



ABN 44 009 148 529

## Appendix 4D

### Half Year Report

The following information is given under ASX Listing Rule 4.2A.3.

1. The reporting period is the financial half year ended 31 December 2011. The previous reporting period is the financial half year ended 31 December 2010 unless otherwise shown. The information contained in this report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2011.
2. Results for announcement to the market:
 

			<u>\$A</u>
2.1 Revenue from ordinary activities	- down	34 % to	39,868
2.2 Loss from ordinary activities after tax attributable to members	- up	469 % to	(774,136)
2.3 Loss for the period attributable to members	- up	469 % to	(774,136)
2.4 Final or interim dividends – <i>not applicable</i>			
2.5 Record date for determining entitlements to dividends – <i>not applicable</i>			
2.6 Brief explanation of above figures – <i>see attached Director's Report</i>			
3. Net tangible assets per security this period – 0.0001  
 Net tangible assets per security previous period – 0.0005
4. Details of entities over which control has been gained or lost during the period– *not applicable*
5. Details of individual and total dividends – *not applicable*
6. Details of any dividend or distribution reinvestment plans – *not applicable*
7. Details of associates and joint venture entities –
 

During the period the Company's wholly owned subsidiary Universal Rare Earths Pty Ltd withdrew from three unincorporated joint venture farm in and exploration agreements with Oroya Mining Limited (ASX:ORO) at their Mt Barrett, Pambula and Moruya projects.
8. Accounting standards for foreign entities – *not applicable*
9. The accounts are not subject to dispute or qualification by the Auditor conducting the review of the financial statements for the 6 months ended 31 December 2011. See attached financial statements with Auditor's Independent Review Report.



ABN 44 009 148 529

# Half Yearly Financial Statements

31 December 2011

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## Glossary in brief

<b>NuWorld Solutions or the Company</b>	is NuWorld Solutions Limited (formerly DataMotion Asia Pacific Limited)
<b>SYNERGY Australia</b>	is Synergy Business Solutions Australia Pty Ltd, NuWorld Solutions wholly owned subsidiary
<b>Data-inCrypt®</b>	is Data-inCrypt® Pty Ltd, NuWorld Solutions wholly owned subsidiary
<b>URE</b>	is Universal Rare Earths Pty Ltd, NuWorld Solutions wholly owned subsidiary
<b>the Group</b>	is NuWorld Solutions , SYNERGY Australia, Data-inCrypt® and URE
<b>ASX</b>	is Australian Securities Exchange
<b>NUW</b>	is NuWorld Solutions ASX code
<b>NUWOA</b>	is NuWorld Solutions listed option ASX code
<b>NUWOC</b>	is NuWorld Solutions listed option ASX code

## Corporate Directory

### DIRECTORS

**Michael Robson** LLB (1<sup>st</sup> Class Hons) BSc (Physics) MAICD  
Non-executive Chairman

**Mathew Whyte** BCom CPA  
Executive Director & Company Secretary

**Michal Safrata**  
Non-executive Director

### COMPANY SECRETARY

**Mathew Whyte** BCom CPA  
Executive Director & Company Secretary

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 4, 72 Canning Highway  
Victoria Park WA 6100  
AUSTRALIA

Telephone (08) 9355 2565  
Facsimile (08) 9355 2575  
Email [info@nuworldsolutions.com.au](mailto:info@nuworldsolutions.com.au)  
Website [www.nuworldsolutions.com](http://www.nuworldsolutions.com)

### AUDITORS

Grant Thornton Audit Pty Ltd  
Chartered Accountants  
Level 1, 10 Kings Park Road  
West Perth WA 6005

### SHARE REGISTRY

Computershare Investor Services Pty Ltd  
Level 2 Reserve Bank Building  
45 St Georges Terrace  
Perth WA 6000

### BANKERS

Australia & New Zealand Banking Group Limited  
Cnr Hay & Outram Streets  
West Perth WA 6005

### SOLICITORS & CORPORATE ADVISERS

Bennett & Co	Wilson & Atkinson
Level 10 BGC Centre	Level 2
28 The Esplanade	66 St Georges Terrace
Perth WA 6000	Perth WA 6000

### STOCK EXCHANGE

Listed on the Australian Securities Exchange  
The home Exchange is in Perth, Western Australia

### ASX CODE

NUW – fully paid ordinary shares  
NUWOA - listed options exercisable at 1.0 cent expiring 06 May 13  
NUWOC - listed options exercisable at 0.05 cent expiring 29 Mar 13

## **Directors' Report**

Your Directors submit their report for the half year ended 31 December 2011.

### **DIRECTORS**

The names of the Company's directors in office during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- Michael A Robson
- Michal Safrata– appointed on 5 September 2011
- Mathew Whyte – appointed on 5 September 2011
- Ian Fisher – resigned on 5 September 2011
- Joshua J Wellisch– resigned on 5 September 2011

### **PRINCIPAL ACTIVITIES**

The principal activities of the Company during the course of the half year ended 31 December 2011 were in customer software development, provision of online data backup and recovery facilities, information technology solutions and holding diversified mineral exploration investments.

Other than the divestment of the mineral exploration investments (refer below), there was no significant change in the nature of these activities during the period.

### **REVIEW OF OPERATING RESULTS AND OPERATIONS**

#### **Operating Results**

The net loss after income tax for the half year was \$774,136 (2010: net loss \$136,015). Included in the result are non-cash impairment charges of \$341,036 (2010:\$49,805).

#### **Review of Operations**

NuWorld Solutions Limited continues to focus on its primary business of internet security and information technology solutions.

The group operating business is centred on generating transaction and storage revenues through its hosted data centre, DataMotion SecureMail and Data-inCrypt<sup>®</sup> online data backup & recovery.

#### **(i) TECHNOLOGY**

##### **Overview**

##### ***NuWorld Solutions Intelligent Information Transport (IIT) platform***

... has three products at its core, being SecureMail, FileTransfer and eForms.

##### ***Data-inCrypt<sup>®</sup> online data backup & recovery***

...is a software solution that selects a file from an end-user's PC and then arranges, compresses and encrypts that file before transmitting it over the Internet to the NuWorld Solutions hosted data centre from where that file can be easily recovered when required. It enables organisations to store critical data offsite, eliminating the capital cost, ongoing maintenance and human error in failing to back up critical data.

##### ***SYNERGY Australia***

...operates the NuWorld Solutions hosted data centre, which hosts the Nuworld Solutions SecureMail hosted service, the Data-inCrypt<sup>®</sup> online data backup & recovery service and the suite of e-commerce software products branded the SYNERGY TradeCentre.

**(ii) CORPORATE**

**Overview**

**NuWorld Solutions Limited**

...focused on the transitioning of its business model to reflect the emphasis on and commitment to the NuWorld Solutions platform in the Asia Pacific region.

The Company is actively investigating synergistic acquisitions or investment opportunities.

To this end, on 25 October 2011 the Company entered into a binding term sheet to acquire an option over 100% of the issued capital of MaxxZone Pty Ltd (Australia) ("Maxx"). Maxx is the owner and developer of a new Web based social and business networking site with online sales functionality called MaxxZone.

Under the term sheet NuWorld Solutions will pay Maxx a \$100,000 Option fee (with \$50,000 having been paid in October 2011 and the balance due on the Company's satisfaction of due diligence and execution of the formal option agreement) which gives NuWorld Solutions an exclusive option for a period of 180 days. This transaction remains subject to satisfactory completion of due diligence and signing of a formal option agreement (refer to ASX Announcement 25 October 2011).

The Board will make its assessment of the merits of the Maxx acquisition within the 180 day option period, but continues to investigate alternative acquisition or investment opportunities.

**(iii) INVESTMENT**

**Universal Rare Earths**

On 15 December 2010 the Company completed the acquisition of Universal Rare Earths Pty Ltd ("URE"). This included the completion of the three (3) farm-in agreements between URE and Oroya Mining Ltd ("Oroya").

During the six month period URE withdrew from the three (3) unincorporated joint venture farm in agreements with Oroya without earning any interest in the projects. There are no remaining financial commitments associated with the joint ventures.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

- The Company undertook a Board restructure following the resignation of Mr Ian Fisher and Mr Joshua Wellisch and the appointment of Mr Michal Safrata and Mr Mathew Whyte. Mr Michael Robson was appointed as Chairman on 5 September 2011.
- On 4 November 2011 the Company placed 351,000,000 fully paid ordinary shares at a price of 0.04 cents per share to sophisticated shareholders, raising a total of AUD\$140,400; and
- Following approval received at its Annual General Meeting the Company changed its name to NuWorld Solutions Limited.

Except for the matters discussed above, there is at the date of this report no other matter or circumstance which has arisen since 31 December 2011, that has significantly affected or may significantly affect:

- (a) the Company's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the Company's state of affairs in future financial years.

Pursuant to section 306 Corporations Act 2001 this Directors' Report:

- (a) is made in accordance with a resolution of the Directors;
- (b) is dated 27 February 2011; and
- (c) is signed by Michael Robson and Mathew Whyte.

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

The Auditor's Independence Declaration is set out on page 5 and forms part of the Directors' Report for the half year ended 31 December 2011.



**Mathew Whyte**  
Executive Director & Company Secretary  
Perth, Western Australia  
27 February 2011



**Michael Robson**  
Non-Executive Director  
Perth, Western Australia  
27 February 2011

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**Auditor's Independence Declaration  
To The Directors of NuWorld Solutions Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of NuWorld Solutions Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner - Audit & Assurance

Perth, 27 February 2012



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### **Independent Auditor's Review Report To the Members of NuWorld Solutions Limited**

We have reviewed the accompanying half-year financial report of NuWorld Solutions Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### **Directors' responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 consolidated entity's financial position as at 31 December 2011 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 NuWorld Solutions 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.

### **Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

### **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 NuWorld Solutions Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

### **Material uncertainty regarding continuation as a going concern**

Without qualifying our conclusion, we draw attention to Note 2(b) in the financial report which indicates that the consolidated entity incurred a net loss of \$774,136 and net cash outflows from operating activities of \$425,918 during the period ended 31 December 2011. These conditions, along with other matters as set forth in Note 2(b), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner - Audit & Assurance

Perth, 27 February 2012

## **Directors' Declaration**

In accordance with a resolution of the Directors of the Company, I state that:

In the opinion of the Directors:

- (a) the financial statements and the notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2011 and the performance for the half year ended on that date of the consolidated entity; and
  - (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**Mathew Whyte**  
**Executive Director & Company Secretary**  
Perth, Western Australia  
27 February 2012

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## Consolidated Statement of Financial Position

	Consolidated	
	31 December 2011 \$	30 June 2011 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalent	397,258	1,059,942
Trade and other receivables	36,525	30,380
Financial assets	20,000	-
Other current assets	8,998	3,609
<b>Total Current Assets</b>	<b>462,781</b>	<b>1,093,931</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	36,325	42,061
Intangible assets	17,224	19,212
Capitalised exploration expenditure	-	372,984
Other non current assets	7 50,000	-
<b>Total Non-Current Assets</b>	<b>103,549</b>	<b>434,257</b>
<b>Total Assets</b>	<b>566,330</b>	<b>1,528,188</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	27,386	381,846
Provisions	-	1,565
<b>Total Current Liabilities</b>	<b>27,386</b>	<b>383,411</b>
<b>Total Liabilities</b>	<b>27,386</b>	<b>383,411</b>
<b>Net Assets</b>	<b>538,944</b>	<b>1,144,777</b>
<b>EQUITY</b>		
Issued capital	6 40,638,185	40,469,882
Accumulated losses	(40,191,507)	(39,425,897)
Reserves	92,266	100,792
<b>Total Equity</b>	<b>538,944</b>	<b>1,144,777</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Comprehensive Income

	Note	Consolidated	
		31 December 2011 \$	31 December 2010 \$
Sales revenue	3	39,868	60,797
Cost of sales		-	-
Gross profit		39,868	60,797
Other revenue	3	12,756	455,242
Administrative expenses		(234,463)	(257,562)
Consultant and legal fees		(118,123)	(116,328)
Depreciation and amortisation expenses	3	(7,725)	(15,585)
Director fees		(85,004)	(51,307)
Directors options expense		(38,250)	(74,250)
Employee benefit expense	3	(2,159)	(87,217)
Impairment of capitalised exploration expenditure		(321,036)	-
Loss on revaluation of FVTPL		(20,000)	-
Impairment of intangible assets		-	(49,805)
Profit / (Loss) before income tax expense		(774,136)	(136,015)
Income tax expense		-	-
Profit / (Loss) for the period		(774,136)	(136,015)
<b>Other comprehensive income / (loss)</b>			
Other comprehensive income / (loss) for the period, net of tax		-	-
Total comprehensive income / (loss) for the period		(774,136)	(136,015)
Basic earning per share (cents)		(0.020)	(0.0049)
Diluted earnings per share (cents)		(0.020)	(0.0049)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

	Consolidated	
	31 December 2011 \$	31 December 2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	35,352	63,648
Interest received	14,056	20,121
Payments to suppliers and employees	(475,326)	(526,748)
<b>NET CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>	<b>(425,918)</b>	<b>(442,979)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	-	583,000
Payment for acquisition of businesses	-	(1,000)
Payment for equity investments	(40,000)	-
Payment for purchase of property, plant and equipment	(1,662)	-
Payment for exploration and evaluation	(275,158)	-
Payment for option fee	(50,000)	-
<b>NET CASH FLOWS (USED IN) / PROVIDED BY INVESTING ACTIVITIES</b>	<b>(366,820)</b>	<b>582,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and options	141,150	1,250,750
Capital raising costs	(11,096)	(107,713)
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>	<b>130,054</b>	<b>1,143,037</b>
Net increase / (decrease) in cash held	(662,684)	1,282,058
Cash and cash equivalents at beginning of period	1,059,942	382,073
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>397,258</b>	<b>1,664,131</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

Consolidated	<u>Attributable to the shareholders of NuWorld Solutions Limited</u>				
	Issued Capital		Accumulated Losses	Reserves	Total Equity
	Ordinary Shares	Listed Options			
	\$	\$	\$	\$	\$
<b>As at 1 July 2010</b>	<b>38,259,423</b>	<b>690,940</b>	<b>(38,902,471)</b>	<b>530,736</b>	<b>578,628</b>
Total comprehensive loss for the period	-	-	(136,015)	-	(136,015)
Issue of share capital	1,550,000	-	-	-	1,550,000
Capital raising costs	(132,809)	-	-	-	(132,809)
Listed options issued	-	30,750	-	-	30,750
Capital raising costs	-	(2,672)	-	-	(2,672)
Directors' options issued	-	74,250	-	-	74,250
Share-based payments lapsed	-	-	530,736	(530,736)	-
<b>At 31 December 2010</b>	<b>39,676,614</b>	<b>793,268</b>	<b>(38,507,750)</b>	<b>-</b>	<b>1,962,132</b>
<b>As at 1 July 2011</b>	<b>39,676,614</b>	<b>793,268</b>	<b>(39,425,897)</b>	<b>100,792</b>	<b>1,144,777</b>
Total comprehensive loss for the period	-	-	(774,136)	-	(774,136)
Issue of share capital	140,400	-	-	-	140,400
Capital raising costs	(8,424)	-	-	-	(8,424)
Capital raising costs	-	(2,673)	-	-	(2,673)
Directors' options issued	-	39,000	-	-	39,000
Share-based payments lapsed	-	-	8,526	(8,526)	-
<b>At 31 December 2011</b>	<b>39,808,590</b>	<b>829,595</b>	<b>(40,191,507)</b>	<b>92,266</b>	<b>538,944</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

### 1. CORPORATE INFORMATION

The financial statements of NuWorld Solutions Limited for the half year ended 31 December 2011 are authorised for issue in accordance with a resolution of the Directors on 27 February 2012. NuWorld Solutions Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in note 4.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial statements do not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial statements should be read in conjunction with the annual Financial Statements of the Group as at 30 June 2011.

It is also recommended that the half year financial statements be considered together with any public announcements made by the NuWorld Solutions and its controlled entities during the half year ended 31 December 2011 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

#### a) Basis of Preparation

These general purpose financial statements for the interim half year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial statements are intended to provide users with an update on the latest annual financial statements of NuWorld Solutions Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2011, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in these interim financial statements as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

#### b) Going Concern

The consolidated entity has incurred operating losses of \$774,136 (2010: \$136,015) and negative operating cash flows of \$425,918 (2010: \$442,979) for the half year ended 31 December 2011.

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors consider this to be appropriate for the following reasons:

- the ability to vary the consolidated entity's cost structure and in turn the levels of cash burn dependent on the level of achievement of certain milestones within the business plan; and
- the demonstrated ability to obtain funding through equity issues as required.

The directors recognise the above factors create some uncertainty as to the company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. However, by taking into



account the points noted above, the Directors are confident the Company has adequate resources to continue in operational existence for the foreseeable future.

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

The Group has adopted the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

Impacts of new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

**AASB 124 ‘Related Party Disclosures’ (2009), AASB 2009-12 ‘Amendments to Australian Accounting Standards’**

Amends the requirements of the previous version of AASB 124 to:

- provide a partial exemption from related party disclosure requirements for government-related entities;
- clarify the definition of a related party; and
- include an explicit requirement to disclose commitments involving related parties.

**AASB 1054 ‘Australian Additional Disclosures’, AASB 2011-1 ‘Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project’ and AASB 2011-2 ‘Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements’.**

These standards are a consequence of Phase 1 of the joint Trans-Tasman Convergence project of the AASB and the Financial Reporting Standards Board (FRSB) of the New Zealand Institute of Chartered Accountants, harmonising Australian Accounting Standards and New Zealand equivalents to IFRSs (NZ IFRSs), with a focus on eliminating differences between the standards in each jurisdiction relating to for-profit entities.

**AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project**

Amends a number of pronouncements as a result of the IASB’s 2009-2010 cycle of annual improvements including:

- clarification of content of statement of changes in equity, financial disclosures and significant events; and
- accounting policy changes relating to AASB 1 in year of adoption and amendments to deemed cost.

**AASB 2010-5 Amendments to Australian Accounting Standards**

This standard amends a range of existing standards to reflect changes made to the text of International Financial Reporting Standards. They have no major impact on the requirements of the amended pronouncements.

**AASB 2010-6 ‘Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets’**

Makes amendments to AASB 7 ‘Financial Instruments: Disclosures’ including additional disclosures to allow users of the financial statements to improve their understanding financial asset transfers and potential risks to the transferring entity.

3. LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	<u>31 December 2011</u> \$	<u>31 December 2010</u> \$
<b>Revenue</b>		
Sales	39,868	60,797
<b>Other revenue</b>		
Interest from:		
Other unrelated persons	12,756	24,477
Total interest	12,756	24,477
Gain on sale of non current assets	-	426,746
Other	-	4,019
Total other revenue	12,756	455,242
Total revenue	52,624	516,039
<b>Expenses</b>		
<b>Depreciation and amortisation on non current assets</b>		
Depreciation of:		
- plant and equipment	5,318	11,938
- software	418	658
Amortisation of:		
- licences	1,481	1,481
- software	-	851
- trade marks	508	657
Total depreciation and amortisation	7,725	15,585
<b>Employee benefit expense</b>		
Wages and salaries	3,166	83,860
Defined contribution superannuation expense	558	8,981
Other employee benefit expense	(1,565)	(5,624)
Total employee benefit expense	2,159	87,217

#### 4. SEGMENT INFORMATION

##### Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of functions within the Group, since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

The Group comprise of the following segments:

- NuWorld Solutions SecureMail & IIT platform – a powerful, cost effective, and easy to use service that encrypts messages between an organisation and its business partners and customers.
- Hosted services – including co-location of customer equipment in the NuWorld Solutions hosted data centre and the hosting of Internet services such as web sites and extranets.
- Data-inCrypt® online backup & recovery – selects a file from an end-user's PC and then intelligently arranges, compresses and encrypts that file before transmitting it over the internet to the NuWorld Solutions hosted data centre, from where that file can be easily recovered when required.
- Mineral Exploration – during the half year the Company withdrew from three farm-in projects including the Mt Barrett project in Western Australia, Pambula gold project and Moruya gold project which are both located in south-eastern New South Wales.

##### Basis of accounting for purposes of reporting by operating segments

###### *Accounting policies and inter-segment transactions*

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group. There are no inter-segment transactions.

###### *Segment assets and segment liabilities*

Segment assets and segment liabilities are reviewed by the chief operating decision maker on a consolidated basis except for assets and liabilities that related to the Mineral Exploration segment.

###### *Unallocated items*

Unless indicated otherwise the following items are not allocated to operating segments as they are not considered part of the core operations of any segment:

- cash and cash equivalents;
- trade and other receivables;
- available for sale financial assets;
- other current assets;
- property, plant and equipment;
- intangible assets;
- interest revenue;
- net gain on disposal of available-for-sale of financial assets;
- net gain on disposal of plant and equipment;
- administration costs; and

➤ employee benefit expenses (including share-based payments).

	NuWorld Solutions SecureMail & IIT platform	Hosted services	Online backup & recovery	Mineral Exploration	Consolidated
	\$	\$	\$	\$	\$
<b>Six months ended 31 Dec 2011</b>					
<b>Revenue</b>					
External sales	-	30,000	9,868	-	39,868
Other revenue	-	-	-	-	-
Inter-segment sales	-	-	-	-	-
<b>Total segment revenue</b>	<b>-</b>	<b>30,000</b>	<b>9,868</b>	<b>-</b>	<b>39,868</b>
Interest revenue					12,756
<b>Total group revenue</b>					<b>52,624</b>
<b>Result</b>					
Segment net loss before tax	-	(6,996)	9,563	(321,036)	(318,469)
<i>Amounts not included in segment result but reviewed by the Board:</i>					
Unallocated revenue as above					12,756
Depreciation and amortisation					(7,725)
<i>Unallocated items:</i>					
Administration costs					(458,539)
Employee benefit expenses					(2,159)
<b>Net loss before tax</b>					<b>(774,136)</b>
<b>Six months ended 31 Dec 2010</b>					
<b>Revenue</b>					
External sales	5,050	30,000	25,747	-	60,797
Other revenue	-	-	-	-	-
Inter-segment sales	-	-	-	-	-
<b>Total segment revenue</b>	<b>5,050</b>	<b>30,000</b>	<b>25,747</b>	<b>-</b>	<b>60,797</b>
Interest revenue					24,477
Net gain on disposal of plant and equipment					426,746
Other – reversal of impairment of debtor					4,019
<b>Total group revenue</b>					<b>516,039</b>
<b>Result</b>					
Segment net loss before tax	5,050	(16,194)	25,166	-	14,022
<i>Amounts not included in segment result but reviewed by the Board:</i>					
Unallocated revenue as above					455,242
Depreciation and amortisation					(15,585)
<i>Unallocated items:</i>					
Administration costs					(502,477)
Employee benefit expenses					(87,217)
<b>Net loss before tax</b>					<b>(136,015)</b>

	NuWorld Solutions SecureMail & IIT platform \$	Hosted services \$	Online backup & recovery \$	Mineral Exploration \$	Consolidated \$
<b>Six months ended 31 Dec 2011</b>					
<b>Assets</b>					
Capitalised exploration expenditure	-	-	-	-	-
<b>Total segment assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Amounts not included in segment asset but reviewed by the Board:</i>					
Cash and cash equivalent					397,258
Trade and other receivables					36,525
Available for sale financial assets					20,000
Other current assets					8,998
Property, plant and equipment					36,325
Intangible assets					17,224
Other non current assets					50,000
<b>Total assets as per the statement of financial position</b>					<b>566,330</b>
<b>Six months ended 30 Jun 2011</b>					
<b>Assets</b>					
Capitalised exploration expenditure	-	-	-	372,984	372,984
<b>Total segment assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>372,984</b>	<b>372,984</b>
<i>Amounts not included in segment asset but reviewed by the Board:</i>					
Cash and cash equivalent					1,059,942
Trade and other receivables					30,380
Other current assets					3,609
Property, plant and equipment					42,061
Intangible assets					19,212
<b>Total assets as per the statement of financial position</b>					<b>1,528,188</b>

5. COMMITMENTS

a) Operating lease commitments

There are no operating lease commitments for the Company as at 31 December 2011.

b) Other commitments

The Company and its wholly owned subsidiary, Universal Rare Earths Pty Ltd had entered into three joint venture agreements with Oroya Mining Limited to farm-in to the Mt Barrett, Moruya and Pambula projects on 15 December 2010. During the half year the Company and its wholly owned subsidiary, Universal Rare Earths Pty Ltd withdrew from the three joint venture agreements with Oroya Mining Limited and accordingly there are now no further minimum expenditure obligations or commitments in respect of each joint venture project and the Company's interest in the assets have lapsed.

6. ISSUED CAPITAL

	31 December 2011 \$	30 June 2011 \$
<b>a) Ordinary shares</b>		
4,041,022,710 fully paid ordinary shares (30 June 2011: 3,690,022,710)	39,808,590	39,676,614
<b>Movements in contributed equity for the period</b>		
Balance at the beginning of the financial year	39,676,614	38,259,423
Shares issued during the current financial year:		
- 351,000,000 on 04 November 2011	140,400	-
Shares issued during the previous financial year:		
- 200,000,000 on 05 August 2010	-	160,000
- 1,362,500,000 on 08 October 2010	-	1,090,000
- 150,000,000 on 16 December 2010	-	300,000
Less capital raising costs	(8,424)	(132,810)
Total contributed equity	39,808,590	39,676,614
<b>b) Listed Options</b>		
1,130,394,439 listed options (ASX code: NUWOA) (30 June 2011: 1,130,394,439)	690,940	690,940
2,496,250,000 listed options (ASX code: NUWOC) (30 June 2011: 2,421,250,000)	138,655	102,328
Total listed options	829,595	793,268
<b>Movements in listed options (ASX code: NUWOC) for the period</b>		
Balance at the beginning of the financial year	102,328	-
Listed options issued during the current financial year:		
- 75,000,000 on 07 December 2011	39,000	-
Listed options issued during the previous financial year:		
- 2,316,250,000 on 08 October 2010	-	-
- 30,000,000 on 20 October 2010	-	30,000
- 75,000,000 on 01 December 2010	-	75,000
Less capital raising costs	(2,673)	(2,672)
Total listed options	138,655	102,328

7. OTHER NON CURRENT ASSETS

**MaxxZone**

As announced on 25 October 2011 the Company has signed a term sheet to acquire an option over 100% of the issued capital of MaxxZone Pty Ltd (Australia) ("Maxx"). Under the term sheet, the Company will pay Maxx a \$100,000 Option Fee (\$50,000 was payable on execution of the term sheet and the balance is to be paid on satisfaction of due diligence and execution of the formal option agreement) which will give the Company an exclusive Option for a period of 180 days. As at the date of this report, an amount of \$50,000 was paid to Maxx as per the terms of the term sheet and included in other non current assets.

8. RELATED PARTY TRANSACTION

a) **Remuneration for key management personnel**

Key management of the Group are members of the board of directors. Key management personnel remuneration includes the following expenses:

31 December 2011

Director	Short-term benefits	Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total
	Salary, fees and leave	Superannuation	LSL	Termination benefits	Options	
	\$	\$	\$	\$	\$	\$
Michael Robson	15,000	-	-	-	12,750	27,750
Mathew Whyte	64,720	-	-	-	12,750	77,470
Michal Safrata	10,000	-	-	-	12,750	22,750
Joshua Wellisch	18,167	-	-	27,250	-	45,417
Ian Fisher	4,587	413	-	-	-	5,000
Total	112,474	413	-	-	38,250	178,387

b) **Directors' interest**

As at the date of this report the interests of the Directors, held either directly or through the entities they control, in the securities of NuWorld Solutions Limited are as follows.

Director	Number of Ordinary Shares (NUW)	Number of Listed Options (NUWOA)	Number of Listed Options (NUWOC)
Michael Robson	4,000,000	-	50,000,000
Mathew Whyte	-	-	25,000,000
Michal Safrata	-	8,000,000	25,000,000

A total of 75,000,000 listed options (ASX code: NUWOC) were issued to the directors (or their nominees) approved by shareholders at the Company's Annual General Meeting in November 2011. The purpose of the grant of the listed options is for the Company to provide an incentive to enable the Company to retain directors of high calibre. Each listed option is granted for \$0.0001 and entitled the directors to subscribe for one fully paid ordinary share at an exercise price of \$0.005, exercisable on or before 29 March 2013.

The total value of listed options issued to the directors was \$39,000 and the funds received from the directors for the issue of, listed options were \$750. The difference between these two amounts of \$38,250 has been recognised as directors options expense in the period.

**9. EVENTS SUBSEQUENT TO REPORTING DATE**

There is no event subsequent to reporting date.

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