

# The Sydney Morning Herald

SE Business - CBD  
HD CBD  
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WC 718 words  
PD 4 December 2014  
SN The Sydney Morning Herald  
SC SMHH  
ED First  
PG 22  
LA English  
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Lights go out on Impulse founder's latest adventure

The sun definitely is not shining on green power provider CBD Energy or its recently stood down boss, Gerry McGowan.

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Administrators appointed to CBD Energy last month have taken the opportunity to terminate the contract of McGowan, best known as the founder of Impulse Airlines.

He had been grounded by the renewable energy venture in October while it investigated whether its accounts needed restating for the past three years, with McGowan's related-party transactions fingered as a big culprit.

The investigation appears to have run into trouble.

The auditors from PricewaterhouseCoopers resigned effective November 10, "having concluded that it is not independent of CBD ... due to non-payment of its professional fees by the company".

No beans, no bean counters.

CBD Energy thought the news was so important it disclosed it to the US SEC on December 3, and said it was looking at alternatives for reissuing these historical and current financial statements "as soon as practicable".

PWC helpfully advised the company that, if it had been allowed to "significantly expand the scope of its audit" for the 2014 financial statements the additional information, combined with the results of the investigation, "may have prevented it from rendering an unqualified audit report".

The statement from CBD Energy said its directors placed the main company and three Australian subsidiaries into administration mid-November, after determining they "were insolvent or likely to become insolvent in the future".

A wall of their own

The Chinese walls between Foxtel and its controlling shareholder, News Corp, are working incredibly well.

Maybe a little too well.

Foxtel and Discovery apparently cut their 26¢-a-share bid for the embattled Network Ten after meeting its management in recent weeks and, shocked by what was told to them, had to revise their offer for the business.

The Foxtel bidding team might not have been so shocked if they had contacted News Corp's co-chairman, Lachlan Murdoch, who was chairman until March this year and a had a stint as executive chairman in 2011-12.

Sources in the industry say he, more than anyone else at Ten, moulded the broadcaster into the business it is today.

Of course, the Foxtel-Discovery team would have to keep in mind he is said to be a seller of his substantial **stake** in Ten if the right deal surfaces. So he has incentive to talk up the price a little.

Ten did not offer much detail in its update to the market on Wednesday, other than to say it "urges caution in dealing in its shares on the basis of media speculation about potential transactions involving the **company**".

Investors might lament the fact that Ten did not advise this sort of caution two years ago, when its shares were still worth \$1.

They're engaged

Western Desert Resources might have bitten the red dirt a few months ago but its biggest investor, pokie **billionaire** Bruce Mathieson, is making progress with a very different market punt.

Corporate husk SWW **Energy** said it had finally agreed to terms, under which it would be recycled as a backdoor listing for investor relations and shareholder engagement app provider GRT App.

SWW will raise up to \$5 **million** to fund the business, and issue 150 **million** shares to GRT's owners at a value of \$15 **million**.

A Mathieson-controlled **company** was named as one of the founders of GRT but there are no details on the size of his **stake**.

GRT said it had signed an ASX-listed **company** as a customer without naming names. We don't suppose Bruce managed to sweet talk his pokie partners at Woolworths into signing up, did he?

To boldly go

Artist & Entertainment Group, the former kiddies talent agency run by Elle Macpherson's little brother Ben Macpherson hasn't had much luck morphing into an Indonesian **oil** and gas player.

More than five years after the **company** flagged an interest in **coal**, AEM chairman Ross Hill told investors on Wednesday the **company** "is now progressing to finality with its **acquisition** of Centre Petroleum **Energy**". CBD couldn't think of a better week to be getting into the **energy** sector.

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