



## Subsidiary creditor dispute and administration

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Dear Shareholders

The company has had a long history, as a mining company, a successful water bottling company, a financial services company and lastly as a media entertainment group trading under the name of Worldwide Entertainment Group Limited.

The group was restructured in mid-2012 with the divestment to its long standing shareholders of most of the entertainment business shares. New shareholders and new directors were then introduced from mid-2012. Their intention was to clean up the company affairs and introduce a new business such as resources or technology.

The Company has recently received a claim for payment of \$168,000 for debts of a former subsidiary of a former subsidiary, involved in media production relating to unpaid Victorian payroll tax for periods starting in 2008.

This was unexpected as the new investors, shareholders and directors had, as a basis for their investment of money and time, relied on the audit reports from the former auditors and signed representations and financial statements from the former Directors for the years in question and subsequent years.

The company does not have the financial resources which warrant defending or paying this unexpected old claim of a past subsidiary and the recently appointed directors have not been responsible for incurring this liability. Even though the amount in dispute was not owing by this company but by a former related company, the SRO in Victoria has advised that on policy grounds it is unable to mediate on the claim by accepting a partial payment.

In view of this, I, as the representative of the Secured Creditors have today appointed administrators to the company to resolve the situation.

An unintended benefit of this event is that any other contingent claims which might exist from the Ausmani's past history will also be quarantined by this process which is expected to take sixty days.

V Sweeney  
on behalf of the secured creditors

