



M101 Nominees Pty Ltd
(Provisional Liquidators Appointed)
(ACN 636 908 159)
("the Company")

Provisional Liquidators' Report

**In accordance with the Order of Justice Anderson in proceeding
VID524/2020 on 13 August 2020**

24 September 2020

Glossary

Abbreviation	Description
Act	Corporations Act 2001 (Cth)
AFSL	Australian Financial Services License
AIIPAP	All present and after-acquired property
ANZ	Australia and New Zealand Banking Group
ASIC	Australian Securities and Investments Commission
ATF	As trustee for
ATO	Australian Taxation Office
Eleuthera	Eleuthera Group Pty Ltd
Family Islands Group	Family Islands Group Pty Ltd
M+ Noteholders	Investors in M101 Holdings Pty Ltd
M Core Noteholders	Investors in M101 Nominees Pty Ltd
MIP	Mortgagee in Possession
Naplend	Naplend Pty Limited
PAG	PAG Holdings (Australia) Pty Ltd
PPSR	Personal Property Security Register
SPV	Special Purpose Vehicle
the Company	First Defendant, M101 Nominees Pty Ltd
the Court	Federal Court of Australia
the Director	James Mawhinney
the Group	Mayfair 101 Group
the Order	Order of Justice Anderson in proceeding VID524/2020 dated 13 August 2020
the Provisional Liquidators	Said Jahani and Philip Campbell-Wilson

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Executive Summary

1. The Company was incorporated on 18 October 2019 and formed part of the wider M101 Group. The Company offered an investment product known as a 'M Core' investment which was advertised as a fixed income product backed by dollar for dollar asset security. At the date of my appointment the Company had raised a total of c.\$65.6 million from investors. Across a similar period, a related entity, M101 Holdings Pty Ltd also raised c.\$65 million through a similar investment product/structure, however this product was marketed as an unsecured investment and was not advertised as providing investors with security over the Group's assets.
2. Despite clearly advertising to potential investors that their investment would be supported by 'first ranking, registered security' and 'the assets are otherwise unencumbered' in my opinion this did not occur. In reality the majority of the funds invested were provided to a related entity, Eleuthera Group Pty Ltd ("Eleuthera Pty Ltd") on an unsecured loan basis for a term of 10 years at a rate of 8% p.a. The Company did not hold any security over the assets of Eleuthera.
3. As part of the investment agreement with M Core noteholders, a Security Trustee was appointed to protect investors' rights and was responsible for taking security over various related entities/trusts which held assets that were purchased largely from the funds advanced by the Company via Eleuthera. Despite the Security Trustee taking an AllPAP over a number of entities/trusts, I note that in all instances except one, the AllPAP specifically excluded any real estate property. Effectively, the registered AllPAP secured little to no assets for M Core noteholders given the primary asset of these entities/trust was real estate property.
4. My investigations show that of the c.\$63.5 million advanced to Eleuthera by the Company and \$44.4 million advanced by M101 Nominees to Eleuthera, only c.\$62.9 million was used to make real estate asset purchases. The remaining funds were provided to other entities in the M101 Group as inter-company loans and also used to pay a large amount of operating expenses of the Mayfair 101 Group (c.\$21.7 million in FY20). I have been unable to determine as part of my review how the funds provided as inter-company loans to other entities in the Group were used.
5. The Company's key asset is the outstanding loan due from Eleuthera. As part of my investigations, I have reviewed the financial position of Eleuthera and it is my opinion that the likelihood of any recovery by the Company of the Eleuthera loan is low due to:
 - a. The majority of entities that are indebted to Eleuthera are the subject of separate insolvency proceedings in which steps are currently being taken to sell these entities' assets for the benefit of their secured creditors;
 - b. A number of the remaining entities that are indebted to Eleuthera are based overseas and the exact nature and recoverable value of these assets are unclear; and
 - c. The Company's entitlement to recover the funds due from Eleuthera, if any asset recoveries are made, will need to be shared pro-rata with all other creditors of Eleuthera.
6. It is my preliminary finding that in a winding up proceeding, creditors of the Company (effectively the M Core noteholders) would receive no return. However, the M Core noteholders may receive via the Security Trustee a partial return from the assets of other entities in the Mayfair 101 Group subject to the realisation process currently being undertaken in separate insolvency proceedings.
7. My overriding conclusion on the Company is that the business model of the Company was not sustainable. This is on the basis that M Core noteholders were investing predominantly for periods of 6 or 12 months, however the loan agreement with Eleuthera had a term of 10 years. On this basis, the Company would not have adequate funds to repay any contributions as they fell due and as such the Company has been insolvent since inception and remains insolvent as at the date of this report.
8. It is my opinion that distributions and redemptions paid to M Core noteholders were funded out of funds raised from other M Core noteholders or to a lesser extent M+ noteholders. There was a high level of frequency of fund transfers between the Company and Eleuthera which has masked the extent of this issue.
9. My investigations have uncovered a number of contraventions of the Corporations Act 2001 by both the Company and the Director primarily in relation to Section 180 and 1041H of the Act. Further detailed analysis is provided within the body of the report.

10. A summary of my findings pursuant to the Order are noted below:

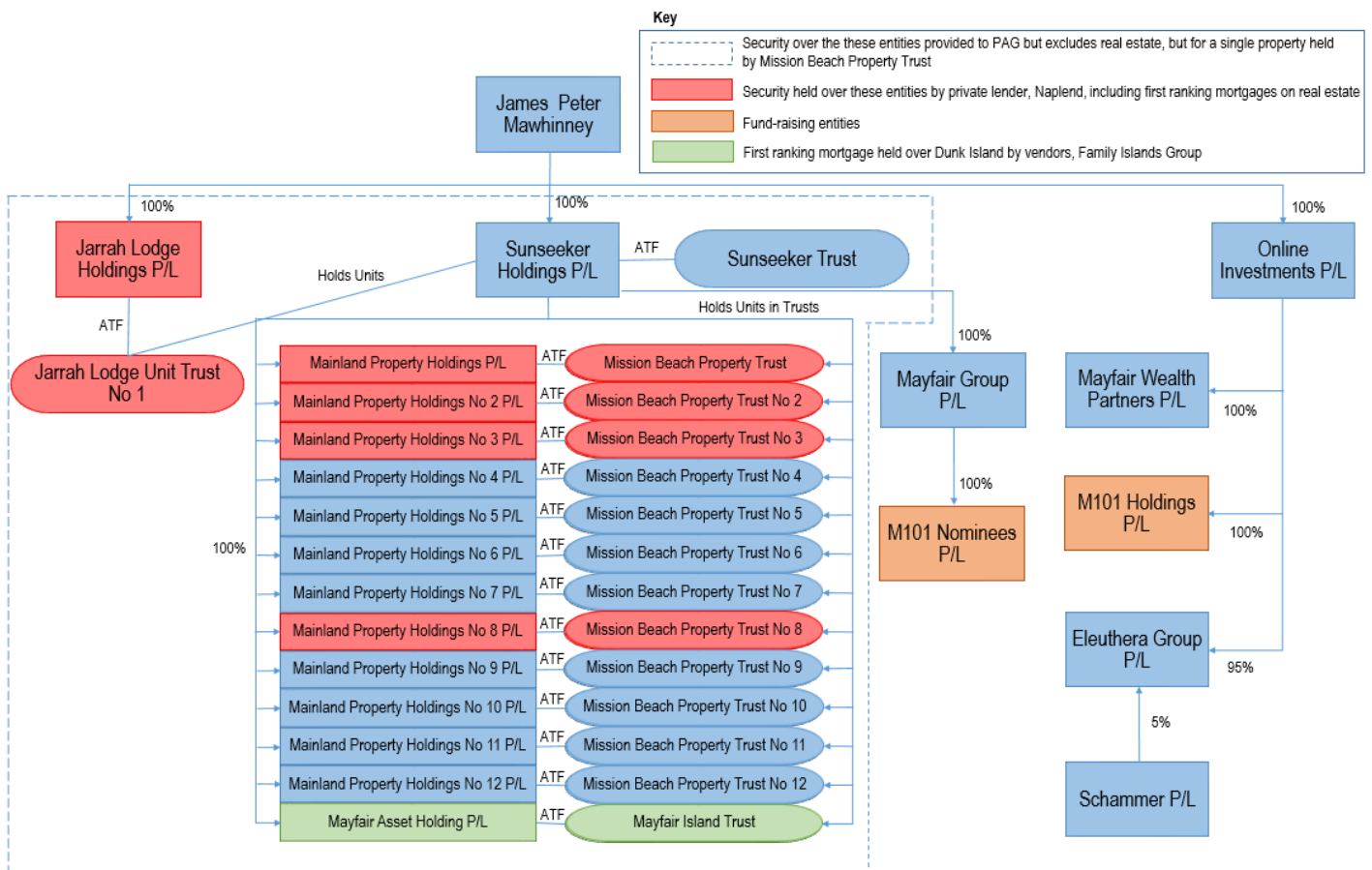
Area of Review	Conclusion
Identification of Assets and liabilities of the Company	The key asset is a c.\$63.5 million loan due from a related entity, Eleuthera. The liabilities largely consist of amounts outstanding to M Core noteholders (c.\$61.8 million)
Value of the Company's assets	It is my opinion that the realisable value of the assets including the loan from Eleuthera are nil
Solvency of the Company	I believe the Company was insolvent since inception and remains insolvent at the date of this report
Likely return to creditors (M Core noteholders)	I estimate a Nil return to creditors from the assets of the Company
Completeness of the company's financial records	I have not been provided with all the books and records of the Company including the email server of the Company. Consequently, I cannot form an opinion at this time as to their completeness
Any other information required	I am still awaiting further books and records from the Director to finalise my investigations as referred to above
Contraventions of the Act by the Company and Director	I believe a number of contraventions of the Act have been made by the Company and the Director

Introduction and Purpose

11. On the application of the Australian Securities and Investment Commission (“ASIC”) Philip Campbell-Wilson and I were appointed Joint and Several Provisional Liquidators of the Company pursuant to section 472(2) of the Corporations Act 2001 (“the Act”) on 13 August 2020 by Order of Justice Anderson in proceeding VID524/2020 (“the Order”). A copy of the Order is attached as **Appendix A**.
12. The purpose of the appointment of a provisional liquidator is to allow for an independent insolvency practitioner to secure the company’s assets, investigate the company’s affairs and provide to the Court and the applicant (in this case, ASIC) a report detailing the findings.
13. Pursuant to clause 2 of the Order, I am appointed for the purpose of providing to the Court and to the parties, a report on the Company, including:
 - a. the identification of the assets and liabilities of the Company;
 - b. an opinion as to the value of the assets of the Company;
 - c. an opinion as to the solvency of the Company;
 - d. an opinion as to the likely return to creditors if the Company is wound up;
 - e. an opinion as to whether the Company has proper financial records;
 - f. any other information necessary to enable the financial position of the Company to be assessed;
 - g. any suspected contraventions of the Act by the Company; and
 - h. any suspected contraventions of the Act by the director of the Company.
14. In accordance with the Order, I provide hereunder my report.
15. I have prepared my report based upon the documentation received from various sources as detailed at **Appendix B**. I requested documentation from the director of the Company, Mr James Mawhinney (“the Director”) shortly following my appointment and followed up on 17 August 2020, 18 August 2020, 20 August 2020, 21 August 2020, 31 August 2020, 4 September 2020 and 9 September 2020 with only limited cooperation until 14 September 2020. In the last 10 days, the Director has made available to me a large volume of books and records which I am still in the process of reviewing.
16. While the Order directs that a report be prepared solely on the Company, I have in some instances included comments and provided analysis on the broader Mayfair 101 Group, insofar as it affects the Company.

Background Information

17. The Company was incorporated on 18 October 2019 and held its registered office at Level 27, 35 Collins Street, Melbourne, Victoria.
18. The Company offered an investment product described as a 'M Core' fixed income financial debenture to Australian wholesale investors which was marketed as a fixed income product backed with dollar-for-dollar asset security.
19. The Company operates as an authorised representative of Quattro Capital Group Pty Ltd (#00176207) and holds an Australian Financial Services License (#334653) issued on 24 October 2019.
20. The Company is part of the broader Mayfair 101 Group which involves a number of corporate and trust entities, with a common director, being Mr James Mawhinney. The main activities of the Mayfair 101 Group is to raise money through various investment products to then acquire real estate in Queensland and invest into various private equity ventures, often indirectly through loans to related parties.
21. The Company's director and secretary as registered with ASIC is Mr James Mawhinney.
22. The following diagram outlines what I understand to be the structure of the Mayfair 101 Group, insofar that these entities are relevant when assessing the Company:



23. The key roles or functions of the above entities were as follows:
 - a. M101 Nominees Pty Ltd: Fund raising vehicle for M Core notes.
 - b. M101 Holdings Pty Ltd: Fund raising vehicle for the M+ Notes.
 - c. Sunseeker Holdings Pty Ltd ATF Sunseeker Trust: Holding vehicle for SPV entities that acquired real estate in Queensland.
 - d. Various Mainland Property Holding companies ATF various Mission Beach Property Trusts and Jarrah Lodge Holdings Pty Ltd ATF Jarrah Lodge Unit Trust: Each of these entities were established to own real estate acquired or to be acquired in or around Mission Beach, Queensland.

- e. Mayfair Asset Holdings Pty Ltd ATF Mission Island Trust: Holds the property at Dunk Island, Queensland.
 - f. Mayfair Group Pty Ltd: Holding entity for M101 Nominees Pty Ltd.
 - g. Online Investments Pty Ltd: I have been advised that this is a holding entity only and does not own any property or assets in its own name. However, my investigations reveal that this entity owns the Director's family home in Victoria which was purchased in 2017 for \$3.1 million.
 - h. Mayfair Wealth Partners Pty Ltd: Operating entity which undertook marketing on behalf of the Mayfair 101 Group.
 - i. Eleuthera Group Pty Ltd: Treasury entity for the Mayfair 101 Group.
 - j. Schammer Pty Ltd: 5% shareholder in Eleuthera. I have been advised by the Company that this is a third party shareholder.
24. The above group structure excludes the IPO Wealth Group that is an associated part of the Mayfair 101 Group and is subject to its own insolvency proceedings/appointments.
25. Based on my investigations to date, a timeline of the key events of the Company, and in some cases the broader Mayfair 101 Group, from incorporation up to the date of my appointment is noted below:
- a. **18 October 2019** – the Company was incorporated and immediately began raising funds from investors via internet and newspaper advertisements. The Company offered a term-based investment option and made monthly interest payments on this product to M Core noteholders;
 - b. **18 October 2019** – the Company entered into a loan agreement with Eleuthera to provide a facility of up to \$250 million at an interest rate of 8% p.a, calculated and paid monthly in arrears within 30 days of the end of each calendar month. The loan term is 10 years and it is unsecured. While the loan agreement is not clear as to the purpose and use of the funds that are to be provided by the Company, my investigations and discussions with the Director indicate that Eleuthera was used as a treasury entity, where funds were received from the Company as well as other fund raising vehicles and then transferred to other entities within the Mayfair 101 Group to make various investments;
 - c. **24 October 2019** – the Company entered into a General Security Deed with the Security Trustee, PAG Holdings (Australia) Pty Ltd ("PAG"). The role of PAG in their capacity as Security Trustee is to act on behalf of the security beneficiaries, being the holders of the M Core notes raised by the Company. PAG was provided various securities by the entities inside the dotted box at paragraph 22, although of concern and detailed further at paragraphs 41 to 43 below, the security granted to them (with the exception of Mainland Property Holdings Pty Ltd ATF the Mission Beach Property Trust) under the terms of the General Security Deeds, specifically excluded real estate property (which makes up the majority, if not all of the assets owned by the various trusts);
 - d. **November & December 2019** – PAG registered a number of securities ("AIPAPs") on the Personal Property Security Register ("PPSR") against a number of entities across the Mayfair 101 Group noting the above mentioned exclusion for real property at paragraph 1c above;
 - e. **December 2019** – various entities in the Mayfair 101 Group had previously entered into contracts to purchase a number of properties at Mission Beach in Queensland. These properties were due to settle in December 2019 and beyond, however the Mayfair 101 Group did not have sufficient funds to settle these properties as they fell due. As a result, the Mayfair 101 Group borrowed funds from a private lender Naplend Pty Limited ("Naplend") to fund the settlement of these properties.

The Naplend loan was at a rate of 24% p.a for a term of 4 months. However, it is now in default and this rate has increased closer to c. 40%.

This facility was increased on a number of occasions to meet the ongoing financial obligations of the Mayfair 101 Group on various property settlements.

As security for the funds lent to the Mayfair 101 Group, Naplend was provided a first ranking mortgage over all of the Mission Beach properties owned by the Mayfair 101 Group, excluding one property that PAG took a direct security over as discussed at paragraph 71.

The balance due on the Naplend loan as at September 2020, as advised by the Receivers of the various entities/trusts is c.\$20 million. I have been unable at this time to verify the amount owing to a current loan statement;

- f. **23 December 2019** – security provided to Naplend was registered on the PPSR in relation to the following entities; Mainland Property Holdings Pty Ltd, Mainland Property Holdings No 2 Pty Ltd, Mainland Property Holdings No 3 Pty Ltd, Mainland Property Holdings No 8 Pty Ltd and Jarrah Lodge Holdings Pty Ltd as trustee for the respective trusts at **Appendix C**;
- g. **31 December 2019** – Eleuthera ceased making interest payments due to the Company in respect of the loan facility agreement. Based on my review of the Company’s Xero records, these outstanding interest payments were accrued and are showing as accounts receivable in the Balance Sheet of the Company. I note that Eleuthera made payments to the Company after this date. I have questioned this with the Director who has not been able to provide me with an explanation for these payments at the date my report was being finalised. I can only assume the payments related to a reduction in the principle amount borrowed, which is how it has been recorded in the Company’s Xero account;
- h. **11 March 2020** – properties at Mission Beach remained unsettled and the Mayfair 101 Group had insufficient funds to settle these properties by the due date. At this time it also had insufficient funds to pay redemptions to noteholders of the Company. Accordingly, redemptions were suspended due to liquidity issues. Redemptions are requests for payment from noteholders in respect of their invested capital invested either at maturity or prior to maturity;
- i. **16 April 2020** – On the application of ASIC, the Federal Court made orders restraining entities within the Mayfair 101 Group from promoting and advertising select products, including the M Core notes offered by the Company. They also ordered a disclaimer to be included on their website and to be provided to each prospective new investor;
- j. **April 2020** – properties at Mission Beach remained unsettled and the Mayfair 101 Group were unable to advertise to seek new investors;
- k. **May/June 2020** – Distribution for June 2020 and all future distributions to M Core noteholders were suspended and interest capitalised until further notice. Distributions relate to the monthly interest amounts paid to noteholders. I note that the May 2020 distributions were paid in June 2020;
- l. **May 2020** – A deed of variation was executed with the mortgagee of Dunk Island agreeing to a revised repayment schedule and the future sale of a 10 hectare parcel of land back to the mortgagee for \$4.5 million subject to various conditions;
- m. **July 2020** – the entities in the Mayfair 101 Group failed to meet the interest payments due to Naplend;
- n. **July 2020** – instalment payments owed to the mortgagee of Dunk Island as part of the amended vendor finance facility were not made;
- o. **July 2020** – the vendors of Dunk Island who provided a vendor finance facility and consequently held a first ranking mortgage entered into possession of Dunk Island ie MIP;
- p. **2 July 2020** - Receivers appointed by Vasco as security trustee over various entities in the IPO Wealth Group. The Receivers have subsequently been appointed as Liquidators over other entities in the same IPO Wealth Group;
- q. **10 July 2020** – PAG applied to the Court regarding securities it had failed to register on the PPSR within the prescribed legal period and requested that these be backdated and registered at 30 June 2020. These securities relate to the following entities;
 - i the Company;
 - ii Mainland Property Holdings No 4 Pty Ltd (ATF the Mission Beach Property Trust No 4);
 - iii Mainland Property Holdings No 5 Pty Ltd (ATF the Mission Beach Property Trust No 5);
 - iv Mainland Property Holdings No 6 Pty Ltd (ATF the Mission Beach Property Trust No 6);
 - v Mainland Property Holdings No 7 Pty Ltd (ATF the Mission Beach Property Trust No 7);
 - vi Mainland Property Holdings No 8 Pty Ltd (ATF the Mission Beach Property Trust No 8);

- vii Mainland Property Holdings No 9 Pty Ltd (ATF the Mission Beach Property Trust No 9);
 - viii Mainland Property Holdings No 10 Pty Ltd (ATF the Mission Beach Property Trust No 10);
 - ix Mainland Property Holdings No 11 Pty Ltd (ATF the Mission Beach Property Trust No 11);
 - x Mainland Property Holdings No 12 Pty Ltd (ATF the Mission Beach Property Trust No 12); and
 - xi Jarrah Lodge Holdings Pty Ltd (ATF the Jarrah Lodge Unit Trust No. 1).
- r. **30 July 2020** – the Court granted the request from PAG (detailed at paragraph 1p) to have the security registered on the PPSR as at 30 June 2020 subject to certain conditions;
- s. **13 August 2020** – I was appointed Joint and Several Provisional Liquidator of the Company following an ASIC investigation and application to the Court;
- t. **19 August 2020** – McGrath Nicol were appointed as Joint and Several Receivers and Managers of five entities in the Mayfair 101 Group where Naplend held first ranking securities over the real estate located at Mission Beach; and
- u. **9 September 2020** – Philip Campbell Wilson and I were appointed Joint and Several Receivers and Managers over 15 entities in the Mayfair 101 Group by PAG.

Financial Statements

26. The Company did not prepare any statutory financial accounts or lodge any tax returns for FY20 as it was only incorporated in October 2019 and the first tax return has not yet fallen due. This was confirmed by the Director. However, the Company appears to have recorded all of the transactions on an accounting based software package (Xero), having reconciled the bank feeds from incorporation until my appointment on 13 August 2020.
27. I note that the Xero accounting records that were provided do not take into account any year-end adjustments that were to be made by the Company. At the date of my appointment, the Company was in the process of finalising the year-end adjustments with KPMG, who were recently engaged by the Company to assist with the preparation of formal accounts and tax returns. I have sighted a copy of the KPMG work paper with the proposed adjustments to the accounts. However, given these adjustments have been prepared by an external accounting firm and not Grant Thornton, I cannot rely upon them to make adjustments to the Xero file without spending considerable time confirming the adjustments are correct and appropriate (further noting I only received the work paper 3 business days before my report was due to Court).
28. The following statement of financial performance has been exported from the Company's Xero file for the period 18 October 2019 (incorporation) to 30 June 2020:

Profit & Loss Summary - M101 Nominees Pty Ltd

	Draft FY20 \$
Operating Income	
Interest Earned	2,639,440
Interest Paid	(1,805,632)
Gross Profit	833,807
Gross Profit Margin	32%
Expenses	
Consulting & Accounting Expenses	(93,130)
Other Expenses	(926)
Total Expenses	(94,056)
Net Operating Profit / (Loss)	739,752

Source: Company Xero File

29. I make the following comments regarding the Company's Profit and Loss summary based on my review of the transactions processed through the Xero file. I note that the financial accounts were not adequately maintained following 30 June 2020 and therefore I have not included them for the purpose of my analysis:
- The income recorded relates to interest income from Eleuthera which was either paid or accrued in the accounts. As detailed at paragraph 2, interest due on the Eleuthera facility is 8% p.a and the facility to Eleuthera was funded from funds borrowed from M Core noteholders. I note that interest amounts have accrued from December 2019 (as they were not paid) and are shown as an account receivable in the Balance Sheet.
 - The interest paid is made up of interest distributions made to noteholders. The terms of the fixed interest investment offered to M Core noteholders included monthly distributions on funds invested. On average, approximately \$190,800 in interest payments were made each month to M Core noteholders.
 - The consulting and accounting expenses shown are the Company's portion of the expenses that were reimbursed to Eleuthera. As Eleuthera operated as the main treasury entity for the Mayfair 101 Group, it attended to payment of the majority of operating expenses on behalf of the Company and the Company then reimbursed Eleuthera.
 - 'Other Expenses' are made up of; bank fees, office expenses and subscriptions.

30. Whilst the accounts record a profit of \$739,752 for FY20, I do not believe this is an accurate reflection of the financial performance of the Company for the period because the underlying income it earned was from an internal (related) source and not based on a sustainable business model. The Company would raise funds at a cost of between 2.65% p.a to 3.95% p.a and with a term of between 6 to 60 months and then on lend these funds on an unsecured 10 year basis to a related entity, Eleuthera, at 8% p.a.
31. Eleuthera would then either invest or lend those funds into illiquid or non-income producing assets. From my analysis, at no time did Eleuthera ever generate sufficient income from third parties to either meet the 8% p.a interest expense it owed to the Company or allow for any redemption requests from M Core noteholders to be satisfied.
32. Accordingly, borrowing on a short term basis and on lending on a long term basis was never a sustainable business model for the Company, only compounded by the fact the underlying investments for which the majority of M Core funds were utilised were either illiquid and/or non-income producing.
33. Furthermore, I note that the Company was in dispute with the Security Trustee regarding its purported default pursuant to clause 4.3 of the Secured Promissory Note Deed Poll. This agreement governed the arrangements between the Company as issuer of the M Core notes and the Security Trustee on behalf of the M Core noteholders.
34. The nature of this dispute relates to the non-payment of the monthly interest returns and whether the capitalisation of these interest payments constituted a default due to the non-payment by the Company. At this stage, I have not sought legal clarification on this point.
35. The following statement of financial position has been exported from the Company's Xero file:

Balance Sheet Summary – M101 Nominees Pty Ltd

	Draft 30/06/2020 \$
Current Assets	
Cash and Cash Equivalents	5,239
Trade and Other Receivables	2,517,678
Total Current Assets	2,522,917
Non-Current Assets	
Intercompany Loans	65,015,869
Total Non-Current Assets	65,015,869
Total Assets	67,538,786
Current Liabilities	
Reinvested Distributions	(635,886)
Intercompany Loans	(4,400,000)
Noteholders	(30,584,925)
Total Current Liabilities	(35,620,811)
Non-Current Liabilities	
Noteholders	(31,178,223)
Total Non-Current Liabilities	(31,178,223)
Total Liabilities	(66,799,034)
Net Assets / (Liabilities)	739,752

Source: Company Xero File

36. I provide the following comments regarding the Company's Balance Sheet following my review:
- Trade and other receivables (\$2,517,678)** represent amounts owing from Eleuthera for the monthly interest charged at 8% on borrowed funds. These amounts have accrued from December 2019 (noting other loan amounts have been paid to Eleuthera since it ceased making interest payments and been recorded in the Company's account as a repayment of the loan). Refer to paragraphs 59 and 60 for further details regarding the receivables and the likely recovery of funds from Eleuthera.
 - Intercompany asset loans (\$65,015,869)** are predominantly made up of amounts owed from Eleuthera, as well as smaller amounts due from other Mayfair 101 Group entities, being M101 Holdings

Pty Ltd (\$500,000) and the Sunseeker Trust (\$1,000,000). These amounts are discussed in more detail, including an assessment of the potential recoverability, at paragraphs 65 to 73.

- c. **Reinvested distributions (\$635,886)** are made up of distributions that were capitalised, rather than cash distributions paid to noteholders. As discussed at paragraph 1k, due to liquidity issues the Company paused paying distributions to noteholders from June 2020 onwards.
- d. **Intercompany loan liabilities (\$4,400,000)** are amounts owing to M101 Holdings Pty Ltd (\$400,000) and Online Investments Pty Ltd (\$4,000,000). These are both entities within the Mayfair 101 Group with Mr James Mawhinney as the director of both entities.

Based on my review of the Xero file, the amount owing to M101 Holdings Pty Ltd relates to funds transferred by an investor seeking to invest in the M+ product offered by M101 Holdings Pty Ltd.

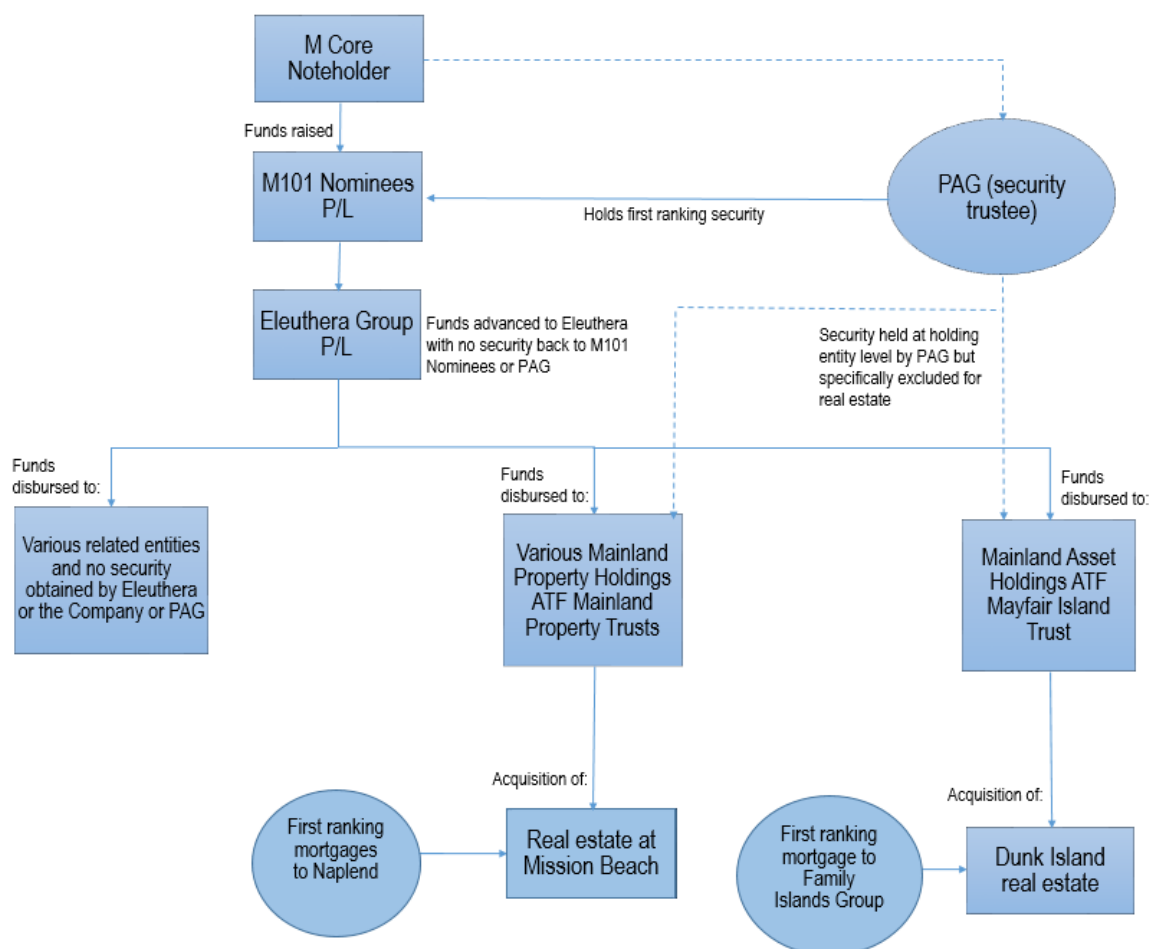
The amount received from Online Investments Pty Ltd related to a one off payment made on 30 December 2019. I have been advised that this related to funding provided by Online Investments Pty Ltd to the Company who then on lent it to Eleuthera to allow for settlement of various properties and to cover on-going expenses. It is unclear why the payment was not made directly to Eleuthera by Online Investments Pty Ltd and the Director's accounting staff have been unable to provide me with an explanation.

- e. **Amounts owing to noteholders (\$61,763,148)** are broken down into current and non-current based on how long funds were invested for and the expiry date of these debentures. However, I note that I do not agree with the classification of current and non-current liabilities. I have undertaken a review of the ageing/classification of the amounts due to noteholders and it is my view that the amount of current liabilities due in respect of M Core noteholders is actually \$57,713,148, being \$27,128,223 higher than recorded as these amounts are due within 12 months. Refer to paragraph 95 for a detailed breakdown per month of the maturity profile of M Core notes.
37. Whilst the Balance Sheet of the Company reveals a c. \$733k surplus of assets over liabilities, I believe this does not present an accurate financial position of the Company. As discussed, at paragraphs 58 and 59, the full recoverability of the loan to Eleuthera is doubtful. Accordingly, if this asset was appropriately provisioned to reflect its true recoverability value, I believe the Company's financial position would reveal a significant shortfall of assets over liabilities and consequently a significant loss in the profit and loss statement to reflect the bad debt expense.

Security Trustee

Security Held on Behalf of Noteholders

38. Despite not being an asset of the Company, given the Company's liabilities largely consist of amounts due to M Core noteholders, in my opinion it is important to give consideration to the security that has been provided to M Core noteholders via the Security Trustee (PAG) from other entities in the 101 Mayfair Group (as guarantors of the debt owed to M Core noteholders). See **Appendix C** for a full listing of these securities.
39. Based on my review of the Product Offer Document and discussions with the Director, I understand that there are three classes of potential security that can be used to secure M Core noteholder funds, being; Australian real estate, assets held by Mayfair 101 Group entities, and cash from investors. The Product Offer Document states that:
- “The M Fixed Income product is secured by a pool of assets in respect of which first-ranking, registered security interest have been granted. **The assets are otherwise unencumbered** (emphasis added), and are made up of Australian real estate, assets held by Mayfair 101 Group entities, and cash from investors held in the issuer's dedicated M Fixed Income bank account. Such cash will only be used where there is dollar-for-dollar secured asset support.”*
40. I have undertaken a review of all known security held by PAG on behalf of the M Core noteholders in accordance with the above statement.
41. While the Security Trustee held a first ranking AIPAP over 15 of the 16 trust entities on behalf of the M Core noteholders, I note that the terms of the individual General Security Deeds between each trust and PAG (with the exception of Mainland Property Holdings Pty Ltd) stated that security was given for all assets **excluding** ‘the legal and/or beneficial interest in any and all real estate held from time to time’ by the trust. Effectively, PAG had no right to take any security over the real estate assets which were purchased using the M Core noteholder funds. Given the only assets of the trusts were real estate property, it is implausible that the security provided to PAG excluded real estate assets.
42. This may create a scenario that any unsecured creditors of the trusts may also have a competing claim with that of the Security Trustee on behalf of the M Core noteholders. However, it may be feasible that following the sale of the Queensland real estate assets, any surplus that may become available after the discharge of the mortgagee's debt, will be held in cash. As a consequence, the cash / bank account would be subject to the PAG's security / AIPAP. This view remains subject to legal advice.
43. On the basis of the above, any claims the Director has made to investors or potential investors regarding M Core noteholder funds being secured may be deceptive and misleading on the basis that investor funds are not supported by first-ranking, unencumbered asset security or alternatively what security was granted, had negligible value. I have sought to illustrate this in the below diagram:



44. As the unit trusts are currently either in Receivership or the assets they own subject to a MIP appointment, I am unable at this time to provide to the Court my estimated realisable value of the assets so not to prejudice any potential sale by the Receivers and agent for the MIP. However, I have included in the following table, details provided by the Director in the Statement of Noteholder Secured Monies dated 12 June 2020 (**Appendix D**). These amounts are compared to the purchase prices for the relevant property.

Description	Notes	Purchase Price / Deposits \$	Director's Value at 12 June 2020 \$
Unit Trusts – Settled Australian Real Property (excluding Dunk Island)	a	48,351,511	50,365,011
Mayfair Island Trust - Dunk Island	b	31,500,000	31,500,000
Director's revaluation - Dunk Island			18,225,000
Fair value adjustment (Corelogic) 4% - Mission Beach	c		1,723,400
Unit Trusts – Deposits Paid, Australian Real Estate	d	6,136,949	7,420,837
Total Unit Trust Assets Held		85,988,460	109,234,248
Cash at Bank	e	942	6,956
Contractual Right (Eleuthera loan)	f	N/A	2,097,328
Less:			
- First Mortgage Facility #1 (Naplend Pty Ltd)	g	(15,000,000)	(14,270,597)
- First Mortgage Facility #2 (Family Islands Group Pty Ltd)		(20,200,000)	(15,650,000)
Potential Forefit of Deposits		(6,136,949)	
Total Value of Security Granted	(1)	44,652,453	81,417,935
Amounts owing to M Core Noteholders	(2)	(61,788,648)	(61,263,670)
Value of Security Surplus / (Shortfall)		(17,136,195)	20,154,265
Security as percentage of M Core Notes	(1 ÷ 2)	72%	133%

45. My comments regarding the table above are as follows:

- a. It is my opinion that the properties owned by these entities are overvalued for the purpose of reporting to the Security Trustee. Further, as the unit trusts are subject to Receivership and MIP proceedings, the Receivers and MIP costs in dealing with these assets will have to be met from any sale proceeds.
- b. The Director revalued the entire Dunk Island based upon a contingent sale agreement for 10 hectares of land on the island back to the mortgagee for \$4.5 million. This revaluation is not supported by an independent valuation.

It is my opinion that the Director's revaluation increase of c. \$18.2 million to \$49.7 million for Dunk Island is above the potential value that could be recovered if the Island was to be sold. The valuation I have sighted dated August 2018 included a market value of \$28.2 million.

- c. The 12 June 2020 values include a "fair value adjustment" increase of 4% made by the Company in relation to the Mission Beach properties. I believe this is not supported by an independent valuation. I have requested substantiation of this increase from the Director, however have not received any supporting documentation to date.
 - d. While these deposits have been paid, I have concern that if sufficient funds cannot be obtained to settle these properties, the deposits may be forfeited and the security value of the assets for noteholders will be lost.
 - e. The decrease in the cash at bank reflects funds that were paid out of the Company between 12 June 2020 and 13 August 2020. The balance at 13 August 2020 is a reflection of the funds held in the bank account at the time of my appointment.
 - f. This amount relates to the outstanding interest payment due to the Company from Eleuthera as at 12 June 2020. The noteholders do not hold any security over Eleuthera's assets and in reality this amount is an unsecured loan due to the Company, not funds due to noteholders.
 - g. Due to the high interest (including default interest – c.40%) being charged by Naplend the amount owing to Naplend is only going to continue to increase significantly until such a time as it is repaid in full. This is also true to a lesser extent for the Family Island Group, given their interest rate is significantly lower. As at September 2020, it is my understanding the amount due on these facilities is \$15 million (Naplend) and \$20.2 million (Family Island Group). The c. \$4.5 million variance in the amount owed to the Family Islands Group between the two columns relates to a conditional sale agreement for 10 hectares of land on Dunk Island for \$4.5 million which in the current circumstances is unlikely to proceed.
46. Based on documentation received from the Security Trustee dated 5 June 2020, I understand that there are 122 properties which have exchanged and are pending settlement. I note that deposits totalling \$7,491,337 have been paid in relation to these properties which is yet to be reconciled to the \$6.1 million shown in the table at paragraph 44. Given these properties have a total purchase price of \$108,435,423, these properties require additional funds to the value of \$100,944,086 (not taking into account any potential interest accruing) in order to complete. Without which there is a risk these deposits may be forfeited although I note in a number of instances this has been disputed and is the subject of legal proceedings between the various vendors and the purchasing entities.
47. The following table provides a summary of the properties currently owned in Queensland. The equity in the property will continue to diminish due to Receivership/realisation costs, mortgagee interest and any adverse movement in the market values.

Queensland Properties	Purchase Price \$	Amount Owed to First Mortgagee (Estimate) \$	Equity in Property \$
Vacant Land	23,598,897		
Commercial Properties	4,825,000	(15,000,000)	34,424,511
Residential Properties	21,000,614		
Dunk Island	31,500,000	(20,200,000)	11,300,000
Total	80,924,511	(35,200,000)	45,724,511

48. The total purchase prices noted above have been taken from a restructure proposal provided by the Director. I note that there is an immaterial variance from the table presented at paragraph 44. This is due to three properties being included within the Director's restructure proposal which did not appear on title searches my office carried out for the various unit trusts.

Eleuthera

Overview

49. As at the date of my appointment (13 August 2020), the Xero records for the Company show the following amounts due from Eleuthera:
- \$2,517,678 in respect of outstanding interest; and
 - \$63,539,760 in respect of outstanding principle and expenses incurred.
- (totalling \$66,057,438)
50. I note that the amount presented on the Balance Sheet of the Company as at 30 June 2020 showed a total outstanding to M Core noteholders of \$66,033,547. The difference relates to movements in the principle loan balance between these dates.

Analysis

51. I have obtained a draft Xero export of the Balance Sheet of Eleuthera as at 30 June 2020 which indicates that it has a net liability position of \$11,468,049. This full Balance Sheet is shown at **Appendix E** and a summary is shown below:

Balance Sheet Summary – Eleuthera Group Pty Ltd

	Notes	Draft 30/06/2020 \$
Current Assets		
Total Current Assets	a	1,328,542
Non-Current Assets		
Total Non-Current Assets	b	104,747,837
Total Assets		106,076,379
Current Liabilities		
Total Current Liabilities	c	(9,444,149)
Non-Current Liabilities		
Total Non-Current Liabilities	c	(108,100,279)
Total Liabilities		(117,544,428)
Net Assets / (Liabilities)	d	(11,468,049)

Source: Xero File

52. I make the following comments on the Balance Sheet summary of Eleuthera:
- Current Assets** – The current assets of Eleuthera include; cash at bank (\$15,663), accounts receivable, being interest owed from related parties (\$477,971), a security deposit for the Melbourne office (\$317,799) and an intercompany loan from the Sunseeker Trust (\$669,742).

As I do not have access to the detailed financial records of Eleuthera, it is difficult to comment on the likely recoverability of a number of these assets, such as; the accounts receivable, or loan owing from the Sunseeker Trust.
 - Non-Current Assets** – The non-current assets are made up of a number of loans to related entities within the Mayfair 101 Group and also beyond this to other entities of which Mr James Mawhinney is also a director. I do not have visibility over all entities the Director is involved with (noting he is not a director of two of the entities that have loans from Eleuthera). Accordingly, my understanding regarding the status of the relevant companies and also any potential recoveries from the companies are preliminary only.

A detailed schedule of the amounts owing from the intercompany loans is included at **Appendix F**, broken down according to Eleuthera's Balance Sheet, with a summary provided below:

Entity	Notes	Draft at 30/06/2020
Loans / Investments in relation to Mission Beach	i	48,153,635
Loans / Investments in relation to Dunk Island	ii	17,963,133
IPO Wealth Holdings Pty Ltd	iii	(11,921,022)
101 Investments Ltd	iv	31,832,377
Other	v	18,717,809
Total Non-Current Intercompany Loans		104,745,932
Other Non-Current Assets		1,905
Total Non-Current Assets		104,747,837

I make the following high-level comments (further detailed comments are contained within **Appendix F**):

- i This relates to the group of entities that hold real property at Mission Beach in Queensland and the loans made to each of these entities to assist with the acquisition of these properties. I note that there are Receivers and Managers appointed over several of these entities and as a result, it may be unlikely that these entities will be in a position to repay the debt due to Eleuthera.
 - ii These amounts relate predominantly to Mayfair Asset Holdings Pty Ltd ATF Mayfair Island Trust, which owns Dunk Island. I believe the majority of these funds were used to make part payments to acquire Dunk Island. There are currently both MIP and Receivers appointed over these entities/assets. As with paragraph 1ai above it may be unlikely these entities will be in a position to repay the debt due to Eleuthera.
 - iii This amount is a negative asset, therefore a liability owing to IPO Wealth Holdings, which is in provisional liquidation. However, from my discussions with the Receivers/Liquidators of the IPO Wealth Group, I understand the cash movements between Eleuthera and the IPO Wealth Group have netted off or close to netted off. However, as this is outside my scope, I have not undertaken any further analysis on this issue at this stage.
 - iv This entity is based in the British Virgin Islands and is an investment holding company. Due to the location and different jurisdictions, I believe there will be significant barriers to recovering these funds. I understand the key asset of 101 Investments Limited relates to a UK based technology company called Accloud Plc. This is discussed in further detail at paragraph 55.
 - v Consists of loans to other related entities in both Australia and the U.K. I do not have the financial statements of these entities to comment on the recoverability of the amount outstanding.
- c. **Current Liabilities** – Relates to amounts due from Eleuthera to other entities within the Mayfair 101 Group as detailed in **Appendix E**. This includes:
- i Accounts payable, totalling \$7,576,354 (I do not have access to the breakdown of this balance);
 - ii Borrowings totalling \$1,340,338 (I do not have access to the breakdown of this balance);
 - iii Income tax receivable of \$452, noting this is an asset recorded as a negative liability;
 - iv Superannuation payable of \$45,418;
 - v Wages Payable of \$7,454;
 - vi Tax obligations totalling \$243,184; and
 - vii Suspense balance of \$231,853.

- d. **Non-Current Liabilities** - Relates to amounts due by Eleuthera to various related entities within the Mayfair 101 Group as detailed in **Appendix E**. These key items being:
- i Amounts payable to IPO Capital Pty Ltd of \$1,409;
 - ii Amounts payable to Mayfair Wealth Partners of \$207,867;
 - iii Amounts payable to the Sunseeker Trust of \$1,499;
 - iv Amounts payable to M101 Holdings Pty Ltd of \$44,389,853 (M+ notes); and
 - v Amounts payable to the Company totalling \$63,499,650 (M Core notes) at the Balance Sheet date of 30 June 2020. I note that the Company records show that as at 30 June 2020, the amount due to the Company was \$66,033,547 million giving rise to an unexplained variance of \$2,533,897.

Source and application of funds

53. On 23 September 2020, the Director provided me with a source and application analysis of the funds into/out of the Eleuthera bank account in FY20 (**Appendix G**). The table below provides a summary of the analysis provided. Due to the late provision of this document, I have not had sufficient time to properly review it. In summary, it reveals:

Eleuthera Group Pty Ltd - Source and Application of Funds	Amount \$
Funds Received	
M101 Nominees Pty Ltd	69,177,428
Less: Funds Returned	(6,100,761)
Net Funds Received - M101 Nominees Pty Ltd	63,076,667
Net Funds Received - M101 Holdings Pty Ltd	43,775,218
Other Unreconciled Income	35,396
Total Funds Received	106,887,280
Funds Paid	
Property	62,921,183
Accloud Share Purchase	10,513,676
Other Investments	7,442,185
Operating Expenses	21,784,846
Financing Expenses	4,225,391
Total Payments	106,887,280

54. With the exception of a small unreconciled amount (c. \$35k) the only income/funding of Eleuthera in FY20 was funds from the M Core and M + noteholders. Given that interest and distributions payments to M Core and M + noteholders were funded by Eleuthera (as way of a repayment of the loan amounts advanced to it or interest payments), this suggests that the Company was effectively paying noteholders interest and distributions from other noteholder funds.
55. I make the following comments on the use of funds by Eleuthera:
- a. **Property** – Comprises of funds paid by Eleuthera as part of the purchase of Dunk Island and the various properties at Mission Beach in Queensland. I note that the amount shown do not reconcile to the table at paragraph 447 as it only shows the amounts paid from the Eleuthera bank account and does not take into account funds advanced from the first ranking secured lenders (Naplend and the Family Island Group). Notwithstanding this, there is a \$17 million variance between the equity in the real estate and the above amount. I believe \$6-7 million of this variance relates to deposits paid on uncompleted contracts, however, the remaining balance is too significant to relate solely to holding costs. This variance requires further investigation.
 - b. **Accloud Plc Share Purchase** – Relates to an investment in a UK based technology company called Accloud. This investment was made through IPO Wealth Holdings Pty Ltd, with the funds advanced

from Eleuthera for this investment as shown in the above table. As such, it does not appear on Eleuthera's Balance Sheet at **Appendix E**. In addition, I understand that there is a share agreement in place between Accloud and 101 Investments (related entity within the Mayfair 101 Group, based in the British Virgin Islands), which entitles 101 Investments to a percentage of Accloud's Revenue stream. Despite the noteholders effectively funding this investment, they do not hold any security over the investment and/or 101 Investments Pty Ltd. From my review of the historical financial statements of Accloud, it has never been profitable and has limited equity value in its Balance Sheet. At this stage, the realisable value of this investment in Accloud remains unclear. I note that the Accloud investment is discussed in detail in Dye & Co's report dated 28 May 2020 who are Receivers and Managers and Liquidators of various entities in the IPO Wealth Group.

- c. **Other Investments** – Relates to a number of other investments both within the Mayfair 101 Group and external to the Group. I note that this does not reconcile to the amount shown in the Eleuthera Balance Sheet at **Appendix E**. My initial assessment is that the variance relates to how Eleuthera recorded investments on their Balance Sheet. As an example, the source and application shows that \$402,183 was paid for an investment in Azzet. However, on the Balance Sheet of Eleuthera this is shown as an inter-company loan to Mayfair Asset Solutions Pty Ltd. I make the assumption that the actual investment would then be shown on the Balance Sheet of Mayfair Asset Solutions Pty Ltd. However, I do not have a copy of these financial statements to confirm this.
 - d. **Operating Expenses** – Accounts for c.20% of all payments made by Eleuthera in FY20. Given the operating structure of the Mayfair 101 Group (few employees and only three leased premises), it is my opinion these expenses were significant relative to the scale of the operations. I note a large amount of money was spent on google adword advertising each month. Further investigation is required in relation to this category.
 - e. **Financing Expenses** – Relates to amounts paid to both the Company and M101 Holdings in respect of interest and distribution payments, interest charged by Naplend on their facility and the financing of IPO Capital Pty Ltd.
56. I note that the source and application analysis that I have been provided with appears at a high level to reconcile to the bank statement transactions of the Company (in respect of any payments to/from the Company).
57. As I only received the source and application analysis the day prior to submitting my report to the Court, I have been unable to review in more detail the variances noted above and further investigation is required.

Conclusion on Eleuthera

58. As previously mentioned, neither of Eleuthera's two major creditor (M101 Holdings or M101 Nominees), or any other entity hold a registered security interest over the assets of Eleuthera. At the date of this report, I am not aware of any formal recovery steps being taken by any party to recover debts due by Eleuthera. Pursuant to the loan agreement I have been provided with between Eleuthera and the Company, the loan agreement amount is not due to be repaid by Eleuthera until October 2029. However, there is an obligation by Eleuthera to pay interest on a monthly basis which it can satisfy via the issues of shares in Eleuthera. However, I believe this will be problematic for Eleuthera as I believe its shares have a negligible value.
59. Based on my analysis of Eleuthera's financial position detailed at paragraphs 49 to 598, I believe any recoveries from Eleuthera are uncertain primarily due to:
- a. The majority of entities that are indebted to Eleuthera are the subject of separate insolvency proceedings in which steps are currently being taken to sell these entities' assets for the benefit of the prior ranking secured creditors;
 - b. A number of the remaining entities that are indebted to Eleuthera are based overseas and the exact nature and recoverable value of these assets are unclear, which will make recovery efforts difficult; and
 - c. The Company's entitlement to recover the funds due from Eleuthera, if any asset recoveries are made by Eleuthera, will need to be shared pro-rata with all other creditors. As at 30 June 2020, the Company made up 54% of all creditors of Eleuthera.

Value of Assets of the Company

Asset Overview

60. The Company's assets as at 30 June 2020 comprise of:
 - a. \$5,239 cash at bank;
 - b. \$66,033,547 due from Eleuthera;
 - c. \$500,000 due from M101 Holdings Pty Ltd; and
 - d. \$1,000,000 due from the Sunseeker Trust.
61. The combined book value of these assets per the Company's Balance Sheet is \$67,538,786. Each asset and the likely estimated realisable value is discussed further at paragraphs 62 to 75.

Cash at Bank

62. As at the date of my appointment, I circulated a notice to banking institutions requesting them to provide me with details of any accounts held in the Company's name and to freeze such accounts as at the date of my appointment.
63. I identified one bank account held in the name of the Company with Australia and New Zealand Banking Group ("ANZ") with a balance of \$942.05. PAG holds a first ranking security over this account on behalf of the M Core noteholders.
64. Review of the Company's Xero file indicates that this account was the only bank account held by the Company.

Eleuthera

65. As detailed at paragraphs 58 and 59, I have concerns over the ability of Eleuthera to repay the amount outstanding to the Company primarily due to:
 - a. The majority of entities that are indebted to Eleuthera being subject to separate insolvency proceedings in which steps are currently being taken to sell these entities' assets for the benefit of the secured creditors; and
 - b. A number of the remaining entities that are indebted to Eleuthera are based overseas and the exact nature and recoverable value of these assets are unclear.
66. For further detail on the financial position of Eleuthera and its ability to repay the debt due to the Company, please refer to paragraphs 51 to 59.

Intercompany Loan – M101 Holdings Pty Ltd

67. At appointment, there was an intercompany loan owing from M101 Holdings Pty Ltd for \$500,000. However, I note that there is also a corresponding liability for \$400,000, creating a net asset of \$100,000. Based on my review of the Xero file, this appears to relate to funds transferred into the Company from investors. The amounts that have been transferred out relate to investors who were seeking to invest in a different product, M+ notes (issued by M101 Holdings).
68. I have not received financial statements relating to this entity, however, believe the recoverability of this asset is negligible given the structure of the M101 Group.

Intercompany Loan – Sunseeker Trust

69. As at the date of my appointment, there was an intercompany loan amount owing from the Sunseeker Trust for \$1,000,000. I understand that this entity holds the units in a number of other trusts, including:
 - Jarrah Lodge Unit Trust No 1;
 - Mayfair Island Trust;
 - Mission Beach Property Trust;
 - Mission Beach Property Trust No 2;
 - Mission Beach Property Trust No 3;

- Mission Beach Property Trust No 6;
 - Mission Beach Property Trust No 7;
 - Mission Beach Property Trust No 8;
 - Mission Beach Property Trust No 9;
 - Mission Beach Property Trust No 10;
 - Mission Beach Property Trust No 11; and
 - Mission Beach Property Trust No 12.
70. As detailed at paragraph 44, these entities hold a number of real estate assets located in Queensland or have paid deposits for real estate assets in Queensland that are yet to settle.
71. The Company in its own capacity does not hold any direct security over the real property owned by the trusts. However, the Security Trustee does hold a first ranking mortgage over a single vacant block of land purchased for \$400k (held by Mainland Property Holdings Pty Ltd ATF the Mission Beach Property Trust).
72. I have been advised that there is no formal loan agreement between the Sunseeker Trust and the Company as the Company had been advised by their former accountant, Pinnacle, that it was not required. Given the loan provided to Sunseeker Trust was funded effectively from M Core noteholder funds I do not agree with this view and a formal loan agreement should have been established.
73. The key assets of the Sunseeker Trust are the units in the above Mission Beach trusts which are mortgaged to third party lenders. After the sale of these properties by the Receivers and MIP, it may be argued that any surplus assets/funds are captured by the Security Trustee which in turn would leave little to no assets being available to the Sunseeker Trust to repay the Company loan.

Conclusion on the value of the Company's assets

74. The table below provides a summary of my opinion as to the asset values of the Company as at 13 August 2020, noting that the Director did not provide any estimated realisable value in his ROCAP with the exception of cash at bank:

Asset	Notes	Xero Value 30/06/2020	Xero Value 13/08/2020	Provisional Liquidators Estimate	Director's ROCAP Value
Cash at Bank	a	\$5,239	\$942	\$942	\$942
Accounts Receivable – Eleuthera	b	\$2,517,678	\$2,517,678	\$0	Not provided
Intercompany Loans:					
• Eleuthera	b	\$63,515,869	\$63,539,760	\$0	Not provided
• M101 Holdings Pty Ltd	c	\$500,000	\$500,000	\$0	Not provided
• Sunseeker Trust	d	\$1,000,000	\$1,000,000	\$0	Not provided
Total		\$67,538,786	\$67,558,380	\$942	

75. I make the following comments on the estimated realisable asset values of the Company's assets:
- a. The cash at bank has been verified by ANZ.
 - b. Conservatively, I do not believe that any funds are likely to be received from Eleuthera. This is on the basis that following realisation of all the real property into cash, then repayment to PAG, Naplend and the Family Islands Group, it is unlikely Eleuthera will be able to recover loans it made to the various entities that own the real estate. The financial position of Eleuthera is discussed further at paragraphs 49 to 59. A consequential impact of this is that the M+ noteholders who advanced funds to M101 Holdings are unlikely to receive any return.
 - c. I note there is a \$400,000 loan owing to M101 Holdings Pty Ltd which has the effect of reducing this asset to \$100,000. In addition, there is no security in place over this entity which makes it potentially difficult to recover.
 - d. I requested further documentation from the Director to verify this amount and quantify any potential recoveries from this entity. However, I was advised that there was no financial statements available for this entity.

Restructure

76. On 18 September 2020, I received a draft restructure plan from the Director of the Company and its related entities which was subsequently updated on 22 September 2020. The plan is still at an early stage in its development and I have not had sufficient time to properly assess it.
77. In any event, it is predicated on the Director being able to raise sufficient funds from a third party lender to refinance Napland and also possibly the Family Islands Group. The new financier will provide a period of between 1 to 2 years to allow the Group to undertake a controlled sell down of the Mission Beach properties whilst looking for a strategic investor and partner for Dunk Island.
78. The draft plan contemplates 3 potential scenarios as follows:

Scenario	1 (Current Case)	2 (refinance case)	3 (refinance + strategic investor case)
Term	2 years	2 years	5 years
Description	Forced liquidation of all assets by lenders	Orderly sale of non core assets - strategic partner identified, Dunk Island excluded	1. Orderly asset sales to repay the new financier; and 2. Tourism development completed
Objective	Clear debt and repay lenders in preference to M Core and M + noteholders	Refinance debt at 15% interest rate and repay lenders while attracting a strategic partner	Refinance debt and repay lenders and execute the strategy to develop Dunk Island

79. As discussed above, it would be premature for me to comment on the above restructure plan given the embryonic nature of the plan and its level of conditionality linked to a successful refinance of the existing first ranking mortgagees.

Solvency Review

80. The Act's definition of solvency is at Section 95A, being that "a person is solvent if, and only if, the person is able to pay all the person's debts, as and when they become due and payable. A person who is not solvent is insolvent."
81. The two common tests of insolvency are the "Balance Sheet Test" and the "Cash Flow Test."
82. The Balance Sheet Test analyses the financial performance of a company. Generally a deficiency in assets is viewed as a failure of this test.
83. The Cash Flow Test is a more subjective test and requires more pragmatic evidence such as significantly overdue creditors, previous applications to wind up the Company, statutory demands issued by creditors and / or the inability to obtain further funding.
84. Section 95A is prima facie a cashflow test. However, for completeness in considering the solvency of the Company, I have considered both tests.

Balance Sheet Test

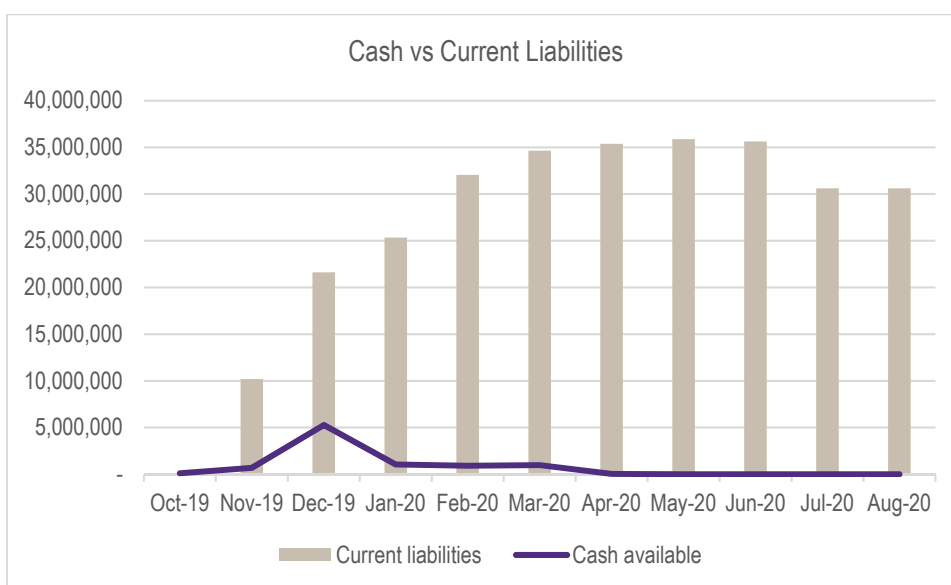
85. The current ratio is used to determine a company's ability to meet short term liabilities with its current assets. A ratio of less than one indicates an inability to meet current obligations as and when they fall due.
86. The following table shows the current ratio and net asset position from 31 October 2019 to 13 August 2020:

	31 Oct 19	30 Nov 19	31 Dec 19	31 Jan 20	29 Feb 20	31 Mar 20	30 Apr 20	31 May 20	30 Jun 20	31 Jul 20	13 Aug 20
Current Ratio	2.00	0.07	0.25	0.06	0.05	0.06	0.05	0.06	0.07	0.07	0.07
Net Asset Position (\$)	(55,528)	(90,979)	237,116	324,736	264,892	666,312	625,438	318,790	739,752	733,287	733,287

87. The above analysis indicates that from 30 November 2019, the Company held between \$0.05 and \$0.25 of current assets for every \$1 of current liabilities. This indicates that the Company lacked sufficient liquid assets to cover its obligations as they fell due. However, I note that this test alone is not a true reflection of the Company's solvency due to the timing of receipts and payments into/from the Company's bank account as a result of:
- All funds received from noteholders being advanced to Eleuthera under the terms of the facility on average within a few days of being received. Unless funds were received and held at month end (i.e. 30/31st) the cash position as at month end for Balance Sheet/ratio analysis purposes does not reflect the average cash/current asset position of the Company within the month; and
 - Eleuthera only transferred funds to the Company's bank account the day before/day payments were due to M Core noteholders. Again, unless these funds were received and held at month end then they would not show that the Company had sufficient funds to meet these payments.
88. I also note that as discussed at paragraph 95, current liabilities would increase by c. \$27.1 million to \$57 million, if M Core noteholders with a 12 month maturity profile were appropriately reclassified from non-current liabilities to current liabilities.
89. I also note that the above ratio does not reflect the deterioration in the Company's ability to make noteholder payments from June 2020 onwards. As the Company accrued the interest receivable (and not paid) from Eleuthera on the Balance Sheet as a current asset, the effect of which was an increase in the current assets at a time the current liabilities were also increasing (as payments to noteholders were not being made).
90. The above table also shows the net asset position, which increases from a net liability position shortly after incorporation to a net asset position at the time of my appointment. As detailed at paragraph 51 of the report, 98% of the Company assets comprise of a debt due from Eleuthera. Per the analysis at paragraphs 51 to 59, I have serious concerns about Eleuthera's ability to repay the debt. The effect of which would be to significantly impact the Company's net asset position (resulting in a c.\$65,324,000 net liability being reported as at 13 August 2020), if the Eleuthera loan was fully provisioned.

Cash Flow Test

91. The sales recorded within the profit and loss (exported from Xero), comprise of interest income received from Eleuthera. The interest income received was the only income of the Company. It did not have the capacity to generate any income in its own capacity as it did not hold any income generating assets in its own name. As such, the Company was heavily dependent on Eleuthera's financial capacity in order to make any redemptions or disbursements to noteholders.
92. The following chart represents the movement in the cash balance between 31 October 2019 and 13 August 2020, based on the closing monthly balance of the Company's bank account. This is compared to the current liabilities at the same date for each respective month. The current liabilities comprise of; accrued distributions owing to noteholders, an intercompany loan payable to M101 Holdings Pty Ltd, an intercompany loan payable to Online Investments Pty Ltd and the invested capital amounts of investors who had elected to invest for 6 months:



93. Based on the above graph, it is apparent that the Company did not hold sufficient cash to meet its current liabilities at any point from November 2019 onwards. This is an indicator of insolvency as the Company is unable to attend to payments as and when they fall due. This is evident by discussions with the Director who stated the Company struggled to pay redemptions or distributions in March 2020 and June 2020 respectively. This is largely due to the Company's dependency on Eleuthera for funds, and Eleuthera's inability to meet repayments (from December 2019 onwards) due to its financial commitments to the broader Mayfair 101 Group.
94. Based on my review of the Xero file, the current liabilities have not been increasing because the outstanding distributions to noteholders for June and July 2020 have not been imported into the Xero file. Therefore, I expect that the current liability position could be higher than is currently recorded in Xero.
95. Further, as detailed previously at paragraph 88, it is my opinion that the classification of current and non-current liabilities is incorrect and that non-current liabilities includes c.\$27 million due to M Core noteholders within 12 months of the Balance Sheet date and as such, this amount should be reclassified as a current liability. The effect of this classification issue is that the above current liabilities would significantly increase to c.\$57.7 million and further impact the Company's ability to meet its current liabilities with available cash resources. The table below shows the appropriate classification of the M Core noteholders between current and non-current as at 30 June 2020.

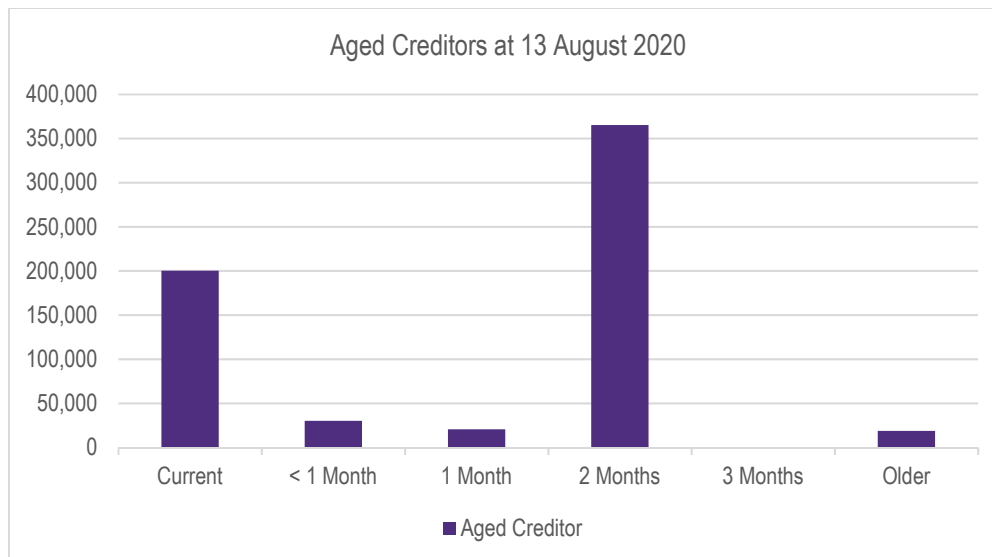
Term of M Core Notes Issued at 30 June 2020	\$
6 Months	30,584,925
12 Months	27,128,223
Current	57,713,148
24 Months	700,000
60 Months	3,350,000
Non-Current	4,050,000
Total	61,763,148

Inability to Borrow Further Funds

96. At the time of my appointment, the Company was unable to pay redemptions or distributions to noteholders due to liquidity issues. These liquidity issues extend to the broader Mayfair 101 Group.
97. The Mayfair 101 Group had placed deposits on a number of properties (presumably partly using the funds raised by the Company from M Core noteholders), however did not have sufficient funds to settle these properties as they fell due. As a result, the Mayfair 101 Group extended its facility with Naplend on several occasions to assist with funding to complete the purchases of various properties. This Naplend facility is in arrears and as such, is currently in default. Naplend has subsequently enforced its security through the appointment of Receivers and Managers.

Aged Creditors

98. Due to the nature and business structure of the Company, there were no typical trade creditors at the time of my appointment. The only creditors were the M Core noteholders who were owed outstanding distributions totalling \$634,946 based on the Xero records. These were aged as follows:



99. The above indicates that the Company had a large portion of its amounts payable outstanding to M Core noteholders for distributions at 2 months past their due date. In addition, there was a large portion currently outstanding which the Company could not pay unless it was able to source sufficient funding in the short term. Alternatively it would need to continue capitalising amounts payable to noteholders for distributions.

Special Arrangements with Creditors

100. Based on my discussions with the Director, the Company ceased paying redemptions due to liquidity issues in March 2020. Pursuant to clause 5.6 of the Secured Promissory Note Deed Poll, the Company sought to extend the "Payment Date" being the date it is required to meet/repay redemption requests due to insufficient liquidity as defined in the Deed Poll. Shortly following this in June 2020, monthly distributions were also frozen (last distribution paid related to May 2020) and any interest owing was capitalised, again due to liquidity issues.

Solvency Conclusion

101. Based upon the information presently available and reviewed by me in conjunction with my comments at paragraphs 30 to 32 regarding the sustainability of the Company's business and funding model, it is my view that the Company is insolvent and has been since inception. My conclusion is based on the following:

- a. The Company did not maintain adequate current assets to be able to meet its current liabilities as and when they fell due;
- b. As detailed throughout my report, I have concerns over the recoverability of the Company's main asset, the loan from Eleuthera. If a bad debt provision was made against this loan to accurately reflect its recoverability, which in my opinion is appropriate at this time, this would result in the Company recording a significant net liability position on the Balance Sheet;
- c. The structural impediment created by virtue of the Company having borrowed funds primarily on 6-12 month terms but advanced the majority of those funds on a 10 year facility to a related party;
- d. The cash flow analysis indicates that at no point from November 2019, did the Company hold sufficient cash to attend to the payment of its current liabilities, including attending to the distributions to noteholders;
- e. The creditors of the Company were beginning to age, with a significant portion outstanding for 2 months. The ageing will continue to deteriorate as distributions to M Core noteholders remain suspended and capitalised;
- f. Special arrangements were entered into with M Core noteholders regarding the suspended redemptions and capitalised interest due to the Company's liquidity issues;
- g. The Company has previously and as I understand, still is, trying to source additional funding to meet outstanding payments of the Mayfair 101 Group (relating to settling properties at Mission Beach). Mayfair 101 Group's inability to raise additional funds has a direct flow-on effect within the Company as it is highly dependent on intercompany funds; and
- h. The Company did not have any income-producing assets in its own right and was highly dependent on a single related entity, Eleuthera, for cash injections. In addition, Eleuthera also maintained a small cash balance and was also reliant on intercompany loans which were used to fund investments in illiquid and/or for the most part, non-income producing assets.

Estimated Return to Creditors

102. The table below details the estimated return to creditors of the Company as at 13 August 2020, being the date of my appointment. I estimate the return to creditors from the assets of the Company will be nil.
103. The analysis below does not take into account any potential return to creditors that may be available to M Core noteholders through the securities that have been granted by other entities in the wider M101 Group and held on their behalf by PAG.

Estimated Return to Creditors

	Notes	Book Value \$	ERV \$
Assets			
Cash at Bank	a	942	942
Accounts Receivable – Eleuthera	b	2,517,678	0
Intercompany Loans:			
- Eleuthera	b	63,539,760	0
- M101 Holdings Pty Ltd	c	500,000	0
- Sunseeker Trust	d	1,000,000	0
Total Available Assets		67,558,380	942
Creditor Claims			
Noteholders		61,788,648	61,788,648
Total Estimated Creditors		61,788,648	61,788,648
Surplus/(Deficiency) to Creditors		5,769,732	(61,787,706)
Estimated Return to Creditors (c/\$)		109	0

104. My comments regarding the estimated return to creditors are as follows:

- a. The cash at bank balance has been verified by ANZ and therefore is not likely to change.
- b. As detailed at paragraphs 49 to 59, I have concerns over the solvency of Eleuthera and its ability to repay the loan to the Company given the various Mayfair 101 Group entities that own real estate being subject to insolvency proceedings by the secured lenders. Further, given the Company does not have any security over the assets of Eleuthera, any potential recovery action may be difficult. For the purpose of my analysis I have assumed that there will be no recovery of the debt outstanding.
- c. I have requested additional documentation from the Director to substantiate these loan accounts and assess the likelihood of recovery. Similar to Eleuthera, to be prudent and based upon my knowledge of the Mayfair 101 Group, I have assumed that there will be no recovery from these entities.
- d. As noted at paragraphs 38 to 48, there may be recoveries available to the M Core noteholders from assets outside of the Company. However, M Core noteholders should not expect any recoveries from the assets of the Company.

Financial Records

Maintenance of Proper Books and Records

105. Pursuant to Section 286 of the Act, a company must keep written financial records that correctly record and explain its transactions, financial position and performance and enable true and fair financial statements to be prepared and audited. Failure to maintain books and records may give rise to a presumption of insolvency pursuant to Section 588E of the Act.
106. While I have been provided with access to the Xero records and other limited documents which were maintained up to the date of my appointment, I have not received supporting documentation to substantiate the key transactions of the Company, including but not limited to:
 - a. All emails of the Company, sent/received both internally and externally.
 - b. Up to date valuation for all of the properties held by the Mayfair 101 Group entities (noting some have been provided).
 - c. Most recent financial statements (including the Balance Sheet) which clearly indicate the net asset position, of the following entities:
 - i The Sunseeker Trust;
 - ii Jarrah Lodge Unit Trust; and
 - iii M101 Holdings Pty Ltd
107. While my staff and I requested documentation from the Director on a number of occasions, as detailed in the introduction of this report, to date the full books and records of the Company have not been provided.
108. In the last 5 business days I have received a large volume of records from the Director following my repeated requests during the prior month. At this stage, I am still reviewing the completeness of these records.
109. The Director advised that the accounts of the Company and a number of associated entities did not accurately reflect the true financial position and performance of the Company and associated entities. The Director has advised he has retained the services of KPMG to assist in reconciling the accounts and whilst the work of KPMG has largely been completed, their proposed amendments are yet to be posted to the financial accounts of the Company and the associated entities.
110. As a result of the above, it is not possible for me to make a determination as to whether the Company maintained proper financial records at the date of this report.

Other Information Required

111. In order for me to provide a more accurate financial position of the Company, I would require the additional information contained within **Appendix H**.

Breaches of the Corporation Act

112. As part of my review I have considered potential breaches of the Act by both the Director and the Company.

113. The table below sets out possible contraventions of the Act that are typically considered by an appointee in an external administration when investigating the affairs of a company.

Corporations Act Summary		Report Ref Breach
s.180	Failure to exercise due care and diligence	Yes
s.181	Absence of Good Faith or proper purpose	Yes
s.182	Improper use of power	Yes
s.183	Improper use of information	No
s.184	Reckless or intentional breach of duty	Yes
s.286/344	Failure to maintain adequate books and records	No *
s.471A	Unauthorised exercise of power after winding up	Yes
s.588G	Trading whilst insolvent	Yes
s. 588FDB	Creditor Defeating Disposition	No
s.590	Offences by officers or employees of certain companies	Yes
s.596AB	Entering into agreements/transactions to avoid employee entitlements	No

* Subject to my comments at paragraph 131.

114. In addition to the above, I have also considered other potential contraventions of the Act by the Director and/or the Company, being:

- a. Section 912A (1)(A) of the Act – financial services covered by a licensee are provided efficiently, honestly and fairly; and
- b. Section 1041H of the Act – misleading or deceptive conduct.

115. I emphasise that my findings at paragraphs 115 to 161 relate solely to Mr James Mawhinney in his capacity as director of the Company only and do not include any acts or dealings of Mr Mawhinney in his capacity as director of other related entities of the Company. However, as part of my review into the affairs of the Company, I have concerns over the Director's acts and dealings in related entities, which have had an impact (either directly or indirectly) on the Company and the noteholders, including but not limited to:

- a. Entering into a loan with Naplend (at an initial interest rate of 24% p.a increasing to over 40% p.a now the loan is in default) in his capacity as director of various Mainland Property Holdings entities, Jarrah Lodge Holdings Pty Ltd and Mayfair Group Pty Ltd on unfavourable terms. The effect of this was to significantly diminish the equity available to noteholders/PAG by providing Naplend with a first-ranking mortgage over all the various real property assets located in Mission Beach and owned by the trusts (refer to paragraphs 44 and 45);
- b. Not taking appropriate steps to ensure that the Mayfair 101 Group entities had sufficient assets available to meet their liabilities as and when they fell due. As an example, the Director advised that the entities entered into the loan agreement with Naplend (discussed above), as the Mayfair 101 Group had insufficient cash resources to meet upcoming settlements of properties. The facility with Naplend was viewed by the Director as a bridging loan to allow further fundraising activities to take place to secure additional investor funds to allow settlement of properties and repay the Naplend loan;
- c. Failing to ensure appropriate first ranking mortgages were issued to PAG over the individual real estate assets purchased by the various trusts to the detriment of the M Core noteholders. As

discussed at paragraph 3, the AIPAP charges provided to the Security Trustee specifically excluded real estate as part of the collateral;

- d. For the purpose of reporting to the Security Trustee and effectively the M Core noteholders, revaluing the Dunk Island asset by c.\$18.2 million based upon a contingent sale agreement regarding the sale of 10 hectares back to the Family Island Group for \$4.5 million. No formal independent valuation was carried out to support this revaluation;
- e. Transferring funds between entities in the Mayfair 101 Group in circumstances where it does not appear due care or consideration was given as to that entity's ability to repay the loan. As an example, Eleuthera was provided with loans totalling \$63.5 million by the Company in circumstances where I do not believe it has the capacity to repay these loans;
- f. Providing loans to family members from Mayfair 101 Group's funds. As an example, I note that the Balance Sheet of Eleuthera that formed part of the exhibits to an ASIC affidavit showed that a loan of \$100,000 was provided to Inga Tamminga, the Director's sister. This loan was not contained within the updated Balance Sheet provided to me by the Director following my appointment; and
- g. Using funds advanced from the Company (and other related entities) to Eleuthera for the Director's personal expenses and incurring high corporate expenses during a time when cash resources were limited. I have been provided with a copy of the bank statements of Eleuthera and note that:
 - i There are a significant amount of transactions which appear to be personal expenses of the Director and/or related parties. Examples include: Ubereats, Myer, Woolworths; and
 - ii During the period 1 January 2020 to 31 March 2020 c. \$85k of travel expenses were incurred which appear to relate to business class airfares and five star hotels.

116. In addition, I have reviewed a number of transactions within the bank accounts of the Company, the Director and Eleuthera which require further investigations, including:

- a. Deposits totalling \$715,000 between the period 15 January 2019 to 12 March 2020 in the Director's personal bank account. I believe these have been paid to the Director by entities within the Mayfair 101 Group or IPO Wealth Group. The Director has advised that these amounts were in the form of wages and notwithstanding, the deposits were for large round sums (e.g. \$100,000) and that these amounts have subsequently been reinvested into the Mayfair 101 Group. I have not had an opportunity to verify this comment; and
- b. Advances to the Director's partner, Bridgette Panetta, which were used to acquire two properties in Mission Beach in the name of an entity outside of the M101 Group in September 2019. The Director has advised that these properties were subsequently mortgaged with the NAB and the funds raised from the NAB were repaid to the M101 Group which partially off-set these advances. I have not had an opportunity to verify this comment.

Section 180 – Failure to exercise due care and diligence

117. Section 180 of the Act states a director or other officer of a corporation must exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise if they were in the same position.

118. Based upon the information available to me at the date of this report, it is my opinion that the Director may have been in breach of Section 180 of the Act as a result of:

- a. Failing to advise unsophisticated investors of the risks of the products being offered (*Cassimastis v Australian Securities and Investment Commission*). Whilst M Core noteholders typically met the legal definition of a 'sophisticated investor', their characteristics frequently were more reflective of a retail investor. I have reviewed evidence gathered by ASIC as part of their investigations in which investors advised they were misled into thinking the product offered by the Company was similar to that of bank term deposits and had no risks. In reality, the funds invested into the Company were advanced to a related entity of the Company (unsecured) on terms which put investor funds at significant risk.
- b. Not ensuring that M Core noteholders were given security over the assets their funds were used to purchase. I note that M Core noteholders were advised in the FAQ of the information booklet for the product that they would be provided with 'first ranking, registered security' and 'the assets are

otherwise unencumbered'. However, the General Security Deed between the trusts and PAG state that the AllPAP provided to PAG on behalf of the M Core noteholders excluded real estate assets (noting this is the only asset type held by the trusts). Furthermore, the assets were clearly not "unencumbered" as mortgages were held by Naplend and the Family Islands Group over the real estate.

- c. Despite paragraph 118.b above, failing to ensure that a number of AllPAPs were registered by PAG on the PPSR within the prescribed period. As discussed at paragraph 1b, PAG failed to correctly register a number of AllPAPs pursuant to Section 588FL of the Act and as such had to apply to the Court for rectification orders.
- d. Failure to ensure that the appropriate security was taken out to protect the Company's interest in the loan provided to Eleuthera. Given the significant sums advanced to Eleuthera it would be appropriate for the loan to be a secured loan and the security registered on the PPSR. I note that no related or third party holds any security over the assets of Eleuthera.
- e. Continuing to advance further funds to Eleuthera in 2020 under the terms of the facility at a time when Eleuthera was not meeting its interest payment obligations.
- f. Paying redemptions of noteholders from other noteholder investments. I note that on 15 January 2020 the Company's bank balance was \$12,943.76. In the period from 15 January 2020 to 21 January 2020 the Company received \$152,174 from noteholders and \$590,000 from Eleuthera. Also during the period, \$700,000 was paid in redemptions and \$50,000 paid to Eleuthera leaving a balance as at 21 January 2020 of \$4,552.92. As such, c. \$160,000 of investor funds was used to meet redemption payments during this time. I expect that this issue would have been further exacerbated, had it not been for the high volume of cash transfers between the Company and Eleuthera. That is:
 - i The Company raised funds from M Core noteholders which it advanced as a loan to Eleuthera via funds transfer;
 - ii Whenever the Company had to make a repayment or distribution to M Core noteholders, it relied on a repayment (funds transfer) back from Eleuthera to fund such payment; and
 - iii Given Eleuthera was not generating any external income, I believe that the funds used to pay M Core noteholders were either sourced from their original funds or those of M+ noteholders mixed into the Eleuthera bank account.

Section 181 - Absence of good faith or proper purpose

119. Section 180 of the Act states a director or other officer of a corporation must exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.
120. Based upon the information available to me at the date of this report, it is my opinion that the Director may have been in breach of Section 181 of the Act as a result of:
 - a. Entering into the loan agreement with Eleuthera with no security or ability to enforce in the event of non-payment, to the detriment of the Company as discussed at paragraph 118.d above; and
 - b. Continuing to advance further funds to Eleuthera during 2020 where it would have become apparent to a 'reasonable person' the ability to recover any such further advances would be limited as discussed at paragraph 118.e above.

Section 182 – Improper use of position

121. Section 182 of the Act states a director, secretary, other officer or employee of a corporation must not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation.
122. Based upon the information available to me at the date of this report, it is my opinion that the Director may have been in breach of Section 182 of the Act as a result of:
 - a. Entering into the loan agreement with Eleuthera with no security or ability to enforce in the event of non-payment, to the detriment of the Company as discussed at paragraph 118.d above; and

- b. Continuing to advance further funds to Eleuthera during 2020 where it would have become apparent to a 'reasonable person' the ability to recover any such further advances would be limited as discussed at paragraph 118.e above.

Section 183 – Improper use of Information

- 123. Section 183 of the Act states a person who obtains information because they are, or have been, a director or other officer or employee of a corporation must not improperly use the information to gain an advantage for themselves or someone else or cause detriment to the corporation.
- 124. Based upon the information available to me at the date of this report, I am not aware of the Director being in breach of Section 183 of the Act. My finding relates solely to the Director in his capacity as director of the Company only.

Section 184 – Reckless or intentional breach of duty

- 125. Section 184 of the Act states a director or other officer of a corporation commits an offence if they are reckless or are intentionally dishonest and fail to exercise their powers and discharge their duties in good faith in the best interests of the corporation or for a proper purpose.
- 126. Based upon the information available to me at the date of this report, it is my opinion that the Director may have been in breach of Section 184 of the Act as a result of:
 - a. Entering into the loan agreement with Eleuthera with no security or ability to enforce in the event of non-payment, to the detriment of the Company as discussed at paragraph 118.d above; and
 - b. Continuing to advance further funds to Eleuthera during 2020 where it would have become apparent to a 'reasonable person' the ability to recover any such further advances would be limited as discussed at paragraph 118.e above.

Section 286/344 – Failure to maintain adequate books and records

- 127. Section 344 of the Act states a director contravenes this section if they fail to take reasonable steps to comply with, or to secure compliance with, Part 2M.2 (Financial Records) or 2M.3 (Financial Reporting) of the Act.
- 128. Section 286 of the Act stipulates a company must keep written financial records of the company and ASIC may direct a company to produce these records.
- 129. Pursuant to the Court Order, I was given the power to take control of all books, records, computer records and any other papers or records relating thereto of the Company.
- 130. Since the date of my appointment, I have issued correspondence to the Director, the Company's accountant and solicitor and the Security Trustee requesting all books and records of the Company be delivered to me.
- 131. I have received a number of records from the parties, however I have not been provided with all records, namely the following books and records from the Director:
 - a. All emails of the Company, sent/received both internally and externally.
 - b. Up to date valuation for all of the properties held by the Mayfair 101 Group entities (noting some have been provided).
 - c. Most recent financial statements (including the Balance Sheet) which clearly indicate the net asset position, of the following entities:
 - i The Sunseeker Trust;
 - ii Jarrah Lodge Unit Trust; and
 - iii M101 Holdings Pty Ltd
- 132. As I am not in possession of all records of the Company, I am unable to determine whether the Director has failed to maintain adequate financial records.

Section 471A – Unauthorised exercise of an officer after winding up

133. Section 474A of the Act states that whilst a company is being wound up by the Court, a person cannot perform or exercise, and must not purport to perform or exercise, a function or power as an officer of the Company.
134. On 14 August 2020, I had a call with the Director in which I advised of my appointment and that his powers were now suspended as a result of the appointment.
135. On the evening of 14 August 2020, my office became aware of a press release by the Director on behalf of the Company in which the ASIC investigation and my appointment was addressed. I did not authorise this press release. It is unclear if this press release was made prior to or after my initial call.
136. On 17 August 2020 I sent an email to the Director advising that I was aware of the press release and that as discussed on the teleconference on 14 August 2020 his powers as director were suspended and for the avoidance of doubt the only permitted material that could be issued by the Company must come from the Provisional Liquidator's office.
137. Further, on 17 August 2020 I issued formal correspondence to the Director advising of my appointment and noting that his powers were suspended under Section 198G of the Act and that he must not "perform or exercise functions or powers without written approval of the Liquidator or as permitted by the Court."
138. On 31 August 2020, my office received an email from a creditor (M Core noteholder), in which an email chain showed that the Company had been continuing to liaise with creditors throughout the period of my appointment.
139. On 3 September 2020, I became aware that the Company had sent monthly statements to M Core noteholders of the Company on the same day.
140. On 9 September 2020, I again emailed the Director reminding him that all correspondence as it relates to the Company must come from my office.
141. It is my view that the Director has been in breach of Section 474A of the Act as a result of the above actions taken by him and the Company under his direction.

Section 588G – Trading whilst insolvent

142. Section 588G of the Act states that it is the director's duty to prevent insolvent trading. A person commits an offence if:
 - a. A company incurs a debt at a particular time; and
 - b. At that time, a person is a director of the company; and
 - c. The company is insolvent at that time, or becomes insolvent by incurring that debt, or by incurring at that time debts including that debt; and
 - d. The person suspected or there was reasonable grounds to suspect at the time when the company incurred the debt that the company was insolvent or would become insolvent as a result of incurring that debt or other debts.
143. Paragraphs 80 to 101 of this report outline my investigations into the solvency of the Company.
144. It is my opinion the Company has been trading insolvent since incorporation on the basis that it did not have a sustainable business model. Noteholders were investing predominantly for periods of 6 or 12 months, however the loan agreement with the related entity, Eleuthera (which the Company was advancing funds to) had a maturity term of 10 years. On this basis, the funds forwarded to Eleuthera were not due back to the Company for 10 years, meaning the Company would not have adequate funds to repay M Core noteholders as their debentures matured or fell due.
145. This conclusion is evidenced by the analysis at paragraphs 92 to which shows that at no time over the period since incorporation did the Company have sufficient current assets to discharge its current liabilities. However, I note that pursuant to various Federal Government relief packages to support businesses during the current Covid 19 health crises, the Corporations Act has been amended to provide directors a moratorium for liability for trading whilst insolvent from 25 March 2020 to 31 December 2020.

Section 588FDB – Creditor-Defeating Disposition

146. Section 588FDB of the Act states that disposition of property of a company is a Creditor-Defeating Disposition if:
- a. the consideration payable to the company for the disposition was less than the lesser of the following at the time the relevant agreement for the disposition was made or, if there was no such agreement, at the time of the disposition:
 - i the market value of the property; or
 - ii the best price that was reasonably obtainable for the property, having regard to the circumstances existing at that time; and
 - b. the disposition has the effect of:
 - i preventing the property from becoming available for the benefit of the company's creditors in the winding-up of the company; or
 - ii hindering, or significantly delaying, the process of making the property available for the benefit of the company's creditors in the winding-up of the company.
147. I am not aware as part of my investigations, including undertaking the appropriate searches, of the Company having owned any property. The Company's primary asset is and has always been the loan to Eleuthera. For this reason, I am not aware of there being a breach of Section 588FDB of the Act. My finding relates solely to the Director in his capacity as director of the Company only.
148. I am aware of several transactions for the purchase of properties in Mission Beach by related entities to the Director (referred to in paragraph 116.b. These entities appear outside of the M101 Group and do not appear to be covered by the Naplend mortgages or PAG security. My investigations are currently continuing in relation to these transactions.

Section 590 – Offences by officers or employees of certain companies

149. Section 590 of the Act outlines offences by officers of certain companies including non-disclosure of information and non-deliverance of company property and records.
150. During the course of my appointment, the Director has been slow in delivering the records of the Company to me as and when requested.
151. On 17 August 2020, I wrote to the Director requesting the completion of the ASIC ROCAP. Despite the ROCAP being due within 10 business days of being requested, pursuant to Section 475 of the Act, a copy was only received from the Director on 20 September 2020, after several reminders (31 August 2020, 4 September 2020 and 10 September 2020).
152. Furthermore, as part of the initial notification to the Director on 17 August 2020, I attached a formal notice pursuant to 530B (4) of the Act requesting that all books and records within his possession be delivered to my office within 5 business days. Despite numerous follow-up emails and calls (18 August 2020, 20 August 2020, 21 August 2020, 31 August 2020, 4 September 2020, 9 September 2020 and 10 September 2020), to date I am still to receive a number of key books and records, as detailed at paragraph 106.
153. Based on the above, there is sufficient evidence available to show the Director failed to deliver the Company's property and records.

Section 596AB – Entering into agreements or transactions to avoid employee entitlements

154. Section 596AB of the Act states a person must not enter into a relevant agreement or a transaction with the intention of, or with intentions that include the intention of preventing the recovery of the entitlements of employees of a company or significantly reducing the amount of the entitlements of employees of a company that can be recovered.
155. It is my understanding that the Company did not have any employees. There are no employee entitlements accruing on the Company's Balance Sheet or employee expenses in the Profit and Loss.
156. On this basis there is no evidence to suggest the Director, other officer or employee of the Company entered into agreements or transactions to avoid employee entitlements.

Section 1041H of the Act –misleading or deceptive conduct.

157. Section 1041H of the Act states that a person must not engage in conduct, in relation to a financial product or a financial service, that is misleading or deceptive or is likely to mislead or deceive.
158. As part of my investigations I have reviewed the product brochure provided to noteholders by the Company and Statement of Noteholder Secured Monies provided to PAG. In taking into account the activities of the Company and the use of noteholders funds (the loan to Eleuthera) as detailed in this report, it is my view that the Director was in breach of Section 1041H of the Act for the following reasons:
- a. The product brochure states in the FAQ section that a key feature of the product is that it is supported by ‘first ranking, registered security’ and ‘the assets are otherwise unencumbered’ on a dollar for dollar basis. My investigations show that neither the Company, nor Security Trustee held ‘first-ranking security’ over any assets of substantive value. First ranking mortgages were issued to Family Islands Group and Naplend over various properties rendering the statement that ‘the assets are otherwise unencumbered’ false;
 - b. I have reviewed witness statements and affidavits prepared as part of the ASIC investigations and note that some of these investors disclosed to the Company that they were in the market for a term deposit and had come across the product while searching for a term deposit. It was disclosed that they only sought to invest for a short period and did not have an appetite for risk. They were assured by the Company that it was a term deposit product with no risk. During these discussions, the investor was not made aware that there was a chance they may lose their money, nor that the Company had the right to suspend redemptions or capitalise interest; and
 - c. The Company placed google adverts advertising the M Core notes which resulted in the Mayfair 101 Group’s webpage being the first web link when potential investors searched for ‘term deposits’. I believe that these advertisements were aimed at investors such as the above, who were unable to distinguish between the product they were sold and an ordinary term deposit which they had searched for.

Section 912A (1)(A) of the Act – financial services covered by a licensee

159. Section 912A (1)(A) of the Act states a financial services licensee must do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly.
160. The Company operates as an authorised representative of Quattro Capital Group Pty Ltd (#00176207) and holds an Australian Financial Services License (#334653) issued on 24 October 2019.
161. For the reasons outlined at paragraphs 114 to 157 above, it is my finding that the Company did not act honestly and fairly.

Conclusion

162. This report contains my preliminary findings. Given I have not had access to the entirety of the records of the Company or those of related entities, it is likely with further time and greater access to information, additional matters may come to my attention that would be relevant for the Court's consideration.
163. Taking into account the above and as detailed in this report, I conclude at this point in time:
- a. The realisable value of the Company's assets is negligible and insufficient to pay M Core noteholders back their investment. This is largely due to the financial viability of Eleuthera and its potential inability to repay the outstanding loan of c.\$63.5 million to the Company;
 - b. The security provided to PAG on behalf of the M Core noteholders holds little value as it specifically excludes real estate assets which is the only tangible asset held by the Mayfair 101 Group entities/trust. In any event, I note that the entities that provided security to the Company are subject to current insolvency proceedings in which their assets are being sold for the benefit of their first ranking mortgagees (Naplend and Family Island Trust);
 - c. The Company has been trading insolvent since inception by virtue of its unsustainable business model (taking funds from investors on a short-term basis and on-lending to a related party entity on a 10 year term) and it is my opinion that it is unlikely to ever return to a position of solvency;
 - d. In a winding up scenario, it is my opinion that M Core noteholders would not receive a dividend from the Company; and
 - e. The director and the Company have continuously been in breach of numbers sections of the Act since the Company was incorporated.

Yours faithfully

Said Jahani

Joint and Several Provisional Liquidator

Appendix A – Court Order



Federal Court of Australia
District Registry: Victoria
Division: General

No: VID524/2020

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION
Plaintiff

M101 NOMINEES PTY LTD and others named in the schedule
Defendants

ORDER

JUDGE: JUSTICE ANDERSON

DATE OF ORDER: 13 August 2020

WHERE MADE: Melbourne

THE COURT ORDERS THAT:

1. Pursuant to section 472(2) of the *Corporations Act 2001 (Act)*, Said Jahani and Philip Campbell-Wilson of Grant Thornton (**the Provisional Liquidators**) be appointed as joint and several provisional liquidators of the First Defendant.
2. The Provisional Liquidators shall, within 42 days of this Order, provide to the Court and to the parties, a report as to the provisional liquidation of the First Defendant (**Report**), including:
 - a. the identification of the assets and liabilities of the First Defendant;
 - b. an opinion as to the solvency of the First Defendant;
 - c. an opinion as to the value of the assets of the First Defendant;
 - d. an opinion as to the likely return to creditors, if the First Defendant is wound up;
 - e. an opinion as to whether the First Defendant has proper financial records;



- f. any other information necessary to enable the financial position of the First Defendant to be assessed;
 - g. any suspected contraventions of the Act by the First Defendant; and
 - h. any suspected contraventions of the Act by the director of the First Defendant.
3. The Plaintiff is to provide to the Provisional Liquidators copies of:
- a. all books and records in the Plaintiff's possession that the Plaintiff considers relevant to the Provisional Liquidators' Report; and
 - b. the affidavit of Dayle Buckley affirmed 5 August 2020 and filed in this proceeding.
4. The First Defendant and Second Defendant are to cooperate and provide all reasonable assistance required of them by the Provisional Liquidators, including making available to the Provisional Liquidators all books and records of the First Defendant.
5. Pursuant to sections 1101B(5) and 1324(4) of the Act and/or section 23 of the *Federal Court of Australia Act 1976* (Cth) (**FCA Act**), until further order, the Second Defendant, by himself, his servants, agents, employees and any company of which he is an officer or member, is restrained from:
- a. receiving or soliciting funds in connection with any financial product (as defined in Division 3 of Chapter 7 and section 9 of the Act (**Financial Product**)), including but not limited to products known as the M Core Fixed Income Notes, M+ Fixed Income Notes and Australian Property Bonds;
 - b. advertising, promoting or marketing any Financial Product, including but not limited to products known as the M Core Fixed Income Notes, M+ Fixed Income Notes and Australian Property Bonds; and
 - c. removing or transferring from Australia any assets acquired directly or indirectly with funds received in connection with any Financial Product, including but not



limited to products known as the M Core Fixed Income Notes, M+ Fixed Income Notes and Australian Property Bonds.

6. Pursuant to sections 1323(1) and 1323(3) of the Act and/or section 23 of the FCA Act, until further order, the Third Defendant, by itself and its servants, agents and employees, is restrained from:

a. selling, charging, mortgaging or otherwise dealing with, disposing of and/or diminishing the value of the units in the following trusts (**Units**):

- i. Mayfair Island Trust
- ii. Mission Beach Property Trust
- iii. Mission Beach Property Trust No 2
- iv. Mission Beach Property Trust No 3
- v. Mission Beach Property Trust No 4
- vi. Mission Beach Property Trust No 5
- vii. Mission Beach Property Trust No 6
- viii. Mission Beach Property Trust No 7
- ix. Mission Beach Property Trust No 8
- x. Mission Beach Property Trust No 9
- xi. Mission Beach Property Trust No 10
- xii. Mission Beach Property Trust No 11
- xiii. Mission Beach Property Trust No 12
- xiv. Jarrah Lodge Unit Trust No 1; and



- b. causing or permitting the Units to be sold, charged, mortgaged or otherwise dealt with, disposed of, or diminished in value.
7. Pursuant to sections 1323(1)(k) and 1323(3) of the Act, until further order, the Second Defendant is restrained from leaving or attempting to leave Australia.
8. Service of the Originating Process and supporting affidavit is dispensed with.
9. Service of:
 - a. this Order; and
 - b. the Originating Process; and
 - c. the affidavit of Ms Dayle Buckley affirmed 5 August 2020, and the exhibits/annexures to it; and
 - d. the Plaintiff's submissions dated 11 August 2020,be effected on the Defendants as soon as possible.
10. The Plaintiff has leave to give to:
 - a. the relevant authorities that record, control and regulate the ownership of real property;
 - b. the relevant authorities that record, control and regulate the ownership of motor vehicles;
 - c. the relevant authorities that record, control and regulate the ownership of maritime vessels and craft;
 - d. any bank, building society or other financial institution through which, to the best of the Plaintiff's belief, any of the Defendants operates any account;
 - e. any other person or entity, holding or controlling property, which, to the best of the Plaintiff's belief, belongs to any of the Defendants; and
 - f. the relevant authorities that issue and control of passports,



notice of these orders, by delivering a copy of this Order to a person apparently in the employ of that entity or person.

11. The matter be listed for case management before Anderson J at 10 a.m. on 20 August 2020.
12. Liberty to apply.
13. Costs reserved.

Date that entry is stamped: 13 August 2020

Sia Lagos
Registrar



Schedule

No: VID524/2020

Federal Court of Australia
District Registry: Victoria
Division: General

Second Defendant JAMES PETER MAWHINNEY
Third Defendant SUNSEEKER HOLDINGS PTY LTD

Appendix B – Schedule of documentation received

James Mawhinney / Mayfair 101 Group

Application details and supporting documentation of M Core Investors

Register of M Core Investors and Workpapers

Access to M101 Nominees Pty Ltd's Xero file

Draft Proposal for the Restructure of the Mayfair 101 Group & assumptions

Schedule detailing Property at Mission Beach as at 16 September 2020

Advice received regarding M Core Notes

Loan Agreement between Eleuthera Group Pty Ltd and M101 Nominees Pty Ltd

Brief to Counsel regarding Promissory Notes

Barrister Advice regarding Promissory Notes

Bank Statements of Eleuthera Group Pty Ltd

Incorporation documents for various entities within the Mayfair 101 Group, including Constitutions and various Deeds

Second Amending Deed with Naplend Pty Limited ATF the Naplend No. 13 Trust

Valuation for various properties held at or around Mission Beach, Queensland

Personal Details of James Mawhinney, including Asset & Liabilities Statement dated 21 February 2020

Identity Declaration and Authorisation to perform Credit Check for a number of entities within the Mayfair 101 Group

Insurance policies for various properties held at or around Mission Beach, Queensland

Various deeds relating to the security provided to the Security Trustee

Investor Presentation Material

Rates Searches for various properties at Mission Beach

Valuation for Dunk Island

Contract for Purchase of Dunk Island

Various Property Listings

Financial Model for Mission Beach & Budget for Mayfair 101 Group

Investor Distribution Statements

Statement of Noteholder Secured Monies at 12 June 2020

Source and Application of Funds regarding Eleuthera Group Pty Ltd

Background Memo regarding the Security Trustee, including Attachments

Deed of Variation regarding Dunk Island

KPMG Workpaper with adjustments

Draft Balance Sheet of Eleuthera Group Pty Ltd at 30 June 2020

Financial Accounts for select entities within the Mayfair 101 Group

Term Sheet Dated 22 September 2020 to refinance existing loan

ASIC

Order made by Justice Anderson dated 13 August 2020

Affidavit of Dayle Buckley (5 August 2020) and Annexures

Affidavit of James Mawhinney (5 August 2020) and Annexures

Order made by Justice Robson dated 12 August 2020

Originating Process in the Matter of M101 Nominees and Others

ASIC Outline Submissions dated 11 August 2020

Affidavit of Lisa Saunders (20 August 2020) and Annexures

Affidavit of Jason Tracy (14 August 2020) and Annexures (SEALED)

Affidavit of Richard McMahon (12 August 2020) (SEALED)

Affidavit of John Booth (22 July 2020) and Annexures (SEALED)

Affidavit of Kerrie Campbell (21 August 2020) and Annexures (SEALED)

Letter and Affidavit from Theo Wiggill (30 July 2020) (SEALED)

Email and Affidavit from John Donald (5 August 2020) (SEALED)

Outline of Anticipated Evidence - Jamie Asher (SEALED)

Outline of Anticipated Evidence - Robert Charadia (SEALED)

Outline of Anticipated Evidence - Scott Nye (SEALED)

Affidavit of Dayle Buckley (16 September 2020) and Annexures

Various Outlines of Submission

Hall & Wilcox

Security and Mortgage Documents relating to the Mayfair 101 Group

Statement of Noteholder Secured Monies, dated 12 June 2020

Letters and email correspondence between PAG and Mayfair 101 Group / James Mawhinney

Various schedules and memorandums

Appendix C – PAG Security Overview

No	Grantor	Security	Secured Property
1	Mainland Property Holdings Pty Ltd (ACN 635 667 435) (as trustee of the Mission Beach Property Trust) (ABN 83 263 178 124)	Registered mortgage dated 19 December 2019 granted by Mainland Property Holdings Pty Ltd (ACN 635 667 435) (as trustee of the Mission Beach Property Trust (ABN 83 263 178 124) in respect of the land described as Lot 999 on Registered Plan SP184862 of title reference number 50766446 and known as Lot 999 Seaview Street, Mission Beach QLD 5660 registered in the Queensland Land Registry on 3 January 2020 with registration dealing number 719828738	The land described as Lot 999 on Registered Plan SP184862 of title reference number 50766446 and known as Lot 999 Seaview Street, Mission Beach QLD 5660
2	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 14 November 2019 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration numbers 201911260067857 and 201912110038739)	All units which the Grantor holds from time to time in the Mayfair Island Trust (ABN 27 523 450 372)
3	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 November 2019 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 201912090000061)	All units which the Grantor holds from time to time in the Mission Beach Property Trust (ABN 83 263 178 124)
4	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding units in a Trust dated 29 November 2019 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 201912090000088)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 2 (ABN 12 439 863 154)
5	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 November 2019 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 201912090000100)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 3 (ABN 34 568 905 212)
6	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230025973)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 4 (ABN 74 249 430 364)
7	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026053)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 5 (ABN 77 383 091 917)
8	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 4 May 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026105)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 6 (ABN 61 551 935 497)
9	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026200)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 7 (ABN 90 978 996 027)
10	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 21 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026271)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 8 (ABN 21 382 330 973)

11	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026318)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 9 (ABN 85 833 117 088)
12	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026356)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 10 (ABN 89 903 118 700)
13	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026409)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 11 (ABN 79 473 707 884)
14	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026534)	All units which the Grantor holds from time to time in the Mission Beach Property Trust No 12 (ABN 42 900 768 414)
15	Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776)	Specific Security Deed Poll regarding Units in a Unit Trust dated 29 April 2020 executed by Sunseeker Holdings Pty Ltd (ACN 632 076 469) (as trustee for The Sunseeker Trust) (ABN 24 720 418 776) (registered on the Personal Property Security Register with registration number 202004230026665)	All units which the Grantor holds from time to time in the Jarrah Lodge Unit Trust No.1 (ABN 37 497 655 427)
16	Mayfair Asset Holdings Pty Ltd (ACN 635 571 596) (as trustee for The Mayfair Island Trust) (ABN 27 523 450 372)	General Security Deed Poll dated 14 November 2019 executed by Mayfair Asset Holdings Pty Ltd (ACN 635 571 596) (as trustee for The Mayfair Island Trust) (ABN 27 523 450 372) (registered on the Personal Property Security Register with registration number 201911150037539)	All of the property the subject of the Security
17	Mainland Property Holdings Pty Ltd (ACN 635 667 435) (as trustee for the Mission Beach Property Trust (ABN 83 263 178 124))	General Security Deed Poll dated 29 November 2019 executed by Mainland Property Holdings Pty Ltd (ACN 635 667 435) (as trustee of the Mission Beach Property Trust (ABN 83 263 178 124) (registered on the Personal Property Security Register with registration number 201912090000128)	All of the property the subject of the Security
18	Mainland Property Holdings No 2 Pty Ltd (ACN 635 950 113) (as trustee for the Mission Beach Property Trust No 2 (ABN 12 439 863 154))	General Security Deed Poll dated 29 November 2019 executed by Mainland Property Holdings No 2 Pty Ltd (ACN 635 950 113) (as trustee for the Mission Beach Property Trust No 2) (ABN 12 439 863 154) (registered on the Personal Property Security Register with registration number 201912090000159)	All of the property the subject of the Security
19	Mainland Property Holdings No 3 Pty Ltd (ACN 635 951 512) (as trustee for the Mission Beach Property Trust No 3) (ABN 34 568 905 212)	General Security Deed Poll dated 29 November 2019 executed by Mainland Property Holdings No 3 Pty Ltd (ACN 635 951 512) (as trustee of the Mission Beach Property Trust No 3) (ABN 34 568 905 212) (registered on the Personal Property Security Register with registration number 201912090000171)	All of the property the subject of the Security
20	Mainland Property Holdings No 4 Pty Ltd (ACN 635 951 807) (as trustee for the Mission Beach Property Trust No 4 (ABN 74 249 430 364))	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 4 Pty Ltd (ACN 635 951 807) (as trustee of the Mission Beach Property Trust No 4) (ABN 74 249 430 364) (registered on the Personal Property Security Register with registration number 202005150002201)	All of the property the subject of the Security
21	Mainland Property Holdings No 5 Pty Ltd (ACN 635 955 814) (as trustee for the Mission Beach Property Trust No 5) (ABN 77 383 091 917)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 5 Pty Ltd (ACN 635 955 814) (as trustee of the Mission Beach Property Trust No 5) (ABN 77 383 091 917) (registered on the Personal Property Security Register with registration number 202005150002229)	All of the property the subject of the Security

22	Mainland Property Holdings No 6 Pty Ltd (ACN 636 593 390) (as trustee for the Mission Beach Property Trust No 6) (ABN 61 551 935 497)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 6 Pty Ltd (ACN 636 593 390) (as trustee of the Mission Beach Property Trust No 6) (ABN 61 551 935 497) (registered on the Personal Property Security Register with registration number 202005150002374)	All of the property the subject of the Security
23	Mainland Property Holdings No 7 Pty Ltd (ACN 636 593 738) (as trustee for the Mission Beach Property Trust No 7) (ABN 90 978 996 027)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 7 Pty Ltd (ACN 636 593 738) (as trustee of the Mission Beach Property Trust No 7) (ABN 90 978 996 027) (registered on the Personal Property Security Register with registration number 202005150002507)	All of the property the subject of the Security
24	Mainland Property Holdings No 8 Pty Ltd (ACN 636 594 208) (as trustee for the Mission Beach Property Trust No 8) (ABN 21 382 330 973)	General Security Deed Poll dated 21 April 2020 executed by Mainland Property Holdings No 8 Pty Ltd (ACN 636 594 208) (as trustee of the Mission Beach Property Trust No 8) (ABN 21 382 330 973) (registered on the Personal Property Security Register with registration number 202005150002524)	All of the property the subject of the Security
25	Mainland Property Holdings No 9 Pty Ltd (ACN 636 595 134) (as trustee for the Mission Beach Property Trust No 9) (ABN 85 833 117 088)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 9 Pty Ltd (ACN 636 595 134) (as trustee of the Mission Beach Property Trust No 9 (ABN 85 833 117 088)) (registered on the Personal Property Security Register with registration number 202005150002553)	All of the property the subject of the Security
26	Mainland Property Holdings No 10 Pty Ltd (ACN 636 598 028) (as trustee for the Mission Beach Property Trust No 10) (ABN 89 903 118 700)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 10 Pty Ltd (ACN 636 598 028) (as trustee of the Mission Beach Property Trust No 10) (ABN 89 903 118 700) (registered on the Personal Property Security Register with registration number 202005150002303)	All of the property the subject of the Security
27	Mainland Property Holdings No 11 Pty Ltd (ACN 636 598 466) (as trustee for the Mission Beach Property Trust No 11) (ABN 79 473 707 884)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 11 Pty Ltd (ACN 636 598 466) (as trustee of the Mission Beach Property Trust No 11) (ABN 79 473 707 884) (registered on the Personal Property Security Register with registration number 202005150002569)	All of the property the subject of the Security
28	Mainland Property Holdings No 12 Pty Ltd (ACN 636 599 123) (as trustee for the Mission Beach Property Trust No 12) (ABN 42 900 768 414)	General Security Deed Poll dated 29 April 2020 executed by Mainland Property Holdings No 12 Pty Ltd (ACN 636 599 123) (as trustee of the Mission Beach Property Trust No 12) (ABN 42 900 768 414) (registered on the Personal Property Security Register with registration number 202005150002582)	All of the property the subject of the Security
29	Jarrah Lodge Holdings Pty Ltd (ACN 632 018 458) (as trustee for the Jarrah Lodge Unit Trust No. 1) (ABN 37 497 655 427)	General Security Deed Poll dated 29 April 2020 executed by Jarrah Lodge Holdings Pty Ltd (ACN 632 018 458) (as trustee of the Jarrah Lodge Unit Trust No. 1) (ABN 37 497 655 427) (registered on the Personal Property Security Register with registration number 202005150002609)	All of the property the subject of the Security

Appendix D – Detailed Statement of Noteholder Funds

Description	Notes	Purchase Price / Deposits \$	Director's Value at 12 June 2020 \$
Unit Trusts – Settled Australian Real Property			
- Mission Beach Property Trust	a	48,351,511	17,968,397
- Mission Beach Property Trust No. 2			18,470,614
- Mission Beach Property Trust No. 3			3,686,000
- Mission Beach Property Trust No. 8			2,960,000
- Jarrah Lodge Unit Trust No 1			7,280,000
- Mayfair Island Trust	b	31,500,000	31,500,000
- Director's revaluation - Dunk Island			18,225,000
- Fair value adjustment (Corelogic) 4% - Mission Beach	c		1,723,400
Unit Trusts – Subtotal		79,851,511	101,813,411
Unit Trusts – Deposits Paid, Australian Real Estate			
- Mission Beach Property Trust	d	6,136,949	499,575
- Mission Beach Property Trust No. 2			1,881,263
- Mission Beach Property Trust No. 3			1,475,002
- Mission Beach Property Trust No. 4			250,000
- Mission Beach Property Trust No. 5			817,500
- Mission Beach Property Trust No. 6			133,500
- Mission Beach Property Trust No. 7			172,500
- Mission Beach Property Trust No. 9			1,236,125
- Mission Beach Property Trust No. 10			150,000
- Mission Beach Property Trust No. 11			370,000
- Mission Beach Property Trust No. 12			435,372
Unit Trusts – Subtotal			
Total Unit Trust Assets Held		85,988,460	109,234,248
Cash at Bank	e	942	6,956
Contractual Right (Eleuthera loan)	f	N/A	2,097,328
Less:			
- First Mortgage Facility #1 (Naplend Pty Ltd)	g	(15,000,000)	(14,270,597)
- First Mortgage Facility #2 (Family Islands Group Pty Ltd)		(20,200,000)	(15,650,000)
Potential Forefit of Deposits		(6,136,949)	
Total Value of Security Granted (1)		44,652,453	81,417,935
Amounts owing to M Core Noteholders (2)		(61,788,648)	(61,263,670)
Value of Security Surplus / (Shortfall)		(17,136,195)	20,154,265
Security as percentage of M Core Notes (1 ÷ 2)	h	72%	133%

Appendix E – Eleuthera Balance Sheet

Balance Sheet

DRAFT

Eleuthera Group Pty Ltd As at 30 June 2020

30 Jun 2020

Assets

Bank	
Eleuthera Group Cheque Account	13,970
Eleuthera Group Savings Acc	433
Total Bank	14,403
Current Assets	
Accounts Receivable (Interest Income)	477,971
Cash on Hand	1,260
Intercompany - Sunseeker Trust (James)	669,742
Prepayment - KHQ Lawyers	(152,634)
Security Deposit - Office - 35 Collins St	317,799
Total Current Assets	1,314,139
Fixed Assets	
Computer Equipment	4,745
Less Accumulated Depreciation on Computer Equipment	(2,841)
Total Fixed Assets	1,904
Non-current Assets	
101 Investments Ltd	30,964,685
Intercompany - Australian Income Solutions P/L (IPOW)	(15,623)
Intercompany - Sunseeker Trust (IPO)	335,953
Intercompany-101 Investments Ltd (BVI)- Expenses	63,689
Intercompany-101 Investments-Expenses	4,008
IPO Capital (IPO Wealth Holdings)	(400,000)
Intercompany - 101 Investments Ltd	
Intercompany Loan - 101 Investments - Accloud Revenue Share	800,000
Intercompany Loan - 101 Investments - Paymate USD2M	(5)
Total Intercompany - 101 Investments Ltd	799,995
Intercompany - AU Income Solutions (Mayfair Wealth Partner)	
Intercompany - Australian Income Solutions P/L (T/A Australian Property Bonds) - from 1 Jun 2020	74,852
Intercompany - Mayfair Wealth Partners - formerly as Greenhorse (Aust) Pty Ltd aka TPLC before 12 June 2019	(17,421)
Intercompany - Mayfair Wealth Partners P/L (T/A Mayfair Plantium) - to 31 May 2020	8,392,402
Total Intercompany - AU Income Solutions (Mayfair Wealth Partner)	8,449,833
Intercompany - Dunk Island	
Intercompany - Island Ops Pty Ltd (Dunk Island expenses)	1,795,908
Intercompany - Mayfair Asset Holdings Pty Ltd (Dunk Island Repayment)	14,789,654
Intercompany - Mayfair Asset Holdings Pty Ltd (Expenses)	1,195,191
Total Intercompany - Dunk Island	17,780,753
Intercompany - IPO Capital Pty Ltd	
Intercompany - IPO Capital (Expenses)	868,666
Intercompany - IPO Capital (Fund Transfer)	1,027,000

Balance Sheet

	30 Jun 2020
Intercompany - IPO Capital (Property)	(1,000,000)
Intercompany - IPO Capital (Redemption)	142,477
Total Intercompany - IPO Capital Pty Ltd	1,038,143
Intercompany - IPO Wealth Holdings Pty Ltd	
Intercompany - IPO Wealth Holdings Pty Ltd (Others)	
Intercompany - IPO Wealth Holdings (Fund Transfer)	(11,520,976)
Total Intercompany - IPO Wealth Holdings Pty Ltd (Others)	(11,520,976)
Intercompany - IPO Wealth Holdings Pty Ltd (SPVs)	
Intercompany - IPO Wealth Holdings (Allocated Exp)	(6)
Intercompany Loan - IPO Wealth Holdings No 10 (OKTO Holdings Ltd)	(5)
Intercompany Loan - IPO Wealth Holdings No 11 (Liven)	(5)
Intercompany Loan - IPO Wealth Holdings No 12 (Public Democracy)	(5)
Intercompany Loan - IPO Wealth Holdings No 15 (Adbit)	(5)
Intercompany Loan - IPO Wealth Holdings No 16	(5)
Intercompany Loan - IPO Wealth Holdings No 3 (Accloud)	(2)
Intercompany Loan - IPO Wealth Holdings No 4 (Laundramapp)	(2)
Intercompany Loan - IPO Wealth Holdings No 5 (Booqed)	(6)
Intercompany Loan - IPO Wealth Holdings No 6 (Northvale)	(2)
Intercompany Loan - IPO Wealth Holdings No 7 (Bright Innovation)	(2)
Intercompany Loan - IPO Wealth Holdings No 9 (ABCredit)	(2)
Total Intercompany - IPO Wealth Holdings Pty Ltd (SPVs)	(46)
Total Intercompany - IPO Wealth Holdings Pty Ltd	(11,521,022)
Intercompany - Jarrah Lodge	
Intercompany - Jarrah Lodge (Mission Beach Ops)	55,515
Intercompany - Jarrah Lodge Holdings Pty Ltd (Expenses)	51,541
Intercompany - Jarrah Lodge Holdings Pty Ltd (Property)	3,033,459
Total Intercompany - Jarrah Lodge	3,140,515
Intercompany - Mayfair Tourism	
Intercompany - Dunk Operations Pty Ltd (Mayfair Tourism - Expenses)	28,250
Intercompany - Dunk Operations Pty Ltd (Mayfair Tourism - Loan Facility)	154,130
Total Intercompany - Mayfair Tourism	182,380
Intercompany - OKTO Holdings Ltd (UK)	
Intercompany - OKTO Holdings Ltd (UK)	63,579
Total Intercompany - OKTO Holdings Ltd (UK)	63,579
Intercompany - OKTO Wealth (UK)	
Intercompany - OKTO Technologies Ltd (UK)	1,135
Intercompany - OKTO Wealth Ltd (UK)	1,011
Portfolio - OKTO Wealth Pty Ltd	
Intercompany Loan - IPO Wealth Holdings Pty Ltd (OKTO Wealth P/L)	(359,516)
Loan Facility - OKTO Wealth Pty Ltd	1,860,000
Portfolio Investment - OKTO Wealth P/L	306,000
Portfolio Investment - OKTO Wealth P/L (Capitalised Exp)	36,916
Portfolio Investment - OKTO Wealth Pty Ltd (Expenses)	1,748,553
Total Portfolio - OKTO Wealth Pty Ltd	3,591,953
Total Intercompany - OKTO Wealth (UK)	3,594,099

Balance Sheet

30 Jun 2020

Intercompany - Online Investments (Mayfair 101)	
Intercompany - Online Investment (Funds Transfer)	11,320,367
Intercompany - Online Investment (Property - RP)	(19,877)
Intercompany - Online Investment (Property)	(6,934,512)
Intercompany - Online Investments (Expenses)	(294,750)
Intercompany - Online Investments.	(1,796,486)
Total Intercompany - Online Investments (Mayfair 101)	2,274,742
Intercompany - Sunseeker Trust	
Intercompany - Sunseeker Trust (Expenses)	3,120,090
Intercompany - Sunseeker Trust (Fund Transfer)	2,555,691
Intercompany - Sunseeker Trust (Property Payments)	(5,948,191)
Total Intercompany - Sunseeker Trust	(272,410)
Intercompany - UGH & GGT	
Intercompany - GGT	5,554
Intercompany - Sunseeker Trust (GGT) #2 - Prior July 2019	(6,361)
Intercompany - Sunseeker Trust (UGH Holdings Pty Ltd)	11,488
Total Intercompany - UGH & GGT	10,682
Intercompany (AU)	
Intercompany - CHKDN	2,951
Intercompany - IPO Wealth Pty Ltd	(5,065,630)
Intercompany - M101 Assets Pty Ltd (data-agg)	382,455
Intercompany - M12 Nominees Pty Ltd	671
Intercompany - Mayfair Asset Solutions Pty Ltd (AZZET)	757,877
Intercompany - Mayfair Iconic Properties Pty Ltd	2,648
Intercompany Loan - M101 Property Pty Ltd	572
Total Intercompany (AU)	(3,918,455)
Intercompany (UK)	
Intercompany - Eleuthera Group Ltd (UK)	118,994
Intercompany - Mayfair 101 Group Ltd (UK)	32,994
Intercompany - Mayfair 101 Ltd (UK)	176,797
Intercompany - Mayfair Asset Solutions Ltd (UK)	23
Intercompany - Mayfair Group Pty Ltd	5,425
Intercompany - Mayfair Iconic Properties Ltd (UK)	846
Intercompany - Mayfair Platinum Ltd (UK)	(43,173)
Intercompany - Mayfair Yacht Ltd (UK)	405,301
Total Intercompany (UK)	697,207
Portfolio - M12 (in IPO Wealth Holdings Pty Ltd)	
Intercompany - M12 Global Total Credit Return DAC (M12)	10,031
Loan Facility - M12 Global Ltd	344,031
Loan Facility - M12 Global Ltd (EG paid expenses)	(6)
Total Portfolio - M12 (in IPO Wealth Holdings Pty Ltd)	354,056
Portfolio - MBO	
Intercompany - Mission Beach 1 Pty Ltd - Dunk View Caravan Park	70,580
Intercompany Loan - Mission Beach Operations Pty Ltd (NAPLA - Interest)	878,159
Intercompany Loan - Mission Beach Operations Pty Ltd (NAPLA - Property)	1,975,700

Balance Sheet

30 Jun 2020

Loan Facility - Mission Beach Operations P/L	2,398,478
Total Portfolio - MBO	5,322,918
Portfolio - Mission Beach Property	
Intercompany - Mainland Property Holdings No 10 Pty Ltd	152,928
Intercompany - Mainland Property Holdings No 11 Pty Ltd	373,588
Intercompany - Mainland Property Holdings No 12 Pty Ltd	441,099
Intercompany - Mainland Property Holdings No 2 Pty Ltd	15,395,447
Intercompany - Mainland Property Holdings No 3 Pty Ltd	5,203,830
Intercompany - Mainland Property Holdings No 4 Pty Ltd	264,119
Intercompany - Mainland Property Holdings No 5 Pty Ltd	763,833
Intercompany - Mainland Property Holdings No 6 Pty Ltd	267,911
Intercompany - Mainland Property Holdings No 7 Pty Ltd	176,598
Intercompany - Mainland Property Holdings No 8 Pty Ltd	2,608,930
Intercompany - Mainland Property Holdings No 9 Pty Ltd	1,294,278
Intercompany - Mainland Property Holdings Pty Ltd	17,009,295
Intercompany - Mission Beach Group Pty Ltd	580
Intercompany - Mission Beach Operations P/L (Expenses)	1,909,210
Intercompany - Mission Beach Operations Pty Ltd (Jarrah Lodge)	(804,188)
Intercompany - Property Bond Holdings P/L (Mission Beach Finance 1)	(44,339)
Issued Units	
Intercompany Loan - Mayfair Island Trust	(7,447,517)
Intercompany Loan - Mission Beach Property Trust	(18,086,826)
Intercompany Loan - Mission Beach Property Trust No 2	(21,022,919)
Intercompany Loan - Mission Beach Property Trust No 3	(4,084,854)
Intercompany Loan - Mission Beach Property Trust No 8	(2,960,000)
Loan Facility - Sunseeker Trust	53,602,116
Total Issued Units	-
Total Portfolio - Mission Beach Property	45,013,120
Portfolio - MYNT/Alqami/Kadiem	
Loan Facility - Kadiem Ltd (Formerly MYNT) (EG paid expenses)	(5)
Loan Facility - Kadiem Ltd (MYNT #14)	783,090
Total Portfolio - MYNT/Alqami/Kadiem	783,085
Total Non-current Assets	104,745,933
Total Assets	106,076,379

Liabilities

Current Liabilities

Accounts Payable	8,609,530 ¹
Accounts Payable (Adjustment)	(1,033,176)
Borrowings - Unsecured Notes	1,340,338
Income Tax Payable	(452)
Rounding	(1)
Superannuation Payable	45,418
Suspense	231,853
Wages Payable - Payroll	7,454

Balance Sheet

30 Jun 2020

Tax Obligation	
GST	(64,154)
PAYG Withholdings Payable	307,338
Total Tax Obligation	243,184
Total Current Liabilities	9,444,149
Non-Current Liabilities	
Intercompany Loan - IPO Capital (Mayfair Advisory Pty Ltd close-off)	1,409
Intercompany Loan - Mayfair Wealth Partners (Green Horse)	207,867
Intercompany Loan - Sunseeker Trust (Mayfair Advisory Pty Ltd close-off)	1,499
Loan - M101 Holdings Pty Ltd (M+)	
Intercompany - M101 Holdings Pty Ltd (Expenses)	(12,422)
Loan Facility - M101 Holdings Pty Ltd	44,402,275
Total Loan - M101 Holdings Pty Ltd (M+)	44,389,853
Loan - M101 Nominees Pty Ltd (M Core)	
Intercompany - M101 Nominees Pty Ltd (Expenses)	(552,963)
Loan Facility - M101 Nominees Pty Ltd	64,052,613
Total Loan - M101 Nominees Pty Ltd (M Core)	63,499,650
Total Non-Current Liabilities	108,100,278
Total Liabilities	117,544,428
Net Assets	(11,468,049)

Equity

Current Year Earnings	(9,125,832)
Issued Capital	1,260
Retained Earnings	(2,343,477)
Total Equity	(11,468,049)

Notes

1

Figures converted into Australian Dollar using the following rates:
0.558419 GBP British Pound per AUD. Rate provided by XE.com on 30 Jun 2020.
0.611575 EUR Euro per AUD. Rate provided by XE.com on 30 Jun 2020.

Appendix F – Eleuthera Non-Current Asset analysis

Entity / Asset	Draft Value at 30/06/2020	Provisional Liquidators' Comments
Sunseeker Trust	63,543	<ul style="list-style-type: none"> - This entity holds the units in each of the below Mission Beach Property entities. - The value and any recoverability from this entity will be dependent on surplus funds after the recovery processes below have been completed.
Mission Beach Property	45,013,120	<ul style="list-style-type: none"> - This group of entities comprise of all of the Mainland Property Holdings entities ATF for the relevant trusts, as detailed in the Mayfair 101 Group structure. - Receivers and Managers have been appointed by Naplend over five of these entities, which hold a large volume of property in Mission Beach, Queensland. Naplend hold a first mortgage over these properties. - In addition, Receivers and Managers have also been appointed by PAG over all 15 entities within this group. - I have concerns over the value that may be achieved for the sale of the properties by the Receivers, due to: <ul style="list-style-type: none"> • The number of properties that have to be sold as part of the receivership process relative to demand, especially in light of them all being in the same location; and • The general current market conditions post COVID19. - Any funds available after the cost of the Receiverships and repayment to Naplend in full may be available to PAG on behalf of M Core noteholders subject to any other creditor claims.
Jarrah Lodge	3,140,515	<ul style="list-style-type: none"> - Receivers and Managers appointed by PAG and Mortgagee in Possession ("MIP") appointed by Family Islands Group Pty Ltd ("Family Islands Group") to Mayfair Asset Holding Pty Ltd ATF the Mayfair Island Trust. - This entity holds the property at Dunk Island, noting Family Islands Group hold a first mortgage on the property. - The land was purchased in November 2011 by Family Islands Group for \$7,102,500. Subsequently Mayfair purchased the property for \$31,500,000. I have concerns over the realisable value of this asset and also the ability to find a purchaser for the land given the current economic climate.
Dunk Island	17,780,753	<ul style="list-style-type: none"> - Dye & Co were appointed Provisional Liquidators of this entity, along with a number of related entities on 2 July 2020. - Dye & Co have advised any return to creditors is unlikely.
IPO Wealth Holdings Pty Ltd	(11,921,022)	
Mayfair Tourism	182,380	
Mission Beach Operations	5,322,918	
MYNT/Alqami/Kadiem	783,085	
Australian Income Solutions Pty Ltd	(15,623)	
AU Income Solutions (Mayfair Wealth Partner)	8,449,833	
IPO Capital Pty Ltd	1,038,143	
Online Investments (Mayfair 101)	2,274,742	
UGH & GGT	10,682	
Intercompany (AU)	(3,918,455)	
Intercompany (UK)	697,207	
OKTO Holdings Ltd	63,579	
OKTO Wealth Ltd	3,594,099	
101 Investments Ltd	31,832,377	
M12 (in IPO Wealth Holdings Pty Ltd)	354,056	
Other Tangible Assets	1,905	<ul style="list-style-type: none"> - Relates to other general computer equipment
Total	104,747,837	

Appendix G – Detailed Eleuthera Source and Application of Funds

Eleuthera Group Pty Ltd - Source and Application of Funds	Amount \$
Funds Received	
M101 Nominees Pty Ltd	69,177,428
Less: Funds Returned	(6,100,761)
Net Funds Received - M101 Nominees Pty Ltd	63,076,667
Net Funds Received - M101 Holdings Pty Ltd	43,775,218
Other Unreconciled Income	35,396
Total Funds Received	106,887,280
Funds Paid	
Property	
Property - Mainland	40,893,573
Property - Dunk Island	13,151,315
Property - Dunk Island & Mainland (paid by Online Investments Pty Ltd)	5,650,657
Property - Mainland (paid by Jarrah Lodge)	3,225,638
Total Property	62,921,183
Other Investments	
Accloud Rev Share	800,000
Azzet	402,183
Data Agg	40,000
Kadiem	1,304,126
M12 Global	1,845,299
Mayfair Tourism	141,800
Mayfair Yachts	316,321
Okto Holdings	336,473
Okto Wealth	2,255,983
Accloud Share Purchase	10,513,676
Total Other Investments	17,955,860
Operating Expenses	
Operating Expenses	11,138,234
Operating Expenses - Mission Beach	2,037,016
Marketing	8,609,596
Total Operating	21,784,846
Financing Expenses	
Financing Expenses	4,225,391
Total Financing Expenses	4,225,391
Total Payments	106,887,280

Appendix H – Other Information Required

- a Financial statements of each of the related entities who were provided with funding from Eleuthera.
- b Any agreements and documents supporting the investments or loans made by Eleuthera to other entities.
- c All emails of the Company, sent/received both internally and externally.
- d Up to date valuation for all of the properties held by the Mayfair 101 Group entities (noting some have been provided).
- e Most recent financial statements (including the Balance Sheet) which clearly indicate the net asset position, of the following entities:
 - i The Sunseeker Trust;
 - ii Jarrah Lodge Unit Trust; and
 - iii M101 Holdings Pty Ltd
- f Substantiation and supporting documentation for the 4% fair value adjustment included within the Statement of Noteholder Secured Monies at 12 June 2020.
- g Further detail on the loans from Naplend Pty Limited and Family Islands Group Pty Ltd, including;
 - i Original signed deed, including term sheet, and any subsequent amendments indicating the interest rate and term of the loan;
 - ii Most recent statement showing the current amounts outstanding; and
 - iii At what date the Mayfair 101 Group first failed to make repayments and what the repercussions were (e.g., additional interest and / or penalties).



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