SyQic plc

LEADING THE WAY IN MOBILE TV...

SyQic plc

ANNUAL REPORT 2014

About Us

SyQic is a fast-growing provider of live TV and on-demand video content across mobile and internet-enabled consumer devices. Incorporated in Jersey and headquartered in the UK, the Company provides a range of video services ranging from international broad content offerings delivered through telcos in Southeast Asia to niche Over The Top (OTT) services available via most internet browsers.

The content that SyQic delivers through its different platforms covers movies, drama, music, sports, news, lifestyle and general entertainment genres.

Leveraging the strong relationships that the Company has developed with telcos, content providers, payment providers and market leading technology partners, SyQic's management has developed an exciting company providing in demand entertainment services to a wide customer base.

Contents

Financial Highlights

- Revenue increased by 127% to £10.7 million (2013: £4.7 million)
- Substantial increase in profit before tax of 250% to £2.1 million (2013: £0.6 million before AIM transaction costs of £0.5 million)
- Cash less overdrafts of £0.22 million (2013: £1.05 million) following investment in 2014 into premium content licensing and the comprehensive redesign work for the launch of new Korean content streaming service
- Significant decrease in long-term receivables balance to £0.8 million (2013: £2.3 million) as payment terms with Indonesian customers improve
- Raised £1.85 million before costs through a placing to certain institutional and other investors
- Reduction in revenue dependence on main Indonesian customer

Operating Highlights

- Purchased the operating assets of the Korean content streaming site Maaduu, later renamed as 'Cool2vu'
- Established the Group's core telco brand in Myanmar, after entering an agreement with Blue Ocean Operations Management Ltd
- Completed a successful migration to a global networking and hosting solution giving more capacity at a lower cost
- Yoomob transaction numbers increased from 9.6 million in 2013 to 21.5 million in 2014

Post-period end

- 6.7 million Yoomob subscriptions have been booked as at the end of April 2015 with a revenue value of approximately £4.0 million (unaudited)
- Strategic partnership with global streaming site Viki secures additional content and advertising revenues for SyQic
- Cool2vu later made available to users in Southeast Asia, Europe, South America, Central America, India and the Philippines through an expansion of the partnership with Viki
- The Directors remain comfortable on the level of the Group's cash balances which are currently in excess of £650,000 (when factoring the receipt of a further payment from the Group's key Indonesian customer which is in transit and anticipated to be received in the coming few days)
- A working capital facility of up to £3 million including a bank guarantee facility of up to £370,000 entered into with a Malaysian bank
- Since launch the Cool2vu service has been accessed by more than 120,000 users in 181 different countries with an average session duration of 38 minutes

What We Do

SyQic provides OTT Mobile TV solutions which empower our consumers by enabling end users to gain access to premium mobile video content on easy-to-navigate user interfaces.

A year of continued development

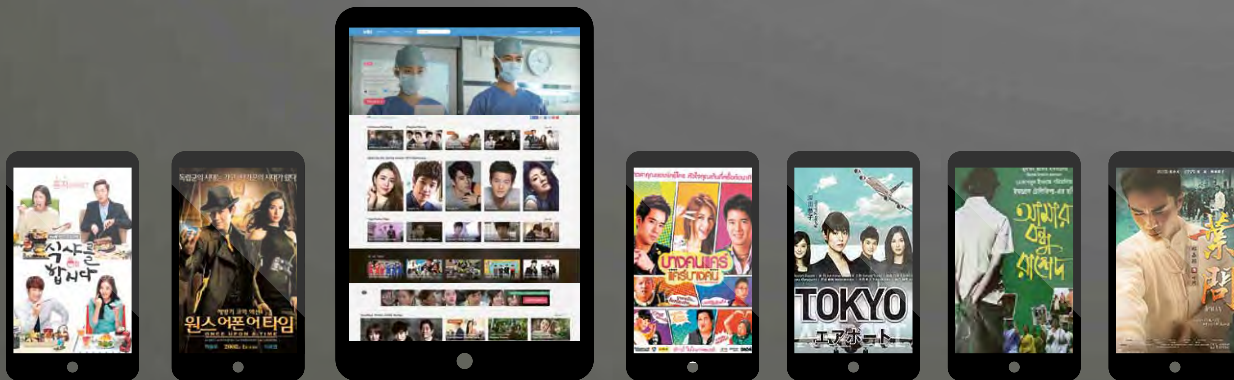
April 2014
Launch of Bangladesh OTT service to communities in UK and Malaysia

June 2014
Launch of Yoomob Plus, an enhanced telco platform service in Malaysia with Maxis Telecommunications

July 2014
Hosting of Group's products migrated to Amazon Web Services

August 2014
Launch of Filipino OTT service to communities in the UK, Malaysia and Singapore

Acquisition of the assets of Maaduu, a Korean content streaming service



September 2014

Integrated a mobile OTT payment service in partnership with international payment provider Fortumo

Purchase of operating assets of Maaduu, a Korean drama website

October 2014

Re-launch of Maaduu in Malaysia

November 2014

Re-launch of Maaduu in Indonesia and Singapore

December 2014

Agreement reached to launch mobile service in Myanmar through Blue Ocean Operations Management Ltd

SyQic plc

Looking to the future

Market Opportunity

The OTT content market is growing fast and particularly strongly in emerging markets. A 2015 Pyramid Research report expects paid OTT revenue in emerging markets to expand from US$1.9 billion in 2014 to US$6.0 billion in 2019.[1]

Streaming is closing in on linear TV

75%

use on-demand video several times a week or more, compared to 77% who watch scheduled broadcast TV several times a week or more[2]

According to a 2014 report from business intelligence provider Visiongain, the global OTT media delivery market is expected to reach $140 billion in revenues by 2019.[3]

The growing investment in broadband infrastructure, with improvements in speed and reliability, has created new opportunities to serve video over Internet Protocol, not only in more advanced, developed countries but also, critically, in emerging markets, both as an alternative and as a complement to established free-to-air video platforms.

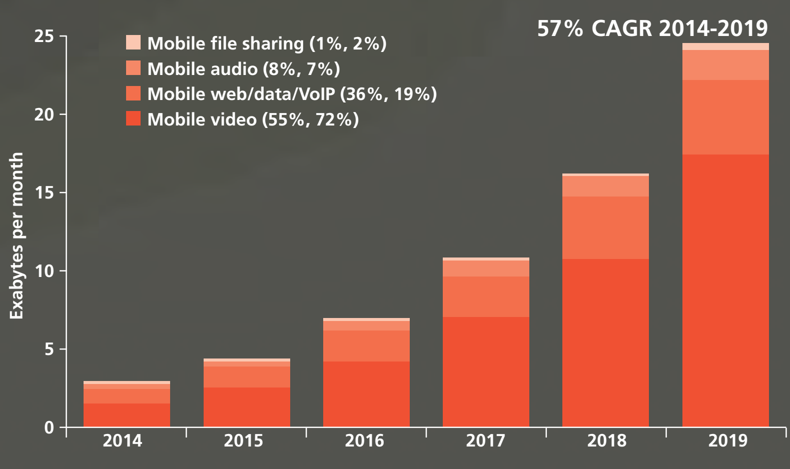
On-the-go video consumption has become particularly popular, driven by greater wireless broadband penetration and the plethora of internet-enabled devices available to consumers today: laptops, tablets, smartphones and others.

The report's findings are that subscription video on-demand services were available to 1.3% of households in emerging markets in 2014, with a user base of 19.4 million. This number is expected to grow to 6.4% by the end of 2019, increasing the user base to 102.7 million.[4]

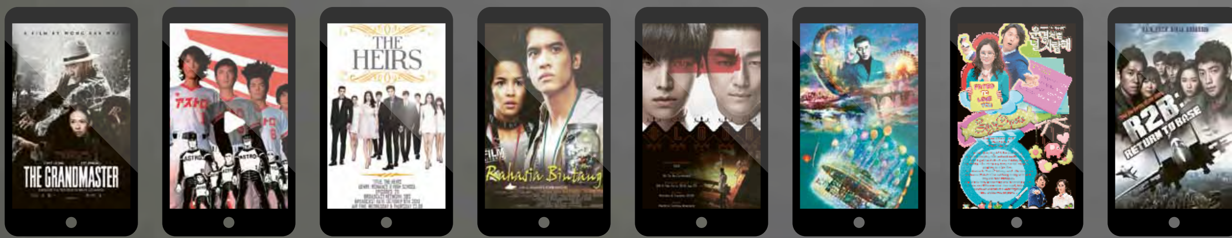
The rise in online video consumption strongly suggests that the traditional TV business model, predicated on captive viewing, is not sustainable.

SyQic is at the leading edge of advances in mobile technology and is superbly positioned to scale globally and maximise revenue streams especially in emerging markets where there is potential for enormous growth.[5]

According to CISCO data, mobile video will generate 72% of mobile data traffic by 2019 (figures in parentheses refer to 2014, 2019 traffic share)[6]



1 Pyramid Research. (January 2015). OTT video in emerging markets: monetisation strategies and five-year revenue opportunity.
2 Ericsson. (September 2014). TV and Media 2014.
3 Visiongain. (November 2014). Over The Top (OTT) Media Delivery Services Market 2014-2019.
4 Pyramid Research. (January 2015). OTT video in emerging markets: monetisation strategies and five-year revenue opportunity.
5 Cisco. VNI Forecasts Highlights. Accessed from 25 April 2015, from http://www.cisco.com/web/solutions/sp/vni/vni_forecast_highlights/index.html
6 Cisco. (February 2015). Cisco Visual Networking Index.



Smartphone sales surpassed

1 billion

units in 2014[7]

OTT on the mobile increasing

The increasing number of wireless devices that are accessing mobile networks worldwide is one of the primary contributors to global mobile traffic growth, as is the fact that smart phone screen sizes are increasing. Gartner, the global market research company, states that worldwide sales of smartphones to end users had a record fourth quarter of 2014 with an increase of 29.9% over the comparable period in 2013 to reach 367.5 million units.[8]

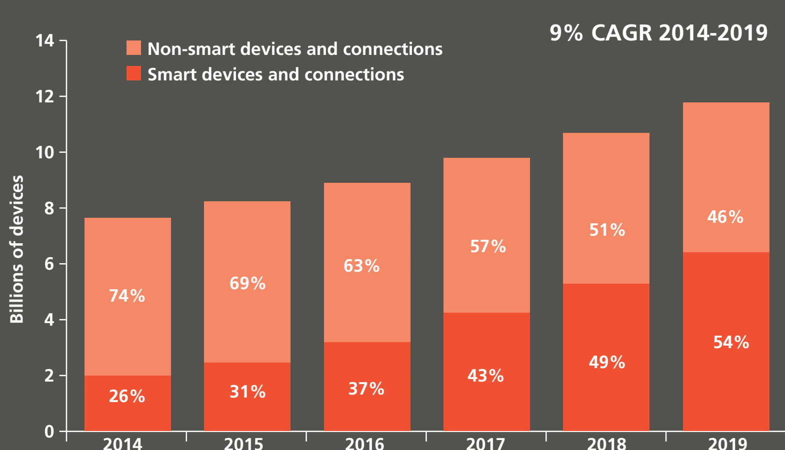
Along with the proliferation of wired broadband, the rapid roll out of 3G and 4G wireless services is leading to a growing demand by consumers for access to video content over the internet. A recent industry report found that in some of SyQic's core markets in Southeast Asia, more people own internet enabled phones than any other similar device for accessing the internet.[9]

GlobalWebIndex research published at the beginning of 2015, examines usage of such devices across 32 surveyed markets and states that 75% of smartphone users are accessing mobile internet services on their smartphones.[10]

Across emerging markets, the dynamics of smartphone growth are different than in mature markets. Lacking a widespread fixed-line infrastructure, many emerging markets leapfrog mature markets and use mobile broadband technologies to deliver high-speed internet access to the mass market.

All indications are that smartphone ownership and usage is set to grow substantially. We believe "OTT-on-the-mobile" demand is expected to grow in line with the rise in mobile devices.

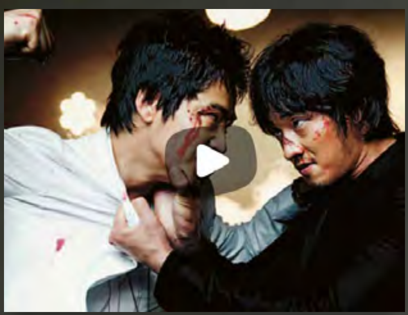
Global growth of smart mobile devices and connections (percentages refer to device and connections share)[11]



7 Gartner. (March 2015). Press release: Gartner says smartphone sales surpassed one billion units in 2014.
8 Gartner. (March 2015). Press release: Gartner says smartphone sales surpassed one billion units in 2014.
9 Ericsson. (November 2014). Southeast Asia and Oceania: Ericsson Mobility report appendix.
10 GlobalWebIndex quarterly report Q3 2014.
11 Cisco. (February 2015). Cisco Visual Networking Index.

Say Hello to Hallyu!

"Hallyu", otherwise known as the Korean Wave, is a major cultural theme that has spread throughout Asia and much of the world.



In a similar vein to how Hollywood and Bollywood content has become popular outside of their respective countries of origin, Korean content is experiencing increasing demand across the world. Hollywood, Bollywood and Korean content all have a reputation for high quality production values and hence highly sought after TV programmes and movies. According to Korea's Creative Content Agency, the total value of Korea's cultural exports doubled since 2008 to more than $US5 billion in 2012.

Prior to acquisition of Maaduu (now rebranded as Cool2vu), SyQic had access to only a limited amount of Korean content (predominantly music and historic TV and movies) but even this small amount of content accounted for as much as 35% of streaming across the Company's existing network.

SyQic announced on 3 February 2015 that it had signed a two year agreement with global video service provider Viki to make its TV shows and movies available to SyQic customers via its Cool2vu platform. This strategic partnership with Viki secured additional content and advertising revenues for SyQic and meant SyQic could leverage Viki's operational assets in order to expand its own services more rapidly into multiple new territories without the need to obtain new content licenses in those territories. This rapid roll-out to new territories comes at a time when early mover advantage is highly important.

The rebranding of Maaduu to Cool2vu has given the service a new visual identity and the strategic partnership with Viki will provide Cool2vu customers with access to an enhanced library of high quality drama content in addition to the content they are able to access currently. The partnership is a significant milestone for SyQic, reflecting its continued growth and progress and how highly it is viewed by other players within the market.

Korean artists need foreign markets

Financial Times: K Pop conquers US 'Gangnam Style', September 2012

The Directors anticipate that this will enable Cool2vu to position itself as one of the premier go-to sites for Korean content globally. In addition to new drama content, the new service will soon include lifestyle magazine content including fashion and beauty, food, travel, music videos and competitions, targeted to tap into the growing consumption of other Korean themed content.

Since launch, SyQic has expanded its agreement with Viki from its home territories of Malaysia, Indonesia and Singapore to include Europe, South and Central America, India and the Philippines.

Content and accessibility

Consumption of video over the internet is growing strongly and it is critical that any player in the video streaming market has a strong catalogue and mobile delivery capability. This means two things: content that is high in demand, and high quality technology that makes the content easily accessible over multiple devices.

As interest in Korean popular culture has become an increasingly globalised phenomenon, demand for its high quality production values and programming has surged in many parts of the world, especially in new and emerging markets. To service this demand, SyQic undertook software development to allow the Company to increase its addressable market by enabling access by users of Android and iOS internet enabled mobile, tablet devices and personal computers. SyQic's platforms are now fully compatible with all Android and iOS devices providing access to 80% of the global mobile market.

Chairman's Statement

2014 was a year of significant progress for SyQic, set against the trend of increased, global on-demand access to video streaming for mobile devices.

2014 saw increased global on-demand access to video streaming for mobile devices. 2014 was a significant year for the Company in terms of both operational and financial progress. Revenue generation from our core telco products increased while we continued to invest in the development of our exciting OTT (over-the-top) platforms.

Core business performance

Our core telco business performed well in 2014 with revenues increasing on the previous year by 127%. Importantly the revenue dependence on our primary Indonesian master content provider ("MCP") reduced from 62% of revenues in 2013 to 52% in 2014. The growth in Group revenue was primarily attributable to increased user take-up across the Group's telco service platforms. We continue to believe the opportunity exists to enhance this offering further by the addition of more compelling content and the Company plans to continue to acquire content that has a high value to its user base.

Korean content OTT service

In August 2014, we announced the purchase of the operating assets of the Korean drama streaming service, Maaduu from PlayTV Asia for £1.03 million and £0.06 million of shares in SyQic. The initial consideration of approximately £570,000 was paid in cash on completion. The transaction was structured in order to protect SyQic's shareholders and it is now considered unlikely that any of the conditional deferred consideration will become payable. The purchase was funded through a successful equity placing to raise £1.85 million before expenses.

Korean content was already very popular on the Company's sites, despite only representing a small proportion of SyQic's content portfolio. The rationale behind the acquisition was therefore to have a much deeper offering of this proven content to drive consumption and further increase user numbers. Following the acquisition, the Company is already seeing revenue generation opportunities in the areas of advertising, subscription and e-commerce.

The Company has since invested heavily in software development and successfully rebranded Maaduu as Cool2vu. Today, the Cool2vu platform can be accessed by both Android and iOS internet enabled devices in addition to PCs, dramatically increasing the Company's addressable market.

OTT payment service increase

In September 2014, we announced the activation of a mobile payment service for our OTT offerings. The new payment service will facilitate the monetisation of the Company's OTT services across its global markets.

The mobile phone payment service has been developed in partnership with international mobile payment provider Fortumo. Fortumo currently has live mobile payment services operating in 81 countries over six continents, with a strong focus on emerging markets. The partnership therefore facilitates SyQic's introduction of its OTT services into new geographies.

Launch of mobile service in Myanmar

In December 2014 the Company entered into a licencing agreement with Blue Ocean Operations Management Ltd, a prominent telco content provider in Myanmar. Under the agreement SyQic will make certain of its audio and video content available in Myanmar over the Telenor and Ooredoo mobile networks. We look forward to updating shareholders on this exciting development at the appropriate time.

Trade receivables

As in previous years the Company has generated a high proportion of its 2014 revenue from the Indonesian market where SyQic works with MCPs to reach the end users of the three largest telcos. In previous years SyQic has worked mainly with one MCP in this market but the transaction volume coming through a second MCP has grown in 2014 to also represent a significant share of the Company's total revenue. As a result of the increase in revenue earned from Indonesia the combined amount receivable from the two MCPs, before adjustment for fair value, increased from £4.0 million to £7.5 million during 2014. The payment terms involved in operating this business model are protracted and periodically during the year this has put pressure on the Company's operating cash flow. In fact in previous years the Company had to agree to separate payment plans with PTNP to recover amounts due from 2012 and 2013. This has led the Company's auditor to include an emphasis of matter in relation to the trade receivables credit exposure in their audit statement. Nevertheless, I can report that our primary MCP met all scheduled payments during 2014 to recover these prior year billings. In addition, they have honoured their commitment to pay 2014 billings more promptly. Taking into account the payment that is currently in transit SyQic will have received payments relating to amounts billed up to and including July 2014. Further details of our Indonesian operations are given in the Group Chief Executive Officer's Statement.

Outlook

I was delighted to be appointed Non-Executive Chairman of the Board in late November at such an exciting stage in the Company's development. The Directors anticipate that the Company's investment into premium content licensing for the existing services together with the development of the Cool2vu platform will provide it with a stronger value proposition going forward.

Together with global scalability and encouraging trends for video streaming, we have entered 2015 with increasing confidence and believe SyQic is well placed to meet its goals and objectives for the coming year and capitalise on the global video streaming trends and consequently deliver significant value for shareholders.

On behalf of the Board, I would like to express my sincere appreciation to the management and staff for their hard work in the last year. I would also like to thank our investors, customers and partners for their continuing strong support.

David Cotterell
Non-Executive Chairman

22 June 2015

Group Chief Executive Officer's Statement

The Board is pleased to report the Group's results for the 2014 financial year in terms of financial progress, operational progress, industry position and the positive market backdrop that SyQic now operates within.

Financial review

For the 12 months to 31 December 2014, growth remained strong with revenue up by 127% to £10.7 million. Profit before tax increased 250% to £2.1 million (before 2013 AIM transactions costs) and the Group had net current assets of £6.4 million at the year end. The Group's cash less overdrafts position as of 31 December 2014 was £0.22 million (2013: £1.05 million). The Directors remain comfortable on the level of the Group's cash balances which are currently in excess of £650,000 (when factoring the receipt of a further payment from the Group's key Indonesian customer which is in transit and anticipated to be received in the coming few days).

Operational review

Core Telco business – Yoomob

The core business continues to perform strongly in Indonesia and Malaysia but we continue to look for new markets and new opportunities to drive the business forward. Yoomob transaction numbers increased from 9.6 million in 2013 to 21.5 million in 2014. 6.7 million subscriptions have been booked as at the end of April 2015 with a revenue value of approximately £4.0 million (unaudited). Average transaction values

Strong results

Revenue	Net cash	Earnings per share
£10.7m	£0.22m	8.14p

have increased this year as a result of the withdrawal of individual channel subscriptions and replacement with higher value bundle offers.

Indonesia remains a key emerging market in Southeast Asia for SyQic. With 240 million inhabitants, it's the world's fourth most populous country and the largest economy in the region. Indonesian consumers are young (with 60% under 30 years of age), tech savvy and regularly use a mobile phone to access the internet.

Similar to other foreign providers in the Indonesian mobile phone valued-added services market, SyQic is unable to secure its own operating licence and therefore works with the three main telecoms companies via two MCPs. The companies through which SyQic's Yoomob service is delivered to end users are the three largest mobile phone operators in Indonesia. These are Indosat, Telkomsel and XL Axiata, all of which are themselves at least part owned by larger international telecoms groups.

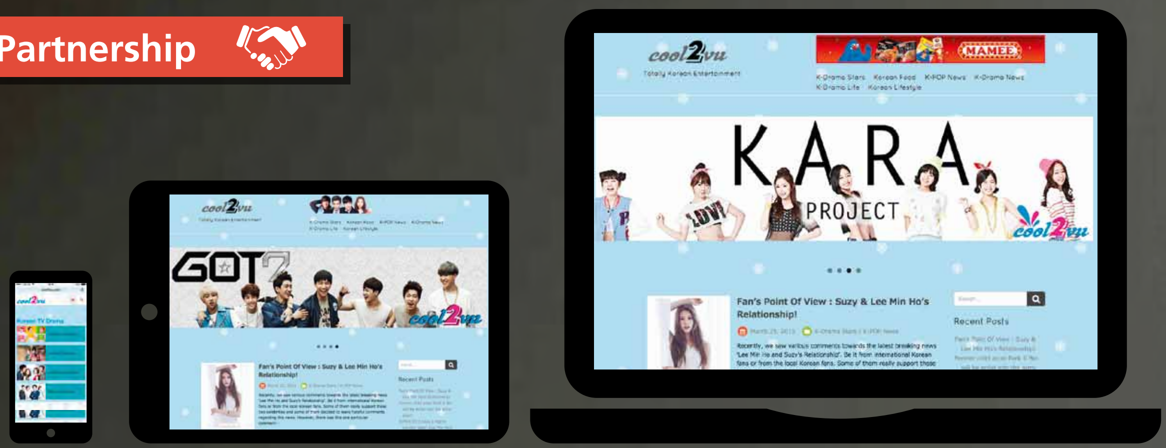
The MCPs that SyQic works with deal with a large number of different international providers supplying a range of services from ringtones to mobile phone games into the large Indonesian market. As well as acting as single points of contact for the supply of services, the MCPs also collect and distribute payments back to the service providers. The scale and complexity of the value-added service operations of the telcos mean that payments to the MCPs themselves can take a number of months. Once the MCPs have been paid they will normally pay the service providers within 30 days.

In December 2014 we announced SyQic will make certain audio and video content available in Myanmar, via its core brand,Yoomob, to Ooredoo and Telenor subscribers. Ooredoo is a leading international communications company serving a customer base of 92.9 million in markets throughout the Middle East, North Africa and Southeast Asia. Telenor Group is one of the world's largest mobile companies with operations in Scandinavia, Eastern Europe, and Asia and has more than 160 million mobile subscribers.

According to a recent Fortune article (http://fortune.com/ 2014/09/18/asia-myanmar-burma-telecommunications-market), billions of dollars of foreign investment are being made in Myanmar leading to predictions that it will become the world's fastest ever deployment of mobile services. Currently just 12.3% of the 53 million population has access to a mobile phone. Ovum, the global market research agency, predicts that the number of new mobile subscribers in Myanmar will grow at a compounded annual rate of nearly 30% to reach 32.3 million people by the end of 2019.

Following the relaxation of the rules restricting foreign operators in the market, we believe there is large and increasing demand within Myanmar for foreign media content and we are confident that this market will respond positively to SyQic's compelling offering.

Partnership



GlobeTel

We were very pleased by the end of year to have reached agreement with telecoms provider UK GlobeTel Ltd ("Globe UK") to launch a UK based co-branded version of our Filipino Yoonic OTT service. Under this agreement, Globe UK's customers will be able to watch SyQic's live and on-demand channels from the Philippines via payment from their existing Globe account on a subscription-based service. The agreement lasts for an initial period of one year and is renewable by both parties.

Cool2vu (formerly Maaduu)

We announced in August 2014 the asset purchase from PlayTV Asia in Malaysia, of Maaduu, an online video-on-demand service. The Company successfully re-launched the service, across Malaysia in October 2014 and subsequently across Indonesia and Singapore in November 2014. More recently, under its new branding Cool2vu, the service has expanded into Europe, South and Central America, India and the Philippines.

Currently the majority of customers are from Malaysia, being drawn from the existing Maaduu base, but we are now seeing encouraging growth patterns in South America and Europe. The Cool2vu service will shortly start generating advertising revenue and this is a revenue stream we expect to increase substantially as the service enters new markets and its user base continues to grow. In addition to the advertising revenue generated by Cool2vu, our strategy is to cross sell the platform's content to our core telco customers to generate additional revenue.

Industry consolidation

The Company is clearly now entering an exciting period of its corporate development. The successful purchase and launch of the Cool2vu service platform was extremely timely given the backdrop of the recent consolidation across the industry which has seen the purchase of Viki by Rakuten for $200 million in September 2013 and DramaFever, by Softbank for an estimated $100 million in October 2014.

Both Viki and DramaFever are focused on supplying Southeast Asian content and we believe both deals indicate that targeting highly engaged audiences with niche content is a valuable strategy for the Company. SyQic is already developing a strong working relationship with Viki, with each party focusing on clear strategic areas in order to jointly monetise the market opportunity effectively.

Marketing and social media

Having expanded the Cool2vu service into new markets, we need to move quickly to raise awareness of the service and ultimately, build a customer base. To that end, we are progressing an aggressive social media proliferation strategy globally that is already bearing fruit. We have looked at our online discoverability, engaged with UK Trade and Investment in these new and emerging markets, undertaken an external link building campaign and commissioned a forensic style audit of the cool2vu.com website by an acknowledged industry leader with a view to enhancing our search engine optimisation.

In addition, the Company continues to collaborate with a specific range of news websites, groups and associations, and community leaders in various locations.

Research and development

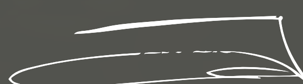
Research and development continues to lie at the core of our activities. Development is carried out on an ongoing basis in order to enhance the user experience and functionality across all our platforms and interfaces.

Outlook

The Company firmly believes that it has achieved a timely market entry as demand for the content that it supplies has never been more highly sought. The revenue recorded in the second half of 2014 was higher than that of the first half and we expect this trend of revenue growth to continue.

Notwithstanding these growth trends, the coming months will be significant for SyQic as the Cool2vu platform becomes established and we realise the full potential of the opportunity in Myanmar. 2015 promises to be exciting as we build on the achievements made in 2014.

The Company therefore looks to the year ahead with confidence.



Jamal Hassim
Group Chief Executive Officer

22 June 2015

Board of Directors

David Cotterell

Non-Executive Chairman

David Cotterell has nearly 30 years' experience in the information technology software and service sector. He has held senior management roles with firms such as ACT Financial Systems and AIM listed SQS Group where he was also responsible for investor relations. This wide ranging experience includes senior roles in international start-ups, organisations requiring change and mature businesses with established brands. David has also successfully led and completed two trade sales of technology companies.

He holds other IT related board level positions with AIM listed RapidCloud International and Crossrider. He is also Director of the European region for Qualitest services.

David is Chairman of the Group's Remuneration Committee and a member of the Audit Committee.

AC RC

Jamal Hassim

Group Chief Executive Officer and Founder of the Group

After graduating from the University of Wales in 1990, Jamal Hassim gained experience in taxation and corporate finance. He then worked for ntv7 Malaysia, a terrestrial broadcasting station before being appointed by the Malaysian Government to help with the operation of TV3 and also the restructuring of its RM800 million debt. Jamal later became the Chief Operating Officer of SPH Mediaworks before founding Channel 9, a commercial TV station where he created a multi-media platform to deliver content via television, the internet and mobile devices. Jamal and investors successfully exited their investment in Channel 9 via a trade sale. In 2004, following the sale of Channel 9, Jamal founded SyQic.

Steve Elliff

Chief Financial Officer

Steve Elliff is a Chartered Accountant with over 20 years of financial experience in industry. He started his career in 1990 at KPMG London where his tenure included an 18 month secondment to KPMG, Kuala Lumpur, Malaysia. Steve's other experience includes management roles at Lex Service, Dexion, Mercedes Benz and Epson UK. In November 2013 Steve joined SyQic ahead of the AIM listing. Steve has a degree in Economics from the University College of Wales, Aberystwyth and a Certificate in Business Administration from Warwick Business School.

Dato' Borhanuddin Osman
Non-Executive Director

Dato' Borhan brings more than twenty years of extensive experience in the advertising industry and fourteen years in broadcasting to the SyQic Board. Currently Dato' Borhan is in his ninth term as Commercial Radio Malaysia (CRM) President, which is unprecedented in the Malaysian communications industry. He has also served four terms as the Chairman of the Communications and Multimedia Content Forum of Malaysia ("CMCF"). In 2010, he was appointed Chairman of the Programme Department of the Asia Pacific Broadcasting Union ("ABU").

Dato' Borhan is a member of the Group's Remuneration and Audit Committees.

AC RC

Dicky Tjokrosaputro
Non-Executive Director

Dicky Tjokrosaputro graduated from the University of Southern California with a degree in Business Administration in 1992 before commencing his career in the textile manufacturing business. From 1996 to 2008 he was the CEO of PT Hanson International Tbk (Indonesia), a company involved in textile manufacturing. He has been a Director of PT Power Telecom (Indonesia), a company involved in telecommunication services from 2004 till the present day.

Dicky is a member of the Group's Remuneration and Audit Committees.

AC RC

Chak Kong Soon
Non-Executive Director

Chak Kong Soon started his career in the systems integration division of Andersen Consulting (now known as Accenture), and is currently a Managing Partner of Stream Global Pte Ltd. He is the President of the Singapore Computer Society, a professional body with 27,000-strong membership. Chak has founded and run several companies and currently serves as a board member on several technology companies in the Southeast Asia region.

Chak is Chairman of the Group's Audit Committee and is a member of the Remuneration Committee.

AC RC

AC Audit Committee

RC Remuneration Committee

Directors' Report

The Directors present their report and audited consolidated financial statements for the Group for the year ended 31 December 2014.

Principal activities

The principal activity of the Group continues to be the provision of live TV and on-demand paid video content across internet-enabled consumer electronics devices.

The principal activity of the Company during the period was that of a holding company.

Business review and key performance indicators

The Group's results are set out in the consolidated Statement of Comprehensive Income on page 24. A detailed review of the business, its results and future direction is included in the Chief Executive Officer's Statement on pages 10 to 13.

Capital structure

The Company is primarily financed through equity provided by its shareholders.

Dividends

The Directors do not recommend the payment of a dividend.

Directors

The Directors who held office during the year were as follows:

Muhamed Jamal Bin Muhamed Hassim
Steve Elliff
William Liu Wei Hai (resigned 19 November 2014)
David Cotterell
Dicky Tjokrosaputro
Chak Kong Soon
Dato' Borhanuddin Osman (appointed 19 November 2014)

At 31 December 2014, the Directors had the following beneficial interests in the Company's shares:

	Number of ordinary shares
Muhamed Jamal bin Muhamed Hassim	8,838,940
Dicky Tjokrosaputro	753,755
David Cotterell	115,000

No share options have been awarded to Directors of the Company.

There have been no changes in the Directors' shareholdings since the year end.

Directors' remuneration

The remuneration paid to the Directors during 2014 is shown below:

	Short-term benefits £	**2014 Total £**	2013 Total £
Muhamed Jamal Bin Muhamed Hassim	235,000	**235,000**	221,370
Steve Elliff[1]	93,300	**93,300**	10,750
William Liu Wei Hai[2]	900	**900**	271
David Cotterell[3]	6,000	**6,000**	1,850
Dicky Tjokrosaputro[3]	3,600	**3,600**	271
Chak Kong Soon[3]	3,600	**3,600**	271
	342,400	**342,400**	234,783

1 Director Service Contract commenced on 18 November 2013.

2 Director Service Contract commenced on 4 December 2013 and was terminated on 19 November 2014.

3 Director Service Contract commenced on 4 December 2013.

Directors' interests

The interests of Directors in the shares and options of the Company are given above.

None of the Directors had a material interest at any time during the year in any contract of significance with the Group other than a service contract.

Third-party indemnity provision for Directors

Qualifying third-party indemnity provision is in place for the benefit of all Directors of the Company.

Employees

The Group is committed to providing equal opportunities in employment. All job applicants and employees receive equal treatment regardless of sex, race, colour, age, and nationality or ethnic origin.

The Group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, together with the provision of the Annual Report. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

SyQic recognises that commercial success depends on the full commitment of all its employees and commits to respecting their human rights, to provide them with a good working environment, free from unnecessary risk, and to maintain fair and competitive terms and conditions of employment at all times.

Political and charitable donations

During the year no political or charitable donations were made.

Statement as to disclosure of information to the auditor

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Directors' Report continued

Principal risks and uncertainties

In addition to the financial risks discussed in Note 18, the Directors consider that the principal risks and uncertainties facing the Group and a summary of the key measures taken to mitigate those risks are as follows:

- **attracting and retaining talented staff** – the Company offers competitive salaries and outstanding personal development opportunities that are further enhanced by the ambitious growth plans. The Company has been successful in recruiting and retaining high calibre staff but the Company recognises that it must maintain focus on this as competition intensifies within the mobile video sector;
- **reputational risk** – the delivery of the Company's services are highly dependent on technical performance rather than human endeavour. Wherever possible SyQic tries to work with market leading technology partners to ensure the highest levels of service performance and reliability; and
- **changes in consumer tastes** – the demand for SyQic's products is totally dependent on the serving of content which is enduringly popular. The Company closely monitors the demand for the different types of content it delivers and uses this information to take decisions on future content acquisition.

Going concern

Having made relevant and appropriate enquiries, including consideration of the Group's current resources and working capital forecasts, the Directors have a reasonable expectation that, at the time of approving the financial statements, the Company has adequate resources to continue in operational existence for at least the next twelve months. In particular, at 31 December 2014 the Group had £0.2 million of cash less overdrafts and good cash conversion prospects. Furthermore in June 2015 the Company has accepted a new £3 million working capital facility from a Malaysian bank which the Directors believe strongly enhances the Group's working capital position. In this regard the Directors do recognise that the facility can only be operated on a one for three basis and its contribution to the Group's working capital position is closely linked to the timing of payment from its major customers. The Directors believe that payment terms from its major customers will continue to improve and accordingly the Board continues to adopt the going concern basis in preparing the financial statements.

Auditor

A resolution for the re-appointment of Crowe Clark Whitehill LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board and signed on its behalf.

Steve Elliff
Chief Financial Officer

22 June 2015

Corporate Governance Statement

Principles of corporate governance

The Board of Directors is accountable to the Company's shareholders for good corporate governance, and the Directors intend to respect the requirements of the UK Corporate Governance Code as far as it is appropriate to the Group's size and stage of development. Set out below is a summary of how the Group is set up to exercise its corporate governance obligations.

Board of Directors

The Board of SyQic plc consists of two Executive Directors and four Non-Executive Directors.

All Directors have access to the advice and services of the Company Secretary and in the course of their duties, if necessary, are able to take independent professional advice at the Company's expense. Committees have access to such resources as are required to fulfil their duties.

The Board receives regular reports detailing the progress of the Group, the Group's financial position and projections, as well as business development activities and operational issues, together with any other material deemed necessary for the Board to discharge its duties. The Chairman is primarily responsible for the effective operation and chairing of the Board and for ensuring that it receives appropriate information to make informed judgements.

The Board has a formal schedule of matters reserved to it for decision but otherwise delegates specific responsibilities to Committees, as described below.

The Board is responsible for the review and approval of key policies and decisions in respect of business strategy and operations, Board appointments, budgets and forecasts, items of substantial investment and acquisitions.

Under the Articles of Association, all Directors must offer themselves for re-election at least once every three years. To achieve this, at least one third of the Directors retires by rotation at every Annual General Meeting and is eligible for re-appointment.

Board Committees

The Board has established an Audit Committee and a Remuneration Committee with written terms of delegated responsibilities for each.

Audit Committee

The Audit Committee comprises three Non-Executive Directors. The external auditor, Chief Executive Officer and Chief Financial Officer may be invited to attend Audit Committee meetings and, following each meeting, the Audit Committee and external auditor have the opportunity to meet without the Executive Directors present.

The Audit Committee meets at least twice each year.

The Committee reviewed the half year and full year results as well as the Annual Report prior to their submission to the Board and considered any matters raised by the external auditor. All scheduled Committee meetings were quorate and the conclusions from those meetings were presented to the Board.

In certain circumstances it is permitted by the Board for the auditor to supply non-audit services (for example, in the provision of tax advice). The Audit Committee has approved and monitored the application of this policy in order to safeguard auditor objectivity and independence. The overall fees paid to the auditor are not deemed significant enough to them so as potentially to impair their independence. The auditor is awarded assignments on a competitive basis and the Audit Committee pre-approves all permitted non-audit expenditure incurred and during the year reviews the cost-effectiveness, independence and objectivity of the external auditor. A formal Statement of Independence is received from the external auditor each year.

Remuneration Committee

The Remuneration Committee comprises three Non-Executive Directors. The Remuneration Committee meets at least twice each year. The Committee is responsible for considering the Executive Directors' and senior management's remuneration packages and makes its recommendations to the Board.

The Chief Executive Officer may be invited to attend Remuneration Committee meetings, other than when his own remuneration is discussed. No Director is involved in deciding his own remuneration.

Details of Directors' remuneration are disclosed in the Directors' Report.

Corporate Governance Statement continued

Internal control and risk management

The Board acknowledges its responsibility for safeguarding the shareholders' investments and the Group's assets. In applying this principle, the Board recognises that it has overall responsibility for ensuring that the Group maintains a system of internal control that provides it with reasonable assurance regarding effective and efficient operations, internal financial control and compliance with laws and regulations. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Through the Audit Committee, the Directors have reviewed the effectiveness of the internal controls. Since admission to AIM in December 2013, management has invested significant time in further developing the Group's internal control environment.

The key features of the internal control system are described below:

- **control procedures and environment** – the Group has an organisational structure with clearly drawn lines of accountability and authority. Employees are required to follow well-defined internal procedures and policies appropriate to the business and their position within the business and management promotes the highest levels of professionalism and ethical standards;
- **experienced management** – the Group employs Executive Directors and senior management with the appropriate knowledge and experience required to run an internet TV services group;
- **financial information** – the Group prepares detailed budgets and working capital forecasts annually. These are based upon the strategy of the Group and are approved by the Board. Detailed management accounts and working capital re-forecasts are reviewed at least quarterly for each Board meeting, with any variances from budget investigated thoroughly and a summary provided to the Board. Annual Reports, Preliminary Statements and Half-year Statements prepared by the Group are reviewed by the Audit Committee prior to approval by the Board; and
- **monitoring** – the Board monitors the activities of the Group through the supply of reports from various areas of the business as contained in the Board papers. The Board, through the Audit Committee, reviews the effectiveness of the systems of internal control.

Given the Group's relative small size, the Board does not consider it either necessary or practical at present to have its own internal audit function. The Board will continue to monitor the requirement to have an internal audit function.

Communication with shareholders

The Board attaches great importance to communication with both institutional and private shareholders. Regular communication is maintained with all shareholders through Company announcements, the Half-year Statements, the Preliminary Statement and the Annual Report and financial statements.

The Directors seek to build on a mutual understanding of objectives between the Company and its shareholders, especially considering the long-term nature of the business. Institutional shareholders are in contact with the Directors through presentations and meetings to discuss issues and to give feedback regularly throughout the year. With private shareholders this is not always practical.

The Board therefore intends to use the Company's Annual General Meeting as the opportunity to meet private shareholders who are encouraged to attend, at which the Chief Executive Officer will give a presentation on the activities of the Group.

Following the presentation there will be an opportunity to ask questions of Directors on a formal and informal basis and to discuss development of the business.

The Company operates a website at www.syqic.com. The website contains details of the Group and its activities; regulatory announcements, Company announcements, Interim statements, preliminary statements and Annual Reports. The website is maintained in compliance with AIM Rule 26.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group financial statements for each financial year.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the Group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the members of SyQic plc

We have audited the financial statements of SyQic plc for the year ended 31 December 2014, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and their related notes.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the information in the Chairman's Statement, Group Chief Executive Officer's Statement, Directors' Report, Corporate Governance Statement and any other surrounding information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2014 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Emphasis of matter – trade receivables credit exposure

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures in Notes 11 and 18(iii) to the financial statements concerning the credit exposure to the Group's two largest customers whose debt is included at a fair value of £6,968,000 (2013: £3,628,000) where a balance of £4,154,000 (2013: £190,000) exceeds their normal payment terms. In the previous year the Group entered into a repayment plan with one of those customers in respect of both 2012 and 2013 sales which is due to be fully settled in 2016 and, accordingly, £1,485,000 (2013: £1,043,000) is classified within current assets and £768,000 (2013: £2,251,000) within non-current assets. The Directors of the Company are of the opinion that the debts are fully recoverable and, thus, no provision for impairment has been made within the financial statements as at 31 December 2014 (2013: £nil). The impact of a delay or non-repayment of these debts would damage the future cash flows of the Group and its ability to continue as a going concern. The financial statements have been prepared on the going concern basis, which depends initially on the £3 million working capital facility, as described in note 1, or the ability to raise future funds. The financial statements do not include any adjustments that would result if the Group was unable to recover these amounts in full or unable to continue as a going concern.

The Annual Report will shortly be available to the shareholders and the public on the Company's website (www.syqic.com) in accordance with AIM Rule 20.

Matters on which we are required to report by exception

We have nothing to report to you in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Leo Malkin

Leo Malkin (Senior Statutory Auditor)
For and on behalf of Crowe Clark Whitehill LLP

Statutory Auditor
St Bride's House
10 Salisbury Square
London EC4Y 8EH

22 June 2015

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Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Continuing operations:			
Revenue		**10,672**	4,711
Cost of sales		**(6,022)**	(1,888)
Gross profit		**4,650**	2,823
Other income		**420**	52
Other operating expenses		**(985)**	(788)
Administrative expenses		**(1,978)**	(1,505)
Operating profit before AIM transaction costs		**2,107**	582
AIM transaction costs		—	(471)
Operating profit		**2,107**	111
Net finance costs	5	**(13)**	(11)
Profit before taxation	6	**2,094**	100
Income tax expense	7	**(103)**	—
Profit after taxation		**1,991**	100
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(32)**	(312)
Total comprehensive income for the year		**1,959**	(212)
Profit attributable to:			
Equity holders of SyQic plc		**1,991**	100
Total comprehensive income attributable to:			
Equity holders of SyQic plc		**1,959**	(212)
Earnings per share attributable to equity holders of SyQic plc			
Earnings per share – basic (pence)	8	**8.14**	0.64
Earnings per share – diluted (pence)	8	**8.14**	0.64
Adjusted EPS excluding AIM transaction costs			
Adjusted EPS excluding AIM transaction costs – basic (pence)	8	8.14	3.63
Adjusted EPS excluding AIM transaction costs – diluted (pence)	8	8.14	3.63

Consolidated Statement of Financial Position

As at 31 December 2014

	Note	2014 £'000	2013 £'000
Assets			
Non-current assets			
Property, plant and equipment	9	**100**	128
Intangible assets	10	**1,037**	646
Deferred tax assets	16	**—**	52
Non-current trade receivables	11	**768**	2,251
		1,905	3,077
Current assets			
Trade receivables	11	**6,252**	1,477
Other receivables, deposits and prepayments	12	**585**	83
Cash and bank balances	13	**218**	1,078
		7,055	2,638
Total assets		**8,960**	5,715
Liabilities			
Current liabilities			
Trade payables		**66**	292
Other payables and accruals	17	**315**	488
Taxation		**30**	—
Due to Directors (non-trade)	20	**112**	200
Due to shareholders (non-trade)	20	**71**	70
Short-term borrowings	13	**—**	29
Finance lease obligations	19	**19**	23
		613	1,102
Non-current liabilities			
Finance lease obligations	19	**79**	97
		79	97
Total liabilities		**692**	1,199
Net assets		**8,268**	4,516

Consolidated Statement of Financial Position continued

As at 31 December 2014

	Note	2014 £'000	2013 £'000
Equity			
Capital and reserves attributable to equity holders of SyQic plc			
Stated capital account	14	**15,859**	14,165
Merger reserve	15	**(8,654)**	(8,654)
Share option reserve		**105**	6
Translation reserve	15	**(343)**	(311)
Retained profits/(accumulated losses)		**1,301**	(690)
Total equity		**8,268**	4,516

The notes on pages 29 to 52 are an integral part of these consolidated financial statements.

The financial statements were approved by the Board of Directors, authorised for issue on 22 June 2015 and are signed on its behalf by:

Muhamed Jamal Bin Muhamed Hassim
Director

Steve Elliff
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to equity holders of SyQic plc					
	Stated capital option £'000	Merger reserve £'000	Translation reserve/ (deficit) £'000	Retained profits/ (accumulated losses) £'000	Share option reserve £'000	Total £'000
Balance as at 1 January 2013	—	2,996	1	(790)	—	2,207
Issue of ordinary shares	—	1,568	—	—	—	1,568
Redemption of preference shares	—	(1,285)	—	—	—	(1,285)
Group reconstruction	11,933	(11,933)	—	—	—	—
Issue of shares, net of share issue costs	2,232	—	—	—	—	2,232
Share-based payment charge	—	—	—	—	6	6
Transactions with owners	14,165	(11,650)	—	—	6	2,521
Profit for the year	—	—	—	100	—	100
Other comprehensive income	—	—	(312)	—	—	(312)
Total comprehensive income	—	—	(312)	100	—	(212)
Balance as at 31 December 2013	14,165	(8,654)	(311)	(690)	6	4,516
Issue of shares, net of share issue costs	1,694	—	—	—	—	1,694
Share-based payment charge	—	—	—	—	99	99
Transactions with owners	1,694	—	—	—	99	1,793
Profit for the year	—	—	—	1,991	—	1,991
Other comprehensive income	—	—	(32)	—	—	(32)
Total comprehensive income	—	—	(32)	1,991		1,959
Balance as at 31 December 2014	**15,859**	**(8,654)**	**(343)**	**1,301**	**105**	**8,268**

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Cash flows from operating activities			
Profit before income tax		**2,094**	100
Adjustments:			
Depreciation of property, plant and equipment	9	**40**	77
Amortisation of intangible assets	10	**189**	59
Loss on disposal of property, plant and equipment		**—**	1
Fair value loss on trade receivables	11	**330**	187
Unwinding of fair value loss on trade receivables		**(188)**	(42)
Investment written off		**—**	1
Share option charge		**99**	7
Fixed assets written off		**—**	9
Interest expense	5	**13**	11
Operating cash flow before working capital changes		**2,577**	410
Increase in trade and other receivables		**(3,935)**	(1,908)
Increase/(decrease) in trade and other payables		**(398)**	437
Increase/(decrease) in amounts due to Directors		**(88)**	92
Increase/(decrease) in related company		**—**	(1)
Increase/(decrease) in amounts due to shareholders		**1**	—
Cash used in operations		**(1,843)**	(970)
Interest paid		**(13)**	(11)
Income taxes paid		**(22)**	—
Net cash used in operating activities		**(1,878)**	(981)
Cash flows from investing activities			
Purchase of plant and equipment	9	**(10)**	(85)
Sale of fixed assets		**—**	1
Acquisition of intangibles	10	**(570)**	—
Development of intangible assets	10	**—**	(342)
Receipt of government grant		**—**	150
Net cash used in investing activities		**(580)**	(276)
Cash flows from financing activities			
Proceeds from issue of share capital, net of share issue costs	14	**1,694**	2,232
Draw down/(repayment) of lease obligations		**(22)**	23
Net cash generated from financing activities		**1,672**	2,255
Net (decrease)/increase in cash and bank balances		**(786)**	998
Cash and bank balances at beginning of year		**1,049**	54
Effects of foreign currency exchange rate changes		**(45)**	(3)
Cash and cash equivalents at end of year	13	**218**	1,049

Notes to the Financial Statements

1. General information

The Company is a public company limited by shares and incorporated in Jersey. The Company is domiciled in Jersey with its registered office and principal place of business is at 13-14 Esplanade, St Helier, Jersey, Channel Islands JE1 1BD.

The principal activity of the Group is the provision of live TV and on-demand paid video content across various types of internet-enabled consumer electronics devices.

Basis of preparation

The Company was incorporated under the laws of Jersey on 13 November 2013, and on 4 December 2013 acquired the entire share capital of SyQic Capital Private Limited. As a result of this transaction, the ultimate shareholders in SyQic Capital Private Limited received shares in the Company in direct proportion to their original shareholdings in SyQic Capital Private Limited.

In determining the appropriate accounting treatment for this transaction, the Directors considered IFRS 3 – Business Combinations (Revised 2008). However, they concluded that this transaction fell outside the scope of IFRS 3 (revised 2008) since the transaction described above represents a combination of entities under common control.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, in developing an appropriate accounting policy, the Directors have considered the pronouncements of other standard setting bodies and specifically looked to accounting principles generally accepted in the United Kingdom ("UK GAAP") for guidance (FRS 6 – Acquisitions and Mergers) which does not conflict with IFRS and reflects the economic substance of the transaction.

Under UK GAAP, the assets and liabilities of both entities are recorded at book value, not fair value. Intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the legal acquirer in accordance within applicable IFRS, no goodwill is recognised, any expenses of the combination are written off immediately to the income statement and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting period presented.

Therefore, although the Group reconstruction did not become unconditional until 28 November 2013, these consolidated financial statements are presented as if the Group structure has always been in place, including the activity from incorporation of the Group's principal subsidiary. Both entities had the same management as well as majority shareholders.

The consolidated financial statements are presented in Pounds Sterling, which is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds except where otherwise indicated. They have been prepared under the historical cost convention, except for financial instruments that have been measured at fair value through profit and loss.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") issued by the International Accounting Standards Board ("IASB"), including related interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

As permitted by section 105 of the Jersey Companies Act, separate financial statements of the Company are not presented.

Certain comparatives have been restated to give a more consistent presentation against current year amounts.

Going concern

The Directors have assessed the Company's ability to continue in operational existence for the foreseeable future in accordance with the FRC Going Concern and Liquidity Risk guidance (October 2009).

The operations of the Group are currently being financed from funds which the Company has raised from private placings of its shares and loans from certain of its shareholders and Directors. The Group is reliant on the continuing support from its existing shareholders and Directors and the expected support of future shareholders and Directors.

1. General information continued

Going concern continued

Having made relevant and appropriate enquiries, including consideration of the Group's current resources and working capital forecasts, the Directors have a reasonable expectation that, at the time of approving the financial statements, the Company has adequate resources to continue in operational existence for at least the next twelve months. The Group held a cash less overdraft balance of £218,000 at 31 December 2014 and has funding plans in place to meet the Group's planned activities having accepted a new £3 million working capital facility from a Malaysian bank in June 2015 which the Directors believe strongly enhances the Group's working capital position. In this regard the Directors do recognise that the facility can only be operated on a one for three basis and its contribution to the Group's working capital position is closely linked to the timing of payment from its major customers.

The Directors believe that payment terms from its major customers will continue to improve and accordingly the Board continues to adopt the going concern basis in preparing the financial statements. Further information regarding trade receivables is disclosed in Note 11.

Adoption of new and revised International Financial Reporting Standards

None of the new and revised Standards and Interpretations that were adopted in the current year were considered to have had a material effect to the presentation or disclosures reported in these consolidated financial statements.

Standards, amendments and interpretations to published standards not yet effective

The Directors have considered those Standards and Interpretations which have not been applied in the consolidated financial statements but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that any will have a material impact on the future results of the Group.

2. Basis of consolidation

The consolidated financial statements include the financial statements of all subsidiaries. The financial year ends of all entities in the Group are coterminous.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control over the operating and financial decisions is obtained and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

All intercompany balances and transactions, including recognised gains arising from inter-group transactions, have been eliminated in full.

Unrealised losses are eliminated in the same manner as recognised gains except to the extent that they provide evidence of impairment.

The principal activities of the subsidiaries are as follows:

Name	Place of incorporation	Principal activities	Effective interest %
SyQic Capital Pte Ltd	Singapore	Development of software for interactive digital media and motion pictures, video and television related activities	100
SyQic Capital Sdn Bhd	Malaysia	Provision of project implementation, software development and related consultancy services	100
SyQic UK Limited	UK	Provision of OTT Broadband TV services	100
SyQic Tech (Beijing) Co Ltd	China	Non-trading	70
K-Lifestyle Limited*	Malaysia	Operation of Korean entertainment website	100

* Incorporated 26 December 2014

3. Significant accounting policies

(a) Critical accounting estimates and assumptions

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors of the Company to exercise their judgement in the process of applying the accounting policies which are detailed below. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Trade receivables

The valuation of trade receivables has been reached on the basis that the full value of customer balances will be recovered. Management believe that the extended payment terms experienced with some key customers is no reflection of their ability or intention to meet the payments and is caused by the time involved in reconciling the payments due to the Company and the two stage payment process involved in dealing through a third party.

A provision has been taken to achieve a fair valuation of trade receivables in respect of the time value of money concept.

Valuation of intangible assets

The determination of the fair value of assets and liabilities, whether arising from separate purchases or from the acquisition as part of business combinations, and development expenditure which is expected to generate future economic benefits, are based, to a considerable extent, on management's judgement.

The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset where no active market for the assets exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets.

Allocation of the purchase price to each asset affects the results of the Group as finite lived intangible assets are amortised over their estimated useful lives. The useful life used to amortise intangible assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefit will be derived from the asset.

The estimated useful life principally reflects management's view of the average economic life of each asset and is assessed by reference to historical data and future expectations. Any reduction in the estimated useful life would lead to an increase in the amortisation charge.

Deferred consideration

In some instances the cost of acquiring a business or assets will not be known at the time of acquisition as it will depend in part on the achievement of certain performance criteria at a future date. Management exercises its judgement in estimating the future value of the anticipated deferred consideration.

In particular, on 18 August 2014, the Company entered into a conditional asset purchase agreement to acquire Maaduu, an online video-on-demand service providing Korean content across multiple devices, which was owned by PlayTV Asia Sdn Bhd ("PlayTV Asia"), for a consideration of up to RM5,500,000 (approximately £1,030,000) plus £60,000 of shares in SyQic plc. The initial consideration of RM3,100,000 (approximately £570,000) was paid on completion.

Two additional payments of RM1,500,000 (approximately £275,000) and RM 900,000 (approximately £165,000) are payable together with the issue of £60,000 of shares in the Company on the achievement of certain short-term performance criteria. The Directors have reviewed the financial performance of the service and have determined that neither of the additional payments nor the issue of shares are likely to fall due. Accordingly, no provision has been made for this deferred consideration.

3. Significant accounting policies continued

(a) Critical accounting estimates and assumptions continued

Impairment reviews

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Management assesses the impairment of intangible assets subject to amortisation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- significant underperformance relative to historical or projected future operating results;
- significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- significant negative industry or economic trends.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to finite lived intangible assets affect the amounts reported in the financial statements, especially the estimates of the expected useful economic lives and the carrying values of those assets.

The Group prepares and approves a detailed annual budget, and a three year management plan for its operations, which are used in the value in use calculations.

If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that materially different amounts could be reported in the Group's financial statements.

Management reviews loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes a judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates.

Where there is objective evidence of impairment, management makes a judgement as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(i) Impairment of financial assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period as to whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Impairment of non-financial assets

The carrying values of intangible assets are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(b) Currency translation

(i) Functional and presentation currency

The individual financial information of each Group entity is measured in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Pounds Sterling, which is the presentation currency of SyQic plc (the "Company").

(ii) Transactions and balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) Foreign operations

Assets and liabilities of foreign operations are translated to Pounds Sterling at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates approximating those ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the foreign exchange translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period. All exchange differences are recognised in other comprehensive income.

3. Significant accounting policies continued

(c) Related parties

A related party is defined as follows:

(i) a person or a close member of that person's family is related to the Company or its subsidiaries if that person:

- (A) has control or joint control over the subsidiaries;
- (B) has significant influence over the subsidiaries; or
- (C) is a member of the key management personnel of the Company or its subsidiaries.

(ii) an entity is related to the Company or its subsidiaries if any of the following conditions apply:

- (A) the entity and the subsidiaries are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (B) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (C) both entities are joint ventures of the same third party;
- (D) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (E) the entity is a post-employment benefit plan for the benefit of employees of either the subsidiaries or an entity related to the subsidiaries;
- (F) the entity is controlled or jointly controlled by a person identified in (i); or
- (G) a person identified in (i)(A) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(d) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment loss.

All items of property, plant and equipment are depreciated using the straight-line method to write off the cost of the assets over their estimated useful lives as follows:

	Useful lives
Computers and software	10 years
Motor vehicles	5 years
Furniture and fittings	5 years
Renovations	5 years

The estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in profit or loss within other income/(expenses).

(e) Intangible assets

All intangible assets, except goodwill, are stated at cost less accumulated amortisation and any accumulated impairment losses.

Acquisition related intangible assets

The user base and related software acquired as part of the acquisition of the Maaduu service in August 2014, as described in Note 10, are amortised over their estimated useful lives which are individually assessed by management. The estimated useful life of each of these assets is three years.

Where such intangible assets are not yet available for use they are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development costs are recognised as an expense except that costs incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if the Group can demonstrate all of the following:

- its ability to measure reliably the expenditure attributable to the asset under development;
- the product or process is technically and commercially feasible;
- its future economic benefits are probable;
- its ability to use or sell the developed asset; and
- the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any development expenditure initially recognised as an expense is not recognised as assets in subsequent periods.

Capitalised development expenditure is amortised on a straight-line method over a period of five years and begins when development is complete and the asset is available for sale or use. In the event that it is no longer probable that the expected future economic benefits will be recovered, the development expenditure is written down to its recoverable amount.

(f) Financial instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

3. Significant accounting policies continued

(f) Financial instruments continued

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(i) Financial assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

The Group classifies all its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables financial assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The Group's loans and receivables financial assets comprise trade and other receivables and cash and cash equivalents included in the Consolidated Statement of Financial Position.

ii) Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

All of the Group's financial liabilities are classified as financial liabilities measured at amortised cost.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. There were no financial liabilities classified under this category.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(iii) Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(g) Leases

The Group holds certain computer equipment and motor vehicles under finance leases. Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

The Group also leases certain property under operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(h) Share capital

Proceeds from issuance of ordinary shares are classified as stated capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from subscriptions and support services are recognised over the specific period of respective service agreements. In making its judgement, management considered the detailed criteria for the recognition of revenue set out in IAS 18 – Revenue. The Directors of the Group are satisfied that the significant risks and rewards are transferred and that the recognition of revenue over the duration of a contract or agreement is appropriate.

(j) Income taxes

Income tax for each reporting period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the Group's interest in the net fair value of the acquired company's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

3. Significant accounting policies continued

(j) Income taxes continued

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity.

Deferred tax arising from a business combination is included in the resulting goodwill or excess of the Group's interest in the net fair value of the acquired company's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(k) Government grants

The government grant is to promote research and development and operates on a reimbursement basis and following a submission (effectively an expense claim) which goes through an approval process, the grant is disbursed and receipt is treated as reducing some development expenses initially capitalised as an intangible asset. Thus the grant is recognised in profit and loss over the life of the development cost asset by way of reduced amortisation charge.

(l) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 22 to the consolidated financial statements.

The fair vale determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.

4. Segmental analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (which takes the form of the Board of Directors of the Company) as defined in IFRS 8, in order to allocate resources to the segment and to assess its performance.

Based on management information there is only one operating segment. Revenues are reviewed based on the products and services provided.

The Directors of the Company consider the principal activity of the Group to be that of a provider of OTT live TV and on-demand paid video content across mobile, internet-enabled consumer electronics devices such as mobile phones and tablets, and to consummate one reportable segment, that of the provision of OTT live TV and on-demand paid video content services.

Revenues derived from major customers, which individually represent 10% or more of total revenue are as follows:

	2014 **£'000**	2013 £'000
Customer A	**5,565**	2,925
Customer B	**4,644**	900
Customer C	**301**	629
Other customers	**162**	257
	10,672	4,711

All revenues were generated by operations in Southeast Asia in each of the two years ended 31 December 2014.

5. Finance costs

	2014 £'000	2013 £'000
Lease obligations interest	**8**	9
Other interest	**5**	2
	13	11

6. Profit before income tax

This is determined after charging/(crediting) the following:

	2014 £'000	2013 £'000
Depreciation of property, plant and equipment (Note 9)	**40**	77
Amortisation of intangible assets (Note 10)	**189**	59
Audit fee:		
– auditor of SyQic plc	**24**	23
– fees payable to the Company's auditor and associates for other services	**—**	16
– fees payable to auditors of subsidiaries	**21**	14
Fair value loss on trade receivables	**330**	187
Unwinding of fair value loss on trade receivables	**(188)**	(42)
Research and development expenses (included in Staff costs below)	**591**	336
Operating lease expenses	**111**	35
Foreign exchange gains	**(55)**	—
Foreign exchange losses	**151**	59
Staff costs (including Directors)	**1,321**	933

The average number of employees, including the Directors, during the year was as follows:

	2014	2013
Directors and commercial	**3**	4
Technical	**23**	29
Administration	**9**	9
	35	42

Total remuneration of key management personnel, being the Directors of the Company, is set out below in aggregate for each of the relevant categories specified in IAS 24 – Related Party Disclosures.

	2014 £'000	2013 £'000
Short-term employee benefits	**342**	235

Further details relating to the remuneration of key management can be found in the Directors' Report on page 17.

7. Income tax expense

The major components of income tax expense for each year were:

	2014 £'000	2013 £'000
Current tax		
– current year	**9**	—
– under provision in prior years	**43**	—
Deferred tax (Note 16)		
– current year: reversal of deferred tax assets	**51**	—
	103	—

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rates to the income tax expense at the effective tax rate of the subsidiaries is as follows:

	2014 £'000	2013 £'000
Profit before taxation	**2,094**	100
Tax at the Company's applicable tax rate of 0% (2013: 0%)	—	—
Tax effect of:		
– different tax rates in other countries	**699**	435
– expenses not deductible for tax purposes	**24**	17
– income not taxable	**(1,011)**	(443)
– deferred tax assets not recognised	**297**	11
– under provision in prior years	**43**	—
– deferred tax assets written-off	**51**	—
– loss relief	—	(20)
Income tax expense	**103**	—

Deferred tax assets were written off in a subsidiary company as the Directors consider that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

There is no taxation arising from other comprehensive income.

8. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential shares.

	2014 £'000	2013 £'000
Profit after tax attributable to owners of the Group	**1,991**	100
Weighted average number of shares		
Basic	**24,450,900**	15,744,618
Adjustment for share options	**15,311**	—
Diluted	**24,466,211**	15,744,618
Earnings per share (pence)		
Basic	**8.14**	0.64
Diluted	**8.14**	0.64
Profit for the year attributable to owners of the Group	**1,991**	100
Adjustments for		
AIM transaction costs	—	471
Profit for the year attributable to owners of the Group before AIM transaction costs	**1,991**	571
Adjusted earnings per share excluding AIM transaction costs (pence)		
Basic	**8.14**	3.63
Diluted	**8.14**	3.63

9. Property, plant and equipment

	Computers and software £'000	Motor vehicles £'000	Furniture and fittings £'000	Renovations £'000	Total £'000
Cost					
As at 1 January 2013	354	161	53	—	568
Additions	17	46	12	10	85
Disposals	(11)	—	(1)	—	(12)
Foreign currency translation adjustments	(32)	(14)	(4)	—	(50)
As at 31 December 2013	328	193	60	10	591
Additions	6	—	4	—	10
Foreign currency translation adjustments	—	—	—	—	—
As at 31 December 2014	**334**	**193**	**64**	**10**	**601**
Accumulated depreciation					
As at 1 January 2013	253	130	41	—	424
Charge for the year	36	36	4	1	77
Foreign currency translation adjustments	(23)	(12)	(3)	—	(38)
As at 31 December 2013	266	154	42	1	463
Charge for the year	29	4	5	2	40
Disposal	(2)	—	—	—	(2)
Foreign currency translation adjustments	—	—	—	—	—
As at 31 December 2014	**293**	**158**	**47**	**3**	**501**
Net carrying amount					
As at 31 December 2014	**41**	**35**	**17**	**7**	**100**
As at 31 December 2013	62	39	18	9	128

Assets held under finance leases

The carrying amounts of computers and motor vehicles held under finance leases at 31 December 2014 were £7,500 (2013: £31,000) and £35,000 (2013: £40,000) respectively.

10. Intangible assets

	Development costs £'000	User base £'000	Software £'000	Totals £'000
Cost				
As at 1 January 2013	532	—	—	532
Additions	192	—	—	192
Foreign currency translation adjustments	(19)	—	—	(19)
As at 31 December 2013	705	—	—	705
Additions	—	529	41	570
Foreign currency translation adjustments	9	1	—	10
As at 31 December 2014	**714**	**530**	**41**	**1,285**
Amortisation				
As at 1 January 2013	—	—	—	—
Charge for the year	59	—	—	59
As at 31 December 2013	59	—	—	59
Charge for the year	141	45	3	189
As at 31 December 2014	**200**	**45**	**3**	**248**
Net carrying amount				
As at 31 December 2014	**514**	**485**	**38**	**1,037**
As at 31 December 2013	646	—	—	646

The user base and related software costs were acquired in August 2014 when the Company entered into a conditional asset purchase agreement to acquire Maaduu, an online video-on-demand service providing Korean content across multiple devices, which has now been rebranded as 'Cool2vu'.

These assets were put into commercial use in October 2014 and are being amortised over three years on a straight-line basis.

Capitalised development costs are amortised over five years on a straight-line basis.

Amortisation charges are included in administrative expenses within the Consolidated Statement of Comprehensive Income as disclosed in Note 6.

Impairment tests for intangibles

The recoverable amount of each intangible asset was determined based on value in-use calculations in relation to SyQic Capital Sdn Bhd ("SCSB"), the principal operating subsidiary. Cash flow projections used in these calculations were based on financial budgets with assumptions for revenues, margins and growth rates and which were approved by management covering a three year period. These assumptions were used for the analysis of the cash generating unit ("CGU") of SCSB within the business on a consistent basis each year. Management determined budgeted gross margins based on its expectations of market developments. The weighted average growth rates used were consistent with the forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

11. Trade receivables

	2014 £'000	2013 £'000
Trade receivables	**7,020**	3,728
Less: non-current portion	**(768)**	(2,251)
Current portion	**6,252**	1,477

Included in the trade receivables at 31 December 2014 is an amount equivalent to £4,932,000 (31 December 2013: £3,703,000) owed by a foreign customer of which approximately £1,335,000 (31 December 2013: £1,622,000) has been outstanding for more than a year.

SCSB agreed two payment plans in respect of both 2012 and 2013 sales with the foreign customer, a Master Content Provider (''MCP"), during the prior year. Under these plans, a total of £1,567,000 is being paid in monthly instalments during 2015 with six monthly payments totalling £768,000 to be made the following year with the final payment to settle the debt in full in June 2016. As the debt was not due to be fully repaid until June 2016, amounts receivable under the payment plan agreed were discounted at the rate of 6.6% with such discount being unwound over the remaining course of the payment plan. In addition amounts invoiced during 2014 have been discounted at a discount rate of 7.75% over the period they are to be expected to be settled to reflect the time value of money.

In assessing the recoverability of this debt, the Directors have given due consideration to all pertinent information relating to the ability of the MCP customer to settle the debt and expect this amount to be fully recoverable. In particular, billings in respect of 2012 and 2013 have been settled against payment plans agreed between the parties at the end of the respective years. The 2012 payment plan comprised scheduled monthly payments from January 2013 to December 2015 while the 2013 plan covered the period January 2014 to June 2016. Both these plans have been adhered to in terms of payment dates and amounts. Accordingly, no further impairment has been made in respect of this amount.

Other than the debt with the foreign customer described above, the Group's credit terms range between 30 and 90 days.

Trade receivables and the aggregate amounts of discount applied in each year are as follows:

	2014 £'000	2013 £'000
Trade receivables (gross)	**7,468**	4,034
(Imputed interest)/unwind of discount, at amortised cost:		
At 1 January	**(306)**	(161)
Discounting expense, resulting from adjusting new receivables with the MCP to present value	**(330)**	(187)
Unwind of discount, under other income	**188**	42
At 31 December	**(448)**	(306)
Trade receivables (net of discount)	**7,020**	3,728

Ageing analysis

The ageing analysis of trade receivables as at each of the two years ended 31 December 2014 is as follows:

	2014 £'000	2013 £'000
Not past due and not impaired	**2,866**	3,538
Past due but not impaired		
– Past due less than three months	**1,751**	87
– Past due three to six months	**1,459**	103
– Past due over six months	**944**	—
	4,154	190
	7,020	3,728

12. Other receivables, deposits and prepayments

	2014 £'000	2013 £'000
Other receivables	**11**	44
Deposits	**8**	10
Prepayments	**566**	29
	585	83

13. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2014 £'000	2013 £'000
Cash and bank balances	**218**	1,078
Short-term borrowings	**—**	(29)
	218	1,049

14. Stated capital account

	2014		2013	
	Number of shares	**Stated capital £'000**	Number of shares	Stated capital £'000
On incorporation			2	—
At beginning of the year	**23,198,845**	**14,165**	—	—
Issuance of shares	**3,700,000**	**1,850**	23,198,843	14,383
Less share issue costs	**—**	**(156)**	—	(218)
At the end of the year	**26,898,845**	**15,859**	23,198,845	14,165

The Company has no authorised share capital. All ordinary shares have a nil par value.

All issued share capital is fully paid up.

On 26 August 2014, the Company conditionally placed 3,700,000 ordinary shares of nil par value at 50p per share to raise £1.85 million (of which £0.25 million was subject to an EGM) before expenses from existing and new shareholders. A total of 3,200,000 shares were placed and admitted to AIM on 26 August 2014. On 8 September 2014, approval for the issue of the balance of shares over and above the Board's approval level was given and 500,000 shares were placed and admitted to AIM on 9 September 2014.

15. Reserves

The merger reserve arose on the Group reorganisation described in Note 1 (Basis of preparation). The reserve is non-distributable.

The share option reserve arises from the requirement to value share options in existence at the year end at fair value (see Note 22).

The translation reserve represents cumulative foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

16. Deferred tax

	2014 £'000	2013 £'000
Deferred tax assets:		
At beginning of year	**52**	52
Recognised in the Consolidated Statement of Comprehensive Income (Note 7)	**(51)**	—
Foreign currency translation adjustments	**(1)**	—
At end of year	**—**	52

Deferred tax assets are recognised to the extent that it is probable that the future taxable profits will allow the deferred tax assets to be recovered. In the year ended 31 December 2014, the balance was considered to be irrecoverable and has been written off in full.

Subject to the agreement of tax authorities, the Group has unutilised tax losses of approximately £4.4 million (2013: £2.3 million) available for offset against future taxable profits and for which no deferred tax asset has been provided.

17. Other payables and accruals

	2014 £'000	2013 £'000
Other payables	**167**	372
Accrued expenses	**148**	160
	315	532

18. Financial instruments

Financial risk management objectives and policies

It is the Group's policy not to trade in derivative contracts.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk, capital risk and liquidity risk. The Group does not have formal risk management policies and guidelines. However, the Board of Directors reviews and agrees policies for managing each of these risks as summarised below:

(i) Market risk

(a) Foreign exchange risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Pounds Sterling. The functional currencies giving rise to this risk are primarily the Malaysian Ringgit, Singapore Dollar and Indonesian Rupiah. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group maintains a natural hedge whenever possible, by matching the cash inflows (revenue stream) and cash outflows used for purposes such as capital and operational expenditure in the respective currencies. The carrying amounts of the Group's monetary assets and liabilities at the end of each reporting period were as follows:

As at 31 December 2014	Singapore Dollar £'000	United States Dollar £'000	Malaysian Ringgit £'000	Indonesian Rupiah £'000	Pounds Sterling £'000	Others £'000	Total £'000
Financial assets							
Trade receivables	**—**	**—**	**5,422**	**1,594**	**—**	**4**	**7,020**
Other receivables and deposits	**—**	**—**	**8**	**—**	**7**	**—**	**15**
Cash and bank balances	**—**	**—**	**175**	**—**	**43**	**—**	**218**
	—	**—**	**5,605**	**1,594**	**50**	**4**	**7,253**
Financial liabilities							
Trade payables	**16**	**3**	**8**	**—**	**39**	**—**	**66**
Other payables and accruals	**51**	**—**	**127**	**—**	**113**	**24**	**315**
Other financial liabilities	**27**	**—**	**273**	**—**	**11**	**—**	**311**
	94	**3**	**408**	**—**	**163**	**24**	**692**
Foreign currency exposure	**(94)**	**(3)**	**5,197**	**1,594**	**(113)**	**(20)**	**6,561**

As at 31 December 2013	Singapore Dollar £'000	United States Dollar £'000	Malaysian Ringgit £'000	Chinese Renminbi £'000	Pounds Sterling £'000	Others £'000	Total £'000
Financial assets							
Trade receivables	—	—	3,316	—	—	412	3,728
Other receivables and deposits	1	—	32	1	49	—	83
Cash and bank balances	—	1	4	—	1,073	—	1,078
	1	1	3,352	1	1,122	412	4,889
Financial liabilities							
Trade payables	—	—	283	—	9	—	292
Other payables and accruals	255	—	314	23	167	—	759
Other financial liabilities	—	—	149	—	—	—	149
	255	—	746	23	176	—	1,200
Foreign currency exposure	(254)	1	2,606	(22)	946	412	3,689

18. Financial instruments continued

Financial risk management objectives and policies continued

(i) Market risk continued

(a) Foreign exchange risk continued

The following table details the sensitivity analysis to possible changes in the relative values of foreign currencies to which the Group is exposed as at the end of each year, with all other variables held constant:

	31 December 2014 Increase/ (decrease) £'000	31 December 2013 Increase/ (decrease) £'000
Effects on profit after taxation/equity		
Singapore Dollar:		
– strengthened by 10%	**(9)**	(25)
– weakened by 10%	**9**	25
Malaysian Ringgit:		
– strengthened by 10%	**520**	261
– weakened by 10%	**(520)**	(261)
Indonesian Rupiah:		
– strengthened by 10%	**159**	—
– weakened by 10%	**(159)**	—
Others:		
– strengthened by 10%	**(2)**	39
– weakened by 10%	**2**	(39)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk sensitivity analysis

As the Group does not have significant third party borrowings, a 100 basis points strengthening/weakening of the interest rate as at the end of each year would have immaterial impact on profit after taxation and/or equity. This assumes that all other variables remain constant.

(ii) Liquidity risk

The Group monitors liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	On demand or within one year £'000	Within two to five years £'000
As at 31 December 2014		
Trade payables	**66**	—
Other payables and accruals	**315**	—
Other financial liabilities	**248**	**79**
	629	**79**
As at 31 December 2013		
Trade payables	292	—
Other payables and accruals	532	—
Other financial liabilities	278	97
	1,102	97

(iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations, resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. In addition, receivables are closely monitored on an ongoing basis. Management defines major credit risk as exposure to a concentration exceeding 10% of a total class of such asset.

The Group's trade receivables at 31 December 2014 included two customers (2013: one customer) that collectively represented 99% (2013: 87%) of trade receivables.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the Consolidated Statement of Financial Position.

The Group's trade receivables are non-interest bearing and credit terms range between 30 and 90 days. Receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

The credit risk for trade receivables based on the information provided to key management is as follows:

	2014 £'000	2013 £'000
By geographical areas		
– Indonesia	**6,968**	3,602
– Philippines	**4**	3
– Malaysia	**48**	123
	7,020	3,728

The carrying amounts of cash and bank balances, trade and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Cash and bank balances are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of customers to make payments when due. The amounts presented in the Consolidated Statement of Financial Position are net of fair value adjustments and allowances for impairment of receivables, estimated by management based on prior experience and the current economic environment.

18. Financial instruments continued

Financial risk management objectives and policies continued

iv) Capital risk management

Management defines capital as the total equity of the Group. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Directors may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(v) Financial instruments by category

The carrying amounts of each category of financial instruments are as follows:

	2014 £'000	2013 £'000
Financial assets:		
Loans and receivables (including cash and bank balances)	**7,253**	4,860
Financial liabilities:		
Financial liabilities at amortised cost	**692**	801

The carrying value of financial instruments approximates their fair value.

19. Finance lease obligations

	Minimum lease payments £'000	Interest Interest £'000	Present value of payments £'000
At 31 December 2014			
More than one year and not later than five years	**91**	**12**	**79**
Later than five years	—	—	—
	91	**12**	**79**
Not later than one year	**25**	**6**	**19**
	116	**18**	**98**
At 31 December 2013			
More than one year and not later than five years	85	18	67
Later than five years	32	2	30
	117	20	97
Not later than one year	29	6	23
	146	26	120

Interest was payable at effective interest rates ranging from 2.35% to 4.65% per annum during the year ended 31 December 2014 (2013: 2.35% to 4.65%).

20. Related party information

Transactions between SyQic plc and its subsidiaries, which are related companies of SyQic plc have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related companies are disclosed below. Balances relating to transactions with Directors are shown in the Consolidated Statement of Financial Position.

Transactions with key management personnel

	2014 £'000	2013 £'000
Amounts due to Directors	**112**	200

The amounts owing to Directors are unsecured, interest free and are repayable on demand. The amounts owing are to be settled in cash.

Directors' guarantees

There is a personal guarantee and indemnity from Muhamad Jamal Bin Muhamad Hassim, the Chief Executive Officer of the Company, and Mohd Radzi Bin Abdul Hamid, dated 6 December 2011, in support of a hire purchase agreement between Orix Credit Malaysia Sdn Bhd and SCSB for computer equipment.

There is a personal guarantee from Muhamad Jamal Bin Muhamad Hassim dated 25 December 2011, in support of a variation agreement between SCSB and CIMB Bank Berhad dated 25 December 2011 relating to the hire purchase of a motor vehicle.

There is a personal guarantee from Muhamad Jamal Bin Muhamad Hassim and Lee Ai Lin, a director of SCSB, dated 5 July 2013, in support of a Maybank Islamic Berhad Islamic Banking Facility Cash Line of RM500,000 taken out by SCSB.

Amounts owing to shareholders

	2014 £'000	2013 £'000
Stream Global Pte Ltd*	**71**	69
Sierac Corporate Advisers Sdn Bhd**	**—**	1
	71	70

* Stream Global is a shareholder of SyQic plc and Chak Kong Soon is a Director.

** Sierac was a shareholder of SCPL, the previous parent of the Group that was acquired by SyQic plc. It ceased to be a shareholder during the year ended 31 December 2013.

The amounts owing to shareholders are unsecured, interest-free and repayable on demand.

Remuneration of Directors and other transactions

The remuneration, interests and related party transactions with the Directors of the Company, considered to be the key management personnel of the entity, are disclosed in the Directors' Report.

21. Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings, contracted for at each reporting date but not recognised as liabilities, are as follows:

	2014 £'000	2013 £'000
Operating leases which expire:		
Within one year	**35**	34
In the second to fifth years inclusive	**78**	113
	113	147

Payments recognised as an expense under these operating leases were as follows:

	2014 £'000	2013 £'000
Land and buildings	**84**	35

22. Share options

During the year ended 31 December 2013, the Company granted 500,000 share options to employees with an exercise price of 52.7p each. The weighted average fair value of the options granted was 40.96p per share. A charge of £99,000 (2013: £6,000) has been made to the Statement of Comprehensive Income relating to these options.

These fair values were calculated using the Black Scholes option pricing model. The inputs in the model were as follows:

Stock price	62p
Exercise price	52.7p
Interest rate	2.73%
Volatility	50%
Time to maturity	10 years

The expected volatility was determined with reference to similar entities trading on AIM.

Details of share options outstanding at the year end are as follows:

	31 December 2014		31 December 2013	
	Number	**WAEP (pence)**	Number	WAEP (pence)
Outstanding as at 1 January	**500,000**	**52.7**	—	—
Granted during the year	—	—	500,000	52.7
Forfeited during the year	**(100,000)**	**52.7**	—	—
Options outstanding at 31 December	**400,000**	**52.7**	500,000	52.7
Exercisable at 31 December	—	—	—	—

The weighted average remaining contractual life of the options outstanding at the statement of financial position date is 8.9 years.

The share options were all granted on 4 December 2013 when the Company was admitted to the AIM market and vest in three annual instalments on the subsequent anniversaries of that date and, on exercise, will be settled by the issue of ordinary shares in the Company.

An option holder has no voting or dividend rights in the Company before the exercise of a share option.

Glossary

AIM	Alternative Investment Market
Android	An operating system developed by Google Inc. which was designed primarily for mobile devices
iOS	An operating system developed by Apple Inc. which was designed for mobile devices
OTT	OTT stands for "Over The Top" and in the field of online media delivery, refers to services provided over any open internet connection rather than via an internet service provider's own dedicated, managed network
Telcos	Telecommunications operators and/or intermediaries who work on behalf of telecommunications operators
Yoomob	SyQic's mobile video streaming service operated in partnership with various telcos
Yoomob Plus	Enhanced version of Yoomob, catering for newer generation of smartphones
Yoonic	SyQic mobile video streaming service supplied direct to the customer over the internet

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