

SOLARSHARE COMMUNITY ENERGY LTD

ACN: 600 571 220

ANNUAL REPORT

For the Period ending 30 June 2018

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CHAIR OF THE BOARD'S REPORT

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

This year, we are pleased to report that we have resolved some key issues that will allow us to progress our flagship project in the year ahead. We greatly appreciate the patience of our investors and supporters during this time. We are confident that despite the delays, the detailed planning and negotiations we have been through in 2017-18 will provide a strong foundation for the Mt Majura Solar Farm to be successfully established in 2018-19.

The issues we resolved during the year were:

- the completion of technical negotiations with Evo Energy regarding grid connection for our Mt Majura farm. We reported this issue during the last AGM, and resolved this in February when Evo Energy presented us with a final engineering report showing that connection was within the bounds of previous reports, and Evo Energy's estimated grid connection cost had decreased by 12%, which was a good outcome: and
- the completion of detailed discussions with the ACT Government's Environment, Planning and Sustainable Development Directorate (EPSDD) regarding the feed-in-tariff. We understand that the Directorate is preparing and promoting a report to the Minister regarding the Community Energy feed-in-tariff. We hope to be able to report the next steps by the Annual General Meeting.

During the year we said farewell to two directors, Hugh Chalmers and Robert Henman. We thank Hugh and Robert for their valuable contributions. We also welcomed Daniel Carton as a new addition to the board. Dan brings a wealth of financial skills and experience to the board. We have also welcomed Julie Chater as Company Secretary and both Julie and Dan have already become vital members of the SolarShare team. During the year, we also established an 'Expert Panel'; a group of individuals whose expertise is available to the Board and the volunteer groups as needed. We are extremely pleased that Hugh has agreed to be a founding member of this panel.

I would like to highlight the efforts of our Principal Executive officer, Lawrence McIntosh, as well as the work of our volunteer groups, being our Communications, Development, Finance and Legal and Risk teams who have made our success to date possible. We

thank the teams for their efforts. Whilst progress was slower than we had hoped for during the 2017-18 financial year, the Board holds high hopes for a successful conclusion to the awarding of the feed-in-tariff. I encourage all shareholders to attend the 2018 Annual General Meeting in October so that we can continue to keep you informed and share the next steps in getting our flagship project off the ground.

A handwritten signature in black ink, appearing to read 'Nick Fejer', written in a cursive style.

Nick Fejer

Chair of the Board

EXECUTIVE OFFICER'S REPORT

Developing a community solar farm was once described to me as a marathon and not a sprint. It was a nice metaphor and reminded me of the time I used to do long-distance team running and navigation events. Much more important than speed is good route finding and keeping a pace that is sustainable over many kilometres.

We began this year having to overcome something of an obstacle on the course, with navigating a tricky electrical connection hurdle. From speaking to other community energy projects around the country it seems this is not unusual, but I'm very pleased to say that this process ultimately reconfirmed our connection feasibility and cost estimates. Our thanks go out to Evo Energy for their positive engagement and considered approach in dealing with this matter.

The group of people that we are on this journey with is about to grow a whole lot larger. As we prepare for our main Tranche (T2) of community capital raising we will welcome five to six hundred new members to join us. It's an exciting point in the journey.

It is not only new community investors who are joining us: the last few months have seen us expand SolarShare's professional support team to now include an owner's engineer, a heritage consultant and an independent certifier. We'll also soon be adding a professional share registry to this list as the SolarShare team transitions from planning to execution mode on the flagship project.

Finally, I want to extend my continued thanks to all the volunteers who have contributed to SolarShare. Most of the SolarShare volunteers also work full or part time and are giving up time from their week to contribute to SolarShare. I'd encourage you to pass your thanks onto them as well if you bump into them at an event or in the community, because every little contribution counts.



Lawrence McIntosh

Principal Executive Officer

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Company for the financial year ended 30 June 2018.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the company during the financial period focused on our flagship project. They included:

- finalising grid connection arrangements with Evo Energy;
- recruiting heritage, owner's engineer and independent certifiers to the project team;
- working with ACT Government to de-risk the approval and contracting process;
- preparing for the second tranche (T2) of funding and
- assessing other appropriate opportunities.

There were no significant changes in the nature of SolarShare's principal activities during the financial period.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

OPERATING RESULTS

For the 2017/18 financial year, SolarShare recorded a net profit (loss) of (\$15,145.89), after providing for income tax.

Year ended 30 June 2018	Year ended 30 June 2017
(\$15,145.89)	(\$12,996.69)

REVIEW OF OPERATIONS

(I) INVESTMENT ACTIVITIES

As part of its project development operations, SolarShare pursued two broad streams:

1. our flagship project, the Mt Majura farm, to be complemented by an ACT government feed-in-tariff; and
2. medium sized rooftop installations of photovoltaic plants, coupled with power purchase agreements (PPA) from end consumers.

On point 1, spending of the Tranche 1 (T1) funding round of \$125,000 has progressed, resulting in completion of technical negotiations with Evo Energy regarding grid connection. This was the main hurdle for the project and the Minister is soon to receive

a report recommending actions regarding our feed-in-tariff. Following approval of a feed-in-tariff, SolarShare will open its Tranche 2 (T2) Construction Funding round. On the rooftop operations (point 2 above), the company has a small pipeline of projects it is developing and is in various stages of discussions with the building owners and energy users for the sites, however the main focus of the SolarShare team rests on the flagship project.

Dividends

No dividends were declared or paid for the previous year and the directors recommend that no dividend be paid for the current year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were changes in Directors during the financial year. Robert Henman and Hugh Chalmers stepped down and Dan Carton joined the Board, and Julie Chater was appointed as company secretary. As noted in last years' Annual Report, Brian Acworth stepped down a few days into the financial year for health reasons.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

In the immediate future, focus will remain on the flagship project. The next steps aim to remove risk from the project prior to execution and building the farm. A couple of highlights:

- The final feed-in-tariff price and contract details must be agreed with the ACT Government.
- A principles project requirement document will be commissioned (once the feed-in-tariff has been awarded);
- The contract with our EPC (engineering, procurement and construction company), will be concluded and signed;
- Heritage approval will be sought. This process has already commenced as it has a highly variable time frame and is therefore on our time-critical path.
- Our Tranche 2 fundraising will occur,
- Financial close for the project will occur, and
- Detailed design and Construction approval will be complete.

ENVIRONMENTAL ISSUES

The entity's operations are subject to significant environmental regulation under the law of the Commonwealth and State. No significant events occurred in relation to environmental regulation.

DIRECTORS' BENEFITS

No director has received or become entitled to receive, during or since the financial year, 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.

Indemnification and insurance of directors and officers

The company 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 the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

INFORMATION ON DIRECTORS

The names and details of the company's directors who held office during or since the end of the financial year are:

Brian Acworth	Chair until 5th July 2017
Qualifications	AM, JP FAIM, F Fin, AICD
Experience	Brian Acworth has enjoyed a range of senior positions in his 45 year Banking career and has considerable board, governance, private enterprise, business and Government experience: This includes Director Gabriel Foundation Limited (Canberra Girls Grammar); Chairman of the Audit and Risk Committee for the Law Courts of Australia and the Family Law Courts of Australia; Member of the Development Committee, University of Canberra, Chairman of Finance Committee, University of Canberra, Director John James Hospital Memorial Foundation Limited, Director PlantsPlus Loganholme and Loganholme Nursery and Landscape Centre, Director Goodwin Retirement Homes Limited, Chairman Exhibition Park in Canberra (Canberra Show Grounds, Exhibition and Convention Centre – ACT Government Business Enterprise), Director John James Memorial Hospital, Director Royal College of Nursing Australia, Director Canberra and District Foundation

	(Greater Good). In addition he has extensive Chairman and Director experience in the Not-For-Profit sector.
Interest in Shares and Options	Brian holds one (1) share in SolarShare Community Energy Ltd in a personal trust, Bonbel Pty Ltd as trustee.
Special Responsibilities	None
Directorships held in other listed entities during the three years prior to the current year	Nil

Nicolas Fejer	Non-Executive Director, and then Chair from August 2017
Qualifications	BEng (Hons), BSc, MAIPM, MAICD
Experience	Nicolas is a business leader with a range of experience across engineering, financial and large corporate firms. He runs a company, the Enakt Group, which provides professional services in Program and Project Management and process. Previously he was a public servant performing Program Management, and before that a member of the founder group of a solar start up, Spark Solar. His large corporate experiences include senior management positions at Siemens VDO and Bosch.
Interest in Shares and Options	Nicolas holds one (1) share in SolarShare Community Energy Ltd
Special Responsibilities	Chair of the Finance, Audit and Risk committee until August 2017.
Directorships held in other listed entities during the three years prior to the current year	Nil

Carlo Botto	Non-Executive Director
Qualifications	BE (Electrical) GradDipEng (Asset Management)
Experience	Carlo Botto has extensive energy industry experience having worked in various roles in the energy supply industry in Australia and North America over 30 years. He is the principal of Brighter Energy, which he established to

	<p>provide consulting services to the energy industry. He is also currently on the board of BlueNRGY Group Ltd, a listed renewable energy services company.</p> <p>Carlo was previously a senior executive of CLP Holdings (HK listed) in roles in its Australian subsidiary Energy Australia (formerly TRUenergy and Yallourn Energy) based in Melbourne. Prior to this, senior executive roles included Head of Risk Management & Trading at InterGen, Director of Asset Trading & Operations for PG&E's National Energy Group based in Bethesda, Maryland USA and as General Manager, Trading & Pricing for Ergon Energy, a Queensland based electricity retailer.</p> <p>Originally from an electrical engineering background, Carlo gained significant operational experience while working in New South Wales and Victoria where he held various positions with Snowy Hydro in technical, production and commercial roles. Prior to Snowy Hydro, Carlo worked in a Sydney based engineering consulting firm.</p>
Interest in Shares and Options	As of 30 th June 2016, Carlo does not hold any share in SolarShare Community Energy Ltd
Special Responsibilities	None
Directorships held in other listed entities during the three years prior to the current year	Non-executive Director of BlueNRGY Group Ltd, listed public company

Robert Henman	Non-Executive Director (until 20th Feb 2018)
Qualifications	CPA, BBus(Accounting), GAICD, Adv Dip (Financial Licensing Management)
Experience	Robert's career has seen him work in banking, private and public entities, both at a State and Federal level. He has spent many years in treasury and risk related roles and has experience in setting up a managed investment scheme.
Interest in Shares and Options	Robert holds one (1) share in SolarShare Community Energy Ltd
Special Responsibilities	Chair of the Finance, Audit and Risk committee from August 2017
Directorships held in other listed entities during the three years prior to	Nil

the current year	
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Michelle McCann	Non-Executive Director
Qualifications	PhD BSc (Hons)
Experience	Michelle 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. She was CEO and Director of an Australian solar start up.
Interest in Shares and Options	Michelle holds one (1) share in SolarShare Community Energy Ltd. in a personal trust, Stripey Otter Pty Ltd as trustee.
Special Responsibilities	Deputy Chair
Directorships held in other listed entities during the three years prior to the current year	Nil

Hugh Chalmers	Non-Executive Director (until 25 March, 2018)
Qualifications	BA LIB (Syd) Fellow of AICD
Experience	<p>Hugh was a corporate and commercial partner in Meyer Vandenberg Lawyers, heading the Employment Workplace Relations and Safety Team and lead partner of the firm's For Purpose practice for 10 years until he retired from the firm in June 2015. Hugh now enjoys working with organisations of any size or structure, which have, as part of their culture, achieving positive social outcomes. He has experience on several boards and Government and private sector advisory committees. These include being a foundation director and company secretary of Canberra's first Bendigo Community Bank (now Molongolo Financial Services Ltd) and is currently Chair of the ACT Inclusion Council, Chair of the OzHelp Foundation (addressing men's mental health), Deputy Chair of the Canberra Business Chamber Social Enterprise Task Force and member of the Finance Audit and Risk Committee of UN Women.</p> <p>He also works closely with the CBR Innovation Network and is a mentor in the Griffin Accelerator, focusing on social innovation and seeking innovative approaches to addressing</p>

	community issues.
Interest in Shares and Options	Hugh holds no shares in SolarShare Community Energy Ltd
Special Responsibilities	None
Directorships held in other listed entities during the three years prior to the current year	Nil

Marea Fatseas	Non-Executive Director from 19 January 2017
Qualifications	MBA, MA (Asian Studies), BSc(Hons), Dip. Humanities
Experience	Marea Fatseas is owner-director of consultancy company Ideas Connect. She has over 25 years of public and private sector experience in Australia and internationally in strategy development, program management and advising on large-scale collaborations. Marea is a co-founder and director of not-for-profit company climateXchange, which runs an online sustainability forum for Canberra and region. She is also very active in community and residents' groups in inner south Canberra, including as Chair of the Inner South Canberra Community Council.
Interest in Shares and Options	Marea holds one (1) share in SolarShare Community Energy Ltd
Special Responsibilities	None
Directorships held in other listed entities during the three years prior to the current year	Nil

Daniel Carton	Non-Executive Director (from 14 June 2018)
Qualifications	B Economics ANU B Commerce ANU GAICD
Experience	Chief Economist at Defence Housing Australia Head of Funding Delivery at Defence Housing Australia
Interest in Shares and Options	Dan holds no shares in SolarShare Community Energy Ltd

Special Responsibilities	Chair Capital Raising Committee
Directorships held in other listed entities during the three years prior to the current year	Nil

COMPANY SECRETARY

Both Nicolas Fejer and Julie Chater held positions of Company Secretary at the end of the financial year. They both hold no paid management or employee roles in the business.

Julie Chater	Appointed Company Secretary from 27 February 2017
Qualifications	B Comm (Economics) UNSW, BA (Hons), La Trobe Uni M Environment Law, ANU
Experience	Julie 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. Prior to this she had 12 years corporate management experience in a large public corporation. She 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 and co-president of the Foreign Affairs and Trade Association. Since retirement Julie has devoted her energy to 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, addressing community groups and contributing to Climate Conversations Canberra. She is a volunteer with the Mt Taylor park care group and Greening Australia. She has been Board Secretary of SolarShare since January 2016.

MEETINGS OF DIRECTORS

During the financial period, 8 meetings of Directors (including committees of directors) were held.

Attendances by each Director during the year were as follows:

Board Member	Brian Acworth	Michelle McCann	Nicolas Fejer	Robert Henman	Marea Fatseas	Carlo Botto	Hugh Chalmers	Dan Carton
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Appointed	23-7-14	23-7-14	23-7-14	25-8-15	19-1-17	20-6-16	14-11-16	14-Jun-18
Date Ceased	05-7-17	-	-	26-Feb-18	-	-	25-Mar-18	
Meetings held this year during period of directorship	0	8	8	5	8	8	5	1
Meetings attended this year	0	5	7	4	8	7	5	0

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company 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 year.

NON-AUDIT SERVICES

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 16 of the Annual Report.

REMUNERATION REPORT


As at 30 June 2018, no executive, non-executive director, or Key Management personnel receive any remuneration, as all positions with the company are voluntary.

No remuneration consultants were engaged by the company during the financial period.

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

Nicolas Fejer

Dated: 26 September 2018



DIRECTORS DECLARATION

The directors of the company 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:
 - a) Comply with Accounting Standards; and
 - b) Give a true and fair view of the financial position as at 30th June 2018 and the performance for the year ended on that date of the company;
2. In the directors' opinion 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.

A handwritten signature in blue ink, appearing to read 'Nicolas Fejer', is written over a faint, illegible stamp or watermark.

Nicolas Fejer

Dated: 26 September 2018

AUDITOR'S INDEPENDENCE DECLARATION


AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF SolarShare Community Energy Ltd
ACN: 600 571 220

I declare that, to the best of my knowledge and belief, during the period ended 30th June
2018 there has been:

no contraventions of the auditor independence requirements as set out in the Corporations
Act 2001 in relation to the audit; and

no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm
Name of Partner



MCS Audit Pty Ltd
Phillip William Miller CA

Date
Address

27 19 /2018
Canberra

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

Profit and Loss

SolarShare Community Energy Ltd

For the year ended 30 June 2018

Account	Note	2018	2017
Trading Income			
Interest Income		1,474.26	1,361.80
Total Trading Income	2	1,474.26	1,361.80
Gross Profit		1,474.26	1,361.80
Operating Expenses			
Compliance and reporting		5,114.00	3,801.00
Consulting & Accounting		250.00	559.37
Event expenses		265.45	342.47
Income Tax Expense			549.50
Insurance		6,775.43	4,273.76
Legal expenses		4,115.63	4,700.00
Office Expenses		63.64	86.45
Website expenses		36.00	45.94
Total Operating Expenses		16,620.15	14,358.49
Net Profit	3	(15,145.89)	(12,996.69)
Earnings per share (\$ per share)			
From continued operations		(\$1.10)	(\$0.94)
Basic earnings per share	9	(\$1.10)	(\$0.94)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Balance Sheet
SolarShare Community Energy Ltd
As at 30 June 2018

	Note	30 Jun 2018	30 Jun 2017
Assets			
Bank			
Accrual account	10	\$83,929.57	\$103,255.85
Bank Australia transaction A/C	10	\$897.63	\$117.47
Total Bank		\$84,827.20	\$103,373.32
Current Assets			
PAYG Prepayments		\$135.00	\$0.00
Prepayments		\$2,077.89	\$2,016.24
Total Current Assets		\$2,212.89	\$2,016.24
Non-current Assets			
Majura Capital - Site Development	19	\$10,000.00	\$10,000.00
Total Non-current Assets		\$10,000.00	\$10,000.00
Total Assets		\$97,040.09	\$115,389.56
Liabilities			
Current Liabilities			
Accounts Payable		\$0.00	\$3,850.00
GST	1(x), 23	-\$1,815.40	-\$2,461.82
Income Tax Payable		\$0.02	\$0.02
Total Current Liabilities		-\$1,815.38	\$1,388.20
Total Liabilities		-\$1,815.38	\$1,388.20
Net Assets		\$98,855.47	\$114,001.36
Equity			
Current Year Earnings		-\$15,145.89	-\$12,447.19
Retained Earnings		-\$11,068.64	\$1,378.55
Share Capital	30	\$125,070.00	\$125,070.00
Total Equity		\$98,855.47	\$114,001.36

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

SolarShare Community Energy Ltd For the period 1 July 2017 to 30 June 2018

Account	Note	1 July 2017 to 30 Jun 2018	1 July 2016 to 30 Jun 2017
Equity			
Opening Balance		114,001.36	1,998.05
Current Year Earnings		(15,145.89)	(12,996.69)
Share Capital Issued			125,000.00
Total Equity		98,855.47	114,001.36

STATEMENT OF CASH FLOWS

Statement of Cash Flows

SolarShare Community Energy Ltd
For the year ended 30 June 2018

Account	Note	2018	2017
Operating Activities			
Receipts from customers		1,474.26	1,361.80
Payments to suppliers and employees		(21,934.73)	(11,501.94)
Cash receipts from other operating activities		2,111.00	(1,088.00)
Cash payments from other operating activities	4	(196.65)	(2,565.72)
Net Cash Flows from Operating Activities	34 A	(18,546.12)	(13,793.86)
Investing Activities			
Other cash items from investing activities		0.00	(10,000.00)
Net Cash Flows from Investing Activities		0.00	(10,000.00)
Financing Activities			
Other cash items from financing activities	34 B	0.00	125,000.00
Net Cash Flows from Financing Activities		0.00	125,000.00
Net Cash Flows		(18,546.12)	101,206.14
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		103,373.32	2,167.18
Cash and cash equivalents at end of period	10	84,827.20	103,373.32
Net change in cash for period		(18,546.12)	101,206.14

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

This financial report includes the financial statements and notes of SolarShare Community Energy Ltd. These notes are applicable for the year ending 30 June 2017

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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under the 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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals 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.

(A) BUSINESS COMBINATIONS

Business combinations occur where an acquirer obtains control over one or more businesses.

The company made no acquisitions during the period and as a result has not needed to account for any business combinations.

(B) INCOME TAX

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

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 is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

(C) INVENTORIES

The company held no inventory for the period.

(D) LAND HELD FOR SALE

The company held no land for sale during the period.

(E) CONSTRUCTION CONTRACTS AND WORK IN PROGRESS

The company had no construction works or contracts during the period.

(F) PROPERTY, PLANT AND EQUIPMENT

The company had no property, plant or equipment during the period.

(G) EXPLORATION AND DEVELOPMENT EXPENDITURE

The company had development expenditure during the period for the first instalment for the lease option for the Majura project

Exploration, evaluation and development expenditure incurred is capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of a project or projects in the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of a viable project(s).

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When generation commences, the accumulated costs for the relevant area of interest are amortised over the life of the project(s) in the area.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided for over the life of the project from when construction commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of solar generation plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(H) INVESTMENT PROPERTY

The company had no investment property during the period.

(I) LEASES

The company had no leases during the period.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum

lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(J) FINANCIAL INSTRUMENTS

The company held no financial instruments during the period.

(K) IMPAIRMENT OF ASSETS

The company has no impaired assets.

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. 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 to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(L) INVESTMENTS IN ASSOCIATES

The company has no investments in associates

(M) INTERESTS IN JOINT VENTURES

The company has no interests in joint ventures.

(N) INTANGIBLES OTHER THAN GOODWILL

The company has no intangibles.

(O) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The company has no foreign currency.

(P) EMPLOYEE BENEFITS

The company has no employees, and as a result has no employee benefits to account for.

(Q) PROVISIONS

The company has no obligations requiring provisions to be made.

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(R) PROVISION FOR WARRANTIES

The company has no warranty obligations and has not set aside any warranty provisions.

(s) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(T) REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue relating to construction activities is detailed at Note 1(e).

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax (GST).

(T) TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from customers for goods sold and services performed 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.

Trade and other receivables 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(j) for further discussion on the determination of impairment losses.

(U) TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(W) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(X) 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.

(Y) GOVERNMENT GRANTS

The Company had no government grants during the reporting period.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(Z) COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. Where the Company has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(AA) ROUNDING OF AMOUNTS

The company does not qualify for the relief available to it under ASIC Class Order 98/100. Accordingly, there are places in the financial statements and directors' report where amounts have been rounded off to the nearest \$1.

(AB) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

(I) IMPAIRMENT - GENERAL

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations that incorporate various key assumptions.

(AC) CHANGE IN ACCOUNTING POLICY

The Company made no changes to its accounting policy.

NOTE 2 REVENUE AND OTHER INCOME

	Note	2018 \$
(A) REVENUE FROM CONTINUING OPERATIONS		
Sales revenue		
— sale of goods		
— provision of services		
Total sales revenue		-
Other revenue		
— dividends received		-
— interest received		1,474.26
— government subsidies received		-
— other revenue		-
— construction revenue		-
— rental revenue		-
— royalties		-
Total other revenue		1,474.26
Total sales revenue and other revenue		1,474.26
Other income		
— net gains on financial assets at fair value through profit or loss		

— held for trading		-
— gain on remeasurement of equity investment due to business combination		-
— gain on disposal of property, plant and equipment		-
— gain on disposal of non-current assets		-
— gain on debt defeasance		-
— gains on disposal of non-current assets		-
— gains on investments and derivatives		-
— gain on revaluation of investment in associate		-
— gain on revaluation of investment property		-
— other income		-
Total other income		-
Dividend revenue from:		
— associated companies		-
— joint venture entities		-
— other related corporations		-
— other related parties		-
— other corporations		-
Total dividend revenue		-
Interest revenue from:		
— ultimate parent entity		-
— subsidiaries of ultimate parent entity		-
— other related parties		-
— directors		-
— associated companies		-
— other corporations		-
— other persons		-
Total interest revenue on financial assets not at fair value through profit or loss		-
(B) TOTAL REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS		1,474.26
(C) REVENUE AND OTHER INCOME FROM DISCONTINUED OPERATIONS		-
(D) INCOME FROM CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS		1,474.26

NOTE 3 PROFIT FOR THE FINANCIAL PERIOD

	Note	2018 \$
(a) Expenses		
Cost of sales		(16,620.15)
Interest expense on financial liabilities not at fair value through profit or loss:		
— Director related entities		-
— Ultimate parent entity		-
— Associated companies		-
— Subsidiaries of ultimate parent entity		-
— Related parties		-
— Other persons		-
Fair value gains on interest rate swaps designated as cash flow hedges transferred from equity		-
Fair value gains on foreign exchange contracts designated as cash flow hedges transferred from equity		-
Total interest expense		-
Cash flow hedge ineffectiveness		-
Impairment of non-current investments		-
Foreign currency translation losses		-
Foreign currency translation loss from speculative dealings		-
Employee benefits expense		
— defined contribution superannuation expense		-
Bad and doubtful debts:		
— trade receivables		-
— term receivables		-
— directors		-
— other related parties		-
Total bad and doubtful debts		-
Employee benefits expense:		
— contributions to defined contribution superannuation funds		-
Rental expense on operating leases		
— minimum lease payments		-
— contingent rentals		-
— rental expense for sublease		-
Loss on disposal of property, plant and equipment		-
Loss on remeasurement of equity investment due to business combination		-

Loss on debt defeasance	-
Loss on disposal of non-current investments	-
Loss on investments and derivatives	-
Loss on revaluation of investment in associate	-
Loss on revaluation of investment property	-
Contingent rentals on finance leases	-
Exploration expenditure	-
Write-off of capitalised exploration expenditure	-
Research and development costs	-
Early termination of foreign currency hedge	-
Write-down of inventories to net realisable value	-
Write-off of assets destroyed during flood	-
Write-off of obsolete stock	-
Direct property expenditure from Investment property generating rental income	-

(b) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Consideration on discontinuation	-
Carrying amount of net assets sold	-
Net gain on the discontinuation	-

NOTE 4 OTHER OPERATING ACTIVITIES

The Company prepaid \$2077.89 for insurance covering a portion of the 18/19 financial year to come, this is recorded as a prepayment. The company did not incur an income tax expense during the reporting period, as there was no tax liability incurred for the 2016/2017 financial year.

NOTE 5 DISCONTINUED OPERATIONS

The Company did not have any discontinued operations during the reporting period.

NOTE 6 KEY MANAGEMENT PERSONNEL COMPENSATION

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

KMP SHAREHOLDINGS

The number of ordinary shares in SolarShare Community Energy Ltd held during the financial period by each KMP of the entity is as follows:

	Balance at beginning of year 1 July 2017	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 June 2018
Bonbel Pty Ltd as Trustee (Brian Acworth)	1	0	0	0	1
Robert James Clark	1	0	0	0	1
Stripey Otter Pty Ltd as Trustee (Michelle McCann)	1	0	0	0	1
Nicolas Fejer	1	0	0	0	1
TJ Solen Pty Ltd as Trustee(Lawrence McIntosh)	1	0	0	-550	1
Robert Henman	0	0	0	1	1
Marea Fatseas	1	0	0	0	1

OTHER KMP TRANSACTIONS

There have been no other transactions involving equity instruments other than those described in the tables above.

For details of other transactions with KMP, refer to NOTE 37 RELATED PARTY TRANSACTIONS for details of loans to KMP, refer to NOTE 11 TRADE AND OTHER RECEIVABLES.

NOTE 7 AUDITORS' REMUNERATION

	2018 \$
Remuneration of the auditor for:	
— auditing or reviewing the financial report	(3,125)
— taxation services	-
— due diligence services	-
— taxation services provided by related practice of auditor	-
	<u>(3,125)</u>

NOTE 8 DIVIDENDS

The company did not pay any dividends during the reporting period.

NOTE 9 EARNINGS PER SHARE

	2018 \$
(a) Reconciliation of earnings to profit or loss	
Profit	(15,145.89)
Profit attributable to non-controlling equity interest	-

	Redeemable and converting preference share dividends	-
	Earnings used to calculate basic EPS	(15,145.89)
	Dividends on converting preference shares	-
	Earnings used in the calculation of dilutive EPS	(15,145.89)
(b)	Reconciliation of earnings to profit or loss from continuing operations	
	Profit from continuing operations	(15,145.89)
	Profit attributable to non-controlling equity interest in respect of continuing operations	-
	Redeemable and converting preference share dividends	-
	Earnings used to calculate basic EPS from continuing operations	(15,145.89)
	Dividends on converting preference shares	-
	Earnings used in the calculation of dilutive EPS from continuing operations	(15,145.89)
(c)	Reconciliation of earnings to profit or loss from discontinued operations	
	Profit from discontinued operations	-
	Profit attributable to non-controlling equity interest	-
	Earnings used to calculated basic EPS from discontinued operations	-
(d)	number of ordinary shares outstanding during the year used in calculating basic EPS	13,757

NOTE 10 CASH AND CASH EQUIVALENTS

	Note	2018 \$
Cash at bank and on hand		84,827.20
Short-term bank deposits		-
	38	<u>84,827.20</u>

NOTE 11 TRADE AND OTHER RECEIVABLES

	Note	2018 \$
CURRENT		
Trade receivables		-
Provision for impairment		-
		-
Term receivables		-

Provision for impairment	-
Amounts due from customers for construction contracts	-
Other receivables	-
Government subsidies receivable	-
Amounts receivable from related parties	
— associated companies	-
— provision for impairment of receivables - associated companies	-
— other related parties	-
— provision for impairment of receivables - other related parties	-
— subsidiaries of ultimate parent entity	-
— other key management personnel	-
Total current trade and other receivables	-
NON-CURRENT	
Trade receivables	-
Provision for impairment	-
Term receivables	-
Provision for impairment of receivables	-
Total non-current trade and other receivables	-

The Company has no trade or other receivables exposed to credit risk.
The Company holds no collateral as security over trade and other receivables.
The Company has no financial assets classified as Loans and Receivables.
The Company has no receivables pledged as collateral over any debt.

NOTE 12 INVENTORIES

The company did not hold any inventory during the period

NOTE 13 LAND HELD FOR SALE

The company did not hold any land for sale during the reporting period.

NOTE 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The company did not account for any investments using the equity method during the reporting period.

NOTE 15 ASSOCIATED COMPANIES

On the 6th of June, the Company incorporated a full owned subsidiary company “Majura Community Energy Project Pty Ltd” to be the future holding company of the Majura community solar farm. This company is commonly referred to as the Special Purpose Vehicle (SPV). The SPV had no transactions in the financial year.

NOTE 16 JOINT VENTURES

The Company holds no interests in joint ventures

NOTE 17 DERIVATIVES

The Company holds no derivatives

NOTE 18 OTHER FINANCIAL ASSETS

The Company has no interest in other financial assets

NOTE 19 PROPERTY, PLANT AND EQUIPMENT

The Company did not have any plant or equipment during the reporting period. The company holds a lease option with Solar Fields for block 707 Majura, the site of the Majura Solar Farm.

NOTE 20 INVESTMENT PROPERTY

The Company did not hold any investment property during the period

NOTE 21 INTANGIBLE ASSETS

The Company did not have any intangible assets in the reporting period.

NOTE 22 OTHER ASSETS

The company has no other assets.

NOTE 23 TRADE AND OTHER PAYABLES

The Company had a GST liability of (\$1,815.38) and an income tax liability of \$0.02 as at 30 June 2018.

	Note	2018 \$	2017 \$
Trade liability		0	90.00
GST liability		(\$1,815.38)	79.13
Income tax liability		0.02	-
Total liabilities		(\$1,815.36)	169.13

NOTE 24 OTHER CURRENT LIABILITIES

The Company has no other current liabilities.

NOTE 25 BORROWINGS

The Company had no borrowings during the reporting period.

NOTE 26 OTHER FINANCIAL LIABILITIES

The company has no other financial liabilities.

NOTE 27 TAX

Income Tax: The Company paid \$135 as a PAYG instalment for in income tax for the 17/18 financial year. The Company will lodge a tax return for the financial period 1/7/17 to 30/6/18

GST: The Company has a GST liability of (\$1,815.38) at the end of the financial year.

NOTE 28 PROVISIONS

The Company did not deem it necessary to hold any provisions as there are no employees, warranties, nor any other interests or arrangements during the reporting period with the possibility of necessitating a provision.

NOTE 29 RETIREMENT BENEFIT OBLIGATIONS

As the Company has no employees, there are no employee benefit plans in place and no benefit obligations

NOTE 30 ISSUED CAPITAL

	2018 \$
Share capital on issue as at 30 June 2017	125,070
2018 fully paid ordinary shares issued	0
Total share capital issued at 30 June 2018	<u>125,070</u>

The company has authorised share capital amounting to 13757 ordinary shares.

(A) ORDINARY SHARES	2018 No.
At the beginning of reporting period	13,757
Shares issued during year	0
Shares bought back during year	-
At the end of the reporting period	<u>13,757</u>

Ordinary shares participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held.

At the shareholders meetings each member is entitled to one vote when a poll is called.

The Company has no other share class than ordinary shares.

The Company has not issued any share options.

(E) 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 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.

The Company's capital management strategy is to seek community investment capital through a capital raise of approximately \$2.1m after lodging an Offer Information Statement with ASIC. The Company's strategy is to maintain a gearing ratio below 50%.

The Company did not carry any debt during the reporting period.

NOTE 31 CAPITAL AND LEASING COMMITMENTS

The company has made the first instalment payment for the lease option for the flagship project

The Company has no other, and is not a party to any other capital or leasing commitments.

NOTE 32 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential financial effect of contingent liabilities that may become payable:

	2018
Contingent Liabilities	\$
Legal Fees contingent upon successful community capital raise	
The Company has success-based payments with two legal advisory firms. The success criterion is a community capital raise securing at least \$750,000.	\$35,048
The Company has a success-based payment with the Majura Site developer Solar Fields Pty Ltd based on a successful resolution to the ACT Government's Community Solar Scheme for the Majura flagship project.	\$35,000

NOTE 33 OPERATING SEGMENTS

The Company operates as a single segment and is not split into separate operational segments.

NOTE 34 CASH FLOW INFORMATION

	2018
	\$
(A) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX	
Profit after income tax	(12,996.69)
Cash flows excluded from profit attributable to operating activities	
Finance costs on debentures	
Non-cash flows in profit	
Amortisation	
Depreciation	
Write-off of capitalised expenditure	
Write-off of obsolete stock	
Write-down of inventory to fair value	
Net (gain)/loss on remeasurement of equity investment due to business combination	-

Net (gain)/loss on disposal of property, plant and equipment	-
(Gain)/loss on debt defeasance	-
Net (gain)/loss on revaluation of investment property	-
Net (gain)/loss on revaluation of investment in associate	-
Net (gain)/loss on disposal of investments	-
Unrealised (gain)/loss on investments and derivatives	-
Write-downs to recoverable amount	
Share options expensed	
Impairment loss	
Flood losses — plant and inventories	
Share of associated companies net profit after income tax and dividends	
Share of joint venture entity net profit after income tax and dividends	
Changes in assets and liabilities	
(Increase)/decrease in trade and term receivables	
(Increase)/decrease in prepayments	-61.65
(Increase)/decrease in inventories	
Increase/(decrease) in trade payables and accruals	-3850
Increase/(decrease) in income taxes payable	-135
Increase/(decrease) in gst paid	646.42
Cash flow from operations	-18,546.12

(B) NON-CASH FINANCING AND INVESTING ACTIVITIES

(i) Share issue

No shares were issued during the period

NOTE 35 SHARE BASED PAYMENTS

The Company made no share based payments during the reporting period.

NOTE 36 EVENTS AFTER THE REPORTING PERIOD

The Company does not have any events to report after the reporting period

NOTE 37 RELATED PARTY TRANSACTIONS

The Company does not have any related parties.

NOTE 38 FINANCIAL RISK MANAGEMENT

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

	Note	2018 \$
Financial Assets		
Cash and cash equivalents	10	84,827.20
Financial assets at fair value through profit or loss		
— derivative instruments	17	-
— held for trading		-
Held-to-maturity investments		-
Loans and receivables		-
Available-for-sale financial assets		
— at fair value		
— listed investments		-
— unlisted investments		-
— at recoverable amount		
— unlisted investments		-
— at cost		
— unlisted investments		-
Total available-for-sale financial assets		-
Total Financial Assets		84,827.20
Financial Liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	23	1,815.36
— Borrowings	25	-
Total Financial Liabilities		1,815.36

FINANCIAL RISK MANAGEMENT POLICIES

The Finance, Audit and Risk Committee have been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Company. The committee monitors the Company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to transaction risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

The company's overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance.

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risk the entity is exposed to is credit risk.

CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Credit risk is managed through regular monitoring of exposures to significant customers and contractual counterparties

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 11.

Credit risk related to balances with banks and other financial institutions is managed by the Finance, Audit and Risk Committee in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least BBB+ long-term and A-2 short-term. 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.

	Note	2018 \$
Cash and cash equivalents		
- A Rated		
- A-2 Rated		84,827.20
	10	84,827.20
Held-to-maturity securities		
- AAA Rated	18	Nil

LIQUIDITY RISK

The company has no debts or obligations related to financial liabilities

MARKET RISKS

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.

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 AT FAIR VALUE

The company has no financial instruments (other than cash) that it measures and reports on at fair value.

NOTE 39 RESERVES

The Company holds no reserves.

NOTE 40 ECONOMIC DEPENDENCY

The Company does not have any economic dependency on patents or other protected IP.

NOTE 44 COMPANY DETAILS

The registered office of the company is:
SolarShare Community Energy Ltd
Suite 1, (SEE-Change Office) Downer Community Centre
1 Frencham Pl,

DOWNER

Australian Capital Territory, 2602

The principal place of business is:

SolarShare Community Energy Ltd

Suite 1, (SEE-Change Office) Downer Community Centre

1 Frencham Pl,

DOWNER

Australian Capital Territory, 2602

Principal Phillip W Miller CA
Address Level 2, 14 Moore Street
GPO Box 680
Canberra ACT 2601
Phone (02) 6274 3400
Web www.vincents.com.au
ASIC Authorised Audit Company No. 408893

Independent Audit Report to the members of

SolarShare Community Energy Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SolarShare Community Energy Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 2018 and of its financial performance for the year ended; and
- (ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 – Reduced Disclosure Requirements 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.



MCS Audit Pty Ltd
Phillip Miller
Director

Canberra, 27 September 2018