

## Remuneration Approval Report – 5 January 2024

Insolvency Practice Rules (Corporations) 70-45(4)

**New Energy Solar Limited**  
**ACN 609 396 983**  
**("the Company")**

This remuneration approval report provides you with the information you need to make an informed decision regarding the approval of my remuneration for undertaking the liquidation of the Company.

This report has the following information included:

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### What you need to do next

You should read this report and the other documentation that has been provided to you.

I have elected to seek the approval of members for my remuneration at the Extraordinary General Meeting which has been convened for 12 February 2024.

As detailed in the notice of Extraordinary General Meeting you may cast your vote either in person at the meeting or by proxy. The details of how you may cast your vote and the proxy form are contained within the notice.

### Part 1 Declaration

I, Martin Gregory Walsh of Walsh & Associates have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work to be properly performed in the conduct of the liquidation.

### Part 2 Executive summary

The total remuneration for this appointment is estimated to be \$45,000 (excl GST), as summarised overleaf:



Period -12 February 2024 to Conclusion of the Winding Up	Report Reference	Amount (ex GST)
<b>Past remuneration approved:</b>	N/A	N/A
<b>Future approval sought:</b>		
<b>Liquidation</b>		
Resolution 1: From appointment of the liquidator on 12 February 2024 to the completion of the liquidation*	Part 3.3	\$45,000
<b>Total Remuneration Claimed</b>		<b>\$45,000</b>
* Approval for the future remuneration is based upon an estimate of the work necessary for the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought.		

### Part 3 Remuneration

#### 3.1 Calculation of remuneration

For a summary of the calculation of remuneration for the period 12 February 2024 to the conclusion of the winding up please refer to Section 3.5.

There are four basic methods that can be used to calculate the remuneration charged by an Insolvency Practitioner. They are:

- 1. Time based / hourly rates**  
This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.
- 2. Fixed Fee**  
The total fee charged is normally quoted at the commencement of the liquidation and is the total cost for the liquidation. Sometimes a practitioner will finalise a liquidation for a fixed fee.
- 3. Percentage**  
The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
- 4. Contingency**  
The practitioner's fee is structured to be contingent on a particular outcome being achieved.

#### 3.2 Method chosen

Given the nature of this liquidation I propose that my remuneration be calculated as a time-based / hourly rates method. This is because:

- Members are only charged for work that is performed. Our time is recorded and charged in six-minute increments; and
- I am unable to estimate with certainty the total amount of fees necessary to complete all tasks in this liquidation.

#### 3.3 Explanation of hourly rates

The rates for my remuneration calculation are attached, marked **Annexure B**, which also includes a general guide showing the qualifications and experience of staff engaged in the liquidation and the role they take in the liquidation. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage



### 3.4 Remuneration claim resolution

I will be seeking approval of the following resolution to approve my remuneration. Details that support this resolution are included in Section 3.5 and in the attached **Annexure A** of this Report.

Remuneration for	Period	Amount (GST exclusive) (\$)	Rates to Apply	When it will be drawn
Future Work	12 February 2024 to the completion of the liquidation	45,000	Attached as at Annexure B	As required.
<b>Remuneration Claimed</b>		<b>45,000</b>		

#### **Future Work: From the appointment of the Liquidator on 12 February 2024 to the completion of the liquidation**

*“That subject to Resolutions 1, 2, 3, and 5 being passed and subject to the Tranche 3 Capital Return having been implemented, the remuneration of the liquidator from 12 February 2024 to the conclusion of the winding up is determined at a sum equal to the cost of time spent by the Liquidator and his staff, calculated at the hourly rates as detailed in the Remuneration Approval Report dated 5 January 2024 and such sum to be approved to a limit of \$45,000, exclusive of GST, and that the Liquidator may draw the remuneration as required.”*

### 3.5 Details of remuneration

The basis of calculating the remuneration is summarised below, the details of the major tasks to be performed, and the costs associated with each of those major tasks are contained in Annexure A.

The below table sets out the expected costs for the major tasks likely to be performed for the period from the appointment on 12 February 2024 to the completion of the liquidation, which is the basis of the Future Work claim. More detailed descriptions of the tasks likely to be performed within each task area matching the amounts below are contained in Annexure A.

Task Area	Estimate Hours	Estimate Cost (ex GST)
Assets	3	1,040
Creditors / Members	35	11,555
Investigations	35	11,555
Dividend	25	9,700
Administration	18	6,910
Statutory	12	4,250
<b>Total</b>	<b>128</b>	<b>45,010</b>
But say		45,000
Average rate (\$)		351

### 3.6 Total remuneration reconciliation

At this point in time, I estimate that the total remuneration for this liquidation is \$45,000. This is subject to the following variables, which may have a significant effect on the estimate and that I am as yet unable to determine:

- The extent and complexity of tax or legal advice regarding the Company necessary prior to declaring a final distribution;



- The volume of outstanding statutory lodgements (including Business Activity Statements and Income Tax Returns), prior to the commencement of the liquidation that need to be completed and lodged prior to the Australian Taxation Office (“ATO”) issuing a release pursuant to Section 260-45 of the *Tax Administration Act 1953* (“the Release”) that will allow the distribution of funds;
- The nature and extent of queries from the ATO and the time taken by the ATO to issue the Release;
- The volume of outstanding creditor claims owing by the Company and the extent of investigations necessary to verify these claims;
- The extent of investigations necessary to identify and locate the Company’s “lost members” and remit previously unclaimed dividends;
- The likelihood of keeping the liquidation on foot for an extended period to allow for unpresented cheques to expire prior to remitting unclaimed monies with the Australian Securities and Investments Commission (“ASIC”); and
- ASIC accepting the remittance of unclaimed monies fund on a timely basis.

In preparing this remuneration approval report, I have made the best estimate of what I believe this liquidation will cost to complete and I do not anticipate that I will have to ask members to approve any further remuneration.

However, should the liquidation not proceed as expected, I will advise members and I may seek approval of further remuneration and provide reasons why the remuneration has changed.

### **3.7 Likely Impact on dividends**

The *Corporations Act (2001) (Cth)* (“the Act”) prescribes the order for payment of claims against the Company and it provides for remuneration of the liquidator to be paid in priority to other claims.

It is anticipated that the Company will be placed in members voluntary liquidation, which is a solvent winding up, in that all creditor claims will be paid in full and the residual assets are distributed to the Company’s members.

As such, it is expected that my remuneration will not have any impact on the value of the dividends paid to creditors (who are expected to have their claims paid in full), nor any impact on the final distributions to members over and above that previously advised by the Company in previous correspondence.

I will advise members and creditors if there are any material changes to this position.

### **Part 4 Disbursements**

Disbursements are divided into three types: **A, B1, B2.**

**A** disbursements are all externally provided professional services. These are recovered at cost. An example of an A disbursement is legal fees.

**B1** disbursements are externally provided non-professional costs such as travel, accommodation and search fees. B1 disbursements are recovered at cost.

**B2** disbursements are internally provided non-professional costs such as photocopying, printing and postage. B2 disbursements, if charged to the Liquidation, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs.

I anticipate seeking to recover externally provided professional services and externally provided non-professional costs (both at cost) in this liquidation.

Prior to the payment of any such disbursements, I will undertake a proper assessment of the disbursements claimed in accordance with the law and the applicable professional standards in order to ensure that I am satisfied that the disbursements claimed are necessary and proper.



#### 4.1 Future basis of internal disbursements

Future disbursements provided by my firm will be charged to the administration on the following basis set out below:

Disbursement	Rate (Excl GST)
Type A - Externally provided professional services	At Cost
Type B1 - Externally provided non-professional services	At Cost
Type B2 - Internal disbursements:	
Printing and stationary – BW	\$0.20 per page
Photocopying – BW	\$0.25 per page
Photocopying -Colour	\$0.80 per page
Facsimile – Local	\$1.00 per page
Facsimile – Interstate	\$2.00 per page
Telephone – mobile phone	\$0.50 per minute
Telephone – fixed line non-local	\$0.20 per minute
Postage	At cost
Type B2 - ASIC user pays levy (lodgements and advertisements) *	\$125 per item
Type B2 - Staff vehicle use**	\$0.68 per km

\* The ASIC *Supervisory Cost Recovery Levy Act 2017* was introduced on 1 July 2017. The costs for some ASIC lodgments and advertisements for the financial year ending 30 June 2023 will not be known until approx. January 2024, but based on budgeting and forecast modelling prepared by ASIC it is estimated the cost will be in the vicinity of \$125 per event

\*\* These rates are deemed to be reasonable by the Australian Taxation Office.

I am satisfied that the disbursements to be claimed will be necessary and proper.

#### 4.2 Disbursement claim resolution

The B2 category of disbursements require creditor approval prior to the liquidator drawing funds. There is no mechanism in the relevant legislation to allow members to approve the B2 category of disbursements.

Pursuant to the *Insolvency Practice Schedule (Corporations)* (“IPS”) 60-20(4)(c)(iii), it is not necessary to secure creditor approval for these disbursements provided that it is impractical to seek creditor approval and the disbursements are reasonable in all circumstances.

It is anticipated that the total value of the B2 disbursements will be less than \$200 and as such it is not reasonably practical to seek creditor approval (to the extent that creditors exist).

Accordingly, creditor approval for B2 disbursements will not be sought.

#### Part 5 Queries

If you have any queries in relation to the information in this report, please contact this office on (02) 9419 5132 or via email at [enquiries@walshrecovery.com](mailto:enquiries@walshrecovery.com).

You can also access information, which may assist you on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors); and
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for “insolvency information sheets”)



**Part 6 Approval of remuneration**

I am seeking member approval of my remuneration at the Extraordinary General Meeting which has been convened for 12 February 2024. You may cast your vote either in person at the members meeting or by proxy (please refer to the forms attached to the notice).

Dated this 5<sup>th</sup> day of January 2024

**Walsh & Associates**

**Martin Walsh**  
Principal



### Annexure A – Resolution 1 Table of Major Tasks for Remuneration

Task Area	General Description	Includes
<b>Assets</b>  Estimated hours: 3 Estimated cost: \$1,040	General	Undertake searches to identify any assets of the Company including investments and bank accounts. Initial day one correspondence.
	Other Assets	Tasks associated with realising other assets identified including securing control of cash at bank and attending to the compliance obligations imposed by the Company's bankers.
<b>Creditors / Members</b>  Estimated hours: 35 Estimated cost: \$11,555	Shareholder / creditor enquiries	Initial notification of appointment to all known creditors including statutory bodies. Responding to any shareholder queries by telephone and in writing. Securing and providing replacement dividend statements for members with unclaimed dividends. Preparation of statutory notices to shareholders. Preparation and lodgement of advertisements of appointment.
	Creditor Reports	Drafting and distribution of notification to creditors confirming my appointment and detailing their rights as creditors pursuant to IPR 70-30. Drafting and distribution of Statutory Report to Creditors and lodgement of same with ASIC within 3 months of my appointment per IPR 70-40.
	Dealing with proofs of debt	Receipting and filing proofs of debt when not related to a dividend. Corresponding with the OSR and the ATO regarding POD when not related to a dividend.
	Members meeting	Attendance at members' meeting.
<b>Investigations</b>  Estimated hours: 35 Estimated cost: \$11,555	Conducting investigation	Collection of Company books and records. Reviewing Company books and records – in particular the extent of franking credits and capital accounts. Conducting and summarising statutory searches. Preparation of comparative financial statements. Identification of the Company's lost members. Liaising with E&P and Linkt regarding last known contact details of the lost members. Conducting investigations to identify the contact details of the lost members. Contacting the lost members and securing proof of share ownership and new account details (where necessary). Drafting and forwarding correspondence to the lost members to demonstrate bona fides and advise of the appointment.
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC.
<b>Statutory</b>  Estimated hours: 12 Estimated cost \$4,250	Statutory tasks	Review ASIC lodgments and attend to the lodgement of particular forms. Ensure that all requisite tax lodgments have been made and liabilities met. Securing the release from the ATO prior to paying creditors and declaring a final distribution to members.



Task Area	General Description	Includes
<b>Dividend</b>  Estimated hours: 25 Estimated cost: \$9,700	Processing proofs of debt ("POD")	Preparation of correspondence to potential creditors inviting lodgement of POD. Receipt of PODs. Maintain POD register. Adjudicating PODs. Request further information from claimants regarding POD. Preparation of correspondence to claimant advising outcome of adjudication.
	Dividend procedures	Preparation of correspondence to members advising of intention to declare dividend. Advertisement of intention to declare dividend. Obtain clearance from ATO to allow distribution of company's assets. Preparation of dividend calculation Preparation of correspondence to members announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Drafting and distribution of dividend statement Drafting and distribution of declaration regarding shares pursuant to Section 104.145 of the <i>Income Tax Assessment Act 1997</i> Preparation of correspondence to members enclosing payment of dividend Preparing the requisite returns for ASIC for their review prior to the remittance of any lost monies to the lost monies account maintained by ASIC.
<b>Administration</b>  Estimated hours: 18 Estimated cost \$6,910	Correspondence	
	Document maintenance/file review/checklist	First month, then 6 monthly administration review Filing of documents File reviews Updating checklists
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 5602 and other forms	Preparing and lodging ASIC forms including 505, 5602 and 5603. Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	Notification of appointment Preparing BAS Completing payment summaries
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
Books and records / storage	Dealing with records in storage Sending job files to storage	
<b>Total Amount (\$ excl GST)</b>		<b>45,010.00</b>
<b>Period</b>		<b>12 February 2024 to the Completion of the Liquidation</b>



**Annexure B**  
**Walsh & Associates**  
**Guide to Hourly Rates & Staff Classifications**

1 January 2021 Classification	Description	Hourly RATE \$ (GST Exclusive)
Partner/Appointee	Registered Liquidator. Partner bringing his or her specialist skills to the administration or insolvency task.	595
Director	Minimum 10 years' experience. Answerable to the appointee. Qualified and capable of controlling all aspects of an appointment. Manage staff and their training. May have specialist industry knowledge.	530
Senior Manager	More than 7 years insolvency experience, more than 3 years as a manager. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.	485
Manager	6-7 years, with well-developed technical and commercial skills. Should be constantly alert to opportunities to meet new clients' needs and to improve the clients' future operation either by revenue enhancement or by reducing costs and improving efficiency. Controls 2-4 staff.	415
Supervisor	4-6 years. CA Program (or equivalent) complete. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.	370
Senior	3 + years. CA Program (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.	340
Senior Assistant	2 + years. CA Program (or equivalent) would normally be commenced during this period. Required to control the fieldwork on small jobs and is responsible for assisting complete fieldwork on medium to large jobs.	270
Intermediate	0-3 years. Graduate with little or no professional experience or an undergraduate with more than 2 years' experience. Required to assist in the day-to-day fieldwork under supervision of more senior staff.	215
Professional Clerk	0-1 year. Trainee undertaking a degree with an accountancy major. Required to assist in day-to-day fieldwork under supervision of more senior staff.	170
Secretary	Appropriate skills including machine usage.	195
Typist	Appropriate skills.	115