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TO THE CREDITOR ADDRESSED

8 October 2021

Dear Sir/Madam,

Macro Group of Companies (Refer to attached schedule of entities) (In Liquidation) ("Macro Group" or "the Group")

Liquidators' Fourth Report to Creditors

This is our fourth report to creditors of the Macro Group and should be read in conjunction with our previous reports. Copies of these reports are available for download from our website (www.kpmg.com/au/macro).

The purpose of this report is to provide creditors with an update on the matters disclosed in our previous reports, with a focus on the Macro Group's remaining assets and investigations into any potential claims and/or recovery actions. There have been no material developments in matters not discussed in this report.

1 Australian Securities and Investments Commission investigations

As per our previous reports, we were approached by the ASIC to conduct bespoke investigations to assist with its enquiries into the affairs and conduct of the Macro Group and its Directors. We entered into an Asset-less Administration Funding Agreement with the ASIC on 6 December 2017 ("the AAFA").

We completed the necessary investigations and provided ASIC with a detailed report of our findings pursuant to section 533(2) of the Act on 30 April 2018.

On 15 August 2019 we executed a variation to the AAFA, which provided additional funding to cover an additional scope of work required by the ASIC, including additional investigations and the preparation of a further report. We continue to assist ASIC with these investigations and scope.

The terms of the AAFA engagement and contents of our report to ASIC are confidential as between the Liquidators and ASIC, so we are unable to provide specific details at this stage.

2 Claim Against Effective Legal Pty Ltd

2.1 Background and Nature of Claim

As part of our investigations into the affairs of the Macro Group, we worked to identify any potential recovery actions against third parties and parties directly associated or related with the Macro Group and its Directors. Our preliminary investigations revealed a potential claim against Effective Legal Pty Ltd (“Effective Legal”), a professional law firm which provided legal and conveyancing services to the Macro Group and its Directors spanning several years.

The background and details of the identified claim against Effective Legal are as follows:

- Our investigations identified 13 incomplete property transactions (“the Incomplete Transfers”) relating to the Macro Group properties.
- The Incomplete Transfers involved the purported sale of land in Newman, Western Australia by a Macro Group company, 511 GTN Pty Ltd (Receivers and Managers Appointed) (In Liquidation) (“511 GTN”), to the following seven Macro Group companies (“the Macro Purchasers”):
 1. Teale WA Pty Ltd (In Liquidation);
 2. WAH Holdings WA Pty Ltd (In Liquidation);
 3. Twistjac Pty Ltd (In Liquidation);
 4. Marchibold Pty Ltd (In Liquidation);
 5. Andrawartha Pty Ltd (In Liquidation);
 6. Diep WA Pty Ltd (In Liquidation); and
 7. Veneman Pty Ltd (In Liquidation).
- Effective Legal acted on the Incomplete Transfers on behalf of both 511 GTN as seller and the Macro Purchasers.
- Macro Realty Developments Pty Ltd (In Liquidation) (“MRD”) (as the treasury entity for the Macro Group), and Macro Realty Pty Ltd (In Liquidation) (“MR”), made payments totalling approximately \$5.1m to Effective Legal’s trust account on behalf of the Macro Purchasers. The payments represented the purchase price payable by the Macro Purchasers to 511 GTN for the acquisition of the 13 Newman properties mentioned above as well as other related fees and costs.
- Despite the full purchase consideration being paid by the Macro Purchasers, none of the 13 transactions were completed and title to the properties never transferred from 511 GTN to the Macro Purchasers.
- Effective Legal’s trust account statements show that approximately \$4.9m of the funds received from MRD or MR on behalf of the Macro Purchasers, was subsequently paid to 511 GTN’s secured creditor and other third parties.

We are currently pursuing a claim against Effective Legal in relation to the Incomplete Transfers.

As set out in our previous reports, we have entered into a funding agreement with Omni Bridgeway Ltd (formerly IMF Bentham Ltd).

Given the current status of the matter, we are unable to provide an estimate as to quantum and timing of any recovery.

3 Property Realisation & Strategy

3.1 Property Summary

The Macro Group's remaining tangible assets at the time of writing this report, consist of 262 vacant lots of land situated in the Newman Estate and Kurra Estate developments in Newman, Western Australia and an additional 12 properties in Port Hedland, Western Australia.

As far as we are aware, there has been no development or change from our Third Report in respect of the 274 unsold Macro Group lots, as summarised below:

Controlling Party	Controlling Capacity	Newman Estate	Kurra Estate	Port Hedland	Total # Properties
<i>Unsold Lots</i>					
Hayden White and Matthew Woods	Liquidators	6	3	-	9
Michael Ryan and Ian Francis	Receivers & Managers	213	-	-	213
Prequin Securities Pty Ltd (In Liquidation)	MIP	4	36	1	41
C2 Property Group Pty Ltd	MIP	-	-	1	1
		223	39	2	264
<i>Sold Lots</i>					
La Trobe Financial Asset Management	MIP	-	-	10	10
Total		223	39	12	274

A listing of the 9 remaining lots subject to our control is attached at Annexure B. All 9 properties are available for immediate sale. However, poor market conditions and oversupply in the market have resulted in no expressions of interest for the properties since our appointment.

In our Second Report to Creditors and Third Report to Creditors, we invited creditors to submit expressions of interest for the purchase of one or more lots. However, none were received.

3.2 Property Holding Costs and Arrears

We have and continue to incur holding costs associated with the 9 properties subject to our control, which are owned by six of the Macro Group entities in liquidation.

	Indicative Annual Cost \$ (Ex. GST)
<i>Incurring and paid by the Liquidators:</i>	
Public Liability insurance	7,623
<i>Accruing against the properties:</i>	
Shire of East Pilbara – council rates, taxes and interest	5,967
Water Corporation - rates and interest	11,880
Total annual holding costs	25,470

As at 30 June 2021, the accrued rates and taxes payable for the 9 lots totalled approximately \$74,414.

	Arrears as at 30 June 2021 \$ (Ex. GST)
Shire of East Pilbara	41,634
Water Corporation	32,780
Total arrears (9 lots)	74,414

The Macro Group liquidations have no funds to meet the ongoing holding costs or make any payments towards the arrears.

3.3 Shire of East Pilbara – Enforcement Proceedings

Council rates, taxes and interest continue to accrue and have not been paid since before our appointment in 2017 for any of the 262 unsold lots in Newman. As at 30 June 2021 the total arrears payable to the Shire for the 262 lots was \$1,143,561.

The Shire has notified us that it intends to take steps pursuant to provisions of the *Local Government Act 1995*, in order to recover its current debt and future liabilities for the properties, by:

- 1) making an application to Court to enforce a sale of the properties; or
- 2) obtaining the Liquidators' consent, for the properties to be surrendered to the Shire

The Shire has requested our consent for the surrender properties subject to the control of the liquidators. We note however, that our consent would not invalidate or impact the appointment of the controlling parties of 253 lots as outlined in section 3.1.

As the Liquidations are unable to meet the ongoing holding costs associated with the properties (section 3.2), we have received no expressions of interest at any time and see no prospect of a sale materialising at a sufficient value and within a reasonable timeframe, it is our intention to work with the Shire to agree a surrender of the remaining properties subject to our control.

We again invite creditors to promptly contact our office via email on macro@kpmg.com.au should they wish to submit an expression of interest for the purchase of these properties by 5:00PM (AWST) on 27 September 2021.

In the event no expressions of interest are received by 27 August 2021, we will work with the Shire to progress the surrender of properties subject to our control.

4 Liquidators' Receipts and Payments

We provide a summary of the Liquidators' receipts and payments (including GST) for the liquidation period 30 May 2017 to 13 August 2021:

Liquidators' Receipts and Payments during the period 30 May 2017 to 13 August 2021				
	Macro Realty Developments Pty Ltd	Macro Realty Pty Ltd	Endeavour Holdings Pty Ltd	Total
Receipts				
ASIC AAF Funding	608,659	-	-	608,659
Cash Recovered	309,932	47,015	4,630	361,577
GST Refunds	33,383	4,268	-	37,651
Insurance Refund	532	-	-	532
Litigation Funding (IMF Bentham)	60,500	-	-	60,500
	1,013,006	51,283	4,630	1,068,919
Payments				
Bank Charges	(78)	(63)	(18)	(159)
Legal Fees	(86,517)	-	-	(86,517)
Liquidators' Fees & Costs (AAF Funded)	(598,209)	-	-	(521,580)
Liquidators' Fees & Costs (IMF Bentham Funded)	(44,000)	-	-	(44,000)
Provisional Liquidators' & Liquidators' Fees & Costs (Court Approved)	(265,562)	(46,950)	-	(312,512)
Petitioning Creditor Costs	-	-	(4,612)	(4,612)
Property Valuations	(10,450)	-	-	(10,450)
	(1,004,816)	(47,013)	(4,630)	(1,056,459)
Cash at Bank	8,190	4,270	-	12,460

We also note that our solicitors, Lavan Legal, are holding \$53,000 received from Symons Legal in their trust account. These funds represent a part payment of an indemnity provided by Symons Legal in respect of the Liquidators' fees and costs associated with 53 of the SPV liquidations. The indemnity terms agreed with Symons Legal was for \$2,000 for each of the 53 SPV liquidations.

5 Next Steps

Our next steps for the Macro Group liquidations include:

- Exploring any expressions of interest or proposals received from interested parties regarding the 9 properties subject to our control or alternatively, moving forward to surrendering ownership and control of the properties.
- Continue pursuit of claim being funded by litigation funder, Omni Bridgeway.
- Attending to any further investigations required by the ASIC, pursuant to our engagement and our statutory obligations under the Act.

A further update will be provided following any material developments on the above matters. In the meantime, if you have any queries please contact one of our staff by email at macro@kpmg.com.au

Yours faithfully



Hayden White
Liquidator

Enclosed:

Annexure A – Schedule of 78 Macro Group entities in liquidation

Annexure B – Schedule of properties subject to Liquidators' control and available for sale

ANNEXURE A - Schedule of Macro Group entities in liquidation

Properties controlled by the Liquidators		
#	Company name	ACN
1	Macro Realty Developments Pty Ltd	159 678 930
2	Macro Realty Pty Ltd	143 381 060
3	Macro All State Investments & Securities Ltd	168 713 719
4	Macro Realty Developments AFSL Pty Ltd	160 620 502
5	511 GTN Pty Ltd	152 534 695
6	Pilbara Property Developments Pty Ltd	162 445 187
7	Edkinw ay Pty Ltd	605 936 838
8	59 Kurra at New man Pty Ltd	601 622 673
9	Mactrader WA Pty Ltd	609 165 522
10	New hale Pty Ltd	606 027 258
11	Andraw artha Pty Ltd	607 135 624
12	Bingley GV Pty Ltd	607 117 733
13	Black Honeyeater Pty Ltd	601 622 691
14	Brahminy Kite Pty Ltd	601 622 726
15	Cecic Holdings Pty Ltd	608 032 613
16	Crimson Chat Pty Ltd	601 622 655
17	East Pilbara Holdings Pty Ltd	601 622 664
18	Edheavy Pty Ltd	605 936 865
19	Fortescue Falls Pty Ltd	601 622 646
20	Jaflaf Pty Ltd	601 622 717
21	L Bryden Pty Ltd	607 135 517
22	LFCF Holdings Pty Ltd	601 623 107
23	Macfire WA Pty Ltd	609 165 497
24	Maclog Pty Ltd	605 929 208
25	Macro Capital Enterprises Pty Ltd	162 445 178
26	Macstar WA Pty Ltd	609 165 513
27	Mactripp WA Pty Ltd	609 165 531
28	Mcfly WA Pty Ltd	609 165 540
29	New ay Enterprises Pty Ltd	606 027 285
30	New iron Pty Ltd	606 027 249
31	New man 57K Pty Ltd	601 623 198
32	New minds Enterprises Pty Ltd	609 165 577
33	New sky Enterprises Pty Ltd	606 027 294
34	Northern Quoll Pty Ltd	601 623 134
35	One Pow erball Pty Ltd	601 623 170
36	Palecka WA Pty Ltd	607 117 644
37	Placebest Pty Ltd	605 929 182
38	Placeright Pty Ltd	605 545 426
39	Porttri Pty Ltd	605 936 874
40	Reddirt Enterprises Pty Ltd	609 165 586
41	Sturts Pea Pilbara Pty Ltd	601 623 081
42	Sw eet Boronia Pty Ltd	601 623 189
43	Takenw ay Pty Ltd	605 545 417
44	Teale WA Pty Ltd	607 118 007
45	Tw istjac Pty Ltd	607 118 016
46	Veneman Pty Ltd	607 135 535
47	WA Pilbara Property Options Pty Ltd	601 623 205
48	WAH Holdings WA Pty Ltd	607 118 061
49	73KAN Pty Ltd	601 622 708
50	Endeavour Holdings Group Pty Ltd	136 024 827
51	New mine Pty Ltd	606 027 267
52	Peregrine Falcon Pty Ltd	601 623 152
53	Python Pool Pty Ltd	601 623 161
54	Spinifex Mallee Pty Ltd	601 623 125
55	WA Land Investments Pty Ltd	601 623 090
56	Diep WA Pty Ltd	607 538 849
57	Fifo Fix Pty Ltd	601 622 682
58	Grassw ren Pty Ltd	601 622 637
59	Hendry Estate Pty Ltd	608 032 604
60	Marchibold Pty Ltd	607 118 089
61	AGKM Green Pty Ltd	607 117 706
62	Aiple Enterprises Pty Ltd	607 117 724
63	BA Sullivan Pty Ltd	607 135 286
64	Brayst WA Pty Ltd	609 165 479
65	Chippere Pty Ltd	607 117 662
66	Christians Holdings WA Pty Ltd	607 135 302

Properties controlled by the Liquidators

#	Company name	ACN
67	Dee Vee Enterprises Pty Ltd	145 136 652
68	EDWY14 WA Pty Ltd	610 296 645
69	Ferrous Ferric Pty Ltd	607 117 948
70	Hedland Projects Pty Ltd	145 328 418
71	Kurst WA Pty Ltd	611 094 332
72	Macpherson Realty Options Pty Ltd	126 711 162
73	Macro Projects TS PH Pty Ltd	169 433 158
74	MCKST Pty Ltd	610 296 618
75	MRF Kurra Pty Ltd	603 215 756
76	New kins WA Pty Ltd	609 165 568
77	Prime Holdings Group Pty Ltd	131 361 450
78	Splendiferous Enterprises Pty Ltd	606 731 177

ANNEXURE B - Schedule of properties subject to the Liquidators' control

Properties controlled by the Liquidators			
#	Company name	Property address	Area
1	Northern Quoll Pty Ltd (In Liquidation)	7 KINGSMILLII LOOP NEWMAN 6753	Kurra Estate
2	Newhale Pty Ltd (In Liquidation)	12 TALBOT RD NEWMAN 6753	Newman Estate
3	Newhale Pty Ltd (In Liquidation)	12 COTTON RD NEWMAN 6753	Newman Estate
4	Newman 57K Pty Ltd (In Liquidation)	41 KINGSMILLII LOOP NEWMAN 6753	Kurra Estate
5	Newman 57K Pty Ltd (In Liquidation)	31 KINGSMILLII LOOP NEWMAN 6753	Kurra Estate
6	Splendiferous Enterprises Pty Ltd (In Liquidation)	3 Caldera Rd, Newman, WA, 6753	Newman Estate
7	Splendiferous Enterprises Pty Ltd (In Liquidation)	31 Fletcher Loop, Newman, WA, 6753	Newman Estate
8	Ferrous Ferric Pty Ltd (In Liquidation)	15 Talbot Rd, Newman, WA, 6753	Newman Estate
9	AGKM Green Pty Ltd (In Liquidation)	2 Caldera Rd, Newman, WA, 6753	Newman Estate