



W O R L D . N E T

**World.Net Services Limited**

ABN 77 072 392 673

**(the “Company”)  
and its subsidiaries  
(the “Group”)**

**ASX Appendix 4D (Half Year Report)  
(incorporating the Half Year Financial Report)  
for the six months ended 31 December 2014  
given to ASX under Listing Rule 4.2A**

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This Half Year Financial Report does not include all of the information required for a full Annual Financial Report, and should be read in conjunction with the Annual Report of the Group, as at, and for the year ended 30 June 2014, and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

# World.Net Services Limited

ABN 77 072 392 673

## Results for Announcement to the Market for the six months ended 31 December 2014

### Results for announcement to the market (Item 2)

#### Item 2.1

Revenue from ordinary activities	down 11%	to	\$180,540
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#### Item 2.2

Profit (loss) from ordinary activities after tax attributable to members	down 38%	to	(\$118,814)
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#### Item 2.3

Net profit (loss) for the period attributable to members	down 38%	to	(\$118,814)
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#### Item 2.4

Dividends	It is not proposed to pay dividends
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#### Item 2.5

Record date for determining entitlements to dividends	Not applicable
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#### Item 2.6

**Brief explanation of any figures in 2.1 to 2.4 necessary to enable the figures to be understood:**

The figures in 2.1 to 2.4 should be read in conjunction with the entire ASX Appendix 4D (Half Year Report).

Refer to "Review of Operations" in the Directors' Report for further details of the Group's operations, and the results of those operations, during the interim period.

## World.Net Services Limited

ABN 77 072 392 673

### ASX Appendix 4D Additional Information for the six months ended 31 December 2014

#### Net tangible assets per security (Item 3)

	31-Dec-2014 AUD	31-Dec-2013 AUD
Net tangible asset backing per ordinary security	(0.04)	(0.03)

#### Details of entities over which control has been gained or lost (Item 4)

There were no entities over which control had been gained or lost during the interim period.

#### Details of individual and total dividends and dividend payments (Item 5)

No dividends were paid or declared since the start of the interim period, and no recommendation for payment of dividends has been made.

#### Details of dividend reinvestment plans in operation (Item 6)

No dividend reinvestment plans were in operation during the interim period and at the date of this report.

#### Details of associates and joint venture entities (Item 7)

There were no associates or joint venture entities during the interim period and at the date of this report.

#### For foreign entities - accounting standards used (Item 8)

Not applicable

#### Audit dispute(s) or qualification(s) (Item 9)

None

# World.Net Services Limited

ABN 77 072 392 673

## Directors' Report

The directors present their report together with the Consolidated Financial Report for the six months ended 31 December 2014, and the Review Report thereon.

### Directors

The directors of the Company at any time during, or since, the end of the interim period are:

- Dato' Eng Kwong Gan
- Ernst M R van Oeveren
- James A Norriss
- Swe Cheong Thong
- Christopher J Yong

Directors were in office for the entire period unless otherwise stated.

### Review of Operations

The net loss of the Group for the six months ended 31 December 2014 was \$118,814 (six months ended 31 December 2013: \$86,210 net loss).

The table below summarises the operating performance of the Group during the interim period, and shows a comparative analysis of this with the previous corresponding period:

	31-Dec-2014 AUD	31-Dec-2013 AUD	Change AUD	Change %
Revenue and other income (excluding interest)	180,540	201,997	(21,457)	(11%)
Employee benefits expense	(223,971)	(199,547)	(24,424)	(12%)
Other expenses (excluding depreciation, amortisation, impairment losses and interest)	(73,630)	(85,467)	11,837	14%
<b>EBITDA</b>	<b>(117,061)</b>	<b>(83,017)</b>	<b>(34,044)</b>	<b>(41%)</b>
Depreciation, amortisation and impairment losses	(1,550)	(3,193)	1,643	51%
<b>EBIT</b>	<b>(118,611)</b>	<b>(86,210)</b>	<b>(32,401)</b>	<b>(38%)</b>
Net interest	(203)	-	(203)	-
<b>EBT</b>	<b>(118,814)</b>	<b>(86,210)</b>	<b>(32,604)</b>	<b>(38%)</b>

**Directors' Report  
(continued)**

**Review of Operations (continued)**

An 11% decline in revenues and other income (from \$201,977 to \$180,540) and a 12% increase in employee benefits expense (from \$199,547 to \$223,971) contributed to the 41% fall in EBITDA (from an \$83,017 EBITDA loss to an \$117,061 EBITDA loss) during the half year. On the other hand, other expenses (excluding depreciation, amortisation, impairment losses and interest) were reduced by 14% (from \$85,467 to \$73,630) in comparison with the previous corresponding period.

The Company remains focused on its primary customer pyotravel.com ("PYO"), and myimart.com (MyiMart) as a secondary project. PYO has continued to develop as a significant regional Online Travel Agency ("OTA"). For the remainder of the year, the Company will continue to develop a range of new innovations, so that our online services can continue to achieve their business objectives. Keeping pace with the rapidly changing technologies used by leading sites is a key success factor and an ongoing commitment by World.Net.

The relocation of our office in Kuala Lumpur, to the South Gate Business Centre, in 2014 has been a success, with our staff now enjoying a much higher level of interaction with the PYO team, and as a consequence having a greater understanding of PYO's business and how our systems can better serve PYO.

Our AWS cloud migration project has also gone well, with final cutover on 21 November 2014. The last 3 months of cloud operation has been seamless, with all the major project KPIs having been achieved: improved performance; stability; and ease of operational management.

The Company's staff levels have also remained constant for the period, with 14 full-time and 1 part-time staff.

The key focus for our team over the next period will be to dramatically revamp our User Interface (UI) for PYO and the other web systems. Our functional capability is rich and deep, so now is the time to update our interfaces, including improved support for mobile devices.

**Auditor's Independence Declaration**

The Auditor's Independence Declaration is set out on page 6, and forms part of the Directors' Report for the six months ended 31 December 2014.

Dated at Sydney this 26th day of February 2015.

Signed in accordance with a resolution of the directors:



**Dato' Eng Kwong Gan**  
Director

The Board of Directors  
World.Net Services Limited  
Suite 211A, Level 2  
111 Harrington Street  
The Rocks NSW 2000

26 February 2015

Dear Board Members

**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of World.Net Services Limited.

As lead audit partner for the review of the financial statements of World.Net Services Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



**Nexia Court & Co**  
Chartered Accountants



**Robert Mayberry**  
Partner

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# World.Net Services Limited

ABN 77 072 392 673

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2014

	Note	31-Dec-2014 AUD	31-Dec-2013 AUD
<b>Continuing operations</b>			
Revenue		180,540	201,997
Cost of sales		(1,967)	(2,044)
<b>Gross profit</b>		<b>178,573</b>	<b>199,953</b>
Employee benefits expense		(223,971)	(199,547)
Depreciation and amortisation expense		(1,550)	(3,193)
Other expenses		(71,663)	(83,423)
<b>Loss from continuing operations</b>		<b>(118,611)</b>	<b>(86,210)</b>
Finance income		-	-
Finance expenses		(203)	-
<b>Net finance income (expense)</b>		<b>(203)</b>	<b>-</b>
<b>Loss before income tax</b>		<b>(118,814)</b>	<b>(86,210)</b>
Income tax expense		-	-
<b>Loss for the period attributable to members of the parent entity</b>		<b>(118,814)</b>	<b>(86,210)</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent financial years</i>			
Exchange differences on translating foreign controlled entities		(20,466)	(9,742)
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(139,280)</b>	<b>(95,952)</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)		(0.20)	(0.14)
Diluted earnings per share (cents per share)		(0.20)	(0.14)

*The Condensed Notes form an integral part of these Consolidated Half Year Financial Statements.*

**Consolidated Statement of Financial Position  
as at 31 December 2014**

	Note	31-Dec-2014 AUD	30-Jun-2014 AUD
<b>Assets</b>			
Cash and cash equivalents		11,214	6,245
Trade and other receivables		28,531	18,751
Other current assets		15,773	10,637
<b>Total current assets</b>		<b>55,518</b>	<b>35,633</b>
Plant and equipment	9	9,036	3,962
<b>Total non-current assets</b>		<b>9,036</b>	<b>3,962</b>
<b>Total assets</b>		<b>64,554</b>	<b>39,595</b>
<b>Liabilities</b>			
Trade and other payables		985,426	821,187
Short-term borrowings	10	1,288,010	1,288,010
<b>Total current liabilities</b>		<b>2,273,436</b>	<b>2,109,197</b>
Trade and other payables		259,577	259,577
Long-term provisions		83,298	83,298
<b>Total non-current liabilities</b>		<b>342,875</b>	<b>342,875</b>
<b>Total liabilities</b>		<b>2,616,311</b>	<b>2,452,072</b>
<b>Net assets</b>		<b>(2,551,757)</b>	<b>(2,412,477)</b>
<b>Equity</b>			
Issued capital		8,815,101	8,815,101
Reserves		(81,497)	(61,031)
Accumulated losses		(11,285,361)	(11,166,547)
<b>Total equity</b>	11	<b>(2,551,757)</b>	<b>(2,412,477)</b>

*The Condensed Notes form an integral part of these Consolidated Half Year Financial Statements.*



# World.Net Services Limited

ABN 77 072 392 673

## Consolidated Statement of Changes in Equity for the six months ended 31 December 2014

	Share capital AUD	Translation reserve AUD	Accumulated losses AUD	Total equity AUD
Balance at 1 July 2014	8,815,101	(61,031)	(11,166,547)	(2,412,477)
<i>Other comprehensive income</i>				
Foreign currency translation differences		(20,466)		(20,466)
Loss for the period			(118,814)	(118,814)
Balance at 31 December 2014	8,815,101	(81,497)	(11,285,361)	(2,551,757)

	Share capital AUD	Translation reserve AUD	Accumulated losses AUD	Total equity AUD
Balance at 1 July 2013	8,815,101	(63,305)	(10,946,976)	(2,195,180)
<i>Other comprehensive income</i>				
Foreign currency translation differences		(9,742)		(9,742)
Loss for the period			(86,210)	(86,210)
Balance at 31 December 2013	8,815,101	(73,047)	(11,033,186)	(2,291,132)

*The Condensed Notes form an integral part of these Consolidated Half Year Financial Statements.*

# World.Net Services Limited

ABN 77 072 392 673

## Consolidated Statement of Cash Flows for the six months ended 31 December 2014

	Note	31-Dec-2014 AUD	31-Dec-2013 AUD
<b>Cash flows from operating activities</b>			
Cash receipts from customers		188,838	191,289
Cash paid to suppliers and employees		(177,248)	(217,510)
Finance expenses		(203)	-
<b>Net cash provided by (used in) operating activities</b>		<b>11,387</b>	<b>(26,221)</b>
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment	9	(6,418)	-
<b>Net cash used in investing activities</b>		<b>(6,418)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		<b>4,969</b>	<b>(26,221)</b>
Cash and cash equivalents at 1 July		6,245	39,311
<b>Cash and cash equivalents at 31 December</b>		<b>11,214</b>	<b>13,090</b>

*The Condensed Notes form an integral part of these Consolidated Half Year Financial Statements.*

**Condensed Notes to the Consolidated Half Year Financial Statements  
for the six months ended 31 December 2014**

**1. Reporting Entity**

World.Net Services Limited (the “Company”) is a company domiciled in Australia. The Consolidated Half Year Financial Report of the Company, as at, and for the six months ended 31 December 2014 comprises the Company and its subsidiaries (together referred to as the “Group”).

The Consolidated Annual Financial Report of the Group, as at, and for the year ended 30 June 2014 can be downloaded from the Company’s website ([www.world.net](http://www.world.net)).

**2. Statement of Compliance**

The Consolidated Half Year Financial Report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Consolidated Half Year Financial Report does not include all of the information required for a full Annual Financial Report, and should be read in conjunction with the Consolidated Annual Financial Report of the Group, as at, and for the year ended 30 June 2014, and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Consolidated Half Year Financial Report was approved by the Board of Directors on 26 February 2015.

**3. Significant Accounting Policies**

The accounting policies applied by the Group in this Consolidated Half Year Financial Report are the same as those applied by the Group in its Consolidated Financial Report, as at, and for the year ended 30 June 2014.

**4. New or revised Standards and Interpretations that are first effective in the current reporting period**

A number of new and revised accounting standards were applicable from 1 July 2014. However, none of the standards identified had any impact on the Group during the period.

**Condensed Notes to the Consolidated Half Year Financial Statements  
for the six months ended 31 December 2014  
(continued)**

**5. Going Concern**

The Group recorded a net loss after tax of \$118,814 for the six months ended 31 December 2014. At balance date, the Group had a deficiency in net assets of \$2,551,757 and cash of \$11,214.

Furthermore, as disclosed in Note 8, the Group derives approximately 69% of its revenue from one customer, and is economically dependent on that customer.

The ability of the Group to continue as a going concern is therefore dependent upon:

1. the continuation of the Group's relationship with its principal customer, and its ability to generate sufficient revenue and cash flow from that customer;
2. the Group's ability to generate revenue from other sources;
3. the continued financial support provided by the Chairman, who also controls the Group's major shareholder; and
4. the continued support of its major creditor.

The Directors have received confirmations from both of these parties, stating that they will continue to support the operations of the business, so that it can continue as a going concern.

In the opinion of the Directors, there is a reasonable basis to believe that the Company and the Group can continue as going concerns. However, should the matters stated above not occur, there is significant uncertainty that the Group can continue as a going concern and realise its assets and settle its obligations at the amounts recognised in the financial statements.

No adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

**6. Estimates**

The preparation of the Half Year Financial Report requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

**7. Financial Risk Management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the Consolidated Financial Report, as at, and for the year ended 30 June 2014.

**Condensed Notes to the Consolidated Half Year Financial Statements  
for the six months ended 31 December 2014  
(continued)**

**8. Segment Reporting**

*For the six month period ended 31 December*

	Australia		UK		Malaysia		Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD
External revenue	-	2,344	-	-	180,540	199,653	-	-	180,540	201,997
Other segments	-	-	-	-	-	-	-	-	-	-
Segment revenue	-	2,344	-	-	180,540	199,653	-	-	180,540	201,997
Segment result	(54,731)	(46,170)	-	-	(64,083)	(40,040)	-	-	(118,814)	(86,210)

*As at*

	Australia		UK		Malaysia		Eliminations		Consolidated	
	31 Dec 2014	30 Jun 2014	31 Dec 2014	30 Jun 2014	31 Dec 2014	30 Jun 2014	31 Dec 2014	30 Jun 2014	31 Dec 2014	30 Jun 2014
	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD
Segment assets	617,481	612,938	-	-	1,139,437	1,033,904	(1,692,364)	(1,607,247)	64,554	39,595
Segment liabilities	2,932,580	2,873,306	1,574,850	1,495,548	1,476,278	1,290,690	(3,367,397)	(3,207,472)	2,616,311	2,452,072

All revenue attributable to the Malaysia geographical segment are revenues generated from Malaysia-based external customers.

Revenue attributable to two customers amount to \$124,938 (2013: \$128,655) and \$45,453 (2013: \$44,453) respectively, and are reported in the Malaysia geographical segment.

*Accounting policies*

Segment revenues and expenses are those directly attributable to the segments, and includes any joint revenue and expenses where a reasonable basis of allocation exists.

*Intersegment transfers*

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods or services to parties outside of the Group at an arm's length. These transfers are eliminated on consolidation.

**Condensed Notes to the Consolidated Half Year Financial Statements  
for the six months ended 31 December 2014  
(continued)**

**9. Plant and Equipment**

During the six months ended 31 December 2014, the Group acquired new assets with a cost of \$6,418 (six months ended 31 December 2013: the Group did not acquire any new assets).

**10. Loans and Borrowings**

There were no new loans and borrowings, or repayments of loans and borrowings, during the interim period (six months ended 31 December 2013: there were no new loans and borrowings, or repayments of loans and borrowings).

**11. Capital and Reserves**

For a reconciliation of movements in capital and reserves, refer to the Consolidated Statement of Changes in Equity on page 9.

**12. Contingencies**

There were no material changes in contingencies during the interim period.

**13. Related Parties**

Arrangements with related parties continue to be in place. For details of these arrangements, refer to the 30 June 2014 Annual Financial Report.

**Directors' Declaration**

In the opinion of the directors of World.Net Services Limited (the "Company"):

1. the financial statements and notes, set out on pages 7 to 14, are in accordance with the *Corporations Act 2001*, including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2014, and of its performance for the six month period ended on that date; and
  - (b) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, with the continued financial support of major shareholders and creditors.

Dated at Sydney this 26th day of February 2015.

Signed in accordance with a resolution of the directors:



**Dato' Eng Kwong Gan**  
Director

## **Independent Auditor's Review Report to the members of World.Net Services Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying condensed half-year financial report of World.Net Services Limited, which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of World.Net Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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## **Independent Auditor's Review Report (continued)**

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of World.Net Services Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of World.Net Services Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of Group's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Emphasis of Matter Regarding Continuation as a Going Concern**

Without modifying our review conclusion above, we draw attention to Note 5 of the financial statements "Going Concern". The financial statements have been prepared on the basis that the Company is a going concern. The Group has incurred a net loss during the period of \$118,814 and at balance date its total liabilities exceed its total assets by \$2,551,757.

These conditions, along with the matters described in Note 5, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and settle its liabilities in the normal course of business.

A handwritten signature in black ink, appearing to read "Nexia Court & Co".

**Nexia Court & Co**  
Chartered Accountants

A handwritten signature in black ink, appearing to read "Robert Mayberry".

**Robert Mayberry**  
Partner  
Sydney, NSW

26 February 2015