

## **DISCLOSURE STATEMENT**

### **Solar Harvest Community Energy Co-operative Ltd**

REGISTERED OFFICE: 28 Murray Street, Tanunda, 5352 SA

A Distributing Co-operative

#### **APPROVAL DATE:**

This disclosure statement was adopted at the Formation Meeting on February 3, 2020.

After registration of the co-operative, this disclosure statement must be provided to any person who intends to become a member of the co-operative along with a copy of the co-operative's constitution (Rules).

Co-operatives legislation requires that this disclosure statement must be maintained as a current document reflecting the current financial position and prospects of the co-operative. Updates for the disclosure statement must be lodged with the Registrar of Co-operatives in your jurisdiction.

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# 1. BACKGROUND AND DEMAND FOR SERVICES

## 1.1 Why is the co-operative being formed?

The Solar Harvest Community Energy Co-operative aims to facilitate wider access to renewable energy resources which are generated locally through assets owned by local people. The Co-operative also aims to provide economic benefits to the community through localised renewable energy generation and asset ownership.

Local ownership and the provision of access to fair, clean and local energy have the potential to build stronger and more resilient communities. Supporting an increased use of renewable energy may also decrease reliance on carbon-intensive energy sources, reducing global warming emissions. The Co-operative may therefore enable community members and local businesses to participate in climate change mitigation and reduce their environmental footprint. This in turn will assist the participating organisations to meet their sustainability goals and demonstrate commitment to their customers and the wider community.

Well-designed renewable energy generation can assist in supplying electricity at less than the standard retail rate. The Co-operative will install solar energy generation systems as close to the user as possible thus reducing transmission losses. By producing local, clean energy the resilience of the energy supply system ("the grid") in the region may also be strengthened.

The Co-operative structure ensures that local people will have a say in how and where renewable energy will be utilised for the benefit of the broader communities in which we live.

## 1.2 Purpose of the co-operative

Solar Harvest Community Energy Co-operative has been formed to achieve the following goals:

1. to increase the amount of distributed renewable energy available in our region (energy that is produced as close to the end user as possible),
2. to provide a vehicle for local people to invest in local energy projects, and
3. to help reduce the power costs for local small businesses, community facilities and households via the installation of renewable energy generation and the incorporation of energy efficiency measures.

To achieve these goals, solar panels will be purchased and installed on the roofs of small, locally owned businesses and/or community based service organisations. Participating businesses and organisations will benefit through reduced power bills that will bring both economic and social benefits to the region.

Once a number of projects are underway, there may be scope to look at extending the program to include residential housing.

Community awareness and access to reliable, clean energy options will be enhanced by advice and information available through the Co-operative.

## 2. MEMBERSHIP

### 2.1 Who can be a member

Members of local communities throughout the region are eligible for membership. Members can be individuals or incorporated entities.

#### 2.1.1.

Members will support the community in the reduction of energy costs and emissions through their ownership of a renewable energy supplier and their capacity to participate in the governance of the Co-operative. Over time and subject to sufficient projects providing adequate economies of scale, the Co-operative may pay a return to members. This is subject to achieving an annual surplus and the Board of Directors determination that the Co-operative is in a financial position to pay a return to members.

#### 2.1.2.

By their investment, members will contribute to local action on carbon emissions and assist in local transition towards greater use of renewable energy. Members' investments will be utilised to strengthen local communities economically and socially.

#### 2.1.3.

Members of the Co-operative will be supporting the greater resilience of the electricity supply system through their contribution to the wider distribution of renewable energy sources.

### 2.2 Primary activities of the co-operative

The primary activities of the co-operative are:

1. To provide a vehicle for community members to invest in renewable energy.
2. To undertake activities that may include: community owned power generation and energy solutions; energy efficiency, energy security and energy storage projects. These activities may be undertaken in support of local communities, businesses and organisations.

### 2.3 Active membership requirements

Members are required to use or support an activity of their co-operative to remain a member of the co-operative.

Active membership is a cornerstone of the co-operative legal model and it creates the basis for ongoing mutual transactions between the co-operative and its individual members. Co-operatives work best when their members actively support their co-operative's enterprise.

Active membership is linked to the primary activities and represents the minimum commitment members agree to make to support the co-operative's enterprise.

In order to establish and maintain active membership of the co-operative, a member must

1. Maintain a bank or credit union account into which dividends may be paid and
2. subscribe to a quarterly Solar Harvest Community Energy Co-op newsletter.

The co-operative is a separate legal entity that can enter into contracts with other people or businesses and with its members. Members may enter into contracts over and above the requirements of the active membership rule under terms set out in those contracts.

If a member is unable to comply with the active membership requirement, the board of the cooperative may, on the application of the member, defer or reduce the member's obligation temporarily.

## 2.4 Failure to comply with the active membership rule

If a member does not comply with the active membership requirement for a period of 3 years, the member is at risk of having their membership cancelled.

## 2.5 Member voting rights

Active members of the co-operative each have one vote at general meetings of the co-operative and in any postal ballot.

The right to vote is a right of membership and is not related to the number of shares that may be held by a particular member. Inactive members, that is, members who have not complied with the active membership rule are not entitled to vote.

Active members of the co-operative have the right to be nominated, or to nominate another person, to be a director of the co-operative.

All members are entitled to be given notice of all general meetings and to attend all general meetings.

Membership of the co-operative may be jointly held by more than one person, but there is only one vote in respect of that membership. Other corporate bodies may also be members, however, a corporate member must nominate a representative to attend and vote on its behalf.

## 2.6 Membership applications

Persons (including corporations) that wish to join the co-operative must make an application to become a member and buy shares in the co-operative.

By making an application, a person is stating that they can comply with the active membership requirements. Part 3 of this disclosure statement provides detailed information about share capital and any annual subscriptions.

Each application for membership must be considered by the board of the co-operative. In particular, the board must determine whether an applicant is likely to be an active member of the co-operative. Rule 2.2 of the constitution sets out the process for membership applications.

There is a non-refundable application fee for membership to cover the administrative costs of processing an application.

An **Application for membership and shares form**, including the application fee, is at the end of this disclosure statement

## 2.7 Member liability

The co-operative is a separate legal entity and has limited liability.

Members are not liable to contribute to the debts of the co-operative beyond the amount they have paid for or may still owe for shares. If the co-operative is wound up and the co-operative has insufficient assets to satisfy the co-operative's debts, members do not bear any additional personal liability for those debts.

In other words, if the co-operative is wound up in insolvency:

- a. members may lose their share capital;

- b. if a member has subscribed for shares and the member has not fully paid for his or her shares, the member may be liable to pay any amounts unpaid in respect of those shares; and
- c. if a member owes money to the co-operative under a contract, the member will still be liable to pay those amounts to the co-operative.

## **2.8 Termination of membership and share forfeiture**

There are three ways that a membership may be terminated:

### **1. Resignation**

A member may resign by giving one month's notice in writing. Once a member's resignation is effective, the member's shares must be forfeited and cancelled by the co-operative. Subject to the terms of issue of those shares, the share capital is repayable to the member, less any amounts owed by the member to the co-operative (rule 2.4).

### **2. Expulsion**

A member may be expelled from the co-operative if the member persistently breaches the rules, hinders the co-operative from carrying out its objectives or brings the co-operative into disrepute.

The procedure for expulsion is set out in rule 2.5 of the constitution.

Once expelled, the member's shares are forfeited and cancelled. Subject to the terms of issue for the shares, the share capital is repayable, less any amounts owed by the member to the co-operative (rule 2.6).

### **3. Cancellation due to inactivity**

Membership may be cancelled if the member does not comply with the active membership rule (rules 1.3B and 1.4).

The shares of a member whose membership is cancelled through inactivity must also be cancelled and repaid subject to any terms of issue of those shares and less any amounts owing by the member to the co-operative.

Co-operatives legislation provides rules and processes for the repayment of shares in each of these cases, including circumstances where the co-operative may defer repayment or substitute other securities for those shares.

Rule 3.2 of the constitution provides for other circumstances in which membership of the cooperative ceases, such as the death or incapacity of a member.

## 3. SHARE CAPITAL

### 3.1 Minimum share capital

A member must subscribe for the minimum number of member shares at the time of making an application for membership.

The minimum subscription and share price is set out in rule 3.1 of the constitution, which provides that:

1. *The initial capital of the co-operative must be raised by the issue of member shares at the fixed price of \$500.00 each.*
2. *A member must hold a minimum of 1 fully paid member share in the co-operative and must not hold or have a relevant interest in more than 20% of the nominal value of issued share capital of the co-operative unless permitted to do so under the Law.*
3. *A share in the co-operative does not carry a vote.*
4. *The right to vote in the co-operative is attached to membership.*

Members may buy more than the minimum number of member shares in the co-operative provided that they do not hold more than 20% of the total number of shares issued by the co-operative.

Member shares and any additional member shares, above the minimum share capital contribution required, do not carry any voting rights in the co-operative. Any shares offered by the co-operative have a fixed price and can only be purchased by members of the co-operative.

The co-operative may decide to offer other classes of shares that have different terms of issue from member shares. If the co-operative issues a different class of shares, the terms of issue for that class will be disclosed at the time of offer.

Members may transfer shares to other members.

### 3.1A Annual subscription

There are no annual subscriptions.

### 3.2 Shares may be repurchased by the co-operative

A member can ask the co-operative to buy back some or all of their member shares.

Co-operatives legislation limits share buy backs to protect the co-operative's financial stability.

The board may refuse to buy back a member's shares. If the board agrees to buy back a member's shares, repayment of any share capital is restricted to 5% of the total issued share capital of the co-operative in a financial year.

If a member asks for a buyback of other shares that have different terms of issue, the terms of issue of those shares may also contain buyback restrictions.

### 3.3 Terms of issue for member shares

The rights and liabilities that attach to shares in the co-operative are governed by the cooperative's rules, co-operatives legislation and any terms of issue under which the shares are offered.

- Shares do not carry any right to vote in the co-operative. The right to vote attaches to membership. Members have one vote each.
- The board of the co-operative may declare a dividend on shares.

- Dividends may only be paid on share capital if there is a surplus and the board determines that it is appropriate to make a distribution by way of dividend. Co-operative regulations limit the amounts that may be paid as dividends on shares.
- Shares may be transferred, provided that they are transferred to another person who is already a member of the co-operative, or who has applied for membership of the cooperative.
- A member who transfers shares to another person and as a result of that transfer no longer holds the minimum number of member shares, will cease to be a member of the co-operative. Shares in a co-operative are issued at a fixed price. If the board considers that it is appropriate, shares in the co-operative may be offered at the fixed price plus a premium.
- Shares cannot be traded on a public or licensed share market.
- The value of a share at the time of repayment by the co-operative may decrease if the net value of the assets of the co-operative is less than the total share capital on issue.
- The co-operative may allot fully paid bonus shares to members from a surplus or from any reserves.

## 4. VALUE OF MEMBERSHIP

### 4.1 Access to services

The Solar Harvest Community Energy Co-operative intends to be recognised within the local region as:

1. providing an investment vehicle to increase the uptake of clean energy,
2. achieving effective outcomes in reducing emissions from energy generation,
3. working for the common good and well-being of the community, and
4. being supportive of other community energy projects.

### 4.2 Rights of Membership

The Solar Harvest Community Energy Co-operative provides an opportunity for local community members to actively participate through their membership to increase renewable energy sources in the region and assist in the reduction of the cost of electrical power.

#### 4.2.1

Membership of the Co-operative is subject to the rights and obligations as set out in Category 2 of the Rules of Solar Harvest Community Co-operative Limited. Membership in the Co-operative will provide:

1. The right to request attendance at meetings of the Board,
2. The right to propose potential investments to the Board, and
3. The opportunity to individually be nominated for election to the Board and/or vote for the election of other Board Directors to represent their interests and assure appropriate governance standards are applied.

#### 4.2.2

In return and on behalf of all members, the Solar Harvest Community Energy Co-operative will:

1. work towards ensuring equity and fairness in energy access,
2. engage the community in the ongoing energy revolution,
3. become a trusted source of impartial information on energy technologies, and
4. enable the community to 'connect' with energy issues as they develop.

#### 4.2.3

Additional obligations to members include on behalf of the Board of the Co-operative:

1. Conducting an Annual General Meeting of the Co-operative in accordance with Category 5 of the Rules of Solar Harvest Community Co-operative Limited,
2. The provision of an annual report on all investments of the Co-operative.

## 5. MANAGEMENT OF THE CO-OPERATIVE

### 5.1 Board of directors

The co-operative's business will be managed by a board of directors, who will be elected by the members.

The board must have no less than 5 and no more than 7 directors.

The board of directors must comprise a majority of directors that are active members of the cooperative or representatives of any active corporate members of the co-operative.

Directors are accountable to members through duties imposed by co-operatives legislation and common law.

As managers of the co-operative's business, the board has authority to exercise all of the powers of the co-operative that are not required to be exercised by the co-operative in a general meeting.

The following matters are reserved for decision by members:

- any amendments to the constitution,
- the election, removal and remuneration of directors,
- important decisions specified in co-operative legislation regarding the structure of the co-operative,
- major acquisitions or sales of assets, and
- other matters that potentially impact on the co-operative's ability to carry out its primary activities.

### 5.2 First directors of the co-operative

The term of office for a director of the co-operative is three years. The co-operative's first directors, however, will serve varying terms less than or equal to three years to establish a system of rotational retirement. Board rotation will occur so that only one third of the board of directors will be required to retire each year.

The first directors will be elected at the formation meeting of the co-operative.

Terms of office for the first directors will be determined either by agreement between the directors or by ballot at the formation meeting of the co-operative.

The following persons have consented to be elected as the first directors of the co-operative.

**Jane McNicholl M.V.B. PhD**  
**79 Fromm Square**  
**Williamstown SA 5351**

**08-85246308: mobile 0427246308**

Jane has worked in a range of rural veterinary practices which has enabled her to gain a thorough

understanding of the challenges facing small to medium businesses. She served for two years on the Veterinary Surgeons Board of SA (which regulates and oversees professional standards) and 8 years as a member of the PIRSA Animal Ethics Committee, both of which roles demanded probity and diligence. On her own farm, Jane embraces sustainable practices to support the environment whilst still producing food. She has an in-depth appreciation of the effects of increasing global temperatures, having in 2016, completed a PhD investigating the influence of environmental temperature on athletic dogs. Jane believes widespread action to reduce global warming is essential, to avert catastrophic environmental changes.

**Rachel Brdanovic, B.Sc. M.Sustain.**  
**7 Twentieth street**  
**Gawler South**  
**SA 5118**

**0407 775 868**

For the past ten years, Rachel has managed her own energy consulting business, Tandem Energy, in partnership with her husband Tom. She holds a Master of Sustainability and is also a Certified Measurement and Verification Professional (CMVP), Rachel is currently on the steering committee for Transition Gawler and has previously served as chair and secretary for her children's school and child care governing councils. Rachel has been passionate about creating change since she was a teenaged check-out chick educating her customers about the risks of using CFC-powered aerosols! With energy as her professional area of expertise, becoming involved in a community energy co-operative was a natural progression.

**Jo Neldner BDes, MLArch**  
**191 Heinrich Road**  
**Gomersal SA 5352**

**0422 204 399**

Josephine Neldner is a landscape architect and a PhD candidate at the University of Western Australia. She has practiced in Australia and the UK and is currently researching the role of landscape architecture in water sensitive urbanism. She has taught at the University Technology Sydney, the University of Western Australia and been a guest lecturer at The University of Adelaide. She has written and taught subjects that embed sustainable design principles as integral to urbanism. Josephine also works in the wine industry and lives in the Barossa Valley, South Australia.

**Neil McInnes**  
**Sovereign Bookkeeping Solutions SA**  
**Gomersal Road,**  
**Shea-Oak Log SA 5371**

**0452 576 459**

Neil is an independent BAS agent assisting small to medium sized businesses improve their efficiency through modern technology. Neil is also a member of the Regional Development

Australia's Business 2 Business scheme which provides professional support for ailing or start-up business throughout the Barossa region.

He has always maintained a keen interest in the environment and sustainable practices and was a fairly early adopter of solar hot water and photovoltaic panels to help to reduce his carbon footprint.

**Brian Douglas Phillips, BSc, Dip Ed, BD, DMin., MSc**  
**173 Bethany Road, Bethany SA 5352**

**(08) 85630207: mobile 0426 849 885**

Brian, throughout his working life and beyond, has been involved in local community groups and enterprises in Australia and in the UK. He served as a Director on the Boards of Uniting Communities (Finance and Policy Committees) and Foundation Barossa (Secretary) for a total of 16 years. He has had an interest in the science of climate change, its human impacts and alternative energy systems for many years. Since retiring, he has completed an MSc in Climate Change and Sustainable Development. He believes a community energy cooperative presents an opportunity to build community resilience and directly benefit community organisations and small and medium size businesses by mobilising local capital to return benefits to local people.

**Sam Tarlton Matthew Scammell**

**Unit 1/110 Hewitt Ave**  
**Toorak Gardens SA 5065**  
**0418 839 251**

Sam practised as a commercial lawyer for 10 years before moving into various general Management roles with companies including Santos, SGIC and Fauldings. Roles covered all functional areas including Business Development, Operations, IT, Sales and Marketing, Legal and Governance through to CEO and Business Unit General Manager.

For the past 10 years Sam has worked as a mentor/advisor to small and medium sized business enterprises, including start-up businesses, helping them to build their businesses and take them to the next level.

He is particularly interested in community based social enterprises and the use of cooperatives and mutuals as the best organisation structure to further the aims of 'for purpose' organisations.

Current positions are Chair of MOBO Group providing employment for people with a mental disability and Director of TAFE SA.

**Phillip Schmaal MBA, Dip CM, FCIS, MAICD, FGIA, FIPA, FFA**  
**2 Reusch Drive,**  
**Nuriootpa SA 5355**

**0408 026 177**

Phil has gained extensive business experience working in Melbourne, Sydney, Adelaide and Perth in a broad range of public, private and community sector organisations, both at senior management and at board level. He returned to the Barossa Valley in 2007 to take up the role of Chief Executive Officer of aged care provider Barossa Village Inc. and retired from that role in April 2017. With a

twenty year history of involvement in the community services sector, Phil has held Board positions with the Mental Health Law Centre WA Inc, Greening Australia Ltd, Aged & Community Services SA/NT Inc and the Public Health Association of Australia Inc. Phil has been a member of the Barossa Co-op board from April 2011 through August 2019, and served as Chairman of Directors from November 2013 till August 2018. Phillip has agreed to act as an advisor to the board in its initial stages.

### **5.3 Election of directors**

Director elections, except for the first directors, will be held at the Annual General Meeting (AGM) under the nomination process set out in rule 4.4 of the constitution.

All active members of the co-operative are eligible for election to the board. Corporate members may authorise a representative who may be nominated for election as a director.

Persons who are not active members, but who have specialised knowledge, skills or experience may be elected as non-member or independent directors.

### **5.4 Committees**

The board of the co-operative may establish committees either in an advisory capacity or to assist with specific delegated management tasks from time to time.

### **5.5 Remuneration of directors**

Directors are entitled to be reimbursed for reasonable expenses incurred in attending meetings or for the performance of specific tasks required in their role as director. Any other director remuneration must be approved by the members at the AGM or at a special general meeting called to consider director remuneration.

### **5.6 Reporting to members**

The co-operative must provide annual financial reports to members. The form of those reports is set out in rule 6.3 of the constitution (Rules).

The board of the co-operative will determine from time to time whether specialist reporting on markets or other impacts on the co-operative's enterprise will be provided to members.

## **6. BUSINESS PLAN**

### **The Business Plan**

The technologies that produce and deliver electricity to our homes and businesses have already changed rapidly and will continue to change. No longer does power flow from a central generator to the outermost limits of the grid. Localised renewable generation is playing an ever-growing part

in our power supply network and it opens up new avenues for ownership and investment. Not only are these generating technologies producing electricity without carbon dioxide or methane emissions, they are reducing the amount of health-damaging gases, particles and toxins entering the air and water.

New technologies usually lead to new opportunities. It is now possible for local communities to actively participate in shaping the power generation in their region through their initiation and ownership of community energy co-operatives

Solar Harvest Community Energy Co-operative has been formed in South Australia's mid-north to bring to local businesses and community organisations a way of participating in these changes and adding to the supply of clean energy available through the electricity grid.

Local businesses and community organisations will reduce the environmental footprint of their operations, products and services by installing renewable energy systems to produce clean energy. The cooperative will assist the participating organisations to meet their sustainability goals and demonstrate commitment to their customers and the wider community. They will be playing a small part in combating climate change by reducing emissions of greenhouse gases for which they would otherwise be responsible.

Capital raised from members of the local community purchasing shares in the co-operative, will be used by Solar Harvest to install Photo Voltaic (PV) systems on the roofs of participating organisations. This will reduce the costs of power. Those contributing through purchasing co-operative shares and the participating organisations will be enabled to play a small part in the transition to South Australia's 100% renewable target.

The capital raised by members of the co-operative will be used to purchase and install PV panels and inverters to supply electricity directly to the participating organisation with any power not used on the property being exported to the grid. A participating organisation will pay-back to the co-operative and its members the capital cost of the system through a lease arrangement with Solar Harvest for the first five years following installation. The organisation can also expect a reduction in its power costs throughout this period.

At the end of the lease period the organisation will then have a choice between two options. The first, to continue to engage with Solar Harvest to provide maintenance for a further five years at a significantly reduced leasing cost. The second, to take over complete ownership of the system and receive the benefits of all the power costs savings.

## **Risks:**

Before applying for Shares in Solar Harvest Community Energy Co-operative, you should consider whether Co-operative Shares are a suitable investment for you. Prospective investors should consider seeking professional guidance from an accountant or other independent professional adviser before deciding whether to invest.

The Board will maintain a Risk Management Register. Risks will be managed through careful oversight of all proposed projects, contracts, lease agreements and insurances to ensure that Members' interests are at all times protected.

The following risks have been identified. A detailed risk management plan that addresses these risks in full is in the process of development.

### **Financial Risk:**

- Failure to secure sufficient funds to enable the project to proceed
- Project returns fail to meet projected financial returns (for a single project or for the organisation as a whole)
- Loss of Member confidence resulting in unplanned withdrawal of capital

#### Member and Customer Relations:

- Non-implementation of planned strategy
- Ineffective customer service

#### Assets

- Loss or damage to key project assets
- Installer business failure
- Building owner's business fails
- Building owner's business is sold
- Failure of the solar panels or the inverter
- Catastrophic damage to solar equipment

#### Management and Organisational Structure

- Reliance on Volunteers

#### Legal and Compliance Issues

- Failure to comply with legal and other contractual obligations

#### Market Conditions

- Changes in government policy or regulations
- Prices driven down by cheaper energy production
- Innovation bringing new and more efficient equipment onto the market

#### Information Risk

- Loss or corruption of Data
- Breach of privacy

### **Arrangements at Start-Up**

Solar Harvest, once registered, will offer to the people of the region, membership and shares in the Co-operative. There will be a one-off Membership application fee. Concurrently, Solar Harvest will offer to local businesses and organisations the option of participating in the installation programme.

During this initial discovery phase, the capital raised through share purchases will be held in the Co-operative's Bank Account until there is a sufficient number of projects ready to proceed and sufficient Members equity to cover the capital costs of installation. The number of initial projects required before Solar Harvest proceeds with installations will depend on the size of the applicable systems. Solar Harvest will begin installation when the Directors are confident that all recurrent costs (for example, Insurance, Auditing and Legal costs) will be covered by the income generated through the lease agreements.

In the event of Solar Harvest not being able to proceed with a sufficient number of installations within 18 months of start-up, Members' equity plus interest at the Bank rate (less costs) will be returned to the Members.

### **Financial Projections**

Table 1

<b>Solar Harvest Balance Sheet As at the end of Year7</b>		
	<b>Total</b>	
<b>Assets</b>		
<b>Current Assets</b>		
Business Account	36,790	
Petty Cash	-	
<b>Fixed Assets</b>		
Capital Expenditure	57,000	
Depreciation	(57,000)	
<b>Total Assets</b>	<b>36,790</b>	
<b>Liabilities and shareholder's equity</b>		
<b>Current liabilities:</b>		
Total current liabilities	-	
<b>Non-current liabilities:</b>		
Total non-current liabilities	-	
<b>Shareholders' equity:</b>		
Share subscriptions	65,000	
Opening balance equity	-	
Retained Earnings	(28,210)	
<b>Total Net equity</b>	<b>36,790</b>	

Table 1

		2019/20									
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7			
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	Total	Total	Total	Total	Total
<b>Solar Harvest</b>											
Income											
Project income											
Project 1	1,301	1,301	2,601	1,950	3,900	3,900	3,900	3,900	3,900	3,900	1,950
Project 2					3,900	3,900	3,900	3,900	3,900	3,900	
Project 3					1,950	3,900	3,900	3,900	3,900	3,900	1,950
Project 4						3,900	3,900	3,900	3,900	3,900	3,900
Membership income	356	356	356	1,000	1,500	750					
Grant income											
Direct Expense											
		(7,125)	(7,125)	(7,125)	(7,125)						
Gross Profit	(6,468)	(6,468)	(4,168)	2,950	11,250	16,350	15,600	15,600	15,600	13,650	6,950
Expenses											
Formation expenses	1,000.00				1,000.00						
Accounting and bookkeeping	500.00				500.00						
Legal & professional	1,000.00				1,000.00						
Advertising and marketing	200.00				200.00						
Bank Service Charges	30.00				30.00						
Computer					100.00						
Conferences & Seminars					0.00						
Gifts and donations					0.00						
Insurance	250.00				250.00						
Interest expense											
Licenses and Registrations	250				250						
Motor vehicle expenses	50				50						
Office expenses											
Printing, stationery & supplies											
Registration and insurance											
Repairs and maintenance											
Software	50				50						
Telephone & internet expenses											
Travel & Accommodation expenses											
Total Expenses	3,330	1,830	1,830	10,220	7,040	7,040	7,040	7,040	7,040	7,040	7,040
Other Expenses (Depreciation -100% Tax Write-off in First Year)				14,250	28,500	14,250					
Net Earnings	(6,798)	(7,298)	(6,998)	(21,520)	(24,290)	(4,940)	8,560	8,560	8,560	6,610	(1,190)

## 7. WARNINGS AND DISCLAIMERS

**Each prospective member is advised to make any investigations (including the obtaining of professional advice) which that person believes to be necessary to satisfy themselves about the contents of this documentation or any decision about joining the co-operative.**

This disclosure statement has been approved by the Registrar of Co-operatives for the purpose of forming a co-operative. This approval is not to be taken in any way as an indication that the disclosure statement sets out all information that may be relevant to the proposal.

Approval does not relate in any way to the merits or otherwise of the co-operative's proposed activities. The Registrar does not undertake any responsibility for the contents of the disclosure statement, and any attachments to the disclosure statement, or the constitution.

The responsibility for ensuring that the Law has been complied with in relation to the preparation of the disclosure statement lies with those issuing the statement. Persons making false or misleading statements in a disclosure statement may be liable for criminal penalties and expose themselves to civil liability to anyone who suffers loss as a consequence.

## 8. APPLICATION FOR MEMBERSHIP AND SHARES

Membership application fee: \$50.00

Annual subscription: N/A

Applicant Name: ..... [1]

Address: .....  
.....

Phone: .....

Email: ..... [2]

I/We hereby apply for membership of the co-operative.

I/We consent to receiving notices from the co-operative by email YES/NO

I/We have read the Disclosure Statement and the Rules of the co-operative and agree to be bound by the Rules.

I/We apply to purchase ..... shares in the co-operative at ..... per share.

I enclose payment of \$..... being the application fee and any subscription payable under the rules along with \$..... being payment for the allotment of the minimum number of member shares in the co-operative.

Signed: ..... Date: .....

### OFFICE USE:

#### Member payment:

Application fee \$..... Y/N

Share capital \$..... Y/N

TOTAL \$..... Receipt issued? Y/N

**Application considered by board:** Admitted/not admitted Date: .....

Member registered?..... Share numbers allotted?.....

[1]If the applicant is a corporation insert corporation name and either ACN or ABN. If the application is made jointly, then insert both or all names.

**[2]If the applicant is a corporation please also insert relevant contact person's name and position.**