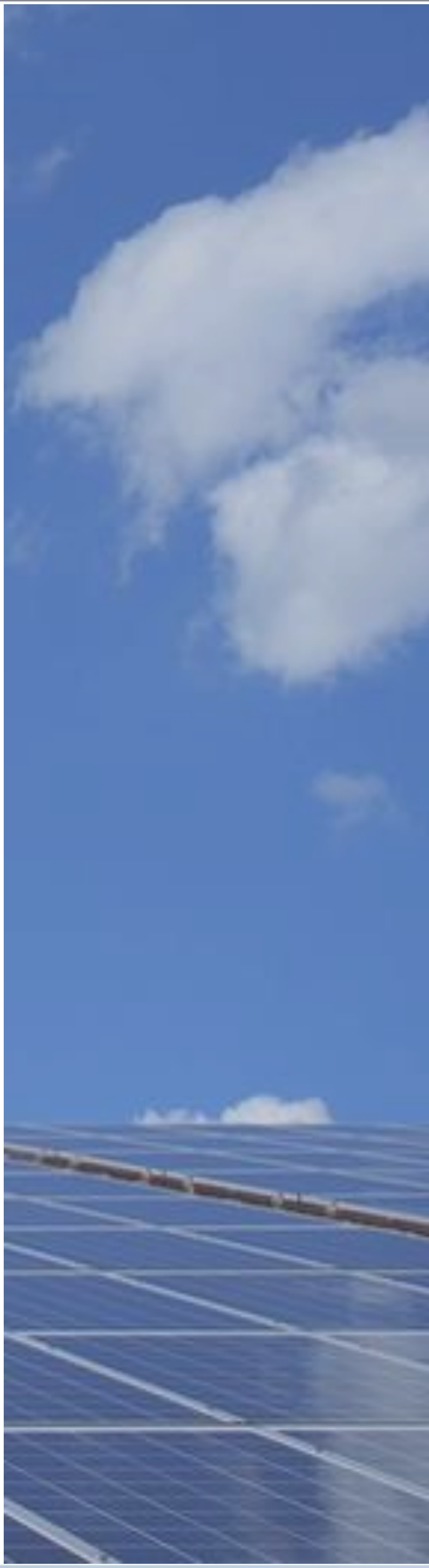
SolarShare

Annual Report for the year ended 30 June 2023

SolarShare Community Energy Ltd
ACN 600 571 220

ANNUAL REPORT

For the year ended 30 June 2023



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FROM THE CHAIR OF THE BOARD

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

I'm pleased our hard work on Company growth has borne dividends in this financial year.

The Mount Majura Solar Farm has had a successful second year of energy generation.

We have made 2.02 GWh of electricity (up from 1.91 GWh last year), which equates to 1,333 tonnes of CO_2e offset, which is excellent.

The Company remains firmly cash flow positive, which makes everyone happy. We made our first return to investors of $0.70 per share – marking a special milestone for the Company in April 2023. At the time of publishing this report, we are still in the process of confirming the capital return status from the ATO, which we are confident we will achieve.

We will make another capital return this year for members' benefit. We will be making a capital return again as we cannot, at this stage, pay a dividend due to the depreciation of the plant, making our retained earnings negative.

The return process at a high level will be the same as last year – at the AGM, we will need a resolution passed by the members agreeing to the return, and we will then proceed to action payments following the AGM.

The first return was a good effort, specifically from our communications specialist, Eliza Lanson, and our bookkeeper, Monique Meacham. I thank them both for their efforts.

The Board has performed strongly during the year, and I thank them for their support. This was a challenging year: having decided not to immediately replace the previous PEO, the company's operational management fell on the Board’s shoulders. This operational focus for the Board made it difficult for the Board to perform its governance functions.

The Board resolved in June 2023 to recruit a new PEO. We identified the first place to look was within SolarShare’s investors, as the alignment of values would be excellent. We are delighted that David White has stepped forward, and we have engaged David as the PEO, effective 5 September 2023.

We are also considering Board renewal and succession. One item of consideration is the term of the Chair. I have been in this role since August 2017 and now is when change can occur on the Board. As a result, I will not stand for Chair after this AGM, and the Board will elect a new Chair. I will continue as a Director and take a more active role in the Investment Committee.

Overall, this is a very positive year for SolarShare. I look forward to seeing all members at our Annual General Meeting.

Nicolas Fejer
Chair of the Board

DIRECTORS’ REPORT

Principal activities & significant changes in the nature of activities

During the reporting period, the Company's principal activities focused on our flagship project, the Majura Valley Community Solar Farm. During the reporting period, the farm was operational, generating energy and revenue.

Principal activities comprised of:

- Management of operations by the solar farm
- Assessment of other appropriate project opportunities

SolarShare held planting work parties in cooperation with the Molonglo Conservation Group and tours of the solar farm for investors during the year. SolarShare also provided grant funding to the Majura Valley Landcare Group to enable some tree planting along Majura Road, contributing to the development of a tourist trail in the Valley. In June 2023, following an agreement between SolarShare and local farmers, sheep were moved onto the solar farm to keep the grass short, reducing the need for mowing and limiting the risks of bushfires in summer.

Operating results and review of operations

Operating results

For 2022-23, SolarShare recorded a profit of $65,572 after income tax.

Year ended 30 June 2023	Year ended 30 June 2022
$65,572	$69,477

Review of operations

Investment activities

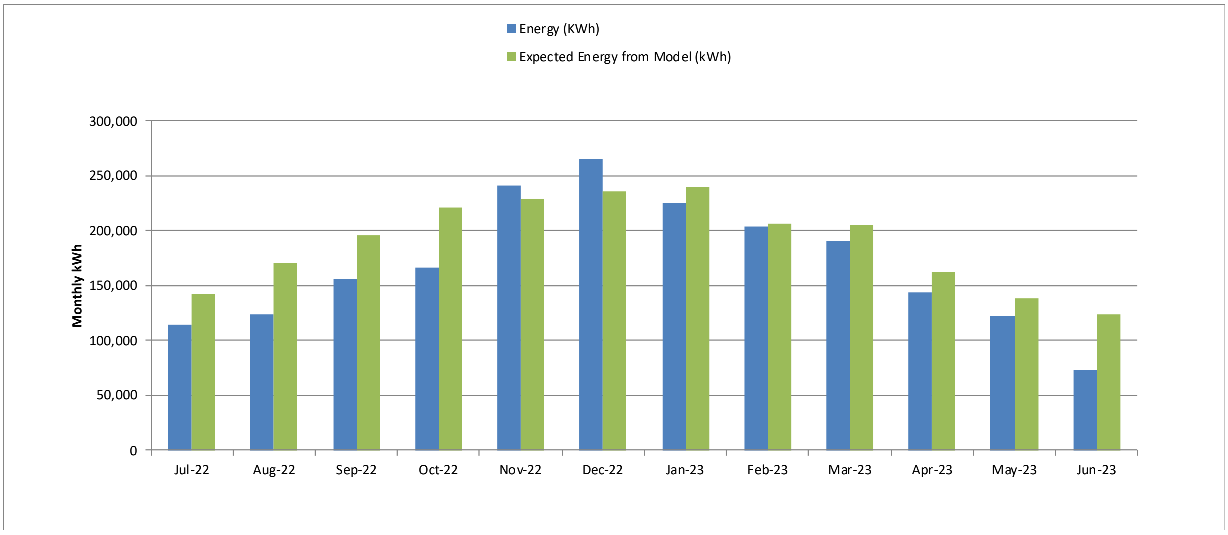
As part of our project development operations, SolarShare progressed these two broad streams:

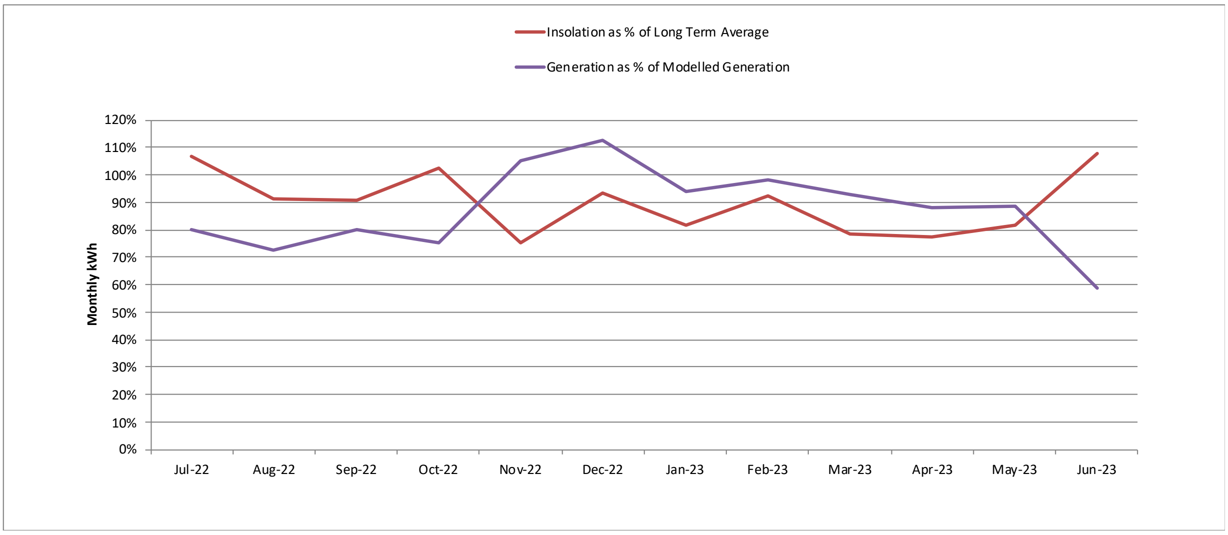
1. The Flagship project, Mount Majura Solar Farm, supported by an ACT Government Feed-in-Tariff, and
2. Assessment of other appropriate project opportunities.

Stream 1—Majura Valley Community Solar Farm

This financial year, the Majura Valley Community Solar Farm finished its second full year of operating and generating revenue.

The plant operation was satisfactory. The below graphs show the energy generated each month compared to the estimated values from our financial model and the insolation (sunlight) as a percentage of long-term averages from the Bureau of Meteorology compared with generation as a percentage of modelled generation.





The operational issues, as documented in the quarterly reports, are summarised as:

1. Protection relay trip: on
    a. one occasion in September lasting 1 days
    b. one instance in January lasting 2 days
    c. one instance in June lasting 5 days

    a protection relay tripped, resulting in the farm not generating electricity. In each instance, these relay trips meant that no output of the farm occurred.

Stream 2—other opportunities

SolarShare has been developing a strategy for future projects. The Board developed a list of 25 potential project opportunities, which was narrowed down to seven short-listed project types.

One of the project types of interest is medium-sized rooftop installation of photovoltaic plants, coupled with power purchase agreements from end consumers. 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.

We have completed a full investigation of a target site in the ACT, comprising an approach to market for system supply and full financial modelling of the system. Two key outcomes were determined:

- Optimal system sizing was much lower than expected. The Distributed Network Service Provider connection requirements mean substantial costs for larger system sizes and batteries would be incurred. The common area electricity demand does not warrant a system large enough to justify the additional costs. As a result, optimal system sizes per building were determined at 20 kW

- The implications of the Unit Titles (Management) Act 2011 (ACT) on the ownership of assets. This act prevents the Body Corporate from leasing roof space to third parties and poses significant legal obstacles to SolarShare funding and owning solar assets on apartment rooftops.

As a result of these two issues, we are pursuing a course of action with the target site whereby we recover our costs to date as part of a transaction between a solar installer and the body corporate.

Dividends

A distribution of $0.70 per FPAS share, which equated to $177,312.10 occurred on 5 April 2023. The Record date was 30 March 2023. It is expected that the ATO will provide a class ruling on this distribution to declare it a capital return.

SolarShare will deliver a capital return to investors in the 2023-2024 financial year, subject to a resolution at the AGM and Board approval.

Significant changes in state of affairs

During the reporting period, no significant changes occurred for SolarShare Community Energy Ltd. or its subsidiaries.

Future developments

SolarShare's focus for the next year will be:

- Operating the Mt Majura Solar Farm, and
- Developing and evaluating new opportunities for investments.

Events subsequent to reporting period

On 5th September 2023, SolarShare executed an employment contract with David White as Principal Executive Officer for SolarShare. David is engaged on a three-day per fortnight basis.

Environmental issues

SolarShare's operations are subject to significant environmental regulation under Australian and ACT government laws. No significant events occurred regarding any environmental regulation during the reporting period.

Director 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 a 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:

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 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 the start-up Spark Solar.

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

Interest in shares and options: Holds 1,000 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, Member of the Nominations Committee

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

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 the consultancy company Ideas Connect.

Marea is highly active in the 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, a former online sustainability forum for Canberra and the surrounding region.

Interest in shares and options: Holds 2,400 shares in SolarShare Community Energy Ltd through a combination of personal holdings and holdings in a private company—Ideas Connect Pty Ltd.

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

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

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 options: NIL

Special responsibilities: Member of the Investment Committee and Nominations Committee.

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

Ms Gina Zheng

BA, LLM ANU

Gina is dedicated to contributing to a sustainable and climate-just world and is incredibly excited to join the SolarShare Board. Gina is a Commercial Manager at AEMO Services, and previously worked in policy at ARENA and as a developer at Neoen. Gina also has a Master of Law and wrote a post-graduate thesis on renewable energy law and policy. Gina is passionate about empowering communities and has been on the Board of Mental Illness Education ACT since 2019. Gina has taken AICD courses in board governance and formerly sat on the Board of YWCA Canberra, Plan International Australia and the World Economic Forum’s Global Shapers Australia. A proud Canberran, Gina spends her spare time immersed in Canberra’s beautiful nature reserves.

Interest in shares and options: NIL

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

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

Dr Neil Thompson

GAICD MIMC

Neil has over three decades of experience guiding clean technology deployment strategy for high-performance Boards as a highly qualified, results-oriented Executive Director with repeated success across the communications, automotive, property, power generation and industrial sectors throughout the APAC, EU and North/Latin American regions. Neil has proven expertise in business strategy development and is adept at forging highly functional business partnerships that support business development, increasing company revenues and profits. Having developed one of Australia's largest embedded network providers to the strata property sector, Neil sold this to help fund local and international research into integrated energy and transport systems to provide low-cost, zero-carbon power and share-transport services for multi-residential communities. Neil currently holds pro-bono roles at QUT and ANU, furthering the development of clean technologies efficiencies and policy whilst also serving on Boards in the hydrogen technology and strategic business planning sectors. He is passionate about the democratisation and decarbonisation of energy systems in Australia. He is supporting the Australian Institute of Company Directors' Climate Governance Initiative via the development of Director Professional Development training modules on cost-effective pathways to net zero in conjunction with the UN's Race to Zero campaign.

Interest in shares and options: NIL

Special responsibilities: Member of the Investment Committee

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

Ross MacDiarmid

GAICD MIMC

Ross MacDiarmid was the Chief Executive Officer of the Royal Australian Mint for 10.5 years up until the 4th of December 2020.

Mr MacDiarmid has extensive private sector experience in manufacturing and marketing and a background in tourism and business development.

He is the former Chief Executive Officer of Dyesol Australia Pty Ltd, a solar technology company, was CEO of Australia Capital Tourism, now Visit Canberra, and before moving back to the Canberra region in the year 2000, was General Manager of Lockwood Australia Pty Ltd, Australia's leading supplier of locks and door furniture, based in Melbourne. Before leading Lockwood, Ross was a senior executive within the ARC Division of the Smorgon's Group, also based in Melbourne.

Mr MacDiarmid is now the Acting Executive Director of the Mint Directors Conference (the International Association of 47 Mints). In April 2018, he was appointed the Chair of the Regional Development Australia (ACT) Committee.

He holds a Master's Degree from ANU, a Graduate Diploma in Business Administration, a Bachelor of Arts majoring in Accounting, and a Graduate of the AICD.

Ross was born in Queanbeyan and is a passionate advocate for the ACT and the greater Capital region.

Interest in shares and options: NIL

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

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

Eshan Ahuja

Eshan Ahuja brings a decade of experience working within the public and private sectors in Australia and internationally as an engineer, project and program manager and special subject-matter adviser in the field of Sustainability and Energy. He has expertise in designing and implementing policies and programs for the Net Zero emissions pathways and transition. Eshan completed a Master of Energy Change (Advanced) through the Australian National University, specialising in policy and governance aspects of energy change. Eshan holds an honorary unpaid Board Director role in SolarShare Community Energy Ltd. He is passionate about shaping long-term strategies for energy investment attraction.

Qualification - MIEAust, Rajiv Gandhi Prodyogiki Vishwavidyalaya, Masters in Energy, Sustainability and Climate Change ANU Non-Executive Director (since December 2021)

Interest in shares and options: NIL

Special responsibilities: Member of the Investment Committee

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

James Prest

Company Secretary, Solarshare Community Energy Ltd, and Majura Community Energy Project Ltd

- Australian Legal Practitioner (w. unrestricted licence to practice issued by ACT Law Society)
- Admitted to legal practice in ACT, NSW and High Court.
- Ph.D. (Law) (Centre for Natural Resources Law, Univ. Wollongong)
- LLB(Hons 1) (ANU); Grad Dip Legal Practice (ANU); BA(Hons)(Adel.)

James Prest is an environment, planning, climate change and clean energy lawyer with more than 28 years of post-admission professional experience. He has 28 years' PQE as a lawyer, including 16 years as an environmental law researcher/instructor at Australian National University, 4.5 in government/parliament, 1.5 years private sector, and 6 years with NGO-public interest sector organisations.

Dr Prest conducted research in environmental law, climate law and energy law at the ANU College of Law since 2006. Whilst at ANU he was also a Member of the Executive of the Energy Change Institute, a cross-campus inter-disciplinary network on energy issues. He has a professional background in NGO, public and private sector legal practice with roles including a top-tier commercial firm and the Department of Prime Minister and Cabinet.

Interest in shares and options: NIL

Special responsibilities: Company Secretary

Directorships held in other listed entities during the three years before the reporting period: None

Meetings of directors

During the reporting period, Board Members (including committees of directors) met 12 times.

	Meetings held in the year during the period of directorship	**Meetings attended**
Nicolas Fejer Appointed: 23 July 2014 Elected: 8 November 2019	12	10
Marea Fatseas Appointed: 19 January 2017 Elected: 30 April 2021	12	11
David Maywald Appointed: 11 July 2019 Elected: 8 November 2019	12	12
Neil Thompson Appointed: 24 November 2021	12	9
Gina Zheng Appointed: 24 November 2021	12	7
Eshan Ahuja Appointed: 23 January 2022	12	9
Ross MacDiarmid Appointed: 18 February 2022	12	10
James Prest Appointed: 22 June 2022 Company Secretary	12	11

Table 2: Appointment and Election dates and attendance of directors

Proceedings on behalf of the 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.

Remuneration report

As of 30 June 2023, the only remuneration paid was to:

- our Principle Executive Officer, comprising $9,726.45 in the reporting period before superannuation

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 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: 21/9/2023

DIRECTORS DECLARATION

In accordance with a resolution of the directors of SolarShare Community Energy Limited, the directors of the Group declare that:

The financial statements and notes, as set out on pages 24 to 43, are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards – Simplified Disclosures ; and

- give a true and fair view of the financial position as at 30 June 2023 and the performance for the year ended on that date of the Group.

In the directors' opinion, there are reasonable grounds to believe that the Group 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 (Director)

Dated: 24/9/2023

VINCENTS

Private & Confidential

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE MEMBERS OF

THE SOLAR SHARE COMMUNITY ENERGY LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 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.

Vincents Assurance and Risk Advisory

Phillip Miller

Director

Canberra, Dated: 22 September 2023

FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2023

	Note	2023 $	2022 $
TOTAL INCOME	**2**	493,307	439,417
LESS EXPENSES			
Cost of sales		5,573	15,555
Compliance and reporting		13,754	12,988
Consultants and accounting		33,607	12,780
Depreciation and amortisation		175,536	175,416
Employee entitlements		20,000	-
Event expenses		1,845	2,711
Insurance expenses		45,932	38,608
Interest expenses		47,447	24,727
Landscaping expense		5,925	-
Legal fees		1,895	900
Office expenses		261	689
Other expenses		325	118
Subscription fee expense		272	-
Repairs and maintenance		73,956	14,087
Wage expenses		1,407	71,361
TOTAL EXPENSES		427,735	369,940
Surplus from Ordinary Activities before income tax		65,572	69,477
Income tax benefit	**16**	-	-
Surplus after tax attributable to the members of the parents		65,572	69,477
Other comprehensive income		-	-
Total comprehensive surplus		65,572	69,477
Net surplus attributable to members of the parent entity		65,572	69,477

Consolidated Statement of Financial Position as at 30 June 2023

	Note	2023	2022
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**3**	291,921	207,845
Trade and other receivables	**4**	33,219	76,633
Other assets	**5**	50,033	33,513
TOTAL CURRENT ASSETS		**375,173**	**317,991**
NON-CURRENT ASSETS			
Property, plant and equipment	**6**	2,458,538	2,605,622
Right-of-use assets	**7**	235,039	248,534
Intangible assets	**8**	254,255	269,212
TOTAL NON-CURRENT ASSETS		**2,947,832**	**3,123,368**
TOTAL ASSETS		**3,323,004**	**3,441,359**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**9**	96,007	31,245
Employee benefits	**10**	-	2,612
Lease liability	**11**	9,381	8,924
Borrowings	**12**	79,840	79,840
TOTAL CURRENT LIABILITIES		**185,228**	**122,621**
NON-CURRENT LIABILITIES			
Lease liability	**11**	244,485	253,866
Borrowings	**12**	601,280	681,120
TOTAL NON-CURRENT LIABILITIES		**845,765**	**934,986**
TOTAL LIABILITIES		**1,030,993**	**1,057,607**
NET ASSETS		**2,292,012**	**2,383,752**
EQUITY			
Contributed equity		2,343,218	2,500,530
Accumulated losses		(51,206)	(116,778)
TOTAL EQUITY		**2,292,012**	**2,383,752**

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2023

	Retained Earnings $	Issued & Paid Up Capital $	Total $
Balance at 1 July 2021	(186,255)	2,500,530	2,314,275
Profit attributable to the members	69,477	-	69,477
Balance at 30 June 2022	**(116,778)**	**2,500,530**	**2,383,752**
Profit attributable to the members	65,572	-	65,572
Issued capital	-	20,000	20,000
Return of capital	-	(177,312)	(177,312)
Balance at 30 June 2023	**(51,206)**	**2,343,218**	**2,292,012**

Consolidated Statement of Cash Flow for the Year Ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		558,873	429,391
Payments to Suppliers and employees		(208,469)	(229,105)
Interest received		1,490	130
GST (paid to) / refunded by ATO		(2,376)	4,537
Net cash generated from operating activities		**349,518**	**204,953**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	(12,520)
Net cash (used in) investing activities		**-**	**(12,520)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities		(8,924)	(8,490)
Return of capital payments		(176,678)	-
Repayment from borrowings		(79,840)	(39,040)
Net cash generated from financing activities		**(265,442)**	**(47,530)**
Net increase in cash held		84,076	144,903
Cash and cash equivalents at beginning of financial year		207,845	62,942
Cash and cash equivalents at end of financial year	**3**	**291,921**	**207,845**

Notes to the Financial Statements for the Year Ended 30 June 2023

The consolidated financial statements and notes represent those of SolareShare Community Energy Ltd and Controlled Entity (the “Consolidated Group” or “Group”).

The separate financial statements of the parent entity, SolarShare Community Energy Ltd, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 18 September 2023 by the directors of the Group.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar have been rounded to the nearest dollar.

Accounting Policies

a. **Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (SolareShare Community Energy Ltd) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary details are provided in Note 14.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. **Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the Australian Tax Office (ATO) using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

c. **Revenue and Other Income**

Revenue recognition

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promise goods or services to customers at an amount that reflects the consideration the Group expects to receive i 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; and
5. Recognise revenue as and when control of the performance obligations is transferred

None of the revenue streams of the Group have any significant financing terms.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Contributed Assets

The Group receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the Group recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Group recognises income immediately in profit or loss as the difference between initial carrying amoun of the asset and the related amount.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Group recognises dividends in profit or loss only when the right to receive payment of the dividend is established.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

e. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

f. **Property, Plant and Equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment – Solar Farm	5%
Plant and equipment - Inverters	10%
Leasehold improvements	2.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. **Impairment of Assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

h. **Leases**

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. **Provisions**

Provisions are recognised when the Group 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

k. **Financial Instruments**

Financial instruments are recognised initially on the date that the Group 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).

Impairment of Financial Assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets. The entity does not hold any financial assets at fair value through profit and loss or at fair value through other comprehensive income.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The entity'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.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

The entity 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 Group comprise trade payables, bank and other loans and finance lease liabilities.

l. **Employee Provisions**

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefit are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, in which case the obligations are presented as current provisions.

m. **Comparative Figures**

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

NOTE 2: REVENUE AND OTHER INCOME

	2023	2022
	$	**$**
Electricity sales revenue	167,603	151,322
Feed-in-Tariff Contract for Sale payments	249,423	211,838
Interest revenue	1,490	130
Workshop and events	2,364	-
LGC Income	72,427	76,127
	493,307	439,417

NOTE 3: CASH AND CASH EQUIVALENTS

	2023	2022
	$	**$**
Cash at bank	291,921	207,845
Cash and cash equivalents	291,921	207,845

NOTE 4: TRADE AND OTHER RECEIVABLES

	2023	2022
	$	**$**
CURRENT		
Trade receivables	33,219	73,293
GST receivables	-	3,340
	33,219	76,633

NOTE 5: OTHER ASSETS

	2023	2022
	$	**$**
CURRENT		
Prepayments	50,033	33,513
	50,033	33,513

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	$	$
Plant and equipment:	2,797,221	2,797,221
At cost	(338,683)	(191,599)
Accumulated depreciation	2,458,538	2,605,622

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Total
	$	$
Balance at 1 July 2021	2,740,067	2,740,067
Additions	12,520	12,520
Depreciation expense	(146,965)	(146,965)
Carrying amount at 30 June 2022	2,605,622	2,605,622
Depreciation expense	(147,084)	(147,084)
Carrying amount at 30 June 2023	2,458,538	2,458,538

NOTE 7: RIGHT-OF-USE ASSETS

	2023	2022
	$	$
NON-CURRENT		
Right-of-use assets	284,521	284,521
Accumulated depreciation	(49,482)	(35,987)
	235,039	248,534

NOTE 8: INTANGIBLE ASSETS

	2023	2022
	$	$
CURRENT		
Electric grid connection costs	299,125	299,125
Accumulated amortisation	(44,870)	(29,913)
	254,255	269,212

NOTE 9: TRADE AND OTHER PAYABLES

	2023 $	2022 $
CURRENT		
Trade creditors	-	3,435
GST Payable	5,231	-
Accrued expenses	90,776	27,810
	96,007	31,245

a. Financial liabilities at amortised cost classified as trade and other payables

- Trade and other payables	96,007	31,245
- GST payable	(5,231)	-
- Less: Accrued expenses	(90,776)	(27,810)
	-	3,435

NOTE 10: EMPLOYEE BENEFITS

CURRENT		
Employee annual leave entitlements	-	2,612
Total employee benefits	-	2,612

NOTE 11: LEASE LIABILITY

	2023 $	2022 $
CURRENT		
Lease liability	9,381	8,924
NON-CURRENT		
Lease liability	244,485	253,866
Total lease liability	253,866	262,790

NOTE 12: BORROWINGS

	2023	2022
	$	$
NON-CURRENT		
Loan from CWP Storage-Current	79,840	79,840
Loan from CWP Storage- Non-Current	601,280	681,120
	681,120	760,960

NOTE 13: CONTRIBUTED CAPITAL

	2023	2022
	$	$
Stapled security: Ordinary Class Shares + Flagship Project Asset		
Specific Shares at $9.09 each fully paid	115,375	125,000
Stapled security: Ordinary Class + Flagship Project Asset		
Specific Shares at $10.00 each fully paid	2,227,843	2,375,530
	2,343,218	2,500,530

Number of ordinary shares	Units	Units
Stapled security: Ordinary Class Shares + Flagship Project Asset		
Specific Shares at $9.09 each fully paid	13,750	13,750
Stapled security: Ordinary Class + Flagship Project Asset		
Specific Shares at $10.00 each fully paid	239,553	237,553
	252,303	251,303

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).

On 5 April 2023 SolarShare Community Energy Ltd paid FPASS a return of capital payment of $0.70 per share.

NOTE 14: INTERESTS IN SUBSIDIARIES

Information about Principal Subsidiaries

The subsidiary listed below have share capital consisting solely of ordinary shares, which are held directly by the parent entity. The assets, liabilities, income and expenses of the subsidiary have been consolidated on a line-by-line basis in the consolidated financial statements of the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Place of incorporation and operation	Ownership Interest Held by the Group*	
		2023	**2022**
		%	**%**
Majura Community Energy Project Pty Ltd	Australia	**100%**	**100%**

** Percentage of voting power in proportion to ownership*

NOTE 15: AUDITOR REMUNERATION

	2023	2022
	$	**$**
Remuneration of the auditor of the Group for:		
- Auditing the financial statements	4,869	4,750

NOTE 16: INCOME TAX EXPENSE	2023 $	2022 $
The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Deferred tax impact relating to change in tax rate	-	-
	-	-
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)	16,393	(17,372)
Add:		
Tax effect of:		
- Assessable income	-	-
- Other non-allowable income	5,000	-
- Tax losses not recognised	(25,810)	(13,535)
- Change in tax rate	-	-
	(15,810)	(13,535)
Less:		
Tax effect of:		
- Franking credits	-	-
- Non-assessable items	-	-
- Other deferred tax assets not previously recognised	583	3,836
	583	3,836
Income tax attributable to entity	-	-
	$0.00	$0.00
The applicable weighted average effective tac rates are as follows:	0%	0%

NOTE 17: DEFERRED TAX

	2023 $	2022 $
a) Liabilities		
CURRENT		
Provision for income tax	-	-
NON-CURRENT		
Deferred tax liability comprises:		
Tax allowances relating to property, plant and equipment	378,938	350,822
Other assets	122,324	129,436
Prepayments	9,911	6,364
Provisions and payables	(3,717)	(4,075)
Lease liability	(63,467)	(65,698)
Tax losses not recognised	2,808	23,615
Future income tax benefits attributable to tax losses	(446,797)	(440,464)
Total	-	-

ii) Deferred Tax Liability

The movement in deferred tax liability for each temporary difference during the year is as follows:

Tax allowances relating to property, plant and equipment		
At 1 July 2022	350,822	295,917
Charged to the income statement	28,118	54,905
Charged to equity	-	-
At 30 June 2023	378,938	350,822
Other assets		
At 1 July 2022	129,436	136,549
Charged to the income statement	(7,112)	(7,113)
At 30 June 2023	122,324	129,436

NOTE 17: DEFERRED TAX (CONTINUED)

	2023 $	2022 $
Prepayments		
At 1 July 2022	6,364	9,266
Charged to the income statement	3,547	(2,902)
At 30 June 2023	9,911	6,364
Deferred tax liabilities expected to be settled within 12 months	9,911	6,364
Deferred tax liabilities expected to be settled after 12 months	501,262	480,258
	511,173	486,622

ii) Deferred Tax Assets

The movement in deferred tax assets for each temporary difference during the year is as follows:

	2023 $	2022 $
Provisions and payables		
At 1 July 2022	(4,075)	(2,975)
Charged to the income statement	358	(1,100)
At 30 June 2023	(3,717)	(4,075)
Lease liability		
At 1 July 2022	(65,698)	(67,820)
Charged to the income statement	2,231	2,122
At 30 June 2023	(63,467)	(65,698)
Tax losses not recognised		
At 1 July 2022	23,617	37,150
Charged to the income statement	(20,809)	(13,533)
At 30 June 2023	2,808	23,617
Tax losses carried forward		
At 1 July 2022	(440,467)	(408,088)
Charged to the income statement	(6,330)	(32,379)
At 30 June 2023	(446,797)	(440,467)
Deferred tax assets expected to be settled within 12 months	(3,717)	(4,075)
Deferred tax assets expected to be settled after more than 12 months	(507,456)	(482,547)
	(511,173)	(486,622)
Total deferred tax liabilities/(assets)	-	-

NOTE 18: RELATED PARTY TRANSACTIONS

Related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

There were no related party transactions during the year ended 30 June 2023.

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; or
- An entity in which a director has a substantial financial interest.

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

NOTE 20: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023	2022
		$	$
Financial assets			
Cash and cash equivalents	**3**	291,921	207,845
Trade and other receivables	**4**	33,219	76,633
Total financial assets		325,140	284,478
Financial liabilities			
Financial liabilities at amortised cost:			
— Trade and other payables	**9**	-	3,435
— Lease liabilities	**11**	253,866	262,790
— Borrowings	**12**	681,120	760,960
Total financial liabilities		934,986	1,027,185

NOTE 21: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards:

	2023	2022
	$	$
Statement of Financial Position		
ASSETS		
Current assets	38,459	12,583
Non-current assets	1,992,973	2,273,104
TOTAL ASSETS	2,031,432	2,285,687
LIABILITIES		
Current liabilities	12,844	29,364
Non-current liabilities	-	-
TOTAL LIABILITIES	12,844	29,364
EQUITY		
Retained earnings / accumulated losses	(324,640)	(244,207)
Share capital	2,343,218	2,500,530
TOTAL EQUITY	2,018,588	2,256,323
Statement of Profit or Loss and Other Comprehensive Income		
Total surplus	(80,424)	(107,581)
Total comprehensive income	(80,424)	(107,581)

Guarantees

SolarShare Community Energy Ltd has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2023, SolarShare Community Energy Ltd had no known contingent liabilities (2022: $Nil).

Contractual commitments

At 30 June 2023 SolarShare Community Energy Ltd had not entered into any contractual commitments for the acquisition of property, plant and equipment (2022: Nil).

NOTE 22: GROUP DETAILS

The registered office of the Group is:

60 Longstaff St, Lyneham ACT 2602

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 2023, 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 2023 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.

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.

Vincents Assurance and Risk Advisory
Phillip Miller
Director
Canberra, dated: 22 September 2023

SolarShare

SolarShare Community Energy Ltd
ACN 600 571 220