SOLARSHARE COMMUNITY ENERGY LTD

ACN: 600 571 220

CONSOLIDATED FINANCIAL REPORT

For the year ended 30th June 2019

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CHAIR OF THE BOARD'S REPORT

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

This year marks the culmination of efforts since 2011 to have a feed-in tariff granted to a community renewable energy group, and to raise the necessary capital for the building of a solar farm (we passed these milestones on 12th December 2018 and 28th May 2019 respectively).

So firstly, on behalf of the company, I would like to thank the approximately 400 new investors, and our initial 20 investors for their support.

As such, these steps give us highly increased certainty going forward - we need to build the farm and start operating to generate electricity for all Canberrans to use. Towards this end, we have completed our lease agreement for the land adjoining Mt Majura winery and placed our order for the transformer.

Looking forward, we expect that by the Annual General Meeting, we will have completed all preliminary efforts. We will be preparing to hand the site over to our Engineering, Procurement and Construction contractor, Epho. We expect that it will be a four-month process of construction, which means that we estimate to be producing electricity early in the last quarter of the 2019/20 financial year.

During the year, we continued to expand the Board and welcomed Wendy Meredith. Wendy brings a wealth of legal knowledge to the team, which has proven invaluable.

I want to highlight the efforts of our Principal Executive officer, Lawrence McIntosh, who continues to be the heart of the operation. As well, the work of our volunteer groups, being our Communications, Development, Finance and Legal and Risk teams are crucial to our work. Part of the pleasure of SolarShare is the people you get to work with - thank you all!

The last months has been an exciting time for the company. We all have a strong imperative to execute against our vision and deliver a reliable, well-performing piece of electricity infrastructure. At the same time, we need to acknowledge that this is a period where SolarShare needs to transform from a start-up to a mature operating company. These disparate, but essential activities are the focus of the Board currently.

I look forward to seeing all members at our Annual General Meeting in October - and if not then, at the opening of the farm in early 2020.

Nick Fejer

Chair of the Board

EXECUTIVE OFFICER'S REPORT

It's not hard to see evidence of the climate changing. Hotter summers. Unusually warmer winters. Drought in some parts of our country. Torrential rain in other parts. More fires. It goes on and on.

When I think about the future I struggle to imagine what the world will be like in 20 years' time. Will we have taken the necessary steps to avoid the current climate crisis from getting even worse? Will our future, and the future of other communities like ours, be under threat from a society increasingly undermined by climate instability. The problems we face can seem overwhelming and it can be very difficult to balance hope with realism.

SolarShare was created as a force for a realistic kind of hope, and our work in this year is evidence of this. During the year, we saw the whole community get behind our work. We welcomed around 400 new members into our fold. We raised a whopping $2.37 million. We made great strides with our flagship project, the Mount Majura Solar Farm.

We also matured as a company, improving our operations, ensuring our work is in line with our strategies and tending to governance arrangements.

We also benefited from the work of so many dedicated volunteers and, of course, our dedicated Board Members. We thank each and every one of them for their commitment and effort and enthusiasm.

We're proud of what we've achieved to date and look forward to a productive and bright year ahead.

Lawrence McIntosh

Principal Executive Officer

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

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

Principal activities included:

- Saw the ACT Government Feed-in-Tariff for our project at Mount Majura awarded under the ACT Government's Community Solar Scheme.
- Completed our (T2) community fundraising round, where we successfully raised $2,375,000 for the construction of the Majura Community Solar Farm.
- Signed a loan agreement with CWP Renewables Pty Ltd for a loan facility up to $800,000 to round out the funding requirement for the farm.
- Developed our Engineering, Procurement and Construction contract for the Majura plant
- Worked with community stakeholders on the landscaping plan for the Mount Majura Solar Farm.
- Assessed other appropriate solar project opportunities.

OPERATING RESULTS AND REVIEW OF OPERATIONS

OPERATING RESULTS

For 2018–19, SolarShare recorded a net profit (loss) of ($56,894.73), after income tax.

Year ended 30 June 2019	Year ended 30 June 2018
($53,069)	($15,146)

REVIEW OF OPERATIONS

INVESTMENT ACTIVITIES

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

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

STREAM 1—MOUNT MAJURA SOLAR FARM

We completed all requirements for the ACT Government's Community Solar Scheme and ran our T2 fundraising offer.

The successful completion of these and other activities relating to the Mount Majura Solar Farm—the biggest of its kind in Australia—represents the culmination of years of work by

SolarShare. Our success was supported by the constructive engagement of the ACT Government—in particular the Environment, Planning and Sustainable Development Directorate.

In the latter half of the reporting period, we brought on a new debt financier, CWP Renewables, which has been developing renewable energy projects in Australia and Europe since 2008. CWP Renewables gave us generous lending terms to complement our community fundraising.

Designs for the solar farm progressed with our Engineering Procurement and Construction contractor, Epho Commercial Solar Power, who have advised us on the current best technologies for array mounting and solar panel selection.

From March to June 2019, we consulted with interested stakeholders on our landscaping plan and have benefitted from a wealth of structured and thoughtful feedback.

STREAM 2—ROOFTOP OPERATIONS

SolarShare has a small pipeline of projects in the development stage and are in various stages of discussions with building owners and energy users for the sites involved.

These projects are evolving slowly given that our main priority is the Mount Majura Solar Farm flagship project.

DIVIDENDS

No dividends were declared or paid for 2017–18.

The directors recommend that no dividend be paid for 2018–19. This recommendation was accepted by the board.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes occurred during the reporting period. These included:

1. Wendy Meredith joining the Board of Directors. Wendy is a senior commercial and corporate lawyer in Canberra who focuses on procurement, corporate advisory and information technology.
2. Risks to delivering the Mount Majura Solar Farm project were significantly reduced with the award of the ACT Government Feed-in-Tariff and the full financing of the project through the community fundraising offer (T2) and the CWP debt facility.

FUTURE DEVELOPMENTS

In the immediate future, SolarShare's main focus will remain on our flagship project, the Mount Majura Solar Farm.

The project's execution phase began during the reporting period, with final heritage and construction approvals in preparation for building the solar farm.

Some of the more significant next steps are:

- gaining heritage approval
- finalising and entering into the farm's lease with the Mount Majura Winery

- ordering the transformer and long lead-time connection equipment
- gaining construction works approval.

ENVIRONMENTAL ISSUES

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

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

DIRECTOR BENEFITS

CONTRACTUAL BENEFITS

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

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

DIRECTOR AND OFFICER INDEMNIFICATION AND INSURANCE

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

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

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

DIRECTOR INFORMATION

The names and details of the company's directors who held office during the reporting period are in Table 1.

Table 1: Company director information

Nicolas Fejer	**Chair from August 2017**
Qualifications	BEng (Hons), BSc, MAIPM, GAICD
Experience	Nicolas Fejer is a business leader with extensive experience gained working for or with engineering, financial and large corporate firms. Nicolas runs the Enakt Group, which provides professional

	services in the areas of program and project management and processes. Previously, Nicolas was a public servant for 4 years, working in program management. Before his time with the Australian Government, he was a founding member of start-up Spark Solar. Nicolas' extensive corporate experience includes senior management positions at Siemens, VDO and Bosch.
Interest in shares and options	Holds 1000 shares in SolarShare Community Energy Ltd, a combination of personal holdings and holdings in a personal trust—Feathertop Holdings Pty Ltd—as trustee.
Special responsibilities	Chairperson
Directorships held in other listed entities during the three years before the reporting period	Nil

Carlo Botto	**Non-Executive Director from June 2016**
Qualifications	BE (Electrical), GradDipEng (Asset Management)
Experience	Carlo Botto has extensive energy industry experience gained while working for more than 35 years in the energy supply industry in Australia and North America. Carlo is the principal of Brighter Energy, which he established to provide consulting services to the energy industry. He presently sits on the board of Hydro Tasmania. Previously, Carlo was a Director of BlueNRGY Group, and a senior executive of CLP Holdings (listed on the Hong Kong stock exchange), where Carlo worked in its Australian subsidiary Energy Australia (formerly TRUenergy and Yallourn Energy) based in Melbourne. Carlos has also held senior executive roles, including: • Head of Risk Management and Trading at InterGen Services, based in Brisbane, Queensland, • Director of Asset Trading and Operations for Pacific Gas & Electricity's National Energy Group based in the United States, • General Manager, Trading and Pricing for Ergon Energy, a Queensland-based electricity retailer. Originally from an electrical engineering background, Carlo gained significant operational experience while working in New South Wales and Victoria. This included positions with Snowy Hydro Limited in technical, production and commercial

	roles. Before Snowy Hydro, Carlo worked in a Sydney-based engineering consulting firm.
Interest in shares and options	Holds no shares in SolarShare Community Energy Ltd.
Special responsibilities	
Directorships held in other listed entities during the three years before the reporting period	Non-executive Director of Hydro Tasmania Previously a Non-executive Director of BlueNRGY Group, a listed public company

Michelle McCann	**Non-Executive Director from July 2014**
Qualifications	PhD BSc (Hons)
Experience	Michelle McCann has worked in solar energy since 1996. She is currently a partner at PV Lab Australia, a specialised test laboratory with a focus on quality assurance and risk evaluation for PV modules and components. Previously, she was CEO and one of the founders of Spark Solar Australia, an Australian company seed-funded by a group of German experts in the photovoltaic field with the mission of raising funds to establish a PV manufacturing company in Australia. Before this, Michelle worked in the photovoltaic group at the University of Konstanz in Germany, where she was group leader of the Novel Devices Group. She has a PhD from the Photovoltaic Group at the Australian National University. Michelle has twice held a world record for producing high efficiency solar cells.
Interest in shares and options	Holds 400 shares in SolarShare Community Energy Ltd., in a personal trust—Stripey Otter Pty Ltd—as trustee.
Special responsibilities	Deputy Chair, member of the Finance, Audit and Risk committee
Directorships held in other listed entities during the three years before the reporting period	Nil

Marea Fatseas	**Non-Executive Director from January 2017**
Qualifications	MBA, MA (Asian Studies), BSc (Hons), Dip. Humanities
Experience	Marea has more than 30 years of public and private sector experience in Australia and internationally in strategy development, program management and advising on large-scale collaborations. She is the owner-director of consultancy company Ideas Connect. Marea is highly active in community and residents' groups in the inner south of Canberra, including as Chair of the Inner

	South Canberra Community Council, and formerly as President of the Yarralumla Residents Association. She co-founded climateXchange, an online sustainability forum for Canberra and surrounding region.
Interest in Shares and Options	Holds 2400 shares in SolarShare Community Energy Ltd through a combination of personal holdings and holdings in a private company—Ideas Connect Pty Ltd.
Special Responsibilities	Member of the Finance, Audit and Risk committee
Directorships held in other listed entities during the three years before the reporting period	Nil

Daniel Carton	**Non-Executive Director from June 2018**
Qualifications	B Economics ANU, B Commerce ANU, GAICD
Experience	Dan has extensive experience in investment management, utilities, residential property and funds management. He works at an Australian Government agency in a senior management role and is responsible for portfolio management, investment sales and investor relations. Dan also holds the role of Chief Economist. With tertiary qualifications in commerce and economics, Dan's governance experience includes being a member of a not-for-profit board in the arts sector, an advisory role in funds management education, and as a responsible manager on multiple Australian Financial Services Licences.
Interest in Shares and Options	Holds no shares in SolarShare Community Energy Ltd.
Special Responsibilities	None
Directorships held in other listed entities during the three years before the reporting period	Nil

Wendy Meredith	**Non-Executive Director from October 2018**
Qualifications	B Economics ANU, B Commerce ANU, GAICD
Experience	Wendy Meredith is a commercial and corporate lawyer with more than 25 years of experience. She has acted for a wide range of companies including several start-up entities. As a lawyer, Wendy's focus is primarily on negotiating and drafting commercial arrangements, advising on business structuring, corporate governance and on the

	commercialisation of intellectual property. Wendy's depth of legal knowledge and practical approach to finding solutions has enabled her to develop a loyal client base across a wide range of industries, including logistics, information technology, education, government and engineering.
Interest in shares and options	Nil
Special responsibilities	Nil
Directorships held in other listed entities during the three years before the reporting period	Nil

COMPANY SECRETARY

Julie Chater	**Appointed Company Secretary from February 2017**
Qualifications	B Comm (Economics) UNSW, BA (Hons), La Trobe University, M Environment Law, ANU
Experience	Julie Chater has 20 years' experience in international negotiations, foreign and trade policy development, and financial and strategic management in the Department of Foreign Affairs and Trade. Before this, she worked for 12 years in corporate management for a large public corporation. Julie has been a member of the Board of Governors, Australian International School Hong Kong, Vice-president of the state branch of a large public sector union and Co-president of the Foreign Affairs and Trade Association. Since her 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 also a volunteer with the Mount Taylor Park Care Group and Greening Australia. Julie was Board Secretary of SolarShare from January 2016, before becoming Company Secretary in February 2018.
	Holds no paid management or employee roles in SolarShare Community Energy Ltd.

MEETINGS OF DIRECTORS

During the reporting period, Board Members (including committees of directors) met 14 times. Attendance by Director are in Table 2, as is the date each was appointed and elected as a board member:

Table 2: Meetings of directors, appointment dates, elected dates

Board Member	**Nicolas Fejer**	**Michelle McCann**	**Marea Fatseas**	**Carlo Botto**	**Dan Carton**	**Wendy Meredith**
Appointed	23 July 2014	23 July 2014	19 Jan 2017	20 June 2016	14 June 2018	23 Oct 2018
Elected	19 Jan 2017	27 Oct 2017	19 Oct 2018	19 Jan 2017	19 Oct 2018	
Meetings held in the year during period of directorship	14	14	14	14	14	10
Meetings attended during reporting period	12	11	13	13	14	9

PROCEEDINGS ON BEHALF OF COMPANY

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

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

NON-AUDIT SERVICES

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the reporting period was been received (page 14 of this annual report).

REMUNERATION REPORT

As at 30 June 2019, no executive, non-executive director, or key management personnel had received any remuneration for their work for SolarShare. All positions with the company remained voluntary.

No remuneration consultants were engaged by the company 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: 10 October 2019

DIRECTORS DECLARATION

The directors of SolarShare declare that:

1. The financial statements and notes, being the balance sheet, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes to the financial statements are in accordance with the *Corporations Act 2001 (Cwlth)*. They:
   a) comply with accounting standards
   b) give a true and fair view of the financial position as at 30 June 2019 and the performance for the year ended on that date of the company.
2. In the opinion of SolarShare Directors, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Nicolas Fejer
Dated: 10 October 2019

AUDITOR’S INDEPENDENCE DECLARATION

AUDITOR’S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001 (CWLTH)* 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 ending 30 June 2019 that there has been no contraventions of:

- the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Vincents Audit Pty Ltd
Phillip Miller CA
Director

Canberra, dated: 14 Oct 2019

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

SolarShare Community Energy Ltd Consolidated Accounts ABN 60 600 571 220
Detailed Statement of Financial Performance
For the year ended 30 June 2019

	Note	2019	2018
		$	**$**
Income			
Interest received		2,018	1,474
Total income		2,018	1,474
Expenses			
Advertising & promotion		111	
Bank fees & charges		14	
Compliance & Reporting		5,827	5,114
Consultants & Accounting		805	250
Event Expenses		546	265
Insurance		8,628	6,775
Legal fees		446	4,116
Office Expenses		474	64
Share Offer costs		38,114	
Website Expenses		122	36
Total expenses		55,087	16,620
Profit (Loss) from Ordinary Activities before income tax			
		($53,069)	**($15,146)**
Earnings per share ($ per share)			
From continued operations		($0.20)	($1.10)
Basic earnings per share	17	($0.20)	($1.10)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE – BY NATURE

	Note	2019 $	2018 $
Classification of Expenses by Nature			
Revenues from ordinary activities	2	2,018	1,474
Other expenses from ordinary activities		(55,087)	(16,620)
Profit (loss) from ordinary activities before income tax	**2**	**(53,069)**	**(15,146)**
Income tax revenue relating to ordinary activities			
Net profit (loss) attributable to members of the company		**(53,069)**	**(15,146)**
Total changes in equity other than those resulting from transactions with owners as owners		**(53,069)**	**(15,146)**
Opening retained profits		**(26,215)**	**(11,069)**
Net profit (loss) attributable to members of the company		(53,069)	(15,146)
Closing retained profits		**(79,284)**	**(26,215)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SolarShare Community Energy Ltd Consolidated Accounts ABN 60 600 571 220
Statement of Financial Position as at 30 June 2019

	Note	2019 $	2018 $
Assets			
Current Assets			
Cash and cash equivalents	3	2,376,001	84,827
Current tax assets	5	41,046	1,815
Other	6	3,826	2,213
Total Current Assets		**2,420,873**	**88,855**
Non-Current Assets			
Other financial assets	4	365,649	10,000
Total Non-Current Assets		**365,649**	**10,000**
Total Assets		**2,786,522**	**98,855**
Liabilities			
Current Liabilities			
Payables	8	365,275	
Current Tax Liabilities	9	-	
Total Current Liabilities		**365,275**	**0**
Total Liabilities		**365,275**	**0**
Net Assets		**2,421,246**	**98,855**
Equity			
Contributed equity	10	2,500,530	125,070
Retained profits / (Accumulated losses)		(79,284)	(26,215)
Total Equity		**2,421,246**	**98,855**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SolarShare Community Energy Ltd Consolidated Accounts ABN 60 600 571 220

Statement of Changes in Equity for the year ended 30/06/2019

	Notes	Retained Earnings	Issued & Paid Up Capital	Total
Balance at 01/07/2017		(11,069)	125,070	114,001
Comprehensive income				
Profit attributable to the members		(15,146)		(15,146)
Other comprehensive income for the year				
Total comprehensive income for the year attributable to members of the entity		(15,146)		(15,146)
Balance at 30/06/2018		(26,215)	125,070	98,855
Comprehensive income				
Profit attributable to the members		(53,069)		(53,069)
Shares issued during the year			2,375,460	2,375,460
Other comprehensive income for the year				
Total comprehensive income for the year attributable to members of the entity		(53,069)	2,375,460	2,322,091
Balance at 30/06/2019		(79,284)	2,500,530	2,421,246

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

SolarShare Community Energy Ltd Consolidated Accounts ABN 60 600 571 220

Statement of Cash Flows

For the year ended 30 June 2019

	2019	**2018**
	$	**$**
Cash Flow From Operating Activities		
Payments to Suppliers and employees	(59,692)	(20,020)
Interest received	2,018	1,474
Income tax paid	-	-
Net cash provided by (used in) operating activities (note b)	(57,674)	(18,546)
Cash Flow From Investing Activities		
Payment for:		
Purchase of other investments	(26,612)	-
Net cash provided by (used in) investing activities	(26,612)	-
Cash Flow From Financing Activities		
Proceeds of issue of shares	2,375,460	-
Net cash provided by (used in) financing activities	2,375,460	-
Net increase (decrease) in cash held	2,291,174	(18,546)
Cash at the beginning of the year	84,827	103,373
Cash at the end of the year (note a)	2,376,001	84,827

Note a. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

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

Bank Aus Transaction Account *740	259	898
Accrual Account *659	2,329,412	83,930
MCEP Pty Ltd	46,330	
	2,376,001	84,827

	2019	2018
	$	$
Note b. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating Profit After Income Tax		
Operating profit after income tax	(53,069)	(15,146)
Increase/(decrease) in provision for income tax		(135)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in prepayments	(1,613)	(62)
Increase (decrease) in trade creditors and accruals	534	
Increase (decrease) in other creditors	2,800	(3,850)
Increase (decrease) in sundry provisions	(6,327)	646
Net cash provided by (used in) operating activities	**(57,674)**	**(18,546)**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Statement of Significant Accounting Policies

The consolidated financial report is a general-purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers SolarShare Community Energy Ltd Consolidated Accounts as an individual entity. SolarShare Community Energy Ltd Consolidated Accounts is a group of companies limited by shares, incorporated and domiciled in Australia, comprising of a parent company SolarShare Community Energy Ltd and a wholly owned subsidiary company Majura Community Energy Project Pty Ltd.

The consolidated financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

1.1. Change in Accounting Policy

FINANCIAL INSTRUMENTS – ADOPTION OF AASB9

The Company has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2018.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires aended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year.

The key changes to the Company's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Company has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018

CLASSIFICATION OF FINANCIAL ASSETS

The financial assets of the Company have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost.

CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application

	Classification under AASB 139	Classification under AASB 9	Carrying amount under AASB 139	Re-classification	Re-measurements	Carrying amount under AASB9
Financial assets						
Current tax assets	Loans and receivables	Amortised cost	$40,992	-	-	$40,992
Cash and cash equivalents	Loans and receivables	Amortised cost	$2,376,000	-	-	$2,376,000
Total financial assets			**$2,416,992**	**-**	**-**	**$2,416,992**
Financial liabilities						
Trade payables	Other financial liabilities	Other financial liabilities	$365,275	-	-	$365,275
Total financial liabilities			**$365,275**	**-**	**-**	**$365,275**

1.2. Business Combinations

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

The company incorporated a brand new wholly owned subsidiary during the financial year. This subsidiary company was not a business at that time and therefore this transaction is not a business combination. The company made no acquisitions during the period and as a result has not needed to account for any business combinations.

1.3. 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. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) 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 (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which the management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

1.4. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

The cost of mining stocks includes direct material, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

1.5. Land Held for Resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, foreign currency movements, borrowing costs and holding costs until completion of development. Borrowing costs, foreign currency movements and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

1.6. Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date as compared to expected total costs. Where losses are anticipated they are provided for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

1.7. Property, Plant and Equipment

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

a) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is a policy of SolarShare Community Energy Ltd Consolidated Accounts to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

b) Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

The cost of fixed assets constructed within SolarShare Community Energy Ltd Consolidated Accounts includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

c) Depreciation

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

1.8. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to SolarShare Community Energy Ltd. Consolidated Accounts are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that ownership of the asset will be obtained or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

1.9. Investments

Shares in listed companies held as current assets are valued at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

1.10. Investments in Associates

The equity method of accounting has been applied and recognised in the financial statements in relation to all associated companies. An associated company is a company over which SolarShare Community Energy Ltd Consolidated Accounts is able to exercise significant influence.

1.11. Interest in Joint Ventures

The share of assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the statements of financial performance and financial position. Details of the interests are shown in the Notes to Accounts.

1.12. Research and Development Expenditure

Research and Development costs are charged to profit from ordinary activities before income tax as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs.

Deferred research and development expenditure is amortised on a straight line basis over the period during which the related benefits are expected to be realised, once commercial production is commenced.

1.13. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

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 production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining 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 cost are accounted 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.

1.14. Intangibles

a) Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition. Purchased goodwill is amortised on a straight-line basis over the period of 20 years. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable is written off.

b) Patents and Trademarks

Patents and Trademarks are valued in the accounts at cost of acquisition and are amortised over the period in which their benefits are expected to be realised.

1.15. Foreign Currency Transactions and Balances

Foreign currency transactions during the period are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance date are converted to the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

Exchange differences arising on hedged transactions undertaken to hedge foreign currency exposures, other than those for the purchase and sale of goods and services, are brought to account in the profit from ordinary activities, when the exchange rates change.

Any material gain or loss arising at the time of entering into hedge transactions is deferred and brought to account in the profit from ordinary activities, over the lives of the hedges.

Costs or gains arising at the time of entering hedge transactions for the purchase and sale of goods and services, and exchange differences that occur up to the date of purchase or sale, are deferred and included in the measurement of the purchase or sale.

Gains and losses from speculative foreign currency transactions are brought to account in the profit from ordinary activities, when the exchange rate changes.

1.16. Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by SolarShare Community Energy Ltd Consolidated Accounts to an employee superannuation fund and are charged as expenses when incurred.

SolarShare Community Energy Ltd Consolidated Accounts does not record, as an asset or a liability, the difference between the employer established defined benefit superannuation plan's accrued benefits and the net market value of the plans assets.

SolarShare Community Energy Ltd Consolidated Accounts operates an ownership-based remuneration scheme, details of which are provided in the Notes to Accounts. Profits or losses incurred by employees, being the difference between the market value and the par value of the shares acquired, are not recorded as remuneration paid to employees.

1.17. Provision for Warranties

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

1.18. Debt Defeasance

Where assets are given up to extinguish the principal and all future interest of a debt and differences in the carrying values of assets foregone and the liability extinguished are brought to account in the profit from ordinary activities. Costs incurred in establishing the defeasance are expensed in the period that the defeasance occurs.

Where only part of a debt is extinguished the interest and principal are defeased proportionately and a liability recognised for the net present value of the remaining future interest and principal repayments. The discount factor applied is that implicit in the original debt.

In all cases where defeasance occurs, it is highly unlikely that the company will again be required to pay any part of the debt or meet any guarantees or indemnities associated with the debt.

1.19. Cash and cash equivalents

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

1.20. Comparative Figures

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

1.21. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

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

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

1.22. Converting Preference Shares

Converting preference shares are brought to account on issue at the value of net proceeds received. The converting preference shares are compound financial instruments where the dividends are at fixed amounts with scheduled dates of payments and the number of ordinary shares to be issued on conversion is in part determined by the market price of ordinary shares at date of conversion. The present value of the interest and principal payable on conversion are discounted at the market rate of interest at issue date and are brought to account as borrowings. The difference between the net proceeds received and the borrowings component is brought to account as equity. Dividends paid on the converting preference shares are recognised as interest expense in the profit from ordinary activities.

1.23. Financial instruments

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

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

FINANCIAL ASSETS

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

Financial assets: Classification

On initial recognition, the Company 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 Company changes its business model for managing financial assets

Financial assets: Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

Financial assets: Impairment of financial assets

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

- financial assets measured at amortised cost

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

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

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

- The other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held)

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

Financial assets: Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flws are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial assets: Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

FINANCIAL LIABILITIES

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

Note 2: Revenue and Other Income

	2019	2018
Revenue:		
Interest revenue*	2,018	1,474
	2,018	**1,474**
***Interest from:**		
Bank Australia	2,018	1,474
	2,018	**1,474**

Note 3: Cash and cash equivalents

	2019	2018
Bank accounts:		
Bank Aus Transaction Account *740	259	898
Accrual Account *659	2,329,412	83,930
MCEP Pty Ltd	46,330	
	2,376,001	**84,827**

Reconciliation of Cash and cash equivalents:

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

- Cash	2,376,001	84,827
	2,376,001	**84,827**

Note 4: Other Financial Assets

	2019	2018
Non-Current		
Other investments		
- Majura Site Development	365,649	10,000
	365,649	**10,000**

Note 5: Tax Assets

	2019	2018
Current		
Input tax credit control account	41,019	1,815
TFN withholding tax	27	
	41,046	**1,815**

Note 6: Other Assets

	2019	2018
Current		
Prepayments	3,826	2,213
	3,826	**2,213**

Note 7: Investment Property

This company holds no investment property.

Note 8: Payables

	2019	2018
Secured:		
- Trade creditors	362,475	
- Other creditors	2,800	
	365,275	

Note 9: Tax Liabilities

Current

	2019	2018
Income Tax Payable	-	-
	-	**-**

Note 10: Contributed Capital

	2019	2018
Stapled security: Ordinary Class Shares Flagship Project Asset Specific Shares at $9.09 each fully paid	125,000	125,000

Stapled security: Ordinary Class Shares Flagship Project Asset Specific Shares at $10.00 each fully paid	2,375,530	70
	2,500,530	**125,070**

Ordinary shares participate in dividends and the proceeds on winding up of the company generated assets which are not subject to a specific share-class, in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Flagship Project Asset Specific Shares (FPASS) participate in dividends, returns of capital, and any distribution of surplus assets of the Majura Solar Farm, in proportion to the number of FPASS held. FPASS holders are entitled to attend and vote at general meetings and meetings of FPASS members in accordance with the Constitution (1 vote per Member, regardless of the number of shares held, and regardless of whether they hold shares in multiple classes).

CAPITAL MANAGEMENT

Management controls the capital of the company in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital 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 did not carry any debt during the reporting period.

Note 11: Key Management Personnel Compensation

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

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 2018	**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 2019**
Stripey Otter Pty Ltd as Trustee (Michelle McCann)	1	0	0	399	400
Nicolas Fejer and Feathertop holdings as Trustee	1	0	0	999	1000
TJ Solen Pty Ltd as Trustee (Lawrence McIntosh)	1	0	0	499	500
Marea Fatseas and Ideas Connect pty ltd	1	0	0	2399	2400

Other KMP transactions

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

Note 12: Superannuation Commitments

This company has no superannuation obligations for the reporting period.

Note 13: Contingent Liabilities

Estimates of material amounts of contingent liabilities, not provided for in the accounts, arising from:

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 and T2 fundraising round for the Majura flagship project.	$35,000

Note 14: Related Parties

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

Transactions with related parties:

Ultimate Parent Company

This company has no parent company.

Associated Companies

This company had no transactions associated companies.

Other Related Parties

Transactions with other related parties:

- SolarShare Community Energy Ltd lent $78,663 to its wholly owned subsidiary Majura Community Energy Pty Ltd to fund expenditure on the development of the Solar Farm project.

Individually Material Transactions:

- $0

The determination of operating profit (loss) before income tax included the following items, which resulted from transactions with other related parties:

- Interest Income $73
- Insurance Expense $2,246

Aggregate amounts of debts, other than trade debts, that are receivable from and payable to other related parties:

- Current $0
- Non-current $0

Aggregate amounts receivable from and payable to other related parties:

- Current $0
- Non-current $78,663

Percentage of equity interest held in other related parties, either directly or indirectly:
- 100% equity interest in subsidiary Majura Community Energy Pty Ltd

Other benefits derived:
- Current $0
- Non-current $0

Percentage of equity interest held by directors, either directly or indirectly:
- $0

Other benefits derived:
- $0

Identification of Related Parties

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

Note 15: Events Subsequent to Reporting Date

The lease option held with Solar fields, for the development rights to bl707 Majura was exercised in August 2019. This assigned the development rights, including rights to lease the block, to Majura Community Energy Project pty Ltd.

Also subsequent to the reporting period, Majura Community Energy Project pty ltd signed a connection agreement with Evo energy for the Majura solar farm, in August 2019

Note 16: Not used

Note 17: Earning Per Share

		2019 $
(a)	Reconciliation of earnings to profit or loss	
	Profit	($53,069)
	Profit attributable to non-controlling equity interest	-
	Redeemable and converting preference share dividends	-
	Earnings used to calculate basic EPS	($53,069)
	Dividends on converting preference shares	-
	Earnings used in the calculation of dilutive EPS	($53,069)
(b)	Reconciliation of earnings to profit or loss from continuing operations	
	Profit from continuing operations	($53,069)
	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	($53,069)
	Dividends on converting preference shares	-

	Earnings used in the calculation of dilutive EPS from continuing operations	($53,069)
(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	265,060

Note 17: Capital and Leasing Commitments

The company had made the first instalment payment for the Development rights option for the flagship project in a prior financial year.

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

Note 18: Financial Risk Management

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

	Note	2019 $
Financial Assets		
Cash and cash equivalents	3	2,376,001
Financial assets at fair value through profit or loss		
— derivative instruments		-
— 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		2,376,001
Financial Liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	8	365,248
— Borrowings		-
Total Financial Liabilities		365,248

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.

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	2019 $
Cash and cash equivalents		
- A Rated		
- A-2 Rated		2,376,001
	3	2,376,001
Held-to-maturity securities		
- AAA Rated		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.

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 2019, 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 2019 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 Audit Pty Ltd
Phillip Miller
Director

Canberra, dated: 14 Oct 2019