



New Energy Solar

New Energy Solar Fund
ARSN 609 154 298

Responsible Entity:

E&P
INVESTMENTS LIMITED

(ACN 152 367 649) (AFSL 410 433)

FINANCIAL REPORT

*For the period 1 January 2021
to 30 November 2021*

**Renewable energy.
Sustainable investments.**

New Energy Solar Fund

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30 November 2021

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**New Energy Solar Fund
Directors' report
30 November 2021**

The directors of E&P Investments Limited, as Responsible Entity of New Energy Solar Fund (the **Trust**) present their report with the financial report for the Trust for the financial period ended 30 November 2021.

Directors

The directors of the Responsible Entity at any time during or since the end of the financial period are listed below:

Stuart Nisbett
Mike Adams
Warwick Keneally
Peter Shear

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Information on directors

**Stuart Nisbett
Chairman**

Stuart is currently Executive Director and Principal at Archerfield Capital Partners, a boutique corporate advisory firm specialising in real estate, which he established in 2008. He has more than 30 years experience in property development, property funds management, equity and debt raising, corporate advisory and project finance.

Previously, Stuart was Executive Director, Head of Property Funds at ANZ Investment Bank. He was also the Managing Director, Head of Property Banking & Property Investment Banking at N M Rothschild & Sons (Australia) Limited. Stuart has also held senior roles at director level at Macquarie Bank Property Investment Banking Division and at Lendlease Corporation in its development and commercial asset management divisions.

Stuart is a Chartered Accountant and holds a Bachelor of Commerce with Merit and a Masters of Commerce from the University of NSW, and in 2005 was appointed a Fellow of the Australian Property Institute.

Warwick Keneally

Warwick is Head of Finance at E&P Funds, the Funds Management division of E&P Financial Group Limited and Chief Financial Officer of New Energy Solar Manager. Before joining E&P Funds, Warwick worked in chartered accounting firms specialising in turnaround and restructuring. Warwick started his career with KPMG, working in their Canberra, Sydney and London offices and has undertaken a range of complex restructuring and insolvency engagements across Europe, UK and Australia, for a range of Australian, UK, European and US banks.

Warwick has worked with companies and lenders to develop and implement strategic business options, provide advice in relation to continuous disclosure requirements, develop cash forecasting training for national firms, and lectured on cash management.

Warwick has a Bachelor of Economics and Bachelor of Commerce from Australian National University and is a Member of the Institute of Chartered Accountants in Australia and New Zealand.

Mike Adams

Mike has extensive experience across a broad range of corporate, commercial and private client sectors. His core practice areas involve the provision of advice and transactional expertise in relation to new and existing retail and wholesale financial products and the regulatory framework within which they operate, as well as debt and equity financing, intellectual property, and general corporate law among others. Mike has previously worked in private practice, public sector and in-house roles in Australia, New Zealand and the United Kingdom, acting across multiple industries for a variety of clients, including high net worth individuals, banks and financial institutions, as well as numerous listed and unlisted corporate entities.

Mike is also a director of MA Law, a Sydney-based financial services law firm, and is admitted as a solicitor of the Supreme Court of NSW. He has a Bachelor of Laws from the University of Otago.

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Peter Shear

Peter has significant expertise in funds management, financial advisory and complex lending arrangements including leveraged finance, property development and debt workout situations. Peter is currently a Managing Partner of Archibald Capital which specialises in Opportunistic Credit and Special Situations. Before that Peter was Co-Managing Partner of Opportunistic Lending and Special Situations at LIM Advisors. Prior to this role, Peter held the positions of Chief Risk Officer and Managing Director & Head of Corporate and Structured Finance at Lloyds Banking Group (and its predecessor HBOS plc) in Australia. Peter was also previously a Partner in Corporate Finance & Restructuring at Ernst & Young.

Peter has a Bachelor of Business from the University of Technology Sydney, an Executive MBA from AGSM, is a member of Chartered Accountants Australia and New Zealand, a Fellow of FINSIA and a Graduate Member of the Australian Institute of Company Directors.

Principal activities

The principal activities of the Trust during the period were pursuing and investing in largescale solar plants that generate emissions-free power.

As announced on 3 June 2021, the Responsible Entity had recommended that it is in the best interests of the unitholders that the Trust is terminated and wound up, thereby simplify the corporate structure of the New Energy Solar fund structure, which was comprised of New Energy Solar Limited (ACN 609 396 983) and the Trust, from two listed stapled vehicles to a single listed company.

Effective from 1 July 2021, the securities of the Trust were suspended from quotation on ASX at the request of the Trust.

Wind up of the Trust was completed on 30 November 2021.

Distributions

Distributions paid or declared during the financial period were as follows:

	For the period 1 January 2021 to 30 November 2021 \$	31 December 2020 \$
3.00 cents per unit for the six months ended 30 June 2020 paid on 17 August 2020	-	10,600,260
3.00 cents per unit for the six months ended 31 December 2020 paid on 19 March 2021	10,658,097	-
Final Distribution	-	-
	<u>10,658,097</u>	<u>10,600,260</u>

At a General Meeting of the Trust on 25 June 2021, unitholders approved the proposal of winding up of the Trust (**Winding Up Proposal**) detailed in the Notice of General Meeting dated 3 June 2021. The Responsible Entity was required to realise all of the assets of the Trust and to pay, discharge or provide for all liabilities and all expenses of or in connection with the Trust (including those anticipated in connection with the winding up). The net proceeds of realisation and all other cash forming part of the Trust's assets were to be distributed to Unitholders (**Final Distribution**) in the Trust in proportion to the number of Units held by them at the date of the distribution. As the net proceeds of realisation and all other cash forming part of the Trust's assets was zero at the date of completion of the Winding Up, there was no final distribution.

Review of financial results and operations

	30 November 2021	31 December 2020
Net asset value		
Net asset value per unit (ex-distribution) - \$ per unit	-	0.19

**New Energy Solar Fund
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30 November 2021**

For the period ended 30 November 2021, the Trust reported a loss of \$3.0 million (31 December 2020: \$14.0 million). The Trust's loss of \$3.0 million is largely due to the \$5.3 million loan fair value reversal during the period and \$1.4 million of foreign exchange gains during the period in relation to the US dollar denominated loan provided by the Trust to New Energy Solar US Corp.

At 30 November 2021, the Trust's net assets are \$0 (31 December 2020: \$68.1 million) and reflects the corresponding decrease arising from the capital reallocation on 24 June 2021 from the Trust to the New Energy Solar Limited (**Company**) as part of the Trust wind-up proposal. This was achieved by a capital return by the Trust of \$0.1532 per issued unit in the Trust, which was compulsorily applied as a capital contribution for existing shares in the Company. The total number of stapled securities on issue did not change and the combined net asset value of the stapled securities remained the same before and immediately after the capital reallocation.

The purpose for undertaking the capital reallocation was to simplify inter-entity arrangements and allocate available capital so that it resides in the entity which provides the best outcome to Securityholders. The capital reallocation mechanism has been previously approved by Securityholders at the Annual General Meeting held on 3 May 2017. The capital reallocation, as part of the un-stapling and winding up of the Trust on 24 June 2021 was the last capital reallocation for the stapled group.

Environmental regulation

The Trust is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Trust Assets

The value of the Trust's assets is disclosed in the Statement of Financial Position and derived using the basis set out in note 3 to the financial statements.

Other relevant information

The following lists other relevant information required under the *Corporations Act 2001*:

- details of fees paid to the Responsible Entity during the financial period - refer to note 16 to the financial statements
- the Responsible Entity did not hold any interests in the Trust at the end of the financial period
- details of issued interests in the Trust during the financial period – refer to note 5 to the financial statements.

Indemnity and insurance

Under the Trust's constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Trust's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Trust.

Insurance premiums have been paid, during or since the end of the financial period, for all of the directors of the Responsible Entity of the Trust. The contract of the insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for the auditor of the Trust.

Significant changes in the state of affairs

The Trust was effectively wound up on 30 November 2021.

Future developments and expected results of operations

The Trust was effectively wound up on 30 November 2021.

Options

No options were granted over issued or unissued units in the Trust during, or since, the end of the period.

Matters subsequent to the end of the financial period

No significant events have occurred since the reporting date which would have an impact on the financial position of the Trust disclosed in the balance sheet as at 30 November 2021 or on the results and cash flows of the Trust for the period ended on that date.

**New Energy Solar Fund
Directors' report
30 November 2021**

The Responsible Entity announced to wind up the Trust on 3 June 2021 in accordance with the provisions of the Trust's constitution. The Trust was formally wound up on 30 November 2021 and the financial statements are not prepared on a going concern basis. The financial statements are being prepared on the basis set out in the accounting policy notes. There is no difference between the basis and preparing the financial statements on a going concern basis. All assets have been realised and all liabilities have been settled.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stuart Nisbett
Chairman of E&P Investments Limited, Responsible Entity

1 December 2021

E&P Investments Limited
As Responsible Entity for
New Energy Solar Fund
Level 15, 100 Pacific Highway
North Sydney NSW 2060

1 December 2021

Dear Board Members

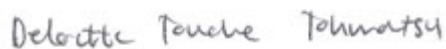
Auditor's Independence Declaration to New Energy Solar Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of New Energy Solar Fund.

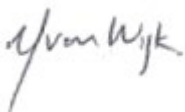
As lead audit partner for the audit of the financial report of New Energy Solar Fund for the period ended 30 November 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Yvonne van Wijk
Partner
Chartered Accountant

New Energy Solar Fund
Statement of profit or loss and other comprehensive income
For the period ended 30 November 2021

		For the period 1 January 2021 to 30	
	Note	November 2021 \$	31 December 2020 \$
Income			
Fair value loss of assets classified as held for sale		-	(3,944,789)
Net loss on financial assets at fair value through profit or loss	8	(3,928,149)	(18,191,755)
Foreign exchange (loss)/gain		(104,865)	1,212,574
Finance income	4	1,403,389	8,074,341
Dividend Income		-	331,131
Total income		<u>(2,629,625)</u>	<u>(12,518,498)</u>
Expenses			
Finance expenses		(381)	(559)
Responsible entity fees	16	(23,538)	(140,979)
Investment management fees	16	(112,696)	(674,991)
Accounting and audit fees		(8,633)	(132,130)
Legal and advisory expenses		(67,299)	(283,898)
Director fees		(4,437)	(15,630)
Marketing expenses		(62,583)	(75,521)
Listing and registry expenses		(34,954)	(93,606)
Other operating expenses		(25,052)	(102,382)
Total expenses		<u>(339,573)</u>	<u>(1,519,696)</u>
Loss for the period		(2,969,198)	(14,038,194)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		<u>(2,969,198)</u>	<u>(14,038,194)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

New Energy Solar Fund
Statement of financial position
As at 30 November 2021

	Note	30 November 2021 \$	31 December 2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	-	7,186,008
Trade and other receivables	7	-	5,188,142
Total current assets		-	<u>12,374,150</u>
Non-current assets			
Financial assets held at fair value through profit or loss	8	-	56,006,873
Total non-current assets		-	<u>56,006,873</u>
Total assets		-	<u>68,381,023</u>
Liabilities			
Current liabilities			
Trade and other payables	9	-	249,807
Total current liabilities		-	<u>249,807</u>
Total liabilities		-	<u>249,807</u>
Net assets		-	<u><u>68,131,216</u></u>
Equity			
Issued capital	5	-	49,280,653
Retained earnings		-	<u>18,850,563</u>
Total equity		-	<u><u>68,131,216</u></u>

The above statement of financial position should be read in conjunction with the accompanying notes

New Energy Solar Fund
Statement of changes in equity
For the period ended 30 November 2021

	Issued capital \$	Retained earnings/ (accumulated losses) \$	Total equity \$
Balance at 1 January 2020	134,313,666	38,454,937	172,768,603
Loss for the period	-	(14,038,194)	(14,038,194)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(14,038,194)	(14,038,194)
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Issue of units	1,728,309	-	1,728,309
Capital reallocation	(81,727,242)	-	(81,727,242)
Distributions paid - tax deferred (note 10)	(5,034,080)	-	(5,034,080)
Distributions paid (note 10)	-	(5,566,180)	(5,566,180)
Balance at 31 December 2020	49,280,653	18,850,563	68,131,216
	Issued capital \$	Retained earnings/ (accumulated losses) \$	Total equity \$
Balance at 1 January 2021	49,280,653	18,850,563	68,131,216
Loss for the period	-	(2,969,198)	(2,969,198)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(2,969,198)	(2,969,198)
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Issue of units	237,337	-	237,337
Capital reallocation	(42,985,998)	(11,755,260)	(54,741,258)
Distributions paid - tax deferred (note 10)	(6,531,992)	-	(6,531,992)
Distributions paid (note 10)	-	(4,126,105)	(4,126,105)
Balance at 30 November 2021	-	-	-

The above statement of changes in equity should be read in conjunction with the accompanying notes

New Energy Solar Fund
Statement of cash flows
For the period ended 30 November 2021

		For the period 1 January 2021 to 30	
	Note	November 2021 \$	31 December 2020 \$
Cash flows from operating activities			
Interest income received		1,514,174	4,482,394
Payments to suppliers		(563,183)	(1,554,771)
Dividend income received		-	418,725
		<u>-</u>	<u>418,725</u>
Net cash from operating activities	13	<u>950,991</u>	<u>3,346,348</u>
Cash flows from investing activities			
Return of capital from investments		-	18,487,913
Repayments from related parties		2,392,668	10,908,070
		<u>2,392,668</u>	<u>10,908,070</u>
Net cash from investing activities		<u>2,392,668</u>	<u>29,395,983</u>
Cash flows from financing activities			
Proceeds from issue of units	5	237,337	1,728,309
Receipt of foreign currency derivatives		-	2,311,540
Repayment of loans from New Energy Solar Fund to New Energy Solar Limited		-	(5,460,178)
Distributions paid	10	(10,658,097)	(24,642,654)
		<u>(10,658,097)</u>	<u>(24,642,654)</u>
Net cash used in financing activities		<u>(10,420,760)</u>	<u>(26,062,983)</u>
Net increase/(decrease) in cash and cash equivalents		(7,077,101)	6,679,348
Cash and cash equivalents at the beginning of the financial period		7,186,008	1,610,618
Effects of exchange rate changes on cash and cash equivalents		(108,907)	(1,103,958)
		<u>(7,186,008)</u>	<u>(1,103,958)</u>
Cash and cash equivalents at the end of the financial period	6	<u>-</u>	<u>7,186,008</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

New Energy Solar Fund
Notes to the financial statements
30 November 2021

1. General information

New Energy Solar Fund (**Trust**) was a registered managed investment scheme domiciled in Australia,

Prior to 1 July 2021, one share in New Energy Solar Limited (**Company**) and one unit in the Trust had been stapled together to form a listed single stapled security (**Stapled Security**). These securities were publicly traded on the Australian Securities Exchange Limited (**ASX**). At a General Meeting of New Energy Solar Fund on 25 June 2021, investors approved the winding up of the Trust in NEW's corporate structure which resulted in the un-stapling of stapled securities from 1 July 2021. Following a short period of conditional trading to effect the un-stapling, the units of the Trust ceased to be traded publicly on the ASX.

The principal activity of the Trust was to indirectly invest (through provision of debt to underlying investment entities) in large-scale solar plants that generate emissions-free power.

The comparative period is the period from 1 January 2020 to 31 December 2020.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 December 2021. The directors have the power to amend and reissue the financial statements

2. New Accounting Standards and Interpretations

Adoption of new and revised Accounting Standards

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are relevant to their operations and effective for the current period. The impact of the adoption is not material to the Trust's financial report in the current or future reporting periods and on foreseeable future transactions.

Accounting Standards and Interpretations issued but not yet effective

New standards, amendments to standards and interpretations that are effective for annual reporting periods beginning on or after 1 January 2021 have not been early adopted in preparing these financial statements. There are no standards that are not yet effective and that are expected to have a material impact on the Trust.

3. Significant accounting policies

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures the financial statements and notes to the financial statements of the Trust comply with the International Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**).

The financial statements were authorised for issue by the directors of the Responsible Entity of the Trust, E&P Investments Limited, on 1 December 2021.

For the purposes of preparing the financial statements, the Trust is a for-profit entity.

Basis of preparation

The Responsible Entity announced to wind up the Trust on 3 June 2021 in accordance with the provisions of the Trust's constitution. The Trust was formally wound up on 30 November 2021 and the financial statements are not prepared on a going concern basis. The financial statements are being prepared on the basis set out in the accounting policy notes. There is no difference between the basis and preparing the financial statements on a going concern basis. All assets have been realised and all liabilities have been settled.

All amounts are presented in Australian dollars unless otherwise noted.

The following accounting policies have been adopted in the preparation and presentation of the financial report.

3. Significant accounting policies (continued)

Basis of non-consolidation

New Energy Solar (or the **Fund**) comprised New Energy Solar Limited (the **Company**) and New Energy Solar Fund (the **Trust**). For the period up to 30 June 2021, the equity securities of the Company and the Trust were stapled and cannot be traded separately. Effective from 1 July 2021, the securities were unstapled and only the shares of the Company are now traded publicly on the ASX.

The Trust is considered to meet the definition of an 'Investment Entity' as described in AASB 10 'Consolidated Financial Statements' (AASB 10) (refer below). Under AASB 10 an Investment Entity is required to hold its subsidiaries at fair value through the profit and loss rather than consolidate them.

Subsidiaries are entities over which control is exercised. Control exists when the entity 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.

As noted above because the Trust is considered to be an investment entity, its financial statements reflect its financial assets, including loan receivables and its investment in direct and indirect subsidiaries, at fair value. The Trust had no subsidiaries as at the reporting date.

Investment Entity Classification

The Trust satisfies the three tests of an Investment Entity described in AASB 10 in consideration of the following factors:

- The Trust has multiple investors, having obtained funds from a diverse group of unitholders that would not otherwise have access individually to invest in renewable power generation assets;
- The business purpose of the Trust, is to invest funds for investment income and potential capital growth. The intended underlying assets, including those held directly or indirectly by the Trust, will have limited operational lives and therefore minimal residual value and so will not be expected to be held indefinitely; and
- The Trust measures and evaluates performance of their existing and intended future underlying investments on a fair value basis which is most relevant for its unitholders.

The directors have also assessed that the Trust meets the typical characteristics of an Investment Entity described in AASB 10 in that:

- It is a separate legal entity;
- Ownership interests in the entity are held by a wide pool of investors who are not related parties; and
- the directors have assessed that whilst the first two characteristics above are met, since the Trust did not hold any investments as at period end, it therefore does not meet all the typical characteristics described in the accounting standard. Notwithstanding this, the directors have concluded based on the Trust had the principal business purpose of investing in financial assets for investment returns, that it is appropriately classified as an Investment Entity.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('**CODM**'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Functional and Presentation Currency

The functional and presentation currency of the Trust is Australian dollars.

Transactions in foreign currencies are initially recorded in Australian dollars by applying the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date are retranslated at the rate of exchange at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Revenue Recognition

i. Dividend and distribution income

Dividend/distribution income is recognised on the date that the Trust's right to receive the dividend/distribution is established.

3. Significant accounting policies (continued)

Interest income

Interest income is recognised in profit or loss using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Taxes

i. Income tax

Under current Australian income tax laws, the Responsible Entity (as trustee of the Trust) is not liable to pay income tax on the net (taxable) income of the Trust, provided the Trust is not a corporate unit trust or a public trading trust and its distributable income (taxable income) for each income year is fully distributed to unitholders, by way of cash or reinvestment.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except to the extent the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the unrecoverable GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Where fees are stated to be exclusive of GST and GST is payable on any fee, the fee will be increased by an amount equal to the GST payable. Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

The Trust qualifies for reduced input tax credits at a minimum rate of 55% as a recognised trust scheme under specific provisions in the GST legislation.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade Receivables and other short term financial assets

Short term trade receivables and other financial assets are recorded at amortised cost if the following conditions are met, otherwise they are measured at fair value:

- where the financial asset is held within a business model with the objective to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specific dates to cashflows that are solely repayment of principal and interest on the principal amount outstanding.

Financial instruments

Financial Instruments, incorporating financial assets and financial liabilities, are recognised when the Trust becomes a party to the contractual provisions of the instrument.

i. Financial assets

Being "Investment Entity", the financial assets the Trust are measured initially and (except for trade receivables and other short term financial assets) on an ongoing basis at fair value through profit or loss. Financial assets of the Trust measured at fair value includes loan receivables and investments in listed equity instruments.

ii. Financial liabilities

Financial liabilities are classified as derivative and non-derivative instruments as appropriate. The Trust determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value. Non-derivative instruments are subsequently measured at amortised cost using the effective interest rate method. Derivative instruments are subsequently measured at fair value, with movements recorded through profit or loss.

3. Significant accounting policies (continued)

iii. Derivative financial instruments

Derivative financial instruments may be utilised to manage exposure to foreign exchange rate risks (foreign currency forward contracts) and interest rate risks (interest rate swap contracts). Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Trust has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

iv. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

v. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions at the measurement date. The Responsible Entity of the Trust determines the fair value of subsidiary investments based on underlying assets information received from the Investment Manager. The Investment Manager's assessment of fair value of underlying investments is determined in accordance with "AASB 13 – Fair Value Measurement", using discounted cash flow principles unless a more appropriate methodology is applied. The Investment Manager may at its discretion source independent valuers to undertake these valuations, or to corroborate the results of its own valuations.

Payables

Payables include amounts due relating to the purchase of investments, trade creditors and accrued expenses at the reporting date. Trade payables and accruals are recognised at amortised cost when the obligation arises for payments for the purchase of goods and services.

Impairment of assets

The directors of the Responsible Entity assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate is made of the expected loss which is recognised in profit or loss.

Debt instruments carried at amortised cost (principally trade receivable balances) are assessed on a forward-looking basis for any lifetime expected credit losses. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

No impairment assessment is performed in respect of financial assets where fair value changes are recorded in profit or loss.

Trade and other payables

Trade and other payables are recognised when the Trust becomes obliged to make payments resulting from the purchase of goods or services. The balance is unsecured and is recognised as a current liability with the amount being normally paid within 30 days of the recognition of the liability.

Issued capital

Ordinary units

Issued capital is recognised at the fair value of consideration received by the Trust. Incremental costs directly attributable to the issue of ordinary units are recognised as a deduction from equity.

New Energy Solar Fund
Notes to the financial statements
30 November 2021

3. Significant accounting policies (continued)

Distributions to unitholders

Distributions to unitholders are recognised in the reporting period in which the distributions are declared, determined, or publicly recommended by the Board of the Responsible Entity on or before the end of the financial period.

Critical accounting estimates and judgements

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are continually evaluated and based on historic experience and other factors believed to be reasonable under the circumstances.

Fair value recognition

As the definition of an 'investment entity' under AASB 10 is met, the Trust account for their subsidiaries at fair value through profit or loss, rather than consolidating them. In performing this fair value assessment equity interests are therefore measured at fair value for financial reporting purposes.

4. Finance income

	For the period 1 January 2021 to 30	
	November 2021	31 December 2020
	\$	\$
Interest income on cash at bank	1,044	7,217
Interest income on loan to New Energy Solar US Corp (subsidiary of New Energy Solar Limited (Company))	1,402,345	8,067,124
	<u>1,403,389</u>	<u>8,074,341</u>

Interest income on loan to New Energy Solar US Corp (subsidiary of the Company) relates to loan(s) to New Energy Solar US Corp which had a 7-year loan term from inception and a fixed interest rate of 6%. Interest income on loan to New Energy Solar US Corp for the period ended 30 November 2021 of A\$1,402,345 was derived from a weighted average loan receivable balance of US\$19,708,070. Interest income on loan to New Energy Solar US Corp for the period ended 31 December 2020 of A\$8,067,124 was derived from a weighted average loan receivable balance of US\$95,909,294.

5. Equity - issued capital

	30 November 2021	31 December 2020	30 November 2021	31 December 2020
	Units	Units	\$	\$
Ordinary units - fully paid	<u>357,418,401</u>	<u>355,269,911</u>	<u>-</u>	<u>49,280,653</u>

New Energy Solar Fund
Notes to the financial statements
30 November 2021

5. Equity - issued capital (continued)

Movements in ordinary unit capital

Details	Date	Units	\$
Balance	1 January 2020	351,059,886	134,313,666
Capital reallocation – December 2020		-	(81,727,242)
Issue of securities – February 2020		2,282,068	986,282
Issue of securities – August 2020		1,927,957	742,027
Distributions – June 2020		-	(5,034,080)
Balance	31 December 2020	355,269,911	49,280,653
Issue of securities – March 2021		2,148,490	237,337
Capital reallocation – June 2021		-	(42,985,998)
Distributions – December 2020		-	(6,531,992)
Balance	30 November 2021	357,418,401	-

All issued units are fully paid. The holders of unit securities were entitled to one vote per unit at meetings of the Trust and are entitled to receive distributions declared from time to time by the Trust.

Unit buy-back

The Stapled Entity announced an on-market security buyback program on 31 May 2021 over a period from 16 June 2021 and until 1 June 2022. The buybacks would be undertaken following the completion of the Australian solar asset sales as an active capital management tool to provide liquidity to existing securityholders should they seek to exit their investment at a discount to net asset value. Following the un-stapling, the intention is only the Company will continue to undertake the buyback. During the period ended 30 November 2021 no Trust units buybacks were undertaken.

6. Current assets - cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks.

	30 November 2021	31 December 2020
	\$	\$
Cash at bank	-	7,186,008

7. Current assets - Trade and other receivables

	30 November 2021	31 December 2020
	\$	\$
Other receivables – New Energy Solar Limited	-	4,982,656
GST receivable	-	25,827
Interest receivable – New Energy Solar US Corp	-	179,659
	-	5,188,142

There are no balances included in receivables that contain assets that are impaired. The receivables were recorded at carrying amounts that are reasonable approximations of fair value.

8. Non-current assets - Financial assets held at fair value through profit or loss

As an 'investment entity' the Trust recorded its loan receivable at fair value.

At balance date, the fair value of the Trust's investment in its related entities comprises the following:

New Energy Solar Fund
Notes to the financial statements
30 November 2021

8. Non-current assets - Financial assets held at fair value through profit or loss (continued)

	30 November 2021	31 December 2020
	\$	\$
Investment in New Energy Solar US Corp - loans	-	56,006,873
Total	-	56,006,873

Movement in the debt investments associated with the Trust's investment in related entities during the period were as follows:

	30 November 2021	31 December 2020
Investment in financial assets held at fair value through profit or loss opening balance	56,006,873	158,514,967
Total funds returned during the period from New Energy Solar US Corp	(52,078,724)	(84,316,339)
Movement in fair value through profit or loss ⁽ⁱ⁾	(3,928,149)	(18,191,755)
Investment in financial assets held at fair value through profit or loss closing balance	-	56,006,873

(i) The Trust's 'movement in fair value' amount of \$3.9 million is comprised of \$5.4 million fair value reversal in respect of its US denominated loan to NES US, valued with reference to prevailing referable market interest rates for comparable external debt as a proxy for market pricing of the loan receivables and \$1.5 million of foreign exchange gains.

9. Current liabilities - Trade and other payables

	30 November 2021	31 December 2020
	\$	\$
Trade payables	-	29,146
Accrued liabilities	-	216,200
Other liabilities	-	4,461
	-	249,807

The average credit period for trade payables is generally 30 days. No interest is charged on trade payables from the date of invoice. The Trust has risk management policies to ensure payables are paid within credit terms.

10. Equity - Distributions

Distributions paid or declared to unitholders during or since the end of the period were as follows:

	For the period 1 January 2021 to 30 November 2021	31 December 2020
	\$	\$
3.00 cents per unit for the six months ended 30 June 2020 paid on 17 August 2020	-	10,600,260
3.00 cents per unit for the six months ended 31 December 2020 paid on 19 March 2021	10,658,097	-
Final Distribution	-	-
	10,658,097	10,600,260

New Energy Solar Fund
Notes to the financial statements
30 November 2021

10. Equity - Distributions (continued)

At a General Meeting of the Trust on 25 June 2021, unitholders approved the proposal of winding up of the Trust (**Winding Up Proposal**) detailed in the Notice of General Meeting dated 3 June 2021. The Responsible Entity was required to realise all of the assets of the Trust and to pay, discharge or provide for all liabilities and all expenses of or in connection with the Trust (including those anticipated in connection with the winding up). The net proceeds of realisation and all other cash forming part of the Trust's assets were to be distributed to Unitholders (**Final Distribution**) in the Trust in proportion to the number of Units held by them at the date of the distribution. As the net proceeds of realisation and all other cash forming part of the Trust's assets was zero at the date of completion of the Winding Up, there was no final distribution.

11. Operating segments

Identification of reportable operating segments

The Trust operated solely in a single segment being investing in solar assets. Solar assets were in Australia and the United States of America. Revenue, profit/(loss), net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (**CODM**) for the single identified operating segment are the amounts reflected in the Statement of Profit & Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

The board of directors of the Responsible Entity of the Trust is considered to represent the CODM for the purposes of assessing performance and determining the allocation of resources.

Geographical information

The Trust operated in two principal geographic areas – Australia (country of domicile) and the United States of America (debt investments).

The Trust's revenue and information about its segment assets (non-current assets excluding financial instruments and other financial assets) by geographical location are detailed below:

	Revenue		Non-current assets	
	For the period 1 January 2021 to 30 November 2021		30 November 2021	31 December 2020
	\$	\$	\$	\$
Australia	1,413	7,217	-	-
United States of America	(2,631,038)	(12,525,715)	-	56,006,873
	<u>(2,629,625)</u>	<u>(12,518,498)</u>	<u>-</u>	<u>56,006,873</u>

12. Financial instruments

Capital Management

The Trust manages its capital to ensure that they will be able to continue as going concerns, while maximising the return to unitholders. The Trust's principal use of cash raised was to fund investments as well as ongoing operational expenses. At balance date, the capital structure consists of equity only. There are no externally imposed capital requirements.

12. Financial instruments (continued)

Financial Risk Management Objectives

The Trust is exposed to the following risks from its use of financial instruments:

- market risk (market price risk, foreign exchange risk and interest rate risk)
- credit risk
- liquidity risk.

The directors of the Responsible Entity of the Trust have overall responsibility for the establishment and oversight of the risk management framework, including developing and monitoring risk management policies.

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices. The Trust is primarily exposed to market risks arising from fluctuations in market prices, foreign currency and interest rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency. Foreign exchange rate movements will impact on the Australian dollar value of the Trust's financial assets and liabilities denominated in a currency that is not the Trust's functional currency.

The Trust is exposed to US\$ foreign exchange risk through their US\$ denominated cash and receivable balances, their investment activities and income derived from these activities.

The table below details the carrying amounts of the Trust's foreign currency denominated assets and liabilities (US\$) at the reporting date that are denominated in a currency different to the functional currency. This represents the Australian dollar exposure, converted at an exchange rate of 0.7694 at 31 December 2020.

	30 November 2021	31 December 2020
	\$	\$
Cash and cash equivalents	-	6,961,858
Financial assets (loan receivables)	-	56,006,873
Financial assets (other receivables)	-	179,659
	<hr/>	<hr/>
	-	63,148,390
	<hr/> <hr/>	<hr/> <hr/>

Sensitivity Analysis

The effect of foreign exchange risk relating to cash and cash equivalents, loans receivable and other receivables is recorded in profit or loss as a foreign exchange gain or loss.

The Trust considers a 5% movement in the A\$ against US\$ as at balance date to be a reasonable possibility at the end of the reporting period. The impact of the strengthening and weakening of A\$ against US\$ in profit or loss is shown by the amounts below as it relates to cash and cash equivalents, debt investments and other receivables. This analysis assumes that all other variables remain constant.

There were no cash and cash equivalents, loans receivable and other receivables as at 30 November 2021, therefore the effect on profit from changes in foreign exchange is not disclosed.

12. Financial instruments (continued)

31 December 2020	% change	AUD strengthened Effect on profit before tax	% change	AUD weakened Effect on profit before tax
Cash and cash equivalents	5%	(331,517)	(5%)	366,414
Financial assets (loan receivables)	5%	(2,666,994)	(5%)	2,947,730
Financial assets (other receivables)	5%	<u>(8,555)</u>	(5%)	<u>9,456</u>
		<u>(3,007,066)</u>		<u>3,323,600</u>

In management's opinion the above sensitivity analysis is not representative of the inherent foreign exchange risk, as the period end exposure does not necessarily reflect the exposure during the course of the entire period.

Interest rate risk

Interest rate risk is the risk that cash flows associated with financial instruments will fluctuate due to changes in market interest rates.

The Trust was directly exposed to interest rate risk on their variable rate bank deposits and currently do not hedge against this exposure. The Trust does not bear interest rate risk on its loan funding provided to New Energy Solar US Corp as the loan interest rate was fixed for the duration of the loan facility.

Sensitivity analysis

The Trusts consider a 50 basis point increase or decrease to be a reasonably possible change in interest rates. The impact of a 50 basis point movement in interest rates on profit or loss and equity is shown in the table below.

The Trust did not hold cash deposits as at 30 November 2021.

31 December 2020	+50 basis points Effect on profit before tax	-50 basis points Effect on profit before tax
Variable rate deposits	<u>35,930</u>	<u>(35,930)</u>

The Trust did not hold significant cash balances exposed to interest rates in other currencies and did not have any borrowings or other financial liabilities or assets with direct exposure to changes in interest rates and accordingly was not exposed to material interest rate risk.

B) Credit risk

Credit risk is the risk that contracting parties to a financial instrument will cause a financial loss for the Trust by failing to discharge an obligation. The Trust manage credit risk by ensuring deposits are made with reputable financial institutions.

The majority of funds of the Trust were deposited with Australia and New Zealand Banking Group Limited and Macquarie Bank Limited.

The carrying amount of financial assets that represents the maximum credit risk exposure at the reporting date are detailed below

New Energy Solar Fund
Notes to the financial statements
30 November 2021

12. Financial instruments (continued)

	30 November 2021	31 December 2020
	\$	\$
Summary of exposure		
Cash and cash equivalents	-	7,186,008
Loans receivable*	-	56,006,873
Interest receivable	-	179,659
GST receivable	-	25,827
Other receivables – related party	-	4,982,656
	<u>-</u>	<u>68,381,023</u>

* Loans receivable represent loans to New Energy Solar US Corp.

C) Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset. The Trust's approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

The Trust's liquidity primarily comprised cash at bank totalling \$7,186,008 at 31 December 2020 which was held to cover their day-to-day running costs and expenditures. The Trust did not have any outstanding financial liabilities as at 30 November 2021.

The following is the contractual maturity of financial liabilities. The table has been drawn based on the undiscounted cash flows of liabilities based on the earliest date on which the Trust can be required to settle the liability.

31 December 2020	On call	Less than 12 months	Remaining contractual maturities
	\$	\$	\$
Non-derivatives			
Trade and other Payables	-	249,807	249,807
Total non-derivatives	<u>-</u>	<u>249,807</u>	<u>249,807</u>

13. Cash flow information

Reconciliation of loss to net cash from operating activities

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

New Energy Solar Fund
Notes to the financial statements
30 November 2021

13. Cash flow information (continued)

	For the period 1 January 2021 to 30 November 2021		31 December 2020
	\$	\$	
Loss for the period	(2,969,198)	(14,038,194)	
Adjustments for:			
Fair value movement of assets classified as held for sale	-	3,944,789	
Fair value movement of financial assets at fair value through profit or loss	3,928,149	18,191,755	
Net foreign exchange losses/(gains)	108,907	(1,207,583)	
Receipt of interest income not in cash	(72,546)	(3,864,997)	
Change in operating assets and liabilities:			
Decrease in receivables	205,486	349,132	
Decrease in payables	(249,807)	(28,554)	
Net cash from operating activities	<u>950,991</u>	<u>3,346,348</u>	

14. Fair value measurement

The Trust is exposed to market price risk based on loan receivable balances which were measured on a fair value basis.

Fair Value

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date. The table below analyses recurring fair value measurements for financial assets. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no financial assets as at 30 November 2021, therefore the fair value hierarchy for the period ended 30 November 2021 is not disclosed.

31 December 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Loans receivable at fair value	-	56,006,873	-	56,006,873
Total assets	<u>-</u>	<u>56,006,873</u>	<u>-</u>	<u>56,006,873</u>

The fair value of loan advances to New Energy Solar US Corp was assessed at balance date with reference to prevailing referable market interest rates for comparable external debt as a proxy for market pricing of the loan receivables.

Transfers During the Period

The Trust recognises transfers between levels of the fair value hierarchy during the reporting period which the transfer has occurred. There were no transfers between levels during the financial period.

New Energy Solar Fund
Notes to the financial statements
30 November 2021

14. Fair value measurement (continued)

Loan Fair Value Sensitivity Analysis

The Directors have also assessed the impact of a change in interest rate environment on the fair value of the loan receivable to New Energy Solar US Corp held by the Trust as set out below.

There were no outstanding loan receivables as at 30 November 2021, therefore the sensitivity analysis for the period ended 30 November 2021 is not disclosed.

Input	Change in input %	31 December 2020	31 December 2020
		Change in fair value of investments (A\$ thousands)	Change in NAV per Unit (A\$ cents)
US interest rates	0.5%	(755)	(0.21)
US interest rates	(0.5%)	767	0.22

15. Key management personnel

Directors

During the financial period, Stuart Nisbett, Mike Adams, Warwick Keneally and Peter Shear were directors of the Responsible Entity, E&P Investments Limited, and were deemed to be key management personnel.

The key management personnel do not receive compensation from the Trust or from the Responsible Entity directly for their management function performed for the Trust.

As at the reporting date, details of directors who hold units for their own benefit or who have an interest in holdings through a third party and the total number of such securities held are listed as follows:

	30 November 2021
Warwick Keneally	42,941
Mike Adams	-
Stuart Nisbett	-
Peter Shear	-
	42,941

16. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 15.

Related party investments in the Trust

The Investment Manager is entitled to receive 10% of its Investment Management Fee in units, which are issued to the Investment Manager or its nominee. As at 30 November 2021, E&P Private Investments Pty Limited, a subsidiary of E&P Financial Group Limited, who is the parent entity of the Responsible Entity and Investment Manager, held 941,598 units (31 December 2020: 576,727), representing an 0.26% interest (31 December 2020: 0.16%) in New Energy Solar Fund. During the period ended 30 November 2021, E&P Private Investments Pty Limited received a distribution of \$17,302 from the Trust (31 December 2020: \$4,402).

New Energy Solar Fund
Notes to the financial statements
30 November 2021

16. Related party transactions (continued)

Investment in other entity managed by the Investment Manager

The Trust invested \$21.1 million (US\$15.0 million) in US Solar Fund plc in 2019. USF is a \$US denominated investment vehicle listed on the London Stock Exchange (**LSE**). New Energy Solar Manager Pty Limited (the Investment Manager of the Trust) is the Investment Manager of USF. The Trust disposed of the investment in USF on 6 October 2020 and received net sale proceeds of \$18.5 million (US\$13.4 million).

Related Party Fees

The following transactions occurred with related parties:

	For the period 1 January 2021 to 30 November 2021		31 December 2020
	\$		\$
Responsible Entity Fee (a)	21,362		134,456
Investment Manager Fee (b)	107,167		657,405
Fund Administration Fee (c)	6,000		33,600
Signage (d)	11,918		18,674

a) Responsible Entity fee

E&P Investments Limited, as Responsible Entity of the Trust receives a Responsible Entity Fee for the performance of its duties under the constitution of the Trust. The Responsible Entity Fee is 0.08% per annum (exclusive of GST) calculated on the gross asset value of the Trust and payable monthly in arrears by the Trust.

Effective 1 October 2021, the Responsible Entity has agreed to waive its contractually entitled fee for the remaining term of the Responsible Entity Agreement. Total Responsible Entity fee paid or payable for the period ended 30 November 2021 was \$21,362 (31 December 2020: \$134,456), exclusive of GST, and included in Responsible entity fees in profit or loss.

Total Responsible Entity fee included in trade and other payables at 30 November 2021 is nil (31 December 2020: \$27,000) for the Trust.

b) Investment Management fee

New Energy Solar Manager Pty Limited, as Investment Manager of the New Energy Solar and E&P Investment Pty Ltd as Responsible Entity for New Energy Solar Fund (together the "**Fund**") receives an Investment Manager Fee based on the sliding scale fee structure as set out below. Fees are calculated on the Enterprise Value of the Fund, payable quarterly in arrears.

Effective 16 April 2019, the investment manager waived payment of part of the Base Management Fee that's otherwise payable by the Fund in respect of its investment in US Solar Fund plc (**USF**). The Enterprise Value used to calculate the Base Management Fee is reduced by market value of the Fund's investment in USF. The waiver results in a lower Base Management Fee structure set out in the following table:

16. Related party transactions (continued)

	Base Management Fee (% of Enterprise Value (EV))	Acquisition and Disposal Fee (% of Cumulative Purchase Price or Net Sale Proceeds)
	%	%
Threshold Value		
< A\$1.0bn	0.625%	1.50%
A\$1.0bn to A\$1.5bn	0.550%	0.90%
A\$1.5bn to A\$2.0bn	0.400%	0.90%
> A\$2.0bn	0.400%	0.40%

Threshold Value means:

Base Management Fee – Percentage of Enterprise Value: Enterprise Value is calculated as the total of the Fund's market capitalisation, external borrowing, debt or hybrid instruments issued by the Fund as defined in the Investment Management Agreement. All fees are applied on a marginal basis to each Threshold Value band and calculated at the end of each quarter. For example, the revised Base Management Fee for a Threshold Value of A\$1,500 million would be A\$9.0 million (excluding GST) which is the sum of (A\$1,000 million multiplied by 0.625%) and (A\$500 million multiplied by 0.55%).

Acquisition and Disposal Fee – Percentage of Cumulative Purchase Price or Net Sale Proceeds: Purchase Price and Sale price as defined in the Investment Management Agreement and assessed in A\$ at the time the purchase or sale takes effect where purchases add to the cumulative total and sales reduce the cumulative total. All fees are applied on a marginal basis to each Cumulative Purchase Price or Net Sale Proceeds band. Gross purchase price and gross sale price as they are referred to in the definitions of Purchase Price and Net Sale Proceeds respectively mean the value of the equity and debt of an Asset acquired or disposed.

Total Investment Management fees paid or payable for the period ended 30 November 2021 was \$107,167 (31 December 2020: \$657,405), exclusive of GST, and included in Investment management fees in profit or loss.

Total Investment Manager fee included in trade and other payables at 30 November 2021 is nil (31 December 2020: \$114,000) for the Trust.

c) Fund administration services

Australian Fund Accounting Services Pty Limited, a wholly-owned subsidiary of E&P Financial Group Limited, the parent of the Responsible Entity, provides fund administration services to the Trust under an agreement with the Investment Manager. Time spent by staff is charged to the Trust at agreed rates up to an annual cap. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation.

Total fund administration fees paid or payable for the period ended 30 November 2021 was \$6,000 (31 December 2020: \$33,600), exclusive of GST, and included in Accounting and audit fees in profit or loss.

Total fund administration fees included in trade and other payables at 30 November 2021 is \$nil (31 December 2020: \$8,400) for the Trust.

d) Signage

The Trust Company (Australia) Limited as custodian and agent for E&P Investment Services Pty Limited (ACN 163 814 346) as trustee for APOT III No. 1 Trust, a related party of the Trust, had a contractual agreement with the Trust, to provide a non-exclusive licence for the use of the signage at the property of Level 11, 241 O'Riordan Street, Mascot, New South Wales, under the terms of the signage licence agreement. Total signage licence fees paid or payable for the period ended 30 November 2021 were \$11,918 (31 December 2020: \$18,674), exclusive of GST by the Trust.

The signage lease and licence agreement was surrendered on 31 October 2021.

New Energy Solar Fund
Notes to the financial statements
30 November 2021

17. Remuneration of auditor

During the financial period the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Trust:

	For the period 1 January 2021 to 30 November 2021 \$	31 December 2020 \$
Deloitte Touche Tohmatsu		
Audit or review of the financial statements*	47,000	78,120
Other advisory services	-	14,700
Taxation services*	20,179	6,900
	<u>67,179</u>	<u>99,720</u>

*New Energy Solar Limited has agreed to bear the fees paid or payable to Deloitte Touche Tohmatsu for audit and taxation services incurred as a result of the wind up.

18. Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 November 2021 and 31 December 2020.

19. Events after the reporting period

No significant events have occurred since the reporting date which would have an impact on the financial position of the Trust disclosed in the balance sheet as at 30 November 2021 or on the results and cash flows of the Trust for the period ended on that date.

20. Wind-up

In accordance with the Notice of General Meeting dated 3 June 2021, the net proceeds of realisation and all other cash forming part of the Trust's assets will be distributed to Unitholders in the Trust in proportion to the number of Units held by them at the date of the distribution.

After realising all of the Trust's assets, the net proceeds is zero, therefore no final distribution is to be made to unitholders and the Trust was effectively wound up on 30 November 2021.

**New Energy Solar Fund
Directors' declaration
30 November 2021**

In the opinion of the directors of the responsible entity:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;
- the attached financial statements and notes give a true and fair view of the trust's financial position as at 30 November 2021 and of its performance for the financial period ended on that date; and

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stuart Nisbett
Chairman of E&P Investments Limited, Responsible Entity

1 December 2021

Independent Auditor's Report to the Unitholders of New Energy Solar Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report New Energy Solar Fund (the "Trust"), which comprise the statement of financial position as at 30 November 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of the Trust, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Trust's financial position as at 30 November 2021 and of their financial performance for the period then 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 Trust 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical 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 E&P Investments Limited (the "Responsible Entity" and "Directors" of the Trust), 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.

Other Information

The Responsible Entity of the Trust are responsible for the other information. The other information comprises the information included in the Trust's directors' report for the period ended 30 November 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors 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 and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Trust 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 intend to liquidate the Trust or to cease operations, or have 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 the 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 this financial report.

As part of an audit in accordance with the 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 Trust'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 Directors' use of the liquidation basis of accounting.
- 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 the Directors 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Yvonne Wijk

Yvonne van Wijk
Partner
Chartered Accountants
Sydney, 1 December 2021

**New Energy Solar Fund
Corporate directory
30 November 2021**

Directors	Stuart Nisbett Warwick Keneally Mike Adams Peter Shear
Responsible Entity	E&P Investments Limited (ACN 152 367 649) (AFSL 410 433) Level 15, 100 Pacific Highway, NORTH SYDNEY NSW 2060 T 1300 454 801 F 1300 883 159 E info.funds@eap.com.au
Secretaries	Hannah Chan Caroline Purtell
Investment Manager	New Energy Solar Manager Pty Limited (ACN 609 166 645) Level 15, 100 Pacific Highway, NORTH SYDNEY NSW 2060 T 1300 454 801 F 1300 883 159
Auditor	Deloitte Touche Tohmatsu Grosvenor Place, 225 George Street, SYDNEY NSW 2000 T +61 2 9322 7000 F +61 2 9322 7001 www.deloitte.com.au
Unit Register	Link Market Services Limited Level 12, 680 George Street, SYDNEY NSW 2000