SolarShare

Annual Report for the year ended 30 June 2022

SOLARSHARE COMMUNITY ENERGY LTD

ACN: 600 571 220

ANNUAL REPORT

For the year ended 30 June 2022

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CHAIR OF THE BOARD’S REPORT

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

I’m pleased that our hard work on Company growth has bourne dividends in this financial year.

From the perspective of the solar farm, we have had a successful year of generation.

We have made 1.91 GWh of electricity, which equates to 1,546 tonnes of CO2e offset, which is excellent. We remain strongly cash flow positive, which makes everyone happy.

For members’ benefit, we will be making a capital return which is very beneficial to everyone as this becomes a tax-free return of money. We will be making a capital return as we cannot, at this stage, pay a dividend due to the depreciation of the plant, making our retained earnings negative.
In determining the process for declaring a capital return, we have determined that the Australian Tax office considers the full financial statement of the company, and last year’s statements were determined not to show suitable income to justify a capital return.
The process for the return at a high level is that at the AGM, we will need a resolution passed by the members agreeing to the return, and we can pay the money following the AGM.
I note that this will be our first payment to members, and we would like this to go smoothly. We will be communicating the details and requirements for members –fundamentally, we can only perform electronic funds transfers, so members must have their details correct in our share registry, Registry Direct. We’ll communicate to the whole investor base and individuals before and after the AGM to ensure this goes smoothly.

As a Company, it was a productive year. Clara Wilson, who joined the company at the start of the financial year, made a considerable contribution to the company’s operation and drove the opportunity development for us. It was a significant blow to us all when she resigned from her position. The board has not decided to replace her. However, we will revisit this decision early in the calendar year 2023.

We have developed opportunities regarding apartment rooftop solar installations in line with our previously announced strategy. We determined this is an underdeveloped market that matches well to SolarShares objectives – in that a ready-made community (the owners and occupiers) and the social license we bring can unlock greater uptake of renewable energy. We have found that the current ACT legislation covering Body Corporates brings considerable complexity to this space, and as a result, progress is slower than expected.

During this financial year of operation, the board continued improving its internal structure, implementing a Finance, Audit and Risk Committee, a Nominations committee, and an Investment committee. This has already improved the efficiency and effectiveness of the board, and I thanks all of the board member for their efforts and support during the year.

During the year, there were many changes to the board: Carlo Botto did not offer himself for re-election at the AGM in October and departed the Board, and Donna McShane resigned on 30th January. Both Wendy and Michelle left due to other commitments – we thank them for their contribution to SolarShare, which was enormous in both cases.

We have recruited for the open board positions, with four new board members joining us from November to February. Neil Thompson brings deep technical expertise in Renewable energy, business and the corporate body space, and he has made a significant contribution specifically to the investment committee. Gina Zheng brings expertise in Law and business and has a remarkable ability to drive activity – it's a testament to her that the Investor stakeholder activities were performed, and she is making impacts on both the Investment and the Audit and Risk committee.

Ross MacDiarmid brings a depth of knowledge in business and management and invaluable connections to the business community, and his support on Finances and Audit this year were appreciated.

Eshan Ahuja brings to the board a forensic level of detail on renewable energy systems, both from a private and public sector perspective. His insights have provided significant assistance with future developments.

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

PRINCIPAL EXECUTIVE OFFICER'S REPORT

It has been a big year for SolarShare and the broader renewable energy industry, with 32.5% of Australia's electricity in 2021 coming from clean energy sources and almost 3GW of large-scale capacity being added (Clean Energy Council, 2022).

The last financial year has seen the Majura Valley Community Solar Farm celebrate its 1st year of operations, a significant achievement. While there were some teething issues with protection relay trips occurring and trackers freezing, Epho and Schletter have worked extremely diligently to manage these issues and minimise any downtime. For any new renewable energy asset, there is always a period of ironing out the kinks, and it is great to see the farm now operating smoothly.

This also means that the farm has seen the first 12 months of revenue from electricity generation, from spot market sales in the National Electricity Market, feed-in-tariff payments from the ACT Government, and the sale of Large-Scale Generation Certificates (LGCs). The LGC market saw a huge increase in LGC prices from the start of 2021 onwards, which SolarShare was able to take advantage of through a four-year contract for the sale of LGCs. This has almost tripled the anticipated LGC revenue.

Generating revenue from electricity sales has placed the organisation in a healthy financial position, and transitioning from cash accounting to accrual accounting has allowed for more accurate monthly financial reporting. This makes SolarShare well-placed to start making distributions to members.

There continues to be significant political interest in community energy projects. In October 2021, there was good media coverage of a visit to the solar farm by the then Opposition Leader, now Prime Minister of Australia, the Hon. Anthony Albanese MP, as well as the Hon. Chris Bowen MP, the Hon. Ed Husic MP and Ms Alicia Payne MP.

PRINCIPAL EXECUTIVE OFFICERS REPORT

We also continued to contribute to the development of the renewable energy industry in the ACT by delivering on commitments to the ACT Government. SolarShare was delighted to participate in the ANU College of Business & Economics Special Industry Project, where students developed business cases for real-life projects in our development pipeline. In November 2021, myself and Board Member Marea Fatseas also attended a collaborative innovation workshop hosted by the Canberra Institute of Technology on ‘Renewable Skills of the Future’.

I look forward to seeing what direction the organisation takes and am excited for investors to receive the first distribution from the project. Community projects like Majura come to fruition through the culmination of extensive efforts by volunteers, investors, staff and the Board. It will be great to see the project continue to generate clean energy for Canberra homes and to give back to its dedicated supporters.

I wish the organisation and investors all the best in the future.

Clara Wilson

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 Majura Valley Community Solar Farm. During the reporting period, the farm was operational, generating energy and revenue.

Principal activities comprised of:

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

OPERATING RESULTS AND REVIEW OF OPERATIONS

OPERATING RESULTS

For 2021-22, SolarShare recorded a profit of $69,477 after income tax.

Year ended 30th June 2022	Year ended 30th June 2021
$69,477	($76,960)

REVIEW OF OPERATIONS

INVESTMENT ACTIVITIES

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

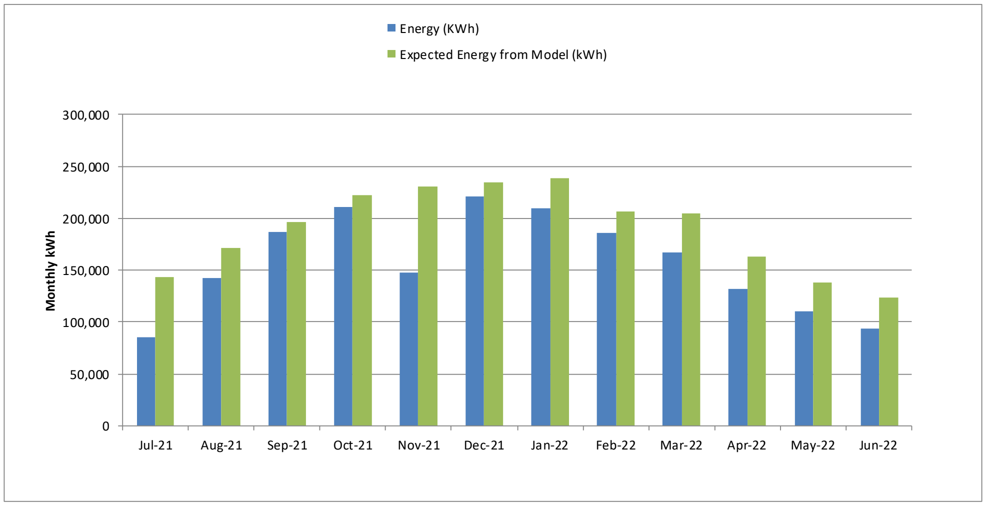
1. The Flagship project, Mount Majura Solar Farm, supported by an ACT Government Feed-in-Tariff, and
2. Assessment of other appropriate project opportunities.

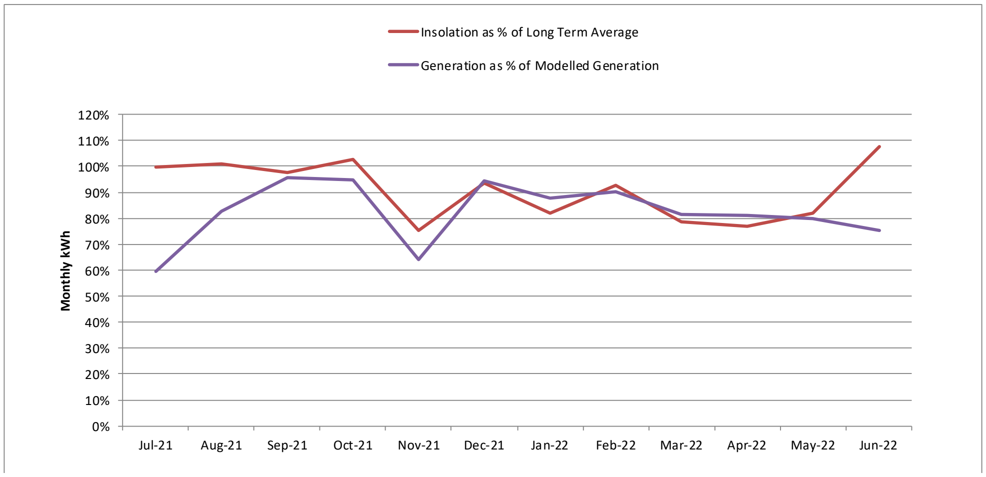
DIRECTORS' REPORT

STREAM 1—MAJURA VALLEY COMMUNITY SOLAR FARM

This financial year presented an exciting milestone for the Company as the Majura Valley Community Solar Farm finished the first full year of operating and generating revenue.

The plant operation was satisfactory, with the main impact on the farm's output being the decrease in sunlight due to the La Niña effects. The below graphs show the energy generated each month compared to the estimated values from our financial model and the insolation (sunlight) as a percentage of long-term averages from the Bureau of Meteorology compared with generation as a percentage of modelled generation.





DIRECTORS' REPORT

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

1. Protection relay trip: on
    a. one occasion in July lasting 2 days
    b. one instance in October lasting one day
    c. one instance in November lasting less than a day
    d. one instance in November lasting 5 days
    e. one instance in December lasting less than a day
    f. one instance in February lasting less than a day

a protection relay tripped, resulting in the farm not generating electricity. In each instance, these relay trips meant that no output of the farm occurred. Epho diagnosed the root cause of the issue to be the power quality on the EvoEnergy network. This led to Epho negotiating with Evo for a relaxation of trip parameters in March, which minimises the likelihood of trips going forward

2. Single axis tracking issues. Multiple events over the period July – February 2022

This issue causes an individual row of the farm to freeze and not track the sun across the sky during the day. The issue caused a slight change in plant output, as the "frozen" row would still generate electricity but at a decreased rate.

The issue was managed by Epho, monitoring the plant and manually resetting the row when it froze. On 6^{th} February, Schletter replaced all of the driveshaft sleeves on the plant as part of a product recall. This action minimised the occurrence of these faults going forward.

On 24^{th} December 2021 SolarShare entered into an agreement with Green Energy Trading for the offtake of our Large Scale Generation Certificates (LGC's). This contract delivered REC's prices above the financial model, which lead to an increase of rate of return of 0.5%.

DIRECTORS' REPORT

STREAM 2—OTHER OPPORTUNITIES

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

One of the project types of interest is medium-sized rooftop installation of photovoltaic plants, coupled with power purchase agreements from end consumers. SolarShare has a small pipeline of projects in the development stage and is in various stages of discussions with building owners and energy users for the sites involved.

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

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

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

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

DIVIDENDS

No dividends were declared or paid for 2021-2022. SolarShare will deliver a capital return to investors in the 2022-2023 financial year, subject to a resolution at the AGM and Board approval.

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes occurred during the reporting period. On the board level, these include:

1. Carlo Botto, being eligible, did not offer himself for re-election as a Director at the AGM and, as a result, ceased as a Director on 22 October 2021
2. Donna McShane resigned as a Director on 30 Jan 2022
3. Neil Thompson was appointed as a Director on 24 November 2021
4. Gina Zheng was appointed as a Director on 24 November 2021
5. Eshan Ahuja was appointed as a Director on 23 Jan 2022
6. Ross MacDiarmid was appointed as a Director on 18th February 2022
7. James Prest was appointed as Company Secretary on 22 June 2022
8. Julie Chater resigned as Company Secretary on 30 June 2022

FUTURE DEVELOPMENTS

SolarShare's focus for the next year will be:

a) Operating the Mt Majura Solar Farm, and

b) Developing and evaluating new opportunities for investments.

EVENTS SUBSEQUENT TO REPORTING PERIOD

On 6th July 2022, Clara Wilson ceased her role as CEO. A replacement for Clara has not been determined.

ENVIRONMENTAL ISSUES

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

DIRECTOR BENEFITS

CONTRACTUAL BENEFITS

In the reporting period, SolarShare entered into a contract with BellChambers Barrett to provide accountancy services to the value of $10,780 (including GST). Donna McShane is an employee of BellChambers Barrett.

The contract was awarded after an approach to the market comprising three companies, of which BellChambers Barrett was found to be the best value for money for SolarShare.

Donna was not involved with the approach to the market nor the evaluation or decision process from SolarShare's perspective.

SolarShare has continued to use BellChambers Barrett for accountancy services.

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

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

DIRECTOR AND OFFICER INDEMNIFICATION AND INSURANCE

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

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

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

DIRECTORS’ REPORT

COMPANY DIRECTOR INFORMATION

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

Mr Nicolas Fejer

BEng (Hons), BSc, MAIPM, GAICD
Chair (since August 2017), Non-Executive Director (since July 2014)

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

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

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

Interest in shares and options: Holds 1,000 shares in SolarShare Community Energy Ltd, a combination of personal holdings and holdings in a personal trust—Feathertop Holdings Pty Ltd—as trustee.

Special responsibilities: Chairperson, Member of the Nominations Committee

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

Ms Marea Fatseas

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

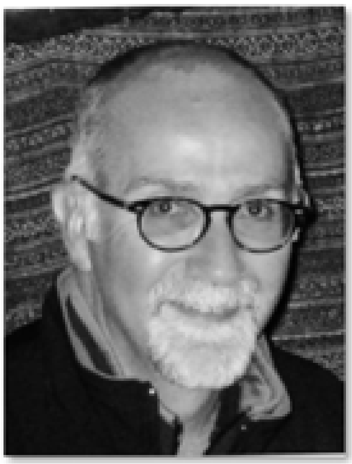
Marea has more than 30 years of public and private sector experience in Australia and internationally in strategy development, program management and advising on large-scale collaborations. She is the owner-director of the consultancy company Ideas Connect.

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

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

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

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



Mr Carlo Botto

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

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

Carlo has also held senior executive roles, including:

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

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

Interest in shares and options: NIL

Special responsibilities: NIL

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

Mr David Maywald

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

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

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

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

Interest in shares and options: NIL

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

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

Ms Donna McShane

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

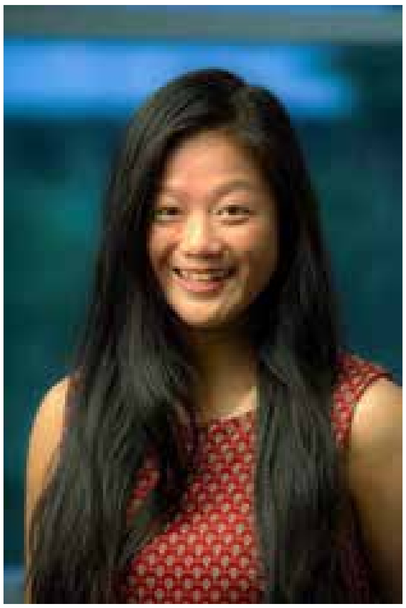
Donna has over 20 years of experience working within the Australian Public Service in internal audit, external financial statements audit, accounting policy, and strategic planning roles. Donna has a long-held interest in corporate governance. She completed a Master of Business Administration (MBA) specialising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

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

Interest in shares and options: NIL

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



MS. Gina Zheng

BA, LLB ANU

Gina is dedicated to contributing to a sustainable and climate just world and is incredibly excited to join the SolarShare Board. Gina currently works as a Project Manager for Neoen and is a post-graduate research candidate in renewable energy law at the University of Sydney. Gina is passionate about empowering communities and has been on the Board of the Mental Illness Education ACT since 2019. Gina has taken AICD in board governance and formerly sat on the Board of YWCA Canberra, Plan International Australia and the World Economic Forum's Global Shapers Australia. A proud Canberran, Gina spends her spare time immersed in Canberra's beautiful nature reserves.

Interest in shares and options: NIL

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

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

Dr Neil Thompson

GAICD MIMC

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

Interest in shares and options: NIL

Special responsibilities: Member of the Investment Committee

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

DIRECTORS’ REPORT

Ross MacDiarmid

GAICD MIMC

Ross MacDiarmid was the Chief Executive Officer of the Royal Australian Mint for 10.5 years up until the 4th of December 2020.
Mr MacDiarmid has extensive private sector experience in manufacturing and marketing and a background in tourism and business development.
He is the former Chief Executive Officer of Dyesol Australia Pty Ltd, a solar technology company, was CEO of Australia Capital Tourism, now Visit Canberra, and before moving back to the Canberra region in the year 2000, was General Manager of Lockwood Australia Pty Ltd, Australia’s leading supplier of locks and door furniture, based in Melbourne. Before leading Lockwood, Ross was a senior executive within the ARC Division of the Smorgon’s Group, also based in Melbourne.
Mr MacDiarmid is now the Acting Executive Director of the Mint Directors Conference (the International Association of 47 Mints). In April 2018 was appointed the Chair of the Regional Development Australia (ACT) Committee.
He holds a Master’s Degree from ANU, a Graduate Diploma in Business Administration, a Bachelor of Arts majoring in Accounting, and a Graduate of the AICD.
Ross was born in Queanbeyan and is a passionate advocate for the ACT and the greater Capital region.

Interest in shares and options: NIL

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

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

Eshan Ahuja

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

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

Interest in shares and options: NIL

Special responsibilities: Member of the Investment Committee

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

DIRECTORS' REPORT

Ms Julie Chater

B Comm (Economics) UNSW, BA (Hons), La Trobe University,
M Environment Law, ANU
Appointed Company Secretary (since February 2017)

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

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

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

Interest in shares and options: Holds 1,000 shares in SolarShare Community Energy Ltd.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

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

	Meetings held in the year during the period of directorship	Meetings attended
Nicolas Fejer Appointed: 23 July 2014 Elected: 8 November 2019	12	11
Marea Fatseas Appointed: 19 January 2017 Elected: 30 April 2021	12	12
Carlo Botto Appointed: 20 June 2016 Elected: 8 November 2019	4	4
David Maywald Appointed: 11 July 2019 Elected: 8 November 2019	12	11
Donna McShane Appointed: 14 January 2020 Elected: 30 April 2021 Resigned: 30 Jan 2022	12	12
Neil Thompson Appointed: 24 November 2021	7	5
Gina Zheng Appointed: 24 November 2021	7	7
Eshan Ahuja Appointed: 23 January 2022	6	5
Ross MacDiarmid Appointed: 18 February 2022	5	4

Table 2: Appointment and Election dates and attendance of directors

Note: Carlo Botto, being eligible for re-election at the AGM on 22 October 2021, did not offer himself for re-election.

DIRECTORS’ REPORT

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

NON-AUDIT SERVICES

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

AUDITOR'S INDEPENDENCE DECLARATION

We have received the auditor's independence declaration for the reporting period (page 28 of this annual report).

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

DIRECTORS’ REPORT

REMUNERATION REPORT

As of 30th June 2022, the only remuneration paid was to:

a) our Principle Executive Officer, comprising $38,362.78 in the report period and $40,734.11 in total before superannuation
b) 2 casual part-time employees

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

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

Nicolas Fejer

Dated: 22/12/22

DIRECTORS' REPORT

DIRECTORS DECLARATION

The directors of SolarShare declare that:

The financial statements and notes, as set out on pages [insert number] to [insert number], are in accordance with the Corporations Act 2001 and:

a) comply with Australian Accounting Standards – Simplified Disclosures ; and
b) give a true and fair view of the financial position as of 30 June 2022 and the performance for the year ended on that date of the Consolidated Group.

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.

Nicolas Fejer
Dated: 22/12/22

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

i. No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Vincents Assurance and Risk Advisory

Phillip Miller
Director
Canberra, 22 December 2022

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Revenue and other income	**2**	439,417	105,794
LESS EXPENSES			
Advertising and promotion		-	6,782
Cost of sales		15,555	1,755
Compliance and reporting		12,988	10,958
Consultants and accounting		12,780	25,334
Depreciation and amortisation		175,416	73,086
Event expenses		2,711	527
Filing fees		-	12,936
Insurance		38,608	19,610
Interest expenses		24,727	20,347
Legal fees		900	-
Office expenses		689	200
Other expenses		118	663
Repairs and maintenance		14,087	10,565
Wage expenses		71,361	-
TOTAL EXPENSES		369,940	182,754
Surplus/(loss) from Ordinary Activities before income tax		69,477	(76,960)
Income tax benefit	**Note 15**	-	-
Surplus/(loss) after tax attributable to the members of the parents		69,477	(76,960)
Other comprehensive income		-	-
Total comprehensive surplus/(loss)		69,477	(76,960)
Net surplus/(loss) attributable to members of the parent entity		69,477	(76,960)

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

ASSETS	Note	2022 $	2021 $
CURRENT ASSETS			
Cash and cash equivalents	3	207,845	62,942
Trade and other receivables	4	76,633	56,160
Other assets	5	33,513	45,677
TOTAL CURRENT ASSETS		**317,991**	**164,779**
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,605,622	2,740,067
Right-of-use assets	7	248,534	262,029
Intangible assets	8	269,212	284,168
TOTAL NON-CURRENT ASSETS		**3,123,368**	**3,286,264**
TOTAL ASSETS		**3,441,359**	**3,451,043**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	31,245	65,488
Employee benefits	10	2,612	-
Lease liability	11	8,924	8,490
Borrowings	12	79,840	-
TOTAL CURRENT LIABILITIES		**122,621**	**73,978**
NON-CURRENT LIABILITIES			
Lease Liability	11	253,866	262,790
Borrowings	12	681,120	800,000
TOTAL NON-CURRENT LIABILITIES		**934,986**	**1,062,790**
TOTAL LIABILITIES		**1,057,607**	**1,136,768**
NET ASSETS		**2,383,752**	**2,314,275**
EQUITY			
Issued and paid-up capital	13	2,500,530	2,500,530
Retained Earnings		(116,778)	(186,255)
TOTAL EQUITY		**2,383,752**	**2,314,275**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Retained Earnings	Issued & Paid Up Capital	Total
	$	**$**	**$**
Balance at 1 July 2020	(109,295)	2,500,530	2,391,235
Loss attributable to the members	(76,960)	-	(76,960)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2021	(186,255)	2,500,530	2,314,275
Surplus attributable to the members	69,477	-	69,477
Other comprehensive income for the year	-	-	-
Balance at 30 June 2022	**(116,778)**	2,500,530	2,383,752

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		429,391	155,316
Payments to Suppliers and employees		(229,105)	(294,133)
Interest received		130	1,646
GST refunded by ATO		4,537	211,255
Net cash generated from operating activities		**204,953**	**74,084**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(12,520)	(1,734,047)
Payments for intangible asset – electric grid connection costs		-	(299,125)
Net cash used in investing activities		**(12,520)**	**(2,033,172)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities		(8,490)	(8,076)
(Repayment) / proceeds from borrowings		(39,040)	800,000
Net cash generated (used in)/from financing activities		**(47,530)**	**791,924**
Net increase / (decrease) in cash held		144,903	(1,167,164)
Cash and cash equivalents at beginning of financial year		62,942	1,230,106
Cash and cash equivalents at end of financial year	**3**	**207,845**	**62,942**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New or amended Accounting Standards and Interpretations adopted

SolarShare Community Energy Ltd (the Company) has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs.

The Company previously prepared general purpose financial statements - Reduced Disclosure Requirements following the recognition and measurements requirements of all applicable Australian Accounting Standards. Accordingly, the application of Australian Accounting Standards - Simplified Disclosures has not affected the reported financial position, financial performance and cash flows of the entity, but has impacted the disclosures included in these financial statements.

Basis of Preparation

The Company applies Australian Accounting Standards – Simplified Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.
The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.
Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.
For the financial year ended 30 June 2022, the financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The comparative figures are consistent with prior years, unless otherwise stated.The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. **Principles of consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, SolarShare Community Energy Limited, and its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

b. **Income Tax**

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

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

c. **Property, Plant and Equipment**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. **Leases**

The Company as lessee

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

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

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

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

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

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

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

e. **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).

Impairment of Financial Assets

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

Financial assets at amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Financial Instruments (continued)

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

Financial assets

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

Classification

On initial recognition, the 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. The entity does not hold any financial assets at fair value through profit and loss or at fair value through other comprehensive income.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

Financial liabilities

The entity measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables, loans and finance lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. Impairment of Assets

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

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

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

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

g. Employee Provisions

Short-term employee benefits

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

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

h. Employee Provisions

Other long-term employee benefits

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Cash and Cash Equivalents

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

j. Accounts Receivable and Other Debtors

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

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

k. Revenue and Other Income

Revenue recognition

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

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

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

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

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

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

Contributed Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

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

l. 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.

m. Comparative Figures

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

n. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: REVENUE AND OTHER INCOME

	2022	2021
	$	$
Electricity sales revenue	151,322	21,438
Feed-in-Tariff Contract for Sale payments	211,838	82,710
Interest revenue	130	1,646
LGC Income	76,127	-
	439,417	105,794

NOTE 3: CASH AND CASH EQUIVALENTS

	2022	2021
	$	$
Cash at bank	207,845	62,942
Cash and cash equivalents	207,845	62,942

NOTE 4: TRADE AND OTHER RECEIVABLES

	2022	2021
	$	$
CURRENT		
Trade receivables	73,293	50,587
GST receivables	3,340	5,573
	76,633	56,160

NOTE 5: OTHER ASSETS

	2022	2021
	$	$
CURRENT		
Prepayments	33,513	37,092
Accrued income	-	8,585
	33,513	45,677

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 6: PROPERTY, PLANT AND EQUIPMENT	**2022**	**2021**
	$	**$**
Plant and equipment: At cost	2,797,221	2,784,701
Accumulated depreciation	(191,599)	(44,634)
	2,605,622	2,740,067

Movements in carrying amounts

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

	Plant and Equipment	**Total**
	$	**$**
Balance at 1 July 2020		
Additions	1,734,047	1,734,047
Transfers from capital works in progress	1,050,654	1,050,654
Depreciation expense	(44,634)	(44,634)
Carrying amount at 30 June 2021	2,740,067	2,740,067
Additions	12,520	12,520
Depreciation expense	(146,965)	(146,965)
Carrying amount at 30 June 2022	2,605,622	2,605,622

NOTE 7: RIGHT-OF-USE ASSETS	**2022**	**2021**
	$	**$**
NON-CURRENT		
Right-of-use assets	284,521	284,521
Accumulated depreciation	(35,987)	(22,492)
	248,534	262,029

NOTE 8: INTANGIBLE ASSETS	**2022**	**2021**
	$	**$**
CURRENT		
Electric grid connection costs	299,125	299,125
Accumulated amortisation	(29,913)	(14,957)
	269,212	284,168

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 9: TRADE AND OTHER PAYABLES

	2022	2021
	$	$
CURRENT		
Trade creditors	3,435	44,891
Accrued expenses	27,810	20,667
	31,245	65,488

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

	2022	2021
- Trade and other payables	31,245	65,488
- Less: Accrued expenses	(27,810)	(20,667)
	3,435	44,891

NOTE 10: EMPLOYEE BENEFITS

	2022	2021
CURRENT		
Employee annual leave entitlements	2,612	-
Total employee benefits	2,612	-

NOTE 11: LEASE LIABILITY

	2022	2021
	$	$
CURRENT		
Lease liability	8,924	8,490
NON-CURRENT		
Lease liability	253,866	262,790
Total lease liability	262,790	271,280

NOTE 12: BORROWINGS

	2022	2021
	$	$
NON-CURRENT		
Loan from CWP Storage – Current	79,840	800,000
Loan from CWP Storage – Non-current	681,120	-
	760,960	800,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 13: CONTRIBUTED CAPITAL	**2022**	**2021**
	$	**$**
Stapled security: Ordinary Class Shares + Flagship Project Asset		
Specific Shares at $9.09 each fully paid	125,000	125,000
Stapled security: Ordinary Class + Flagship Project Asset		
Specific Shares at $10.00 each fully paid	2,375,530	2,375,530
	2,500,530	2,500,530

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

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

NOTE 13: AUDITOR REMUNERATION	**2022**	**2021**
	$	**$**
Remuneration of the auditor of the Company for:		
- Auditing the financial statements	4,750	3,600
	4,750	3,600

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 15: INCOME TAX EXPENSE	**2022**	**2021**
	$	**$**
The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	1,486
Deferred tax impact relating to change in tax rate	-	(1,486)
	-	-
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 26% (2021: 26%)	(17,372)	(20,009)
Add:		
Tax effect of:		
- Assessable income	-	-
- Other non-allowable income	-	110
- Tax losses not recognised	(13,535)	38,636
- Change in tax rate	-	(721)
	(13,535)	38,025
Less:		
Tax effect of:		
- Franking credits	-	-
- Non-assessable items	-	-
- Other deferred tax assets not previously recognised	3,836	18,016
	3,836	18,016
Income tax attributable to entity	-	-
	$0.00	$0.00
The applicable weighted average effective tac rates are as follows:	0%	0%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 16: DEFERRED TAX	**2022**	**2021**
	$	**$**
a) Liabilities		
CURRENT		
Provision for income tax	-	27
NON-CURRENT		
Deferred tax liability comprises:		
Tax allowances relating to property, plant and equipment	350,822	295,917
Other assets	129,436	136,549
Prepayments	6,364	9,266
Provisions and payables	(4,075)	(2,975)
Lease liability	(65,698)	(67,820)
Tax losses not recognised	23,615	37,150
Future income tax benefits attributable to tax losses	(440,464)	(408,088)
Total	-	-

b) Reconciliations

ii) Deferred Tax Liability

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

Tax allowances relating to property, plant and equipment		
At 1 July 2021	295,917	-
Charged to the income statement	54,905	295,917
Charged to equity	-	-
At 30 June 2022	350,822	295,917
Other assets		
At 1 July 2021	136,549	-
Charged to the income statement	(7,113)	136,549
At 30 June 2022	129,436	136,549

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 16: DEFERRED TAX (CONTINUED)	**2022**	**2021**
Prepayments	**$**	**$**
At 1 July 2021	9,266	-
Charged to the income statement	(2,902)	9,266
At 30 June 2022	6,364	9,266
Deferred tax liabilities expected to be settled within 12 months	6,364	9,266
Deferred tax liabilities expected to be settled after 12 months	480,258	432,466
	486,622	441,732

ii) Deferred Tax Assets

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

Provisions and payables		
At 1 July 2021	(2,975)	-
Charged to the income statement	(1,100)	(2,975)
At 30 June 2022	(4,075)	(2,975)
Lease liability		
At 1 July 2021	(67,820)	-
Charged to the income statement	2,122	(67,820)
At 30 June 2022	(65,698)	(67,820)
Tax losses not recognised		
At 1 July 2021	37,150	-
Charged to the income statement	(13,533)	37,150
At 30 June 2022	23,617	37,150
Tax losses carried forward		
At 1 July 2021	(408,088)	-
Charged to the income statement	(32,379)	(408,088)
At 30 June 2022	(440,467)	(408,088)
Deferred tax assets expected to be settled within 12 months	(4,075)	(2,975)
Deferred tax assets expected to be settled after more than 12 months	(482,547)	(438,757)
	(486,622)	(441,732)
Total deferred tax liabilities/(assets)	-	-

NOTE 17: RELATED PARTY TRANSACTIONS

The following transactions took place between the SolarShare Community Energy Ltd, the management committee members and elected members of the Territory Assembly during the financial year.

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

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

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

On 6th July 2022 Clara Wilson ceased her role as CEO. A replacement for Clara has not been determined.

NOTE 19: FINANCIAL RISK MANAGEMENT

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

	Note	2022	2021
		$	$
Financial assets			
Held at amortised cost			
Cash and cash equivalents	**3**	207,845	62,942
Trade and other receivables	**4**	76,633	56,160
Total financial assets		284,478	119,102
Financial liabilities			
Financial liabilities at amortised cost:			
— Trade and other payables	**9**	31,245	65,488
— Lease liabilities	**11**	262,790	271,280
Total financial liabilities		294,035	336,768

NOTE 19: COMPANY DETAILS

The registered office of the Company is:

Unit 4, 80 Marr Street, Pearce ACT 2607

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 2022, 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 2022 and of its financial performance for the year ended; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

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

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

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vincents Assurance and Risk Advisory
Phillip Miller
Director

Canberra, dated: 22 December 2022

SOLARSHARE COMMUNITY ENERGY LTD

ACN: 600 571 220