SyQic plc

LEADING THE WAY IN MOBILE TV...

SyQic plc

ANNUAL REPORT 2013

Key Achievements Since IPO

- Successful admission to AIM on 4 December 2013, raising £3.2 million via Allenby Capital (of which £2.45 million was new equity capital) in an over-subscribed fundraise
- Launch of the Group's first international Yoonic OTT ("Over The Top") service alongside a prepaid payment model and new distribution channels. These are significant milestones and are expected to be the key revenue drivers for the Group in the medium term
- Establishment of a launch programme for new Yoonic OTT services over the coming months
- Completion of significant technical enhancements of the existing Yoomob platform (telco oriented service) during the period and continued footprint growth in South East Asia
- Established shared database, content encoding and processing, storage and video delivery infrastructure (achieving economies of scale and efficiency) for both Yoonic and Yoomob
- Continued ongoing technology development, alongside research programmes with major tertiary institutions in the UK and Singapore
- Collaboration entered into with Tata and Amazon for video storage and distribution
- Substantial growth of video content library, and growing alliances with major broadcasters and content producers

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About Us

SyQic is a fast growing OTT provider of live TV and on-demand paid video content across mobile internet-enabled consumer electronics devices such as mobile phones and tablets through its "Yoonic" platform.

The Group has access to over 40,000 hours of online video-on-demand content as well as over 200 live television feeds comprising English and International video content as well as content for a number of "home markets."

The content is delivered through SyQic's platforms via a number of channels in the movies, drama, music, sports, news, lifestyle and general entertainment genres.

Financial Highlights

- Revenue increased by 20% to £4.71 million (2012: £3.91 million) with revenues during the second half of 2013 almost double the revenues achieved in the same period in 2012
- Profit before tax of £0.10 million (2012: £0.63 million) after IPO expenses of £471,000
- Substantial increase in Group's net cash position to £1.05 million as at 31 December 2013 (2012: £0.05 million)

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.

Timeline

- Founded in 2004
- Established low bandwidth video streaming service
- Developed P2P technology for live streaming
- 2008 licensed B2B live streaming software
- 2010 Directors focus on B2C market
- Achieved record of 200,000 concurrent users for live boxing event

Our Yoonic service is available on internet enabled devices, either via the online web portal or deployable mobile operating systems.

2011 launched Yoomob, mobile video streaming platform, in Asia

Recorded over 750,000 access fee transactions in six months

2013 Launch of Yoonic a powerful new OTT streaming platform

Yoonic allows HD streaming

Yoonic platform scaled up for global presence using cloud technology

2014 launch of Yoomob Plus enhanced platform for telcos

SyQic – Building Blocks

Mobile video streaming is a young and fast growing sector. SyQic's first forays into this market were in 2011 when it launched a low bitrate mobile video streaming platform called Yoomob.

Yoomob was proliferated through telcos in South East Asia and gave SyQic a strong footprint in Malaysia, Philippines and Indonesia. Using the management team's experience and expertise, the Group established relationships with key content providers and service distributors. The vast array of content together with the low-cost entry point and simple user experience, made SyQic's telco products highly attractive in the South East Asia region. The Group's in-house R&D team was also very important in ensuring the SyQic offering remained at the cutting edge of technology. In particular its proprietary technology enabled video streaming to be delivered at bitrates as low as 80kbps enabling services to be provided on less advanced mobile devices and slower networks.

The Yoomob platform allows end-users to purchase access to individual video channels on a daily, weekly or monthly basis. Within six months of Yoomob's inaugural deployment, SyQic had recorded circa 750,000 access fee transactions for its video service through its telco distribution arrangement with Maxis Telecommunications in Asia. SyQic has subsequently recorded further significant access fee revenue with a number of other Tier 1 telcos in the South East Asia region. By July 2013, SyQic had, in aggregate, served over one million end-users across its Yoomob deployments.

Mobile devices make up an increasing share of TV and video viewing:

72% use mobile devices at least weekly for video viewing[1]

SyQic continues to be the dominant regional mobile video service provider. Yoomob has provided an excellent platform for SyQic to become established as a video delivery company and SyQic has now completed the development of the Yoomob Plus platform, the evolution of the existing Yoomob product.

At the same time management believed that even more dynamic growth opportunities lay in the Over The Top (OTT) delivery space and took a strategic decision to develop a powerful new platform that could be accessed through the internet and therefore serve a much larger potential customer base, separate from the telco product model.

The resulting product, Yoonic, was commercially launched in April 2014 in the UK, Malaysia and Singapore as a service particularly aimed at the Bangladeshi diaspora market and successive launches will follow throughout 2014 to target other large migrant groups and many more geographical territories around the world such as the Middle East and the United States.

Significant market potential

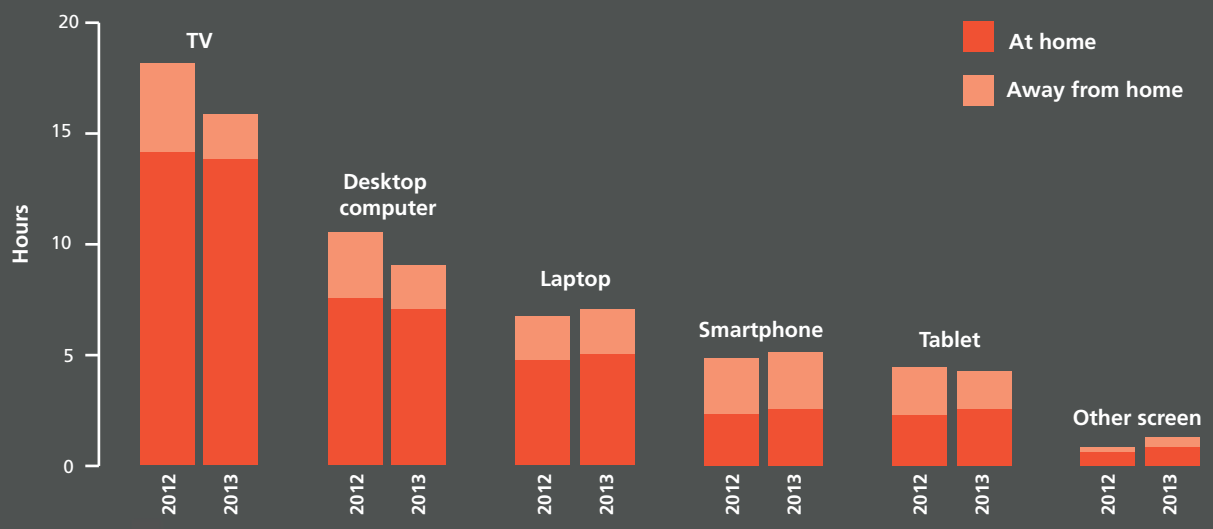
Better quality internet connections, the increased ownership of internet ready devices and the rapid roll out of 3G and 4G services is leading to a growing demand by consumers for access to video content over the internet.

A recent industry report found that in some of SyQic's core markets in South East Asia, more people own internet enabled phones than any other similar device for accessing the internet.

Targeting regions where the number of internet users is set to increase, in particular through the proliferation of internet enabled portable devices is paramount to the Group's success.

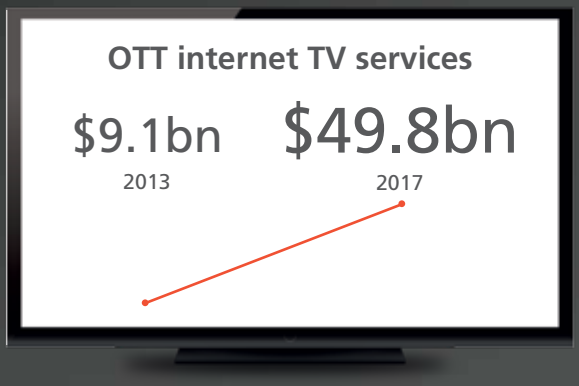
[1]Source: Ericsson ConsumerLab TV & Media, Consumer Insight Summary Report August 2013.

Average hours spent watching video on device each week



Source: Ericsson ConsumerLab TV & Media study 2013.
Base: US, UK, Germany, Sweden Spain, Taiwan, China, South Korea and Brazil, those who have and use the device.

SyQic – Building Blocks continued



This coupled with the ever increasing global migrant working community will mean SyQic is well positioned to take advantage, by providing online migrant communities with the video content they desire.

According to Generator Research Limited revenues for OTT internet TV services in 2013 will be around $9.1 billion, a figure forecast to increase to $49.8 billion by 2017. By 2016, Generator Research Limited anticipate that the number of individuals who pay to access OTT internet TV programming will have increased to 352.4 million, a figure which is nearly 50% of the worldwide total of pay-TV subscriptions (cable, satellite and mobile TV combined).

Generator Research Limited research states in contrast to broadcast television, which is viewed on a television set, OTT internet TV is accessible through four main delivery routes:

- connected TVs. e.g. through the use of a set top box, smart TV or games console;
- personal computers, at home, office or for example connecting a notebook to a TV set using an HDMI cable;
- media tablets, such as Apple iPads; and
- smartphones, such as iPhones and Android smartphones.

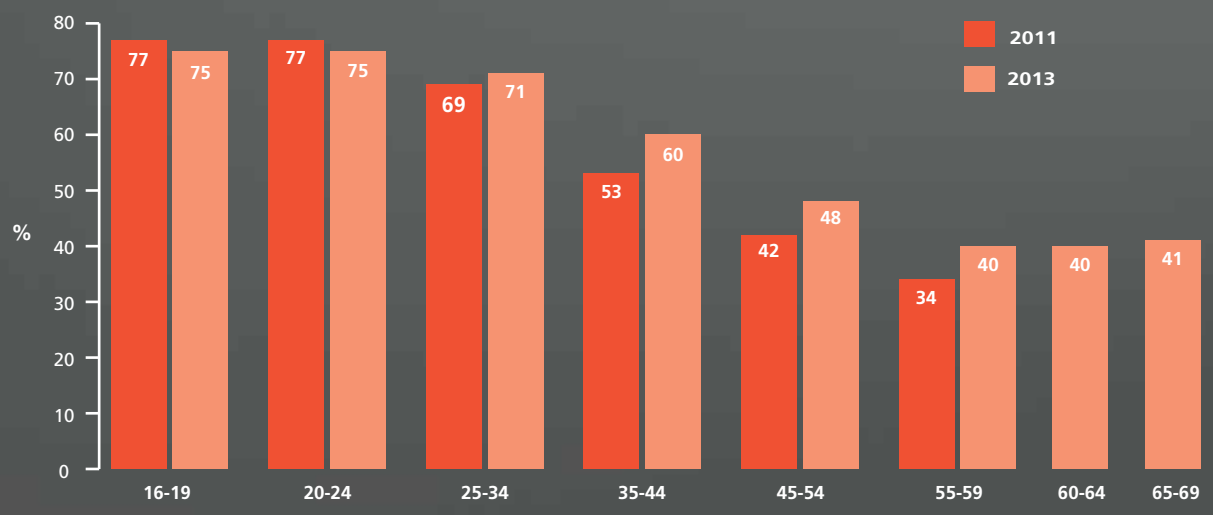
SyQic currently serves the mobile phone, tablet and personal computer market.

OTT on the mobile increasing

Evidence illustrating the increasing demand for viewing video content over mobile devices is illustrated by recent data on the BBC iPlayer – the BBC's OTT internet TV product. The BBC iPlayer had around 200 million requests in March 2013, representing 38% growth on the prior year. In the twelve month period to March 2013, requests from tablets as a percentage of all requests grew from 8% to 20% and from mobile devices from 9% to 17%. Additionally according to Ericsson the age profile of OTT/on demand TV viewers has changed dramatically in recent years and the older population is also taking part in this change.

By 2018, mobile video will represent just over 69% of global mobile data traffic[2]

% that stream on-demand/time shift TV and video including YouTube more than weekly, by age group



Source: Ericsson ConsumerLab TV & Media study 2013.
Base: US, UK, Germany, Sweden, Spain, Taiwan, China, South Korea and Brazil.

In the Group's core South East Asian market, a Nielsen study showed that internet capable mobile phones have a penetration rate of more than 60%, with many countries in the region having a penetration rate as high as 85%, providing the potential for mobile online video streaming services (source: Nielsen: The Digital Media Habits and Attitudes of SE Asian Consumers, October 2011).

Research undertaken by Vidiator also indicates that consumers are willing to pay for mobile video. In India, 88% of people surveyed had paid for mobile video or would consider it in the future while 54% of those were already paying for mobile video. In Malaysia, the numbers are 75% and 34% respectively.

In addition, 92% of people surveyed in Malaysia and 86% in India would consider switching mobile phone network providers if they were offered an OTT, mobile TV or video-on-demand service (source: Vidiator, The mobile video opportunity in South East Asia, August 2012).

[2]Cisco Visual Networking Index Global Mobile Data Traffic Forecast for 2013 – 2018

SyQic – Building Blocks continued

Strength of content

The Directors are of the view that it is content which is key in attracting additional users and therefore SyQic works extensively with content providers and aggregators to obtain suitable content.

Our partnerships with content providers ensures a healthy supply of new video content material to address the needs of multiple international migrant communities

The Group has distribution licenses to over 40,000 titles of online video-on-demand content and also over 200 live television feeds comprising English language based content and native language content for a number of "home markets" in Asia and their international migrant communities globally.

The content is delivered through SyQic's platform via a number of channels in the movies, drama, music, sports, news, lifestyle and general entertainment genres. The majority of the Group's content providers supply content which is in line with the Group's focus on the Asian market and the growing Asian, Middle Eastern, Eastern European global migrant and expatriate communities market.

Accessibility

Historically SyQic's content has been delivered through its Yoomob platform. Yoomob utilises a proprietary encoding solution to stream video content to a broad range of mobile devices including to basic feature mobile phones.

Global shift to SMART devices

54% of mobile connections globally will be SMART connections, increasing from 21% in 2013. Average global network speeds nearly doubling from 1.4Mbps in 2013 to 2.5Mbps by 2019, and 15% of all connections will be connected to 4G.*

The Yoomob product was developed utilising the Group's proprietary compression knowhow which allowed streaming at bitrates as low as 80 kbps. As a result it is able to deliver video streaming on GPRS and EDGE networks and, more importantly, on basic feature phones with video capabilities. This enabled the Group to access a wider potential user base. Given that circa. 80% of the Asian region is still not 3G-enabled despite mobile penetration being high, the Directors believe that this ability to stream content at low bitrates is key in driving fast take-up of its product, particularly given its focus on mobile video delivery. However, the Directors recognise that the industry is developing at a rapid pace and that, in order to continue its growth, investment in R&D allowing ongoing product development, is fundamentally important. The latest results of the Group's investment in R&D are its new generation Yoomob Plus platform for telco deployments and its new OTT mobile video streaming platform, Yoonic.

The Directors are of the view that the Yoomob Plus platform addresses a much larger variety of handsets including all the new generation smartphones.

The new platform has High Definition video delivery capability and much smarter intelligence analytics that allow for data mining, opening up other revenue delivery possibilities. Yoomob Plus has a scalable core platform that allows for rapid deployment with new telcos, increasing speed to market. All the new telco sites will carry the Yoomob Plus platform whilst existing Yoomob service sites will be upgraded to Yoomob Plus in coming months. The Yoomob Plus revenue potential is much bigger that Yoomob as it instantly addresses a wider base of users and its enhanced content features will drive much higher consumer transaction numbers.

The Yoonic OTT platform represents a step change in terms of business model, system operations, user experience and functionality. It integrates and unifies the databases and processing core of all of the Group's services providing easier deployment and management. The Directors also believe that Yoonic will provide the Group with much better data analysis capabilities since Yoonic incorporates an enhanced database gathering capability, enabling the Group to track user profiles more efficiently.

This provides SyQic with essential customer usage data from which it will be able to better tailor its products and services, in particular in relation to the development of a "smart search" product, through which it can then seek to refine the video content that it provides to its users in an OTT environment.

A key feature of Yoonic is that it can be used on a wide variety of internet enabled devices including Android, Symbian and iOS devices and also via web browsers.

SyQic has also developed its own direct to consumer payment channel for the Yoonic service. The eliminates the need for a telco relationship for billing purposes and provides great potential for the faster and wider proliferation of SyQic's services amongst global consumers.

The Directors believe that this greatly increases the user pool that the Group can access and is a significant enhancement from Yoomob which was only available to users of basic feature phones.

The Directors also believe that Yoomob Plus and Yoonic offer an enhanced user experience through features such as HD content capability, catch-up TV and video sharing features. Additionally, the platform will shortly include the capability to provide users with direct access to popular social networking platforms such as Facebook and Twitter.

*Cisco Visual Networking Index Global Mobile Data Traffic Forecast for 2013 – 2018.

Chairman's Statement

2013 was a transformational and very exciting year for SyQic, culminating in the successful admission to AIM on 4 December 2013.

Business review

2013 was a transformational and very exciting year for SyQic, culminating in the successful admission to AIM on 4 December 2013. The Board was also pleased to announce the development of Yoonic, SyQic's OTT mobile video streaming platform, as well as making considerable progress with partners in terms of content acquisition. The Yoomob telco oriented platform was significantly enhanced during the period, with additional functionality and new innovations to the services being successfully carried out.

During the period, the Board made a number of strategic changes to the Group's routes to market. These were the result of considerable market research and obtaining customer feedback in order to refine the Group's offering to make it as compelling as possible to potential customers and has led to the Group targeting communities individually. This has had an unexpected benefit for SyQic as it means that launches can occur internationally on a simultaneous basis, thereby reaching as broad an audience as possible.

Continuing enhancement

Substantial interest from retailers in the UK, Europe, the Middle East, Malaysia and Singapore to offer the service to their Bangladesh and other migrant customers.

The Board is pleased that the market environment for SyQic's services is very positive particularly as the consumption of data on mobile devices continues to grow.

In response to the feedback that was obtained from the initial phase of the launch of Yoonic to the Bangladeshi community, the Group is adapting its model and refining its routes to market. Take up of the service has been very encouraging and there has also been substantial interest from retailers in the UK, Europe, the Middle East, Malaysia and Singapore to offer the service to their Bangladesh and other migrant customers.

IPO

SyQic was delighted to join AIM on 4 December 2013, having raised £3.2 million via Allenby Capital in an over-subscribed fundraise, of which £2.45 million was raised as new equity for the Company. The proceeds of the Placing, along with existing cash resources, are being used to launch the Group's services in the UK and continental Europe. These funds are also being utilised for the purposes of content acquisition, research and development, development of a new payment method, establishing local and regional distribution hubs and sales and marketing activities.

The Board is pleased that these areas are being progressed since the IPO and will continue to be the focus of the Group's efforts.

Prospects for 2014

The Group is at an important stage of its development, and 2014 will see the continuing enhancement of both the Yoomob and Yoonic platforms and growth of landings and geographical footprint where the service is made available. The Board is pleased that the market environment for SyQic's services is very positive particularly as the consumption of data on mobile devices continues to grow, and the global migrant market that the Group is targeting is significant.

Appreciation

On behalf of the Board I would like to express my deep appreciation to the management and staff for their dedication and hard work in meeting the challenges for the past year and the successful IPO of the Company. I would also like to thank our investors, customers and partners for their strong support.

William Liu Wei Hai
Non-Executive Chairman
18 June 2014

Group Chief Executive Officer's Statement

The Board is pleased to report the Group's results on the back of an exciting year, which showed considerable growth in revenues to £4.71 million.

Results

The Board is pleased to report the Group's results on the back of an exciting year, which showed considerable growth in revenues to £4.71 million, from £3.91 million in 2012, an increase of 20%. Particularly pleasing was the fact that the second half of 2013 was very strong with revenues during the second half of 2013 almost double the revenues achieved in the same period in 2012. Profit before tax was lower at £0.10 million (2012: £0.63 million), caused by an increase in investment in manpower as the roll out of Yoonic and Yoomob evolve, as well as AIM transaction costs of £0.47 million. The lower 2013 net profit can also be attributed to the expensing of platform-enhancing development costs. This treatment will be continued in 2014 to provide greater transparency of the Group's ongoing development costs. Earnings per share excluding AIM transaction costs were 3.63 pence (basic) (2012: 4.15 pence) and 2.91 pence (diluted) (2012: 3.26 pence) and after AIM transaction costs totalled 0.64 pence (basic) and 0.51 pence (diluted).

Strong results

Revenue

£4.71m

Net cash

£1.05m

Earnings per share

3.63p

The Group's net cash position is robust at £1.05 million as at 31 December 2013 (2012: £0.05 million), with total assets of £5.72 million (2012: £3.23 million). Trade receivables increased to £3.7 million from £2.3 million in 2012. Of this amount £3.3 million is owed by one customer with which the Group has agreed a repayment plan for 2012 and 2013 billings under which the full amount will be repaid in monthly instalments by June 2016. The payments to date have been on time and as scheduled. This lengthy payment was caused by regulatory developments in Indonesia. The 2014 billings with the customer will be paid more promptly.

The Board was pleased that the Group's successful admission to AIM on 4 December 2013 raised £3.2 million via Allenby Capital in an over-subscribed fundraise, of which £2.45 million was raised as new equity for the Company. As announced at the time of the IPO, these funds are being used to complete the development of the Yoomob Plus service platform, to enhance the existing Yoomob platform and to roll out the Group's Yoonic service internationally.

Yoonic has already been successfully launched for the Bangladeshi communities in the UK and Malaysia with a complete Bangladeshi video content offering. Further Yoonic service launches for the Bangladesh communities in the Middle East, Australasia and the United States are on the road map. The Group will also be rolling out the Yoonic services for other migrant groups globally in the remainder of 2014 beginning with the Filipino service in June.

Yoonic launch

On 20 December 2013 the Board was pleased to announce the UK pilot launch of Yoonic, the Group's OTT platform to provide live TV and on-demand paid video content to mobile devices. Yoonic has efficient mobile video streaming as its core offering and allows for close to high definition streaming, with the ability to stream as low as 80kbps, and to scale very quickly.

Following this successful pilot launch, the Group has responded to the feedback and adapted its offering as a result. Key to this is the Group's shift from a general roll-out plan to a phased one with each launch being specifically targeted and focused on a particular migrant community.

This has the advantage that each community can be reached simultaneously across the multiple territories in which SyQic operates meaning that the Group can reach significant numbers of potential users of the service for minimal incremental marketing spend.

The shift in focus from targeting a range of nationalities in one location, to targeting a single migrant community at a time across a number of territories, has been a significant one that refocuses the Group's marketing activities. Consequently the Group is developing individual sites for each targeted community, addressing their specific requirements (including language needs), and is launching these sites internationally, thereby reaching much larger potential audiences. This has meant some renegotiation with content providers to amend the terms under which the content can be distributed but this has been completed successfully and future agreements will be entered into on this basis.

Group Chief Executive Officer's Statement continued

Since the period just ended, the other significant development in the roll out of Yoonic has been in the area of payment options. The addition of a PIN based scratchcard payment method was announced on 27 March 2014, and is a significant step forward in terms of ease of use of the platform. From the feedback obtained during the pilot launch of Yoonic, it has become apparent that it is considerably more attractive to have a pre-payment option available, rather than expecting customers to submit their payment details online.

The Board believes that having this tangible relationship with consumers will have a beneficial effect on the initial take up of the service and help in the proliferation of the Yoonic brand, thereby enhancing the ongoing usage rates. These cards will have distinct designs to target the relevant community for each launch. The scratchcard model is a well established model amongst the demographic that the Group is targeting and the Board believes that this will be a compelling payment method for the service.

The scratchcards are already on sale in the UK and Malaysia in various retail outlets in central hubs of the Bangladeshi community. In the UK the scratch cards are already available at more than twenty-five retailers in London and Luton, and the Group is in the process of signing up more outlets in the Midlands, the North and Scotland. In Malaysia the Group has partnered with the largest distributor of prepaid scratchcards and this has resulted in them being available nationally. In Singapore the Group is in the midst of partnering Singapore Post and 7-Eleven; both being major retailers, to make the scratch cards available nationwide.

The Group is currently putting in place a scratch card distribution network in the Middle East. These distribution points, with some additions, will also serve to distribute scratch cards for the other migrant groups as well.

The Group has also initiated a peer to peer marketing methodology within each migrant group to enhance the viral effect to promote the Yoonic service within each Community. This method will be replicated for each migrant group.

The viral activity is enhanced by the Group's participation and presence at Community events, and partnerships formed with Community based media.

The Board is excited to progress this strategy in terms of the way that it will target its potential customer base and also to continue to develop the technology and payment options for consumers. The initial launch of Yoonic has been successful for the international Bangladesh community, and this will be followed by further launches. This is a significant development in the growth of the Group as the launch of the Yoonic OTT model is the commencement of a major new revenue contributor. It is anticipated that the OTT income will become the main revenue driver for the Group supported by the Yoomob telco oriented service which will become a relatively smaller revenue contributor over time. The take up for the Bangladesh service has been very positive and the Group anticipates that this will be the case for the other migrant segments as well.

Partnership

Content acquisition is one of SyQic's key strengths, with over 40,000 titles of online video-on-demand content and over 200 live television feeds.

Yoomob and Yoomob Plus

The Group's Yoomob platform streams video content to a broad range of mobile devices including to basic feature mobile phones. The telco business segment continues to be a core product for SyQic in the short to medium term and SyQic increased the number of telco companies that are a part of the Yoomob network during the period and are continuing to roll out new sites particularly in developing countries. In the medium to long term, the Board anticipates that Yoonic, which represents a step change in the Group's operations, enhanced user experience and functionality, will overtake Yoomob but, in the meantime the telco business continues to grow steadily, providing a foundation for the phased rollouts of Yoonic.

In 2013 the Yoomob service was enhanced by the Group's in-house R&D division into Yoomob Plus and is now available on more handsets with a number of new features, such as the introduction of catch-up TV. This allows users to view live content at a later date, at a resolution close to high definition.

The Group has recently launched new telco services including SmartFren in Indonesia and a second, more enhanced service with Maxis in Malaysia. Further launches are being prepared with XL in Indonesia, MPT in Myanmar and Banglalink in Bangladesh.

Partnerships

Content acquisition is one of SyQic's key strengths, with over 40,000 titles of online video-on-demand content and over 200 live television feeds, across a range of genres including movies, drama, music, sports, news, lifestyle and general entertainment genres. In 2013 SyQic developed these relationships significantly, signing agreements with major broadcasters and content providers for content in a number of new countries.

The Group's relationships with telco operators continues to broaden, with new agreements signed during the period to extend the scope of Yoomob, particularly in territories such as the Philippines and Indonesia. Further developments are anticipated in advance of the next roll-outs in Myanmar, Indonesia and Bangladesh.

Geographic markets

The Board believes that its strategy of targeting each community group on an individual basis and launching services to that group simultaneously internationally will be beneficial to the Group in terms of customer adoption of the offering.

Importantly the Group aims to establish regional distribution networks that can be used in successive migrant community launches. For example, the distribution network that is being established in the Middle East as part of the launch of the Bangladesh offering, can then be used to launch the Filipino, Nepalese, Turkish and Polish products, and then any others that the Group rolls-out there.

The key geographic markets are broad, but with a targeted approach to marketing to one specific community at a time, the Board believes that SyQic will be in a strong position to increase subscription numbers. The Yoonic service is already available in the UK and Malaysia and launches in Singapore, Europe, Middle East and the United States in the coming months.

Group Chief Executive Officer's Statement continued

Marketing

The Group is striving to reach each community at the relevant touch point and is therefore targeting a very specific and targeted range of news websites, groups and associations, and community leaders in various locations.

The Group has plans to develop affiliate programmes that will incentivise customers to introduce other people to the service.

On a broader scale, management has recognised that there are particular locations that communities gravitate to, such as international money transfer facilities, and plans to establish a presence in such locations.

As the roll-out of Yoonic continues to progress, it is anticipated that the Marketing Team will be further strengthened. In particular it is essential that migrant marketing managers are hired to lead each migrant push so that there is greater understanding of the marketing nuances required to address the needs of each migrant group.

Research and development

Research and development is at the core of the Group's activities and was a continued focus during the period. As the Group executes the phased launch of Yoonic, development of the platform continues as well as the ongoing development of Yoomob.

Investment into research and development has been in line with the management expectations for the year, with the Yoonic platform being successfully built in order to ensure that it is fully scaleable as the roll-out continues into new territories. The Board believes that the foundations for growth are in place and the Group is now in a position to scale the business up.

Another focus of the research and development has been the strengthening of SyQic's service security, content distribution, content database and systems to manage customer data. Data storage has been increased in order to prepare for the forthcoming launches as the volume of content stored will need to grow significantly.

SyQic ultimately intends for its platforms to become a hub for its users to interact and build communities. Research is being carried out on an ongoing basis in order to enhance the user experience and functionality, particularly in terms of new applications for both Android and iOS devices. Interactive features such as blogging, chatting, gaming and social networking are all being explored, with the aim of making the service as engaging as possible in order to ensure customer retention.

The Group is developing the technology to closely monitor user behaviour, which will enable analysis of how customers are utilising the service and consequently identify trends and up-sell to existing users.

At the time of the IPO the Board stated that 40% of the proceeds of that fundraise would be used to fund research and development and anticipates that a number of new features will be announced over the coming months. It is anticipated that the Group's expenditure on research and development will continue at a similar pace as the enhancement of the service continues.

The Group's momentum from 2013 has been continued into 2014 and revenue for the first three months of 2014 was £2.0 million (unaudited) representing an improvement of over 600% on the same period in 2013.

The Group is currently in advanced discussions with University College London, the University of Wales and the National University of Singapore to advance research collaboration in a number of key areas that will significantly advance the Group's technology offering. Working with these academic institutions is anticipated to allow the Group to tap a wider knowledge pool and research base than the Group alone would be capable of.

The Group is also continuing its UK university internship programme which has yielded great talent for the Group's Development Team.

Outlook

The coming months will be significant for the Group as it rolls out Yoonic across the key markets of the Bangladeshi, Filipino, Nepalese, Turkish and Polish communities. The ongoing development in infrastructure in the various countries that the Group is targeting is an additional driver of growth for the platform. SyQic will be looking at reaching out to other migrant groups in the latter part of the year including to the Hispanic community in the US.

With the completion of the launch of the Bangladesh service, the Group's marketing effort is now in full swing. The next launch will be for the Filipino community and further announcements will be made at the appropriate time.

The Group's momentum from 2013 has been continued into 2014 and revenue for the first three months of 2014 was £2.0 million (unaudited) representing an improvement of over 600% on the same period in 2013.

This period is marginally below the levels of revenue earned in the fourth quarter in 2013. However that period benefitted from an enhanced festive season peak period during December. As a consequence of the continuing strong billings in the first quarter of 2014, trade receivables have increased further since the year end. The Board remain confident in the payment arrangements that are already in place. The Group's largest customer, PT Nextnation Prisma has fully adhered to the payment plan entered into in 2013 and the original £2.4 million receivable has now been reduced to £1.8 million as at 31 March 2014.

A new payment plan has been agreed with PT Nextnation Prisma to settle the 2013 receivable by June 2016. The 2014 billings will be paid on a prompter basis.

The general industry wide developments continue to drive the progress of SyQic's service, as "all you can eat" data plans become widespread, growing international migration and the consumer's appetite to consume video on mobile devices continues to grow.

Given this environment and the growing market that it is creating, the Board is pleased to look to the future with increased confidence.

Jamal Hassim
Group Chief Executive Officer
18 June 2014

Board of Directors

William Liu Wei Hai

Non-Executive Chairman

William Liu started his career in IT in 1970 after graduating with a degree in Mechanical Engineering from the University of Manchester and an MSc from Imperial College. He is currently the Chairman and Managing Partner of Stream Global Pte Ltd, a Singaporean venture capital firm whose main objective is to invest in and partner with entrepreneurs and assist them in realising their potential. William is currently a board member of SISTIC.com Pte Ltd, GreenDot Energy Pte Ltd, Payment Link Pte Ltd., and was previously a board member of the National Library Board, Singapore Computer Systems and the National Computer Board. He was also a past Chairman of the Singapore Federation of the Computer Industry (SFCI) from 1995 to 1998 and a Board member of the Singapore National Computer Board and a past Chairman of the Operational Research Society of Singapore. William was inducted into the Singapore Computer Society's Hall of Fame in 2007.

William is a member of the Group's remuneration and audit committees.

Jamal Hassim

Group Chief Executive Officer and founder of the Group

In 2000, Jamal was headhunted to become the Chief Operating Officer of SPH Mediaworks Ltd in Singapore and later led a project that involved the restructuring, reorganisation and successful sale of Metrovision, an indebted Malaysian terrestrial television station to the TV3 Media Group.

Jamal's broadcast career culminated in him becoming the Founder, Managing Director and owner of Channel 9, at that time Malaysia's last independent terrestrial television station. He was also responsible for raising the necessary capital (RM70 million) to launch and operate the station. Jamal created a multi-media platform to deliver Channel 9's content via the television, the internet and mobile devices. Jamal and investors successfully exited their investment in Channel 9 via a trade sale. Jamal had also invested in and operated Capital FM, a urban themed FM radio station based in Malaysia. He also successfully exited this investment 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. He started his career in 1990 at KPMG London and his tenure included an 18 month secondment to KPMG, Kuala Lumpur, Malaysia. In 1996, Steve joined Lex Service plc as Group Operations Auditor, where he was responsible for managing the completion accounting exercise as part of its sale to Pendragon Motor Group. In 1998, he joined Dexion Group and after five years joined Mercedes Benz Retail Group as Divisional Financial Controller where his responsibilities were, amongst others, management reporting for the three Mercedes Benz Retail Corporate Sales operations in London, Manchester and Birmingham. In 2009, Steve joined Epson UK Limited as Financial Controller and in November 2013 Steve joined SyQic just prior to the AIM listing. Steve has a degree in Economics from the University College of Wales, Aberystwyth and a Certificate in Business Administration from the University of Warwick.

David Vernon Cotterell

Non-Executive Director

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, DST, Advent and AIM listed SQS Group plc 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. Mr Cotterell has led and successfully implemented two trade sales of technology companies. He holds other IT related board level positions including with AIM listed Incadea and RapidCloud International plc. He is also Director of Europe for Qualitest services.

David is Chairman of the Group's remuneration committee and a member of the audit committee.

Dicky Tjokrosaputro

Non-Executive Director

Dicky 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 also been a Director of PT Power Telecom (Indonesia), a company involved in telecommunication services since 2004.

Dicky is a member of the Group's remuneration and audit committees.

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 South East Asia region.

Chak is Chairman of the Group's audit committee and a member of the remuneration committee.

Directors' Report

Financial statements

The Directors present their report and financial statements for the Group for the period ended 31 December 2013.

On 4 December 2013 the Group underwent a re-organisation by virtue of which the shareholders of the previous holding company, SyQic Capital Private Limited, in their entirety exchanged their shares for shares in SyQic plc, a newly formed company, which then became the ultimate parent company of the Group. As the accounting treatment for Group reorganisations is scoped out of IFRS 3, the Group has referred to current UK GAAP and specifically the merger accounting principles contained therein. The resulting treatment is that the consolidated financial statements of SyQic plc are presented as if SyQic plc had always been the holding company for the Group.

Principal activities

The Company was incorporated on 13 November 2013 under the name of SyQic Limited. On 18 November 2013 the Company was re-registered as a public limited company and its name was changed to SyQic plc.

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

Following the acquisition of SyQic Capital Pte Ltd, the principal activity of the Group is to provide live TV and on-demand paid video content across mobile, internet-enabled consumer electronics devices such as mobile phones and tablets.

Business review and key performance indicators

The Group's results are set out in the consolidated Statement of Comprehensive Income on page 28. A detailed review of the business, its results and future direction is included in the Chief Executive Officer's Statement on pages 12 to 17.

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 of the Company are as follows:

William Liu Wei Hai

Muhamed Jamal Bin Muhamed Hassim

Steve Elliff

David Cotterell

Dicky Tjokrosaputro

Chak Kong Soon

At 31 December 2013, 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	100,000

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 2013 is shown below

		Short term benefits £	Post employment benefits £	**2013 Total £**	2012 Total £
Muhamed Jamal Bin Muhamed Hassim		221,370	—	**221,370**	175,200
Steve Elliff	(i)	10,750	—	**10,750**	—
William Liu Wei Hai	(ii)	271	—	**271**	—
David Cotterell	(ii)	1,850	—	**1,850**	—
Dicky Tjokrosaputro	(ii)	271	—	**271**	—
Chak Kong Soon	(ii)	271	—	**271**	—
		234,783	—	**234,783**	175,200

(i) Director Service Contract commenced on 18 November 2013.

(ii) 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.

Directors' Report continued

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.

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. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

Auditors

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
18 June 2014

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 acheive 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;
- identification and evaluation of risks – the Group employs Executive Directors and senior management with the appropriate knowledge and experience required for an internet TV services group. Identification and evaluation of risk is a continuous process running in parallel with the significant organic growth of the 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 Reports 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 Statement, 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 2013, 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 surround 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 2013 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs 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 note 11 and 18(iii) to the financial statements concerning the credit exposure to the Group's largest customer whose debt is included at a fair value of £3,294,444 (2012: £2,033,000) in these financial statements. The Group has a repayment plan with the customer due to be fully settled in 2016 and, accordingly, £1,042,952 (2012: £309,000) is classified within current assets and £2,251,492 (2012: £1,724,000) within non-current assets. The Directors of the Company are of the opinion that the debt will be fully recovered and, thus, no provision for impairment has been made within the financial statements as at 31 December 2013 (2012: nil). The financial statements do not include any adjustments that would result if the Group was unable to recover these amounts in full.

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

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

18 June 2014

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

	Note	Year ended 31 December 2013 £'000	Proforma Year ended 31 December 2012 £'000
Continuing operations			
Revenue		**4,711**	3,911
Cost of sales		**(1,888)**	(1,669)
Gross profit		**2,823**	2,242
Other income		**52**	13
Other operating expenses		**(788)**	(432)
Administrative expenses		**(1,505)**	(1,188)
Operating profit before AIM transaction costs		**582**	635
AIM transaction costs		**(471)**	—
Operating profit		**111**	635
Net finance income and (costs)	5	**(11)**	(10)
Profit before taxation	6	**100**	625
Corporation tax expense	7	**—**	—
Profit after taxation		**100**	625
Other comprehensive income:			
Currency translation differences arising from consolidation		**(312)**	13
Total comprehensive income for the year		**(212)**	638
Profit attributable to:			
Equity holders of SyQic plc		**100**	625
Non-controlling interest		**—**	—
		100	625
Total comprehensive income attributable to:			
Equity holders of SyQic plc		**(212)**	640
Non-controlling interest		**—**	(2)
		(212)	638
Earnings per share attributable to equity holders of SyQic plc			
Earnings per share – basic (pence)	8	**0.64**	4.15
Earnings per share – diluted (pence)	8	**0.51**	3.26
Adjusted EPS excluding AIM transaction costs			
Adjusted EPS excluding AIM transaction costs – basic (pence)	8	**3.63**	4.15
Adjusted EPS excluding AIM transaction costs – diluted (pence)	8	**2.91**	3.26

Consolidated Statement of Financial Position

As at 31 December 2013

	Note	2013 £'000	Proforma 2012 £'000
Assets			
Non-current assets			
Property, plant and equipment	9	**128**	144
Intangible assets	10	**646**	532
Deferred tax assets	16	**52**	52
Non-current trade receivables	11	**2,251**	1,724
		3,077	2,452
Current assets			
Trade receivables	11	**1,477**	615
Other receivables, deposits and prepayments	12	**83**	107
Cash and bank balances	13	**1,078**	54
		2,638	776
Total assets		**5,715**	3,228
Liabilities			
Current liabilities			
Trade payables		**292**	66
Other payables and accruals	17	**532**	412
Due to Directors (non-trade)		**200**	127
Due to shareholders (non-trade)		**26**	27
Short-term borrowings	13	**29**	—
Finance lease obligations	19	**23**	17
		1,102	649
Non-current liabilities			
Finance lease obligations	19	**97**	80
Convertible redeemable bonds		**—**	292
		97	372
Total liabilities		**1,199**	1,021
Net assets		**4,516**	2,207

Consolidated Statement of Financial Position continued

As at 31 December 2013

	Note	2013 £'000	Proforma 2012 £'000
Equity			
Capital and reserves attributable to equity holders of SyQic plc			
Stated capital account	14	**14,165**	—
Merger reserve	15	**(8,654)**	2,996
Share option reserve		**6**	—
Translation reserve		**(311)**	1
Accumulated losses		**(690)**	(790)
Total equity		**4,516**	2,207

The notes on pages 32 to 56 are an integral part of these consolidated financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 18 June 2014 and are signed on its behalf by:

Muhamed Jamal Bin Muhamed Hassim
Director

Steve Elliff
Director

The Company registration number is 114358.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

	Attributable to equity holders of SyQic plc					
	Stated capital account £'000	Merger reserve £'000	Translation reserve/ (deficit) £'000	Accumulated losses £'000	Share option reserve £'000	Total £'000
Proforma balance as at 1 January 2012	—	2,377	(11)	(1,415)	—	951
Profit for the year	—	—	—	625	—	625
Other comprehensive income	—	—	12	—	—	12
Issuance of preference shares	—	619	—	—	—	619
Proforma balance as at 31 December 2012	—	2,996	1	(790)	—	2,207
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
Profit for the year	—	—	—	100	—	100
Other comprehensive income	—	—	(312)	—	—	(312)
Share-based payment reserve	—	—	—	—	6	6
Balance as at 31 December 2013	14,165	(8,654)	(311)	(690)	6	4,516

Consolidated Statement of Cash Flows

For the year ended 31 December 2013

	Note	2013 £'000	Proforma 2012 £'000
Cash flows from operating activities			
Profit before income tax		**100**	625
Adjustments:			
Depreciation of property, plant and equipment	9	**77**	83
Amortisation of intangible assets	10	**59**	47
Gain on disposal of property, plant and equipment		**1**	(3)
Fair value loss on trade receivables	11	**145**	177
Investment written off		**1**	—
Share option reserve		**7**	—
Fixed assets written off		**9**	—
Interest expense	5	**11**	10
Operating cash flow before working capital changes		**410**	**939**
Increase in trade and other receivables		**(1,908)**	(1,101)
Increase/(decrease) in trade and other payables		**437**	(316)
Increase/(decrease) in amounts due to Directors		**92**	62
Increase/(decrease) in related Company		**(1)**	—
Increase/(decrease) in amounts due to shareholders		**—**	(37)
Cash used in operations		**(970)**	(453)
Interest paid		**(11)**	(10)
Income taxes paid		**—**	(6)
Net cash used in operating activities		**(981)**	(469)
Cash flows from investing activities			
Purchase of plant and equipment	9	**(84)**	(18)
Sale of fixed assets		**1**	—
Draw down/(repayment) of lease obligations		**23**	(10)
Development of intangible assets		**(342)**	(290)
Receipt of government grant		**150**	—
Net cash used in investing activities		**(252)**	(318)
Cash flows from financing activities			
Proceeds from issue of share capital, net of share issue costs		**2,232**	619
Advances from a related company		**—**	4
Net cash generated from financing activities		**2,232**	623
Net (decrease)/increase in cash and bank balances		**999**	(164)
Cash and bank balances at beginning of year		**54**	215
Effects of exchange rate changes in cash and bank balances		**(4)**	3
Cash and bank balances at end of year		**1,049**	54

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 and the registered office is 13-14 Esplanade, St Helier, Jersey, Channel Island JE1 1BD.

The principal activity of the Company is a provider 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 financial statements are presented in Sterling unless otherwise stated, which is the currency of the primary economic environment in which the holding 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 on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The financial information has 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").

Standards, amendments and interpretations to published standards not yet effective

At the date of approval of these financial statements, the following standards and interpretations were in issue but not yet effective.

Issued and EU adopted

IFRS 1 Amendments – Government Loans

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

IAS 1 (amended) – Presentation of Items of Other Comprehensive Income

IAS 12 (amended) – Deferred Tax Recovery of Underlying Assets

IAS 19 (amended) – Employee Benefits

IAS 27 (revised) – Separate Financial Statements

IAS 28 (revised) – Investments in Associates and Joint Ventures

IFRS 7 and IAS 32 (amended) – Offsetting Financial Assets and Financial Liabilities

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

Issued but not yet EU adopted

IFRS 9 (amended) – Financial instruments

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IFRIC 21 Levies

IAS 36 Amendments Recoverable Amount Disclosures for Non-Financial Assets

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

The Directors do not anticipate that the adoption of the standards and interpretations in future reporting periods will have a material impact on the Group's results.

Notes to the Financial Statements continued

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	Issued and paid up share capital	Effective interest %
SyQic Capital Pte Ltd	Singapore	Development of software for interactive digital media and motion pictures, video and television related activities	19,247,232 (S$13,314,100)	100
SyQic Capital Sdn Bhd	Malaysia	Provision of project implementation, software development and related consultancy services	4,869,587 (RM4,869,587)	100
SyQic UK Limited	UK	Provision of OTT Broadband TV services	1 (GBP1)	100
SyQic Tech (Beijing) Co Ltd	China	Non-trading	(RMB326,052)	70

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.

Impairment of loans and receivables

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 in.

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.

Amortisation of intangible assets

Development costs are amortised over five years. Useful lives are based on management's estimates of the period that the assets will generate revenue with such periods being periodically reviewed for continued appropriateness.

The Group 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 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. 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.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from internal budgets and do not include significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The carrying amounts of intangible assets are disclosed in Note 10 to the financial statements.

Recovery of development expenditure

Some costs incurred on development projects were previously capitalised as long-term assets to the extent that such expenditure was expected to generate future economic benefits. In making its judgement, management considered the detailed criteria set out in IAS 38 – Intangible Assets. Management considers estimates of anticipated revenues from the asset and monitors the need for any impairment adjustments arising from changes to underlying assumptions if future market activity indicates this is appropriate.

Deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. In addition, management is required to estimate the amount of capital allowances and the deductibility of certain expenses to determine current and deferred tax liabilities at each tax jurisdiction.

Notes to the Financial Statements continued

3. Significant accounting policies continued

(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 financial statements of the Subsidiaries 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.

Goodwill and 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.

(c) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Subsidiaries or the Company if that person:

- (i) has control or joint control over the Subsidiaries;
- (ii) has significant influence over the Subsidiaries; or
- (iii) is a member of the key management personnel of the Subsidiaries or the Company.

(b) An entity is related to the Subsidiaries or the Company if any of the following conditions applies:

- (i) 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);
- (ii) 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);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Subsidiaries or an entity related to the Subsidiaries;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); or
- (vii) a person identified in (a)(i) 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 Subsidiaries and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the Subsidiaries recognise such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other 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

Intangible assets acquired separately are measured on initial recognition at cost, which includes the purchase price and other directly attributable cost of preparing the asset for its intended use. The cost of intangible assets acquired in a business combination is their fair values at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and are recognised in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Notes to the Financial Statements continued

3. Significant accounting policies continued

(e) Intangible assets continued

Intangible assets not yet available for use 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 costs

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Subsidiaries can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development costs have an estimated useful life of five years and are amortised over the period of expected sales from the related project on a straight- line basis.

(f) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by available fair value indicators.

The Group bases these impairment calculations on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. The budgets and forecasts calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously re-valued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit and loss unless the asset is measured at re-valued amount, in which case the reversal is treated as a revaluation increase.

(g) Financial assets

(i) Initial recognition and measurement

Financial assets are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are initially recognised at fair value plus, in the case of financial assets classified as held-to-maturity, directly attributable transaction costs.

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and for held-to-maturity investments, re-evaluates this designation at every reporting date. As at the end of each reporting period in these Consolidated Financial Statements, there were no financial assets classified under the category of fair value through profit or loss, held-to-maturity and available-for-sale financial assets.

(ii) Subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are classified as non-current assets. Loans and receivables comprise cash and bank balances, trade and other receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

(iii) De-recognition

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 de-recognition 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.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

(h) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

Notes to the Financial Statements continued

3. Significant accounting policies continued

(h) Impairment of financial assets continued

(a) Financial assets carried at amortised cost continued

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, 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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, 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 to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the entity operates, probability of insolvency or significant financial difficulties of the entity) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent period.

(i) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. As at the end of each reporting period in these Consolidated Financial Statements, there were no financial liabilities classified under the category of financial liabilities at fair value through profit or loss.

(b) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when liabilities are derecognised, and through the amortisation process.

(c) De-recognition

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 lender 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 profit or loss.

(j) Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting date, in which case they are presented as non-current liabilities.

(k) 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.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(l) Provisions

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Share capital

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

Preference shares are classified as equity in accordance with the substance of the contractual arrangements entered and allocated to the equity component, which is presented in shareholders' equity, net of transaction costs.

(n) 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.

Notes to the Financial Statements continued

3. Significant accounting policies continued

(o) Interest income

Interest income is recognised as other income on an accruals basis based on the effective yield on the investment.

(p) Employees' benefits

(i) Retirement benefits

The Subsidiaries participate in national schemes as defined by the laws of the countries in which it has operations, summarised as follows:

Singapore

SyQic Capital makes contribution to the Central Provident Fund ("CPF") Scheme in Singapore, a defined contribution pension scheme.

People's Republic of China ("PRC")

The subsidiary incorporated and operating in the PRC is required to make retirement plan contributions for its employees at rates stipulated by the PRC regulations and are managed by government agencies, which are responsible for administering these amounts for the subsidiary's employees.

Malaysia

SCSB makes contributions to the Employee Provident Fund ("EPF") Scheme in Malaysia, a defined contribution pension scheme.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

(q) 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 acquirer's interest in the net fair value of the acquiree'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.

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 acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(r) 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.

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:

	2013 £'000	Proforma 2012 £'000
Customer A	**2,925**	2,001
Customer B	**900**	—
Customer C	**629**	870
Customer D	**153**	1,016
Other customers	**104**	24
	4,711	3,911

All revenues were generated by operations in Asia in each of the two years ended 31 December 2013.

Notes to the Financial Statements continued

5. Finance income and (costs)

	2013 £'000	Proforma 2012 £'000
Lease obligations interest	9	10
Others – overdraft interest	2	—
	11	10

6. Profit before income tax

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

	2013 £'000	Proforma 2012 £'000
Depreciation of property, plant and equipment (note 9)	77	83
Amortisation of intangible assets (note 10)	59	47
Audit fee:		
– auditor of SyQic plc	23	7
– fees payable to the Company's auditor and associates for other services	16	6
Fair value loss on trade receivables	145	177
Research and development expenses	336	44
Operating lease expenses	35	113
Staff costs	343	312

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

	2013	Proforma 2012
Directors and Commercial	4	3
Technical	29	39
Administration	9	8
	42	50

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.

	2013 £'000	Proforma 2012 £'000
Short-term employee benefits	235	175
	235	175

Further details relating to the remuneration of key management can be found in the Director's report on page 21.

7. Income tax expense/(release)

The major components of income tax expense/(release) for each year were:

	2013 £'000	Proforma 2012 £'000
Current tax		
– current year	—	—
– (over)/under provision in prior years	—	—
Deferred tax (note 16)		
– current year	—	—
– under provision in prior years	—	—
	—	—

A reconciliation of income tax expense/(release) applicable to the profit before taxation at the statutory tax rates to the income tax expense/(release) at the effective tax rate of the Subsidiaries is as follows:

	2013 £'000	Proforma 2012 £'000
Profit before taxation	100	625
Tax at the applicable tax rate of 0% (2012: 17%)	—	106
Tax effect of:		
– different tax rates in other countries	**435**	101
– expenses not deductible for tax purposes	**17**	33
– income not taxable	**(443)**	(339)
– deferred tax assets not recognised	**11**	99
– loss relief	**(20)**	—
Income tax expense/(release)	—	—

There is no taxation arising from other comprehensive income.

Notes to the Financial Statements continued

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 period, adjusted to reflect the conversion of the ordinary shares from SyQic Capital Pte Ltd to SyQic plc on a 1 for 1 basis on 19 November 2013.

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

	2013 £'000	Proforma 2012 £'000
Profit after tax attributable to owners of the Group	**100**	625
Weighted average number of shares:		
Basic	**15,744,618**	15,075,100
Diluted	**19,597,077**	19,196,547
Earnings per share (pence)		
Basic	**0.64**	4.15
Diluted	**0.51**	3.26
Profit for the period attributable to owners of the Group (£)	**100**	625
Adjustments for		
AIM transaction costs	**471**	—
Profit for the period attributable to owners of the Group	**571**	625
Before AIM transaction costs (£)		
Adjusted earnings per share excluding AIM transaction costs (pence)		
Basic	**3.63**	4.15
Diluted	**2.91**	3.26

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 2012	344	161	46	—	551
Additions	11	—	7	—	18
Disposal	(1)	—	—	—	(1)
Foreign currency translation adjustments	—	—	—	—	—
As at 1 January 2013	354	161	53	—	568
Additions	17	46	12	10	85
Disposal	(11)	—	(1)	—	(12)
Foreign currency translation adjustments	(32)	(14)	(4)	—	(50)
As at 31 December 2013	328	193	60	10	591
Accumulated depreciation					
As at 1 January 2012	207	98	36	—	341
Charge for the year	46	32	5	—	83
Written off	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	—
As at 1 January 2013	253	130	41	—	424
Charge for the year	36	36	4	1	77
Disposal	—	—	—	—	—
Foreign currency translation adjustments	(23)	(12)	(3)	—	(38)
As at 31 December 2013	266	154	42	1	463
Net carrying amount					
As at 31 December 2013	62	39	18	9	128
As at 31 December 2012	101	31	12	—	144

Assets held under finance leases

The carrying amount of computers and motor vehicles held under finance leases at 31 December 2013 were £31,466 (2012: £39,323) and £39,866 (2012: £29,480) respectively.

Notes to the Financial Statements continued

10. Intangible assets

	Development cost £'000
Cost	
As at 1 January 2012	287
Additions	291
Charge for the year	(47)
Foreign currency translation adjustments	1
As at 1 January 2013	**532**
Additions	**192**
Charge for the year	**(59)**
Foreign currency translation adjustments	**(19)**
As at 31 December 2013	**646**

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

Any development costs that are capitalised are then amortised over five years.

Impairment tests for development costs

The recoverable amount of a cash generating unit ("CGU") 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 SCSB CGU 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.

In the period ended 31 December 2013, the Company received a government grant of £150,241 (SGD 314,377) towards the cost of developing this intangible asset which has been set off against the expenditure in the disclosure above.

11. Trade receivables

	2013 £'000	Proforma 2012 £'000
Trade receivables	**3,728**	2,339
Less: non-current portion	**(2,251)**	(1,724)
Current portion	**1,477**	615

Included in the trade receivables at 31 December 2013 is an amount of £3,294,444 (equivalent to RM17,904,592) owed by a foreign customer of which approximately £1,622,456 (equivalent to RM8,817,698) has been outstanding for more than a year.

SCSB has agreed a payment plan with the foreign customer. This payment plan agreement, dated 28 March 2014, provides for RM3,284,822 (equivalent to £604,407) to be paid in the first six months of 2014, followed by RM3,294,705 (equivalent to £606,226) in the second half of the year, i.e. a total of RM6,579,527 (equivalent to £1,210,633) by December 2014. In 2015, RM8,643,390 (equivalent to £1,590,384) of scheduled payments are due in monthly instalments. In 2016, six monthly payments totalling RM4,251,717 (equivalent to £782,316) are to be made, with a final payment to settle the debt in full in June 2016. As the debt is not due to be fully repaid until June 2016, the value of the amount receivable has been re-valued by £289,000 (RM1,570,000) at a discount rate of 6.6% 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 customer to settle the debt and expect this amount to be fully recoverable. 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.

12. Other receivables, deposits and prepayments

	2013 £'000	Proforma 2012 £'000
Other receivables	**44**	94
Deposits	**10**	11
Prepayments	**29**	2
	83	107

The amount due from a non-controlling shareholder is unsecured, interest-free and repayable on demand.

13. Cash and cash equivalents

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

	2013 £'000	Proforma 2012 £'000
Cash and bank balances	**1,078**	54
Short-term borrowings	**(29)**	—
	1,049	54

14. Stated capital account

		2013	
		Number of shares	Stated capital £'000
On incorporation	(i)	**2**	**—**
Issuance of shares:			
On 28 November 2013	(ii)	**19,247,230**	**11,933**
On 4 December 2013	(iii)	**3,951,613**	**2,450**
Less share issue costs		**—**	**(218)**
At the end of the year		**23,198,845**	**14,165**

All issued share capital is fully paid up. All ordinary shares have a nil par value.

(i) On incorporation, two ordinary shares of £1.00 were subscribed by and issued to Muhamed Jamal Bin Muhamed Hassim and Dicky Tjokrosaputro respectively.

(ii) On 28 November the Company issued 19,247,230 nil par value ordinary shares to the shareholders of SyQic Capital Private Limited in consideration for the transfer of the entire issued share capital of SyQic Capital Private Limited to the Company.

(iii) On 4 December 2013 the Company issued 5,161,291 nil par value ordinary shares for 62 pence each. On the same day one of the original shareholders of SyQic Capital Private Limited sold 1,209,678 shares back to the Company at which point these shares were cancelled.

Notes to the Financial Statements continued

15. Merger reserve

The accounting treatment for Group reorganisations is scoped out of IFRS 3. Accordingly, as required under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors the Group has referred to current UK GAAP to assist its judgement in identifying a suitable accounting policy. The introduction of the new holding company has been accounted for as a capital reorganisation using the merger accounting principles prescribed under current UK GAAP. Therefore the consolidated financial statements of SyQic plc is presented as if SyQic plc has always been the holding company for the Group.

The use of merger accounting principles has resulted in a balance on Group capital and reserves that have been classified as a merger reserve and included in the Group's shareholders' funds. The consolidated financial statements include the results of the Company and all its subsidiary undertakings made up to the same accounting date.

16. Deferred tax

	2013 £'000	Proforma 2012 £'000
Deferred tax assets:		
At beginning of year	**52**	52
Recognised in the Consolidated Statement of Comprehensive Income (note 7)	**—**	—
At end of year	**52**	52

The deferred tax balances relate to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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.

17. Other payables and accruals

	2013 £'000	Proforma 2012 £'000
Other payables	**372**	255
Accrued expenses	**160**	157
	532	412

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 the Great Britain Pound. The functional currencies giving rise to this risk are primarily the Malaysian Ringgit, Singapore Dollar, United States Dollar, and Chinese Renminbi. 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 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
Convertible redeemable bonds	—	—	—	—	—	—	—
	255	—	746	23	176	—	1,200
Net financial (liabilities)/assets	(254)	1	2,606	(22)	946	412	3,689
Less: net financial (liabilities) /assets denominated in the respective entities functional currencies	254	—	(2,606)	—	(946)	—	(3,298)
Foreign currency exposure	—	1	—	(22)	—	412	391

Notes to the Financial Statements continued

18. Financial instruments continued

(i) Market risk continued

(a) Foreign exchange risk continued

As at 31 December 2012	Singapore Dollar £'000	United States Dollar £'000	Malaysian Ringgit £'000	Chinese Renminbi £'000	Pounds Sterling £'000	Others £'000	Total £'000
Financial assets							
Trade receivables	—	39	2,289	3	—	8	2,339
Other receivables and deposits	90	—	11	3	—	3	107
Cash and bank balances	33	1	4	15	—	1	54
	123	40	2,304	21	—	12	2,500
Financial liabilities							
Trade payables	—	1	49	—	16	—	66
Other payables and accruals	146	—	258	4	4	—	412
Other financial liabilities	97	—	133	22	—	—	252
Convertible redeemable bonds	292	—	—	—	—	—	292
	535	1	440	26	20	—	1,022
Net financial (liabilities)/assets	412	39	1,864	(5)	(20)	12	1,478
Less: net financial (liabilities)/assets denominated in the respective entities functional currencies	412	—	(1,864)	—	20	—	(1,432)
Foreign currency exposure	—	39	—	(5)	—	12	46

(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. The Group does not have any interest bearing assets and hence is not exposed to interest rate risk.

(ii) Liquidity risk

The Group monitors liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Subsidiaries' 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 2013		
Trade payables	**292**	—
Other payables and accruals	**509**	—
Other financial liabilities	**226**	**120**
Convertible redeemable bonds		
	1,027	**120**
As at 31 December 2012		
Trade payables	66	—
Other payables and accruals	411	—
Other financial liabilities	152	102
Convertible redeemable bonds	—	292
	629	394

(iii) Credit risk

Credit risk refers to the risk that a 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 2013 included one customer (2012: one customer) that collectively represented 87% (2012: 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:

	2013 £'000	Proforma 2012 £'000
By geographical areas		
– Indonesia	**3,602**	2,211
– Philippines	**3**	47
– Malaysia	**123**	77
– China	**—**	3
	3,728	2,338

Notes to the Financial Statements continued

18. Financial instruments continued

(iii) Credit risk continued

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.

Ageing analysis

The ageing analysis of trade receivables as at each of the two years ended 31 December 2013 is as follows:

	2013 £'000	Proforma 2012 £'000
Not past due and not impaired	**3,538**	2,253
Past due but not impaired		
– Past due less than three months	**87**	5
– Past due three to six months	**103**	—
– Past due over six months	**—**	80
	190	85
	3,728	2,338

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:

	2013 £'000	Proforma 2012 £'000
Financial assets		
Loans and receivables (including cash and bank balances)	**4,860**	2,592
Financial liabilities		
Financial liabilities at amortised cost	**801**	530

19. Finance lease obligations

	Minimum lease payments £'000	Interest £'000	Present value of payments £'000
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
2012			
More than one year and not later than five years	99	(21)	78
Later than five years	2	—	2
	101	(21)	80
Not later than one year	25	(8)	17
	126	(29)	97

Interest was payable at effective interest rates ranging from 2.35% to 4.65% per annum during the year ended 31 December 2013 (2012: 3.65% to 4.5%).

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 Subsidiaries and other related companies are disclosed below. Balances relating to transactions with Directors are shown in the Consolidated Statement of Financial Position.

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.

A personal guarantee from Muhamad Jamal Bin Muhamad Hassim dated 25 December 2011, in support of a variation agreement between the SCSB and CIMB Bank Berhad dated 25 December 2011 relating to the hire purchase of a Range Rover Sport.

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-I of RM500,000.00 taken out by SCSB.

Amounts owing by SCSB to shareholders:

	2013 £'000	Proforma 2012 £'000
Stream Global Pte Ltd*	**25**	26
Sierac Corporate Advisers Sdn Bhd**	**1**	1
	26	27

* 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.

Notes to the Financial Statements continued

21. Operating lease commitments

The future aggregate minimum lease payable under non-cancellable operating leases contracted for each reporting date but not recognised as liabilities are as follows:

	2013 £'000	Proforma 2012 £'000
Operating leases which expire:		—
Within one year	**34**	31
In the second to fifth years inclusive	**113**	124
Greater than five years	**—**	8
	147	163

22. Share options

The share options that were awarded during the year were given to reward and incentivise key employees who worked on preparing the Company for the Initial Public Offering.

During the year the Company granted 500,000 share options to employees with an exercise price of 52.7p each. The weighted fair value of the options granted was 40.96p per share. A charge of £6,592 has been charged to the Statement of Comprehensive Income for the year 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:

	Number 31 December 2013	**WAEP (pence) 31 December 2013**	Number 31 December 2012	WAEP (pence) 31 December 2012
Outstanding as at 1 January	**—**	**—**	—	—
Granted during the year	**500,000**	**52.7**	—	—
Expired during the year	**—**	**—**	—	—
Exercised during the year	**—**	**—**	—	—
Options outstanding at 31 December	**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 9.9 years.

Glossary

AIM	Alternative Investment Market
EDGE	Enhanced Data rates for GSM Evolution, a digital mobile phone technology that allows improved data transmission rates as a backward-compatible extension of GSM
GPRS	General Packet Radio Service
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
P2P	Peer-to-peer – a decentralised and distributed network architecture in which individual nodes act as both suppliers and consumers of resource
Proprietory compression	Method of file compression developed by the user
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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