directorships held in other listed entities during the three years before the reporting period: NIL

DIRECTORS' REPORT



Ms. Michelle McCann

PhD BSc (Hons)

Non-Executive Director (since July 2014)

Michelle McCann has worked in solar energy since 1996. She is currently a partner at PV Lab Australia, a specialised test laboratory with a focus on quality assurance and risk evaluation for PV modules and components.

Previously, she was CEO and one of the founders of Spark Solar Australia, an Australian company seed-funded by a group of German experts in the photovoltaic field with the mission of raising funds to establish a PV manufacturing company in Australia. Before this, Michelle worked in the photovoltaic group at the University of Konstanz in Germany, where she was group leader of the Novel Devices Group.

She has a PhD from the Photovoltaic Group at the Australian National University. Michelle has twice held a world record for producing high efficiency solar cells.

Interest in shares and option: Holds 400 shares in SolarShare Community Energy Ltd., in a personal trust—Stripey Otter Pty Ltd—as trustee.

Special responsibilities: Deputy Chair, member of the Finance, Audit and Risk committee

Directorships held in other listed entities during the three years before the reporting period: NIL

DIRECTORS' REPORT



Ms. Marea Fatseas

MBA, MA (Asian Studies), BSc (Hons), Dip. Humanities
Non-Executive Director (since January 2017)

Marea has more than 30 years of public and private sector experience in Australia and internationally in strategy development, program management and advising on large-scale collaborations. She is the owner-director of consultancy company Ideas Connect.

Marea is highly active in community and residents' groups in the inner south of Canberra, including as Chair of the Inner South Canberra Community Council, and formerly as President of the Yarralumla Residents Association. She cofounded climateXchange, an online sustainability forum for Canberra and surrounding region.

Interest in shares and option: Holds 2400 shares in SolarShare Community Energy Ltd through a combination of personal holdings and holdings in a private company—Ideas Connect Pty Ltd.

Special responsibilities: Member of the Finance, Audit and Risk committee

Directorships held in other listed entities during the three years before the reporting period: NIL

DIRECTORS' REPORT



Mr. Carlo Botto

BE (Electrical), GradDipEng (Asset Management)
Non-Executive Director (since June 2016)

Carlo Botto has extensive energy industry experience gained while working for more than 35 years in the energy supply industry in Australia and North America. Carlo is the principal of Brighter Energy, which he established to provide consulting services to the energy industry. He presently sits on the Board of Hydro Tasmania. Previously, Carlo was a Director of BlueNRGY Group, and a senior executive of CLP Holdings (listed on the Hong Kong stock exchange), where Carlo worked in its Australian subsidiary Energy Australia (formerly TRUenergy and Yallourn Energy) based in Melbourne.

Carlo has also held senior executive roles, including:

- Head of Risk Management and Trading at InterGen Services, based in Brisbane, Queensland,
- Director of Asset Trading and Operations for Pacific Gas & Electricity's National Energy Group based in the United States,
- General Manager, Trading and Pricing for Ergon Energy, a Queensland-based electricity retailer.

Initially, from an electrical engineering background, Carlo gained significant operational experience while working in New South Wales and Victoria. This experience included positions with Snowy Hydro Limited in technical, production and commercial roles. Before Snowy Hydro, Carlo worked in a Sydney-based engineering consulting firm.

Interest in shares and option: NIL

Special responsibilities: NIL

Directorships held in other listed entities during the three years before the reporting period: Non-executive Director of Hydro Tasmania. Previously a Non-executive Director of BlueNRGY Group, a listed public company

DIRECTORS' REPORT



Ms. Wendy Meredith

LLB (Hons) ANU, GAICD

Non-Executive Director (since October 2018)

Wendy Meredith is a commercial and corporate lawyer with more than 25 years of experience. She has acted for a wide range of companies including several start-up entities.

As a lawyer, Wendy's focus is primarily on negotiating and drafting commercial arrangements, advising on business structuring, corporate governance and on the commercialisation of intellectual property.

Wendy's depth of legal knowledge and practical approach to finding solutions has enabled her to develop a loyal client base across a wide range of industries, including logistics, information technology, education, government and engineering.

Interest in shares and option: NIL

Special responsibilities: NIL

Directorships held in other listed entities during the three years before the reporting period: NIL

DIRECTORS' REPORT



Mr. David Maywald

GAICD, CFA, B Commerce ANU (Hons) and B Economics ANU
Non-Executive Director (since July 2019)

David brings two decades of experience as a Research Analyst and top-quartile Portfolio Manager, having specialised in utilities, infrastructure and energy. In particular, he has become a leader in Australian energy networks.

David has undertaken research and analysis of Renewable Energy companies, along the supply chain and across developed/developing countries. He brings technical skills in accounting, valuation, finance and investment to the SolarShare board. David is passionate about promoting Sustainable Finance and contributing to the energy transition (from fossil fuels to renewables).

He has held the Chartered Financial Analyst designation since 2003, and is a Graduate member of the Australian Institute of Company Directors (having completed the Company Directors Course in June 2019). David has previously volunteered with CanTeen, Wayside Chapel and the ACT Wilderness Society.

Interest in shares and option: NIL

Special responsibilities: NIL

Directorships held in other listed entities during the three years before the reporting period: NIL

DIRECTORS' REPORT



Ms. Donna McShane

B Comm UC, MBA (Corporate Governance) University of Tasmania, member Australia, Certified Internal Auditor, Certified Risk Management Assurer. Non-Executive Director (since January 2020)

Donna has over 20 years of experience working within the Australian Public Service in internal audit, external financial statements audit, accounting policy, and strategic planning roles. Donna has a long-held interest in corporate governance. She completed a Master of Business Administration (MBA) specialising in corporate governance through the University of Tasmania, including a thesis comparing elements of governance in the public and private sectors.

Donna is currently a Senior Manager for a Canberra-based professional services firm, BellchambersBarrett where she is responsible for a range of internal audits and consulting roles for numerous clients in the public, private and not-for-profit sectors. Donna's consulting work mirrors her interest in governance, predominately relating to financial management, fraud risk assessments and risk management.

Interest in shares and option: NIL

Special responsibilities: Member of the Finance, Audit and Risk Committee

Directorships held in other listed entities during the three years before the reporting period: NIL

DIRECTORS' REPORT



Mr. Daniel Carton

B Economics ANU, B Commerce ANU, GAICD
Non-Executive Director (since June 2018 – August 2020)

Dan has extensive experience in investment management, utilities, residential property and funds management. He works at an Australian Government agency in a senior management role and is responsible for portfolio management, investment sales and investor relations. Dan also holds the position of Chief Economist.

With tertiary qualifications in commerce and economics, Dan's governance experience includes being a member of a not-for-profit board in the arts sector, an advisory role in funds management education, and as a responsible manager on multiple Australian Financial Services Licences.

Interest in shares and option: NIL

Special responsibilities: NIL

Directorships held in other listed entities during the three years before the reporting period: NIL

DIRECTORS' REPORT



Ms. Julie Chater

B Comm (Economics) UNSW, BA (Hons), La Trobe University, M Environment Law, ANU

Appointed Company Secretary (since February 2017)

Julie Chater has 20 years' experience in international negotiations, foreign and trade policy development, and financial and strategic management in the Department of Foreign Affairs and Trade. Before this, she worked for 12 years in corporate governance for a large public corporation.

Julie has been a member of the Board of Governors, Australian International School Hong Kong, vice-president of the state branch of a large public-sector union. She is engaged in public education on issues relating to climate change policy, conducting several climate change and renewable-energy related courses through the University of the Third Age. In 2019 Julie was a recipient of an ACT government award for the Audrey Fagan Directorship Program at the AICD. She holds no paid management or employee roles in SolarShare Community Energy Ltd.

Julie was Board Secretary of SolarShare from January 2016, before becoming Company Secretary. She holds no paid management or employee roles in SolarShare Community Energy Ltd.

Interest in shares and option: Holds 1000 shares in SolarShare Community Energy Ltd.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

During the reporting period, Board Members (including committees of directors) met 14 times.

	Meetings held in the year during the period of directorship	Meetings attended
Nicolas Fejer Appointed: 23 July 2014 Elected: 8 November 2019	11	11
Michelle McCann Appointed: 23 July 2014 Elected: 8 November 2019	11	10
Marea Fatseas Appointed: 19 January 2017 Elected: 19 October 2018	11	11
Carlo Botto Appointed: 20 June 2016 Elected: 8 November 2019	11	9
Daniel Carton Appointed: 14 June 2018 Elected: 19 October 2018	11	9
Wendy Meredith Appointed: 23 October 2019 Elected: 8 November 2019	11	9
David Maywald Appointed: 11 July 2019 Elected: 8 November 2019	11	11
Donna McShane Appointed: 14 January 2020 Elected:	6	5

DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of SolarShare or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the reporting period.

NON-AUDIT SERVICES

No non-audit services were provided to SolarShare by its auditor during the reporting period.

AUDITOR'S INDEPENDENCE DECLARATION

We have received the auditor's independence declaration for the reporting period (page 23 of this annual report).

Remuneration Report is signed in accordance with a resolution of the Board of Directors.



DIRECTORS' REPORT

REMUNERATION REPORT

As of 30th June 2020, the only remuneration paid was to our Principle Executive Officer, under a contract for services. This contract comprised a small cash payment and 1000 shares, for services to date and the issue of up to 2000 shares on successful practical completion of the farm against internal key performance indicators. These share issues are in line with our Offer Information Statement for the Mt Majura project.

No other executive, non-executive Director, or key management personnel had received any remuneration for their work for SolarShare meaning that a vast majority of all positions with the Company remained voluntary. The Company engaged no remuneration consultants during the reporting period.

This annual report of the directors of SolarShare, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



Nicolas Fejer

Dated: 26th March 2021



DIRECTORS' DECLARATION

DIRECTORS DECLARATION

The directors of SolarShare declare that:

1. The financial statements and notes, being the balance sheet, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes to the financial statements are in accordance with the Corporations Act 2001 (Cwlth). They:
 - a) comply with accounting standards
 - b) give a true and fair view of the financial position as at 30th June 2020 and the performance for the year ended on that date of the Company.
2. In the opinion of SolarShare 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 Board of Directors.



Nicolas Fejer

Dated: 26/03/2021



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
THE SOLAR SHARE COMMUNITY ENERGY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- i. No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

Vincent's



Phillip Miller
Director
Vincent's Audit Pty Ltd
Canberra, 29 March 2021

canberra. adelaide. brisbane. gold coast. melbourne. sydney

Level 2, 14 Moore Street, Canberra ACT 2601 t 61.2 6274 3400 f 61.2 6274 3499
GPO Box 680, Canberra ACT 2601 w www.vincent's.com.au

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

SolarShare Community Energy Ltd Consolidated Accounts ABN 60 600 571 220
 Detailed Statement of Financial Performance
 For the year ended 30 June 2020

	<i>Note</i>	2020 \$	2019 \$
<hr/>			
Income			
Gross receipts		364	-
Interest received		19,067	2,018
Total income	2	<u>19,431</u>	<u>2,018</u>
Expenses			
Advertising & promotion		73	111
Bank fees & charges		-	14
Compliance & Reporting		11,615	5,827
Consultants & Accounting		1,475	805
Depreciation - Other		8,997	-
Event Expenses		1,501	546
Filing fees		263	-
Insurance		9,257	8,628
Interest Expenses		9,409	-
Legal fees		5,500	446
Office Expenses		630	474
Share Offer costs		-	38,114
Website Expenses		722	122
Total expenses		<u>49,442</u>	<u>55,087</u>
(Loss) from Ordinary Activities before income tax		<u>(30,011)</u>	<u>(53,069)</u>
Income Tax benefit		-	-
Loss after tax attributable to the members of the parents		(30,011)	(53,069)
Other comprehensive income		-	-
Total comprehensive loss		<u>(30,011)</u>	<u>(53,069)</u>
Net Loss attributable to members of the parent entity		<u>(30,011)</u>	<u>(53,069)</u>

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR (CON'T)

	<i>Note</i>	2020	2019
		\$	\$
Loss per share			
Basic loss – cents per share	15	(11.94)	(2.11)
Diluted loss – cents per share	15	<u>(11.94)</u>	<u>(2.11)</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE – BY NATURE

SolarShare Community Energy Ltd Consolidated Accounts ABN 60 600 571 220
Statement of Financial Performance - by Nature
For the year ended 30 June 2020

	<i>Note</i>	2020	2019
		\$	\$
<hr/>			
Classification of Expenses by Nature			
Revenues from ordinary activities	2	19,431	2,018
Borrowing costs expense		-	-
Depreciation and amortisation expenses		(8,997)	-
Other expenses from ordinary activities		<u>(40,445)</u>	<u>(55,087)</u>
(Loss) from ordinary activities before income tax		(30,011)	(53,069)
Income tax revenue relating to ordinary activities		-	-
Net profit (loss) attributable to members of the company		<u>(30,011)</u>	<u>(53,069)</u>
Total changes in equity other than those resulting from transactions with owners as owners		(30,011)	(53,069)
Opening accumulated losses		(79,284)	(26,215)
Net loss attributable to members of the company		<u>(30,011)</u>	<u>(53,069)</u>
Closing accumulated losses		<u>(109,295)</u>	<u>(79,284)</u>

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

SolarShare Community Energy Ltd Consolidated Accounts ABN 60 600 571 220
Statement of Financial Position as at June 2020

	<i>Note</i>	2020	2019
		\$	\$ (Restated)
Assets			
Current Assets			
Cash and cash equivalents	<i>3</i>	1,230,106	2,376,001
Trade and other receivables	<i>5</i>	105,798	38,055
Other current assets	<i>6</i>	<u>15,817</u>	<u>3,825</u>
Total Current Assets		<u>1,351,721</u>	<u>2,417,881</u>
Non-Current Assets			
Capital works in progress	<i>4</i>	1,050,654	335,737
Right of use asset	<i>7</i>	<u>275,524</u>	<u>-</u>
Total Non-Current Assets		<u>1,326,178</u>	<u>335,737</u>
Total Assets		<u>2,677,899</u>	<u>2,753,618</u>
Liabilities			
Current Liabilities			
Payables	<i>8</i>	7,308	332,372
Lease liability	<i>9</i>	<u>8,077</u>	<u>-</u>
Total Current Liabilities		<u>15,385</u>	<u>332,372</u>
Non-Current Liabilities			
Lease liability	<i>9</i>	<u>271,279</u>	<u>-</u>
Total Non-Current Liabilities		<u>271,279</u>	<u>-</u>
Total Liabilities		<u>286,664</u>	<u>332,372</u>
Net Assets		<u>2,391,235</u>	<u>2,421,246</u>
Equity			
Contributed equity	<i>10</i>	2,500,530	2,500,530
Accumulated losses		<u>(109,295)</u>	<u>(79,284)</u>
Total Equity		<u>2,391,235</u>	<u>2,421,246</u>

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

SolarShare Community Energy Ltd Consolidated Accounts ABN 60 600 571 220
Statement of Changes in Equity for the year ended 30 June 2020

	Retained Earnings	Issued & Paid Up Capital	Total
Balance at 01/07/2018	(26,215)	125,070	98,855
Comprehensive income			
Profit attributable to the members	(53,069)	-	(53,069)
Shares issued during the year	-	2,375,460	2,375,460
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the entity	(53,069)	2,375,460	2,322,391
Balance at 30/06/2019	(79,284)	2,500,530	2,421,246
Comprehensive income			
Loss attributable to the members	(30,011)	-	(30,011)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the entity	(30,011)	-	(30,011)
Balance at 30/06/2020	(109,295)	2,500,530	2,391,235

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

SolarShare Community Energy Ltd Consolidated Accounts ABN 60 600 571 220
Statement of Cash Flows
For the year ended 30 June 2020

	2020	2019
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	401	-
Payments to Suppliers and employees	(110,808)	(59,692)
Interest received	19,067	2,018
Lease finance cost	(9,409)	-
Net cash provided by (used in) operating activities (note b)	(100,749)	(57,674)
Cash Flow From Investing Activities		
Payment for:		
Purchase of capital work in progress	(1,039,981)	(26,612)
Net cash provided by (used in) investing activities	(1,039,981)	(26,612)
Cash Flow From Financing Activities		
Repayment of finance lease liabilities - principal	(5,165)	-
Proceeds of issue of shares	-	2,375,460
Net cash provided by (used in) financing activities	(5,165)	2,375,460
Net (decrease)/ increase in cash held	(1,145,895)	2,291,174
Cash at the beginning of the year	2,376,001	84,827
Cash at the end of the year (note a)	1,230,106	2,376,001

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS (Cont'd)

Note a. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash and Cash equivalent	1,230,106	2,376,001
Note b. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating Profit After Income Tax		
Operating loss after income tax	(\$30,011)	(53,069)
Depreciation	8,997	-
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and other receivables	(67,744)	-
(Increase) decrease in prepayments	(11,991)	(1,613)
Increase (decrease) in trade creditors and accruals	-	534
Increase (decrease) in other creditors	-	2,800
Increase (decrease) in sundry provisions	-	(6,327)
Net cash provided by (used in) operating activities	(100,749)	(57,674)

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements

1: Basis of Preparation

The financial report covers SolarShare Community Energy Ltd Consolidated Accounts as an individual entity.

SolarShare Community Energy Ltd Consolidated Accounts is a group of companies limited by shares, incorporated and domiciled in Australia, comprising of a parent company SolarShare Community Energy Ltd and a wholly owned subsidiary company Majura Community Energy Project Pty Ltd.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

1.2 Going Concern

The Group has reported a net loss for the year ended 30 June 2020 of \$30,011 (30 June 2019: \$53,069).

As at the reporting date, the Group has net current assets of \$1,336,336 (2019: 2,085,509), net assets of \$2,391,235 (2019: 2,421,246) and net operating cash outflows of \$100,749 (2019: outflows of \$57,674).

The Directors have a reasonable expectation that the Group will have adequate financial resources to continue as a going concern based on the following:

- Current cash and cash equivalent of \$625,309 as at 28 February 2021
- Expectation that going forward the Group will be able generate adequate revenues from operations to meet the obligations of the Group as and when they fall due.
- Availability of additional funding \$1 million from CWP Storage Pty Ltd for the purposes of construction of the farm

Based on the cash flow forecasts, the directors are satisfied that the going concern basis of preparation is appropriate.

The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

1.3: Change in Accounting Policy

Leases – Adoption of AASB 16

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

The standard removes the distinction between operating and finance leases and requires lessees to bring all leases on to the statement of financial position.

NOTES TO FINANCIAL STATEMENTS

1.3: Change in Accounting Policy (continued)

Leases – Adoption of AASB 16 (continued)

The impact of adopting AASB 16 is described below:

Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has recognized right of use asset and lease liability of \$284,521 as at 1 July 2019 for leases previously classified as operating leases.

Summary of Accounting Policies

1.4.1 Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

1.4.2 Capital Work in Progress

Capital work in progress is valued at cost.

NOTES TO FINANCIAL STATEMENTS

1.4.3 Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

a) Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts. The cost of fixed assets constructed within SolarShare Community Energy Ltd Consolidated Accounts includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

b) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to SolarShare Community Energy Ltd Consolidated Accounts commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

1.4.4 Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO FINANCIAL STATEMENTS

1.4.4 Leases (continued)

This involves an assessment of whether:

- the contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- the Company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement are separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

NOTES TO FINANCIAL STATEMENTS

1.4.4 Leases (continued)

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or the remeasurement is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.4.5 Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements. Contributions are made by SolarShare Community Energy Ltd Consolidated Accounts to an employee superannuation fund and are charged as expenses when incurred.

SolarShare Community Energy Ltd Consolidated Accounts does not record, as an asset or a liability, the difference between the employer established defined benefit superannuation plan's accrued benefits and the net market value of the plans assets. SolarShare Community Energy Ltd Consolidated Accounts operates an ownership-based remuneration scheme, details of which are provided in the Notes to Accounts. Profits or losses incurred by employees, being the difference between the market value and the par value of the shares acquired, are not recorded as remuneration paid to employees.

1.4.6 Provision for Warranties

Provision is made in respect of the economic entity's estimated liability on all products and services under warranty at balance date. The provision is based on the economic entity's history of warranty claims.

1.4.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months, net of bank overdrafts.

NOTES TO FINANCIAL STATEMENTS

1.4.8 Revenue

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Interest revenue

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

1.4.9 Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO FINANCIAL STATEMENTS

1.12 Financial Instruments (continued)

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

NOTES TO FINANCIAL STATEMENTS

1.12 Financial Instruments (continued)

Impairment of financial assets (continued)

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables.

Note 2: Revenue and Other Income

Revenue:	2020	2019
Interest revenue	19,067	2,018
Other income	364	-
	<u>19,431</u>	<u>2,018</u>

Note 3: Cash and cash equivalents

Bank accounts:		
Cash at bank	<u>1,230,106</u>	<u>2,376,001</u>

Reconciliation of Cash and cash equivalents:

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

- Cash at bank	<u>1,230,106</u>	<u>2,376,001</u>
	<u>1,230,106</u>	<u>2,376,001</u>

Note 4: Capital work in progress

	2020	2019
Non-Current		(Restated)*
- Majura Site Development Capital works	<u>1,050,654</u>	<u>335,737</u>
	<u>1,050,654</u>	<u>335,737</u>

*Refer Note 18 for the summary of prior year reporting error.

NOTES TO FINANCIAL STATEMENTS

Note 5: Trade and other receivable

	2020	2019 (Restated)*
Current		
GST receivables	105,771	38,028
Other receivables	<u>27</u>	<u>27</u>
	<u>105,798</u>	<u>38,055</u>

*Refer Note 18 for the summary of prior year reporting error.

Note 6: Other Current Assets

	2020	2019
Current		
Prepayments	<u>15,817</u>	<u>3,825</u>
	<u>15,817</u>	<u>3,825</u>

Note 7: Right of use asset

Balance at the beginning of the year	-	-
Change due to adoption of AASB 16	284,521	-
Depreciation charge	(8,997)	-
	<u>275,524</u>	<u>-</u>

Note 8: Payables

	2020	2019 (Restated)*
Current		
- Trade creditors	7,308	329,572
- Other payables	<u>-</u>	<u>2,800</u>
	<u>7,308</u>	<u>332,372</u>

*Refer Note 18 for the summary of prior year reporting error.

Note 9: Financial Liabilities

Current		
Lease liabilities	<u>8,077</u>	<u>-</u>
Non-Current		
- Lease liabilities	<u>271,279</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS

	2020	2019
Note 10: Contributed Capital		
	\$	\$
Stapled security: Ordinary Class Shares + Flagship Project Asset Specific Shares at \$9.09 each fully paid	125,000	125,000
Stapled security: Ordinary Class Shares + Flagship Project Asset Specific Shares at \$10.00 each fully paid	<u>2,375,530</u>	<u>2,375,530</u>
	<u>2,500,530</u>	<u>2,500,530</u>
Number of ordinary shares	Unit	Unit
Stapled security: Ordinary Class Shares + Flagship Project Asset Specific Shares at \$9.09 each fully paid	13,751	13,751
Stapled security: Ordinary Class Shares + Flagship Project Asset Specific Shares at \$10.00 each fully paid	<u>237,553</u>	<u>237,553</u>
	<u>251,304</u>	<u>251,304</u>

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders meetings ordinary shareholders are entitled to vote when a poll is called in accordance with the Constitution (1 vote per Member, regardless of the number of shares held, and regardless of whether they hold shares in multiple classes). Flagship Project Asset Specific Shares (FPASS) participate in dividends, returns of capital, and any distribution of surplus assets of the Majura Solar Farm, in proportion to the number of FPASS held. FPASS holders are entitled to attend and vote at general meetings and meetings of FPASS members in accordance with the Constitution (1 vote per Member, regardless of the number of shares held, and regardless of whether they hold shares in multiple classes).

Capital Management

Management controls the capital of the company in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the company can fund its operations and continue as a going concern. The Company's debt and capital includes ordinary share capital and Flagship Project Asset Specific Shares (FPASS) share capital only. Management effectively manage the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

NOTES TO FINANCIAL STATEMENTS

Note 11: Key Management Personnel Compensation

Key Management Personnel (KMP) are employed on a voluntary basis and were not paid compensation during the reporting period.

	Balance at beginning of year 1-Jul-19	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year 30-Jun-20
Stripey Otter Pty Ltd as Trustee (Michelle McCann)	400	0	0	0	400
Nicolas Fejer and Feathertop Holdings as Trustee	1000	0	0	0	1000
TJ Solen Pty Ltd as Trustee (Lawrence McIntosh)	500	0	0	0	500
Marea Fatseas and Ideas Connect Pty Ltd	2400	0	0	0	2400

Other KMP transactions

For details of other transactions with KMP, refer to Related Party Transactions

Note 12: Contingent Liabilities

This company has no Contingent Liabilities for the reporting period.

NOTES TO FINANCIAL STATEMENTS

Note 13: Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Ultimate Parent Company

This company has no parent company.

Associated Companies

This company had no transactions associated companies.

Other Related Parties

Transactions with other related parties:

SolarShare Community Energy Ltd lent \$1,168,950 to its wholly owned subsidiary Majura Community Energy Pty Ltd to fund expenditure on the development of the Solar Farm project.

Percentage of equity interest held in other related parties, either directly or indirectly:

- 100% equity interest in subsidiary Majura Community Energy Pty Ltd

Identification of Related Parties

Subsidiary: Majura Community Energy Project Pty Ltd ACN: 626 632 657

Note 14: Events Subsequent to Reporting Date

The farm construction completion has occurred, with first electricity generation occurring on Friday 12th March 2021. The farm will go through an acceptance process, including performance testing, which is expected to complete in April 2021. Sales of Electricity and operation of the feed in tariff commenced on Friday 12th March.

Substantial capital expenditure has occurred on the farm, in line with the EPC contract we have previously executed with Eppo. During the period from July 20 to Feb 21, \$2,002,606 capital expenditure has been incurred.

NOTES TO FINANCIAL STATEMENTS

Note 14: Events Subsequent to Reporting Date (cont'd)

We have drawn down on our loan facilities, comprising:

- a) \$800,000 of debt, which has a 10-year loan term, and
- b) a \$200,000 line of credit, which repayable by 30th May 2021.

This interest rate is indexed to the BBSW, 180-day rate.

Subsequent to the reporting period, we have entered into and completed a contract with PV-Lab Australia, for \$8,410.00 ex GST, for panel testing services. Michelle McCann and Lawrence McIntosh are associated with PV-Lab Australia.

Note 15: Earning Per Share

Basic LPS is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted average number of the number of ordinary shares outstanding during the year.

There were no options outstanding at the end of 2020 (2019: nil)The following table reflects the loss and share data used in the basic EPS calculations:

	2020 \$	2019 \$
The following reflects the loss and share data used in the calculation of basic and diluted loss per share		
Net loss after tax	(30,011)	(53,069)
Loss used in calculating basic and diluted loss per share	(30,011)	(53,069)
Weighted average number of ordinary shares used in calculating basic loss per share	<u>251,303</u>	<u>251,303</u>

Note 16: Capital and Leasing Commitments

The Company began leasing the land used for the Majura Solar Farm Project site during the financial year. This leasing arrangement is a Sub-lease between the wholly-owned subsidiary company and Mount Majura Wines (ACT) Pty Limited over the term of 21 years.

The lease created a Lease liability and a Right-of-use Asset in the Statement of Financial Position in accordance with the new Accounting Standard AASB 16 Leases.

NOTES TO FINANCIAL STATEMENTS

Note 17: Financial Risk Management

The Company's financial instruments consist entirely of deposits with banks.

	<i>Note</i>	2020 \$	2019 \$
Financial Assets			
Cash and cash equivalents	3	1,230,106	2,376,001
Total Financial Assets		<u>1,230,106</u>	<u>2,376,001</u>
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	8	7,308	332,372
— Lease liabilities	11	279,356	-
Total Financial Liabilities		<u>286,664</u>	<u>332,372</u>

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	<i>Note</i>	2020 \$
Cash and cash equivalents	3	<u>1,230,106</u>

Liquidity Risk

The company has no debts or obligations related to financial liabilities

Market Risk

Interest Rate Risk

The company has no financial assets or liabilities with exposure to interest rate risk.

Foreign Exchange Risk

The company has no exposure to financial instruments, contracts or other arrangements subject to foreign exchange risk

Other Price Risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or currency risk) for commodities.

NOTES TO FINANCIAL STATEMENTS

The company is not a party to any financial instruments, contracts or other arrangements that may expose the company to other price risk.

Sensitivity Analysis

The company has no substantial exposure to changes in interest rates, exchange rates, commodity prices or equity prices, other than interest received on bank balances. Due to the low value of the bank balances, a sensitivity analysis has not been performed for the year ending 30th June.

Fair Values

Fair Value Estimation

The company does not hold any financial assets other than cash; as a result of this a fair value estimation is not required.

Financial Instruments Measured as Fair Value

The company initially measures its suppliers payable and lease liabilities at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

NOTES TO FINANCIAL STATEMENTS

Note 18: Prior Year Reporting Error

The company had made an error relating to a GST amount which was double counted in reporting the Financial Position for the financial year ended 2019. The error was an unintentional arithmetic error. The affect was overstating the value of the Majura Site Project and overstating Payables.

The affected line items of the Statement of Financial Position are summarised below:

	Restated 2019 figures	Per 2019 signed financial	Variance
Trade and other receivables	38,055	41,046	2,991
Total Current Assets	2,417,881	2,420,872	2,991
Capital work in progress	335,737	365,649	29,912
Total Non-Current Assets	335,737	365,649	29,912
Total Assets	2,753,618	2,786,522	32,904
Payables	332,372	365,275	32,904
Total Current Liabilities	332,372	365,275	32,904
Total Liabilities	332,372	365,275	32,904

The opening balances shown in these financial statements are the corrected amounts.

Note 19: Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Comparatives are consistent with prior years, unless otherwise stated.

Other non-current financial asset in the previous year have been renamed to Capital work in progress in current year.

Current tax asset in the previous year have been renamed as Trade and other receivable in current year.

Independent Audit Report to the members of

Solarshare Community Energy Ltd

Report on the Audit of the Consolidated Financial Report

Opinion

We have audited the consolidated financial report of Solarshare Community Energy Ltd ("the Company"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Level 2, 14 Moore Street, Canberra ACT 2601 t 61.2 6274 3400 f 61.2 6274 3499
GPO Box 680, Canberra ACT 2601 w www.vincents.com.au

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Auditor's Responsibilities for the Audit 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards 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 an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vincent's Audit Pty Ltd

Phillip Miller
Director

Canberra, dated: 29/03/2021

canberra. adelaide. brisbane. gold coast. melbourne. sydney

Level 2, 14 Moore Street, Canberra ACT 2601 t 61.2 6274 3400 f 61.2 6274 3499
GPO Box 680, Canberra ACT 2601 w www.vincent's.com.au

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ACN: 600 571 220

