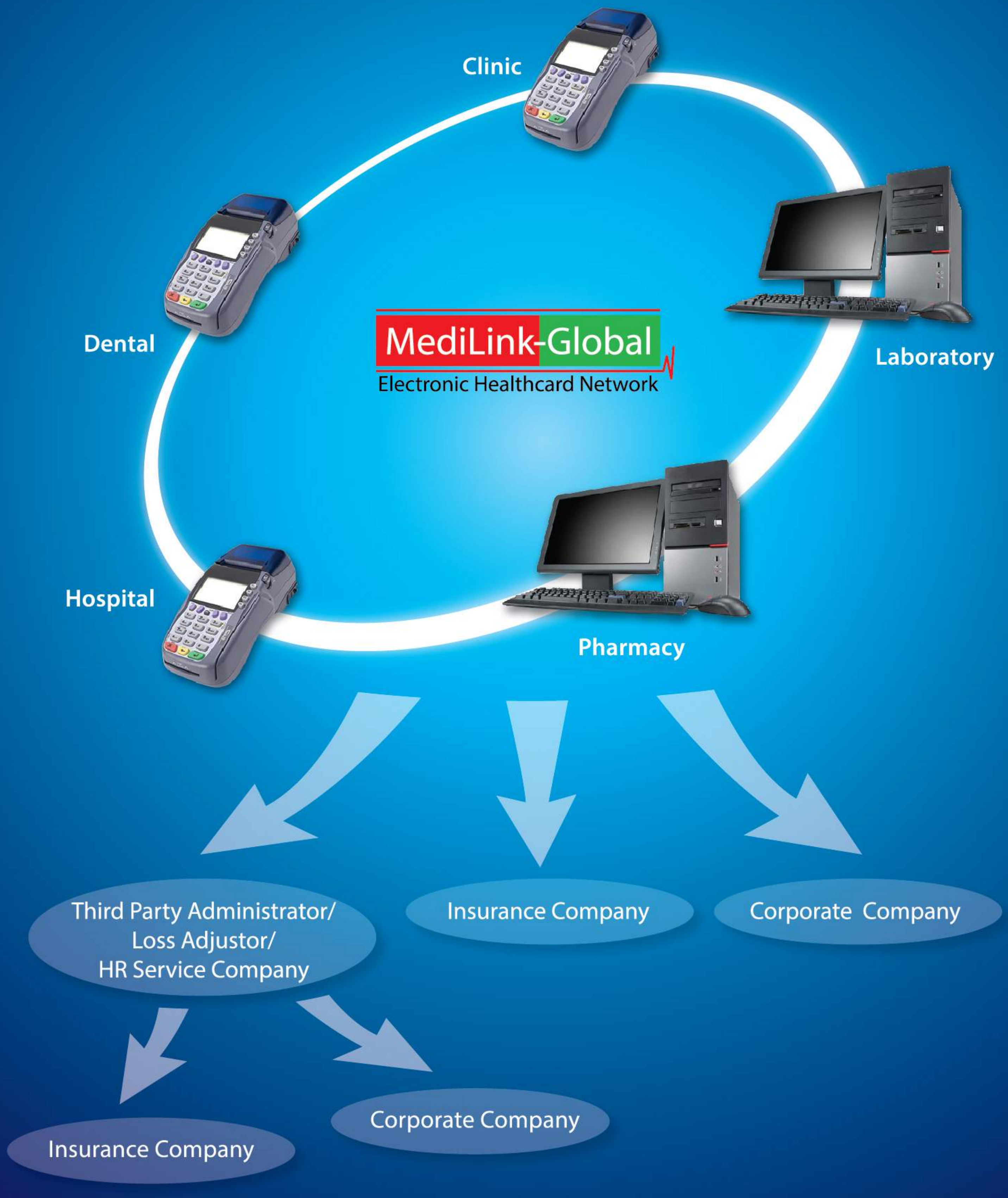
Medilink-Global UK Limited
Annual Report 2014



MEDILINK-GLOBAL UK LIMITED

(99680)

ANNUAL REPORT 2014

A Leading
Third Party Medical Claims Administrator,
Total Benefits Administrator, &
Healthcare Manager

CONTENTS

(Company No. 99680)

FINANCIAL HIGHLIGHTS

- Total revenue for the year increased by 7% to £1,405,000 (FY2013: £1,316,000). There were significant increases in revenue contribution from Singapore to £643,000 (FY2013: £508,000)
- Software licensing revenues increased fivefold to £109,000 (FY2013: £22,000) helped by a contribution from the Great Eastern Life Assurance Co., Ltd contract of SGD625,600
- The significant increase in the loss after taxation from continuing operations of £1,931,000 (FY 2013: loss after tax of £509,000) was as a result from a conservative approach taken in assessing the carrying value of the Group's intangible assets, including goodwill, which resulted in an impairment provision of £1,700,000 in the period under review. There was a marked improvement in the underlying trading result with increased revenues, higher margins, reduced overheads and a significant improvement in the contribution from Medilink (Beijing) TPA Services Co Limited.
- Administrative costs have reduced by 13% to £511,000 (FY 2013 : £587,000)
- On 1 August 2014, the Group entered into a sale and purchase agreement with Selfdoctor (Beijing) Technology Co., Limited to divest 51% of its interest in Medilink (Beijing) TPA Services Co Limited. The divestment was deemed to have fully completed on 10 July 2015 when the transfer of ownership took place. With a strategic local partner in place and with enhanced financial support it is believed this will add value to the China business and help expand Medilink China's business activities.

OPERATIONAL HIGHLIGHTS

The business highlights of Medilink-Global UK Limited (the "Company") in the following regions.

Malaysia and Singapore

Great Eastern Life Assurance Co. Ltd ("GE Singapore")
As previously reported Medilink-Global (Asia) Pte Ltd received an order from GE Singapore in 2013, to study and outline the user requirement and system specification and commenced work to develop and implement its Claims Management System in 2014. The system went live in September 2015.

AIA Co., Ltd
American International Assurance Berhad (AIA) had renewed its agreement with Medilink Malaysia for another 2 years. AIA had contributed more than 100,000 members to the membership growth of Medilink Malaysia during the period under review.

The Directors of Medilink are confident that there will be a continuous positive effect for Medilink Malaysia from AIA in the years to come.

Syarikat Takaful Malaysia Bhd.
Syarikat Takaful Malaysia Bhd is a 30 year old Takaful insurance company that was incorporated on the recommendation of the "Task Force on the Study for the Establishment of an Islamic Insurance Company in Malaysia" (Task Force) and was set up by the Government of Malaysia in 1981.

Medilink Malaysia entered into a yearly renewal third party administration (TPA) contract with Syarikat Takaful Malaysia Bhd, during the period under review.

Medilink Malaysia secured 4 new corporate clients whose group hospitalisation and surgical insurance are insured by Syarikat Takaful Malaysia Bhd. It contributed a membership size of 20,000 to the growth of Medilink Malaysia in the period under review.

The Board of Directors are confident that the collaboration between the parties will bring a positive and significant increase in TPA membership levels for the years to come.

Self-funded and Government-Linked Employers market
Medilink Malaysia made little in-roads into the self-funded employer market and government-linked organisations, which collectively contributed 17,000 members to the membership growth of Medilink Malaysia during the period under review.

Licensing of its proprietary Claims Management System
Medilink-Malaysia is currently finalising an 18 months Claims Management System licensing contract with an established Malaysian insurance company.

People's Republic of China ("China")
Medilink (Beijing) TPA Co., Ltd ("Medilink China") remains a subsidiary as at 31 December 2014 and, as such, the financial statements reflect 100% of the subsidiary's results However it has been treated as a discontinued operation as the Group has sold a 51% interest in the Company, as announced on 1 August 2014, which has resulted in a loss of control. It is now a 49% held associate company of Medilink-Global UK Limited but continues to secure and renew its Third Party Administration ("TPA") service contracts with reputable and established insurers in China.

Contract renewals
During the financial year under review, Medilink China renewed its contract with 7 insurance companies.

New contracts secured
During the financial year under review, Medilink China secured 6 new TPA contracts within the insurance industry; they are, Manulife-Sinochem, Beijing Hezheng Insurance Broker Co., Ltd, CPIC Allianz Health Insurance Co., Ltd, Funde Sino Life Insurance Co., Ltd Shanghai Branch and Sunshine Life Insurance Co., Ltd.

Medilink-Global UK Limited is pleased to present the Group's results for the year ended 31 December 2014.

FINANCIAL REVIEW

The Group recorded revenues of £1.405 million (FY 2013: £1.316 million) and a loss after taxation of £1,992,000 (FY 2013: £678,000) for the year ended 31 December 2014.

Despite the increase in revenues which were largely due to good revenue growth from our Singapore operations, the Group recorded an increase in the loss after taxation from £678,000 to £1,992,000. This was largely due to the goodwill impairment of £1,700,000 reflecting the loss of control of the operating segment in China as well as the ongoing economic uncertainty impact on the group's operations.

The underlying trading result itself improved significantly as a result of increased revenues, higher margins, reduced overheads and an improved contribution from Medilink (Beijing) TPA Services Co Limited,

GROUP'S OPERATIONS REVIEW

Malaysia

As previously reported the acquisition of ING Malaysia by AIA is an important corporate development which we expect will create a positive impact for Medilink Malaysia in terms of larger business volumes and enhanced market position. The newly-merged insurance entity has become the number one insurer in the country in terms of total premium size and policy holders' base. In this respect our business with AIA Malaysia, both conventional and Takaful business, grew by 3% in 2014.

AIA had fully completed its merger exercise to operate under a single license in Malaysia after acquiring ING Group's local insurance operations. We have seen an increase of 100,000 members in the Medilink Malaysia portfolio.

We expect continuing growth in TPA revenue arising from both the self-insured as well as insured sector in the coming years.

Singapore

Revenues from Singapore increased by 26% to £643,000 (FY 2013: £508,000) from the previous year while the number of healthcare providers in our network remained at 146.

China

Revenues from Medilink-China continued to grow steadily, achieving a growth rate of 18% in the period under review to £886,000 (FY 2013: £753,000) as a result of the growth in membership enrolment arising from the TPA contracts and healthcare management service contracts with its portfolio of Insurance Companies. Membership levels increased by 32% from 19,000 at the end of 2013 to 25,000 by the end of 2014. At the date of this report membership levels are standing at approximately 30,000.

Medilink China's operating costs have further stabilised which resulted in only a marginal increase of 3% over the previous year. The overall improvement in MCN's performance meant that the Group's share of the losses incurred were reduced by £108,000 year on year.

The average monthly revenue per employee during the year for our China operations was £1,420, an improvement of approximately 9% compared to the previous year figure of £1,307. We expect the monthly average revenue per employee for China to continue to improve as business volumes increase.

To date, we have signed TPA and healthcare management service contracts with 34 insurance companies in China, of which 6 came on board during the FY 2014. At the end of 2014, there were 560 (FY 2013: 549) healthcare providers operating throughout our network in China and Hong Kong.

EMPHASIS OF MATTER

The auditor's report to the financial statements for the year ended 31 December 2014 includes an emphasis of matter in relation to the Group's ability to continue as a going concern. The Company has historically received the support of certain of its key shareholders and directors. Shia Kok Fat, the Company's Chief Executive, has indicated that he will be willing to continue to support the business, should it be required. Notwithstanding this, the Directors are confident in the Group's ability to continue as a going concern and consider that the Group is well placed for revenue growth.

PROSPECTS

Medilink will continue to provide excellent services to its customers and with our new initiatives in Malaysia and our continued membership growth in China we anticipate the Group to further reduce its losses during 2015 and move towards profitability in 2016.

We will continue to strengthen all areas of the organisation and maintain our position as a leading regional TPA in the Asia Pacific region with a global servicing capacity.

The Company continues to closely monitor its cash position, which remains constrained. Cost cutting measures implemented during 2013 and 2014 have assisted in this regard. The Directors will continue to explore options for supplementing the Group's cash resources, at both the Company and subsidiary level.

ACKNOWLEDGMENTS

On behalf of the board, I would like to extend our thanks to our business partners, customers, associates, healthcare providers and valued shareholders for their support throughout the year. We also wish to thank the management and staff of the entire Medilink-Global Group for their continued loyalty and commitment in discharging their duties.

Norman Lott
Chairman
30 September 2015

Norman Lott, Non-Executive Chairman, Aged 59

Mr Lott is an associate member of the Institute of Chartered Accountants in England and Wales. He qualified as a chartered accountant in 1980 with Ernst & Whinney and joined Peat Marwick Mitchell & Company in their Hong Kong office in 1981.

From 1984 onwards Mr Lott held a member of senior financial position in commerce and industry. He was the finance director and deputy managing director of Tiger Books International Plc, financial controller of Mary Glasgow Publications and Parks Bookshops Ltd (each part of Wolters Kluwer (UK) Plc), UK finance director of FTC Holdings Plc, finance director of Flowsave International and Graham & Trotman Ltd, financial controller of Stromberg (UK) Ltd.

Since 1999 he has had 16 years' experience of working in various part-time finance director and non-executive director for a number of public companies.

Shia Kok Fat, Group Chief Executive Officer, Aged 53

An accountant by training, Mr. Shia, a Malaysian, served as an internal audit manager in a publicly listed telecommunications company for eight years during which he was involved in formulating financial policies and procedures, reviewing operational and financial systems and transactions as well as streamlining business processes.

Subsequently he spent four years in a software development and systems consulting environment where he worked on many computerisation projects for medical clinics and hospitals. Prior to founding the Group, he spent three years in healthcare management and consulting for a managed care organisation with 135,000 members.

A founder-member and substantial shareholder of the MGL Group, Mr Shia is principally responsible for the Group's strategy and direction.

Chen Shien Yee, Non-Executive Director, Aged 50

Mr Chen, a Malaysian, is a Fellow of the Association of Chartered Certified Accountants and an Associate Member of the Malaysian Institution of Accountants. He has vast experience in auditing, tax consultancy and secretarial and financial accounting advisory. He had held positions as an equity partner in FKL & Associates (Chartered Accountants), chief financial officer of Rhythm Consolidated Bhd, general manager of finance and accounts of Dataprep Holdings Bhd, head of finance and accounts of L&M Corporation Group of Companies, and group accountant of Taman Industri Selangor Sdn Bhd.

On 10 January 2013, Mr Chen was re-designated from Finance Director to Non-Executive Director of the Company, in order to correctly reflect his current role. Mr Chen continues to be responsible for overseeing Medilink's finance function.

The directors present their report and the financial statements for the year ended 31 December 2014.

Principal activities

The Group provides third party administrator services via Electronic Healthcard Network that facilitate the administration of medical claims and healthcare data management for insurance companies and corporate clients. The consolidated financial information is presented in British pounds (GBP), unless otherwise stated.

Results and dividends

The Group's revenue for the year was £1,405,000 and the loss after tax was £1,992,000. The directors do not recommend the payment of a dividend on the ordinary shares (2013: £nil).

Business review

A review of the current and future development of the Group's business is given in the Chairman's statements on pages 3 to 4. The directors consider the key performance indicators to be:

- Revenue
- Average revenue per employee
- Operating profit/(loss)
- Profit/(loss) before tax
- Profit/(loss) after tax

A review of the development and future prospects of business during the year is given in the Chairman's Statement. Key performance indicators are commented on within the Chairman's statement.

Group structure and changes in share capital

The Company's subsidiaries are listed in note 11 to the financial statements. Details of movements in share capital during the year are set out in note 19 to the financial statements.

Directors and Directors' interests in shares

The directors who served during the period were:

- Norman Lott
- Shia Kok Fat
- Chen Shien Yee

The Articles of Association of the Company state that at each Annual General Meeting one-third of the directors are subject to retirement by rotation. Therefore, Mr. Norman Lott retires by rotation at the forthcoming Annual General Meeting and, being eligible, will offer himself for re-election.

The directors' interests in the shares of the Company at 31 December 2014:

	Number of ordinary shares of £0.05 each	
	At 31 Dec 2014	At 31 Dec 2013
Shia Kok Fat - direct	15,000,000	15,000,000
Chen Shien Yee - direct	3,514,295	3,514,295
Norman Lott - direct	100,000	100,000

No directors hold any warrants or options in the Company.

Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and financial liability or equity instrument of another enterprise.

The Group's financial instruments, which are recognised in the statement of financial position, comprise cash and cash equivalents, receivables, payables and ordinary shares. The accounting policies and methods adopted, including basis of measurement applied are disclosed, where relevant. The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes below, where applicable.

The Group does not generally enter into derivative transactions (such as interest rate swaps and forward foreign currency contracts) and it is the Group's policy that no trading in financial instruments shall be undertaken.

All financial instruments are recognised in the statement of financial position.

The Group's business risks

An explanation of the Group's financial risk management objectives, policies and strategies is set out in note 22 on pages 48 to 49

Statement of disclosure to auditor

The directors confirm that:

- there is no relevant audit information of which the Company's auditor are unaware, and

- each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the auditor are aware of that information.

Auditor

In accordance with section 109 of the Companies (Jersey) Law 1991, a resolution proposing that Crowe Clark Whitehill LLP be re-appointed will be put to the Annual General Meeting.

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 30 September 2015 and signed on its behalf by

Shia Kok Fat
Director

Application of the principles of good governance

The Group is committed to applying the highest principles of corporate governance commensurate with its size.

The Board

The Group is managed by a board, consisting of a non-executive chairman, a group chief executive officer and a non-executive director, who retain responsibility for the formulation of corporate strategy, approval of acquisitions, divestments and major capital expenditure and treasury policy. The board holds meetings as and when required. The Group has taken proper steps to ensure compliance by the directors and relevant employees of AIM Rule 21 with regards to dealings in the Group's securities. All directors have access to advice from the company secretary and training is available for directors as necessary. The board considers the non-executive directors to be independent. All directors are required to retire by rotation and one third of the Board is required to seek re-election each year. The Board has four committees to deal with specific aspects of the Company’s affairs as follows:

Audit Committee

The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and auditor relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets at least twice in each financial year and has unrestricted access to the Group's auditor. The members of the Audit Committee are, Norman Lott (committee chairman) and Chen Shien Yee.

Remuneration Committee

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Committee is also responsible for making recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

The Remuneration Committee meets as and when necessary. The members of the Remuneration Committee are, Norman Lott (committee chairman) and Chen Shien Yee.

Nomination Committee

The Nomination Committee consists of the entire board, chaired by independent non-executive director, Norman Lott. The Nomination Committee considers the selection and re-appointment of directors. It identifies and nominates candidates to fill Board vacancies and regularly reviews the structure, size and composition (including the skills, knowledge and experience) of the board and makes recommendations to the Board with regard to any changes.

AIM Compliance Committee

The AIM Compliance Committee consists of the non-executive directors, Norman Lott (committee chairman) and Chen Shien Yee and it monitors and reports on compliance with the AIM Rules for Companies.

Internal control

The directors have overall responsibility for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding effective and efficient operations, internal financial control and compliance with laws and regulations.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives. However, there are inherent limitations in any system of internal control and accordingly even the most effective system can only provide reasonable and not absolute assurance.

The board has reviewed the operation and effectiveness of the system of internal control in operation during the period. The board is also responsible for assessing and minimizing all business risks, supported by Group personnel able to provide specific assistance in matters relating to regulatory compliance, quality systems and insurance cover for property and liability risks.

Monthly accounts, with commentary on current year performance compared with planned performance, together with key ratio analysis and working capital information, are prepared in accordance with Group accounting policies and principles. They are consolidated and reviewed by the board in order to monitor overall performance and produce appropriate management intervention. The board monitors the funding requirements and banking facilities provided to the Group in addition to the management of investment and treasury procedures. Capital and significant investment expenditure is approved against performance criteria. The board confirms that it has established the procedures necessary to implement the guidance "Internal Control: Revised Guidance for Directors on the Combined Code". The board has considered the need for an internal audit function but has concluded that the size and complexity of the Group does not justify the expense at present. The need for an internal audit function will continue to be reviewed periodically.

Relations with shareholders

The board attaches great importance to maintaining good relationships with shareholders. The board regards the Annual General Meeting as an opportunity to communicate directly with investors who are encouraged to participate.

Going concern

The directors report that after making enquiry, they have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Group's ability to continue as a going concern is reliant upon continuing shareholder support or successfully obtaining alternative means of funding as it moves towards self-sustainability and to finance its on-going expansion. In considering the appropriateness of this basis of preparation, the Directors have reviewed the Company's working capital forecasts and performed sensitivity analysis thereon and the key inputs into these can be found in note 10 in the annual report and accounts. They believe that the increasing revenues from trading activities and the support of a key shareholder will be sufficient for the Group's purposes for a minimum of 12 months from the date of the approval of these financial statements. The Directors have considered and assessed the letter of support provided by this key shareholder and are satisfied that they will and can, if required, provide the support for the development of the growth over at least the next twelve months from signing these financial statements. If the Group was unable to secure sufficient funding to enable it to continue on a going concern basis then adjustments would be necessary to write down assets to their recoverable amounts, reclassify fixed assets and long-term liabilities as current and provide for additional liabilities.

We have audited the Consolidated and Parent Company Financial Statements (the "Financial Statements") of Medilink-Global UK Limited for the year ended 31 December 2014 which comprise the Consolidated and Parent Company Statements of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and related notes.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) 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 the 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 financial and non-financial information in the Chairman's Statement, the Corporate Governance Statement and the Directors' Report 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 on financial statements

In our opinion:

- the Financial Statements give a true and fair view, of the state of the Group's and the Parent Company's affairs as at 31 December 2014 and of the Group's and Parent Company's loss 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 properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 (v) to the financial statements concerning the company's ability to continue as a going concern. The financial statements have been prepared on the going concern basis, which depends on the continued shareholder support and the generation of increased revenues. These conditions, along with the other matters explained in note 2 (v) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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
Chartered Accountants (Statutory Auditor)

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

Date: 30 September 2015

Note: The maintenance and integrity of the Medilink-Global UK Limited website is the responsibility of the directors. The work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014	Restated 2013
Continuing operations		**£'000**	**£'000**
Revenue	**3**	1,405	1,316
Cost of sales		(1,154)	(1,227)
Gross profit		**250**	**89**
Other income		68	16
Goodwill impairment		(1,700)	-
Administrative expenses		(511)	(587)
Operating loss		(1,893)	(482)
Finance expenses	**7**	(38)	(23)
Loss before taxation from continuing operations		**(1,931)**	**(505)**
Taxation	**8**	-	(4)
Loss for the year from continuing operations		**(1,931)**	**(509)**
Discontinued operations			
Loss after tax for the year from discontinued operations	**21**	(61)	(169)
Loss for the year		**(1,992)**	**(678)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign subsidiaries		(60)	132
Total comprehensive loss for the year attributable to equity holders		**(2,052)**	**(546)**
Loss for the year attributable to:			
Owners of the company		(1,990)	(676)
Non-controlling interest		(2)	(2)
		(1,992)	**(678)**
Total comprehensive loss attributable to:			
Owners of the company		(2,049)	(544)
Non-controlling interest		(3)	(2)
		(2,052)	**(546)**
Loss per ordinary share (pence)	**20**		
Basic and diluted*		**(1.64)**	**(0.56)**
Loss per ordinary share for continuing operations (pence)			
Basic and diluted*		**(1.59)**	**(0.42)**

The notes to the financial statements form an integral part of these financial statements.

* In accordance with IAS 33 "Earnings per share" and as the Group has reported a loss for the period the shares are not diluted. The Group has not issued any instruments with dilutive effects.

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £'000	2013 £'000
Administrative expenses	(266)	(231)
Impairment loss	(1,550)	-
Operating loss	(1,816)	(231)
Loss before taxation	**(1,816)**	**(231)**
Taxation	-	-
Loss profit after taxation	**(1,816)**	**(231)**

The notes to the financial statements form an integral part of these financial statements.

All operations of the Company are continuing.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	Note	2014	2013
ASSETS		**£'000**	**£'000**
Non-current assets			
Property, plant and equipment	**9**	75	163
Intangible assets	**10**	1,505	3,140
Total non-current assets		**1,580**	**3,303**
Current assets			
Trade and other receivables	**12**	1,388	1,107
Cash and cash equivalents	**13**	254	304
		1,642	**1,411**
Assets held for sale	**21**	876	**-**
Total current assets		**2,518**	**1,411**
TOTAL ASSETS		**4,098**	**4,714**
EQUITY			
Equity attributable to the equity holders of the parent:			
Share capital	**19**	6,074	6,045
Share premium		1,507	1,507
Reserves		(7,522)	(5,473)
Total shareholders' equity		59	2,079
Non-controlling interests		(5)	(2)
Total equity interest		**54**	**2,077**
Current liabilities			
Term loan	**18**	161	-
Trade and other payables	**14**	2,628	2,115
Hire purchase liabilities	**15**	3	3
		2,792	2,118
Liabilities directly associated with the assets held for sale	**21**	1,090	**-**
Total current liabilities		**3,882**	**2,118**
Non-current liabilities			
Hire purchase liabilities	**15**	**-**	7
Advance from a director	**17**	118	318
Term loan	**18**	-	150
Deferred tax	**16**	44	44
Total non-current liabilities		**162**	**519**
TOTAL EQUITY AND LIABILITIES		**4,098**	**4,714**

The notes to the financial statements form an integral part of these financial statements.
Approved and authorised by the Board on 30 September 2015 and signed on its behalf by:

Shia Kok Fat
Director

COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
ASSETS			
Non-current assets			
Investment in subsidiaries	**11**	1,500	3,050
Amount due from subsidiaries and other investment	**12**	-	37
Total non-current assets		**1,500**	**3,087**
Current assets			
Cash and cash equivalents	**13**	1	-
Total current assets		**1**	**-**
TOTAL ASSETS		**1,501**	**3,087**
EQUITY			
Equity attributable to the equity holders of Medilink-Global UK Ltd:			
Share capital	**19**	6,074	6,045
Share premium		1,507	1,507
Reserves		(7,040)	(5,224)
Total equity		**541**	**2,328**
Current liabilities			
Other payables	**14**	842	641
Total current liabilities		**842**	**641**
Non-current liabilities			
Advance from a director	**17**	118	118
Total non-current liabilities		**118**	**118**
TOTAL EQUITY AND LIABILITIES		**1,501**	**3,087**

The notes to the financial statements form an integral part of these financial statements.
Approved and authorised for issue by the Board on 30 September 2015 and signed on its behalf by:

Shia Kok Fat
Director

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£'000	**£'000**
Cash flows from operating activities		
Loss before taxation	(1,931)	(505)
Loss before taxation for discontinued operation	(61)	(169)
Adjustments for:		
Amortisation of intangible assets	20	52
Depreciation of property, plant and equipment	61	126
Loss / (gain) on disposal of property, plant & equipment	-	1
Disposal of a non controlling interest	-	61
Goodwill impairment	1,700	-
Finance costs	20	5
Cash from operating activities before changes in working capital	(191)	(429)
Decrease /(increase) in inventory	(5)	-
Decrease /(increase) in trade and other receivables	(772)	510
Increase / (decrease) in trade and other payables	1,012	79
Cash flow from operations	**44**	**160**
Interest received	-*	-
Net cash flow from operations	**45**	**160**
Investing activities		
Purchase of intangible assets	(85)	-
Purchase of property, plant and equipment	(13)	(180)
Cash flow used in investing activities	**(98)**	**(180)**
Financing activities		
Interest paid	(20)	(5)
Term loan	-	150
Advance from shareholders	27	-
Repayment of hire purchase liabilities	(4)	(4)
Cash flow from financing activities	**3**	**141**
Net increase/(decrease) in cash and cash equivalents	**(50)**	**121**
Effect of exchange rate changes	-	(13)
Cash and cash equivalents at the beginning of the year	304	196
Cash and cash equivalents at the end of the year	**254**	**304**

Detail of the non-cash transaction is disclosed in note 19.

The notes to the financial statements form an integral part of these financial statements.

	2014 £'000	2013 £'000
Cash flows from operating activities		
Loss before taxation	(1,816)	(231)
Adjustments for:		
Goodwill impairment	1,550	-
Cash from operating activities before changes in working capital	(266)	(231)
(Increase) / decrease in trade and other receivables	37	(1)
Increase in trade and other payables	230	222
Net cash flow from/(used in) operations	**1**	**(10)**
Net (decrease) in cash and cash equivalents	**1**	**(10)**
Cash and cash equivalents at the beginning of the period	-	10
Cash and cash equivalents at the end of the period	**1**	**-**

Detail of the non-cash transaction is disclosed in note 19.

The notes to the financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital	Share Premium	Exchange Reserves	Retained Earnings	Total	Non Controlling Interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 01 January 2013	6,045	1,507	(127)	(4,863)	2,562	-	2,562
Loss for the year	-	-	-	(676)	(676)	(2)	(678)
Other comprehensive income							
Exchange differences	-	-	132	-	132	-	132
Total comprehensive loss for the year	-	-	132	(676)	(544)	(2)	(546)
Transactions with owners in their capacity as owners							
Disposal of non controlling interest without a loss of control	-	-	-	61	61	-	61
Balance at 31 December 2013	6,045	1,507	5	(5,478)	2,079	(2)	2,077
Loss for the year	-	-	-	(1,990)	(1,990)	(2)	(1,992)
Other comprehensive income							
Exchange differences	-	-	(59)	-	(59)	(1)	(60)
Total comprehensive loss for the year	-	-	(59)	(1,990)	(2,049)	(3)	(2,052)
Transactions with owners in their capacity as owners							
Issue of shares	29	-	-	-	29	-	29
Balance at 31 December 2014	6,074	1,507	(54)	(7,468)	59	(5)	54

The notes to the financial statements form an integral part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
As at 1 January 2013	**6,045**	**1,507**	**(4,993)**	**2,559**
Loss for the year	-	-	(231)	(231)
Total comprehensive loss for the year	-	-	**(231)**	**(231)**
Balance as at 31 December 2013	**6,045**	**1,507**	**(5,224)**	**2,328**
Loss for the year	**-**	**-**	(1,816)	(1,816)
Total comprehensive loss for the year	**-**	**-**	**(1,816)**	**(1,816)**
Transactions with owners in their capacity as owners				
Issue of Share	**29**	**-**	**-**	**29**
Balance as at 31 December 2014	**6,074**	**1,507**	**(7,040)**	**541**

The notes to the financial statements form an integral part of these financial statements.

1. General information

The Company was incorporated in Jersey as a limited liability par value company under the laws of Jersey, with the name Medilink-Global UK Limited and with company number 99680. The Company is governed by its articles of association and the principal statute governing the Company is Jersey law. The liability of the members of the Company is limited. The Company's registered office is Queensway House, Hilgrove Street, St Helier Road, Jersey, JE1 1ES. The Company is domiciled in Jersey. The Company's principal place of business is Asia.

These financial statements are presented in Pound Sterling ("£") and rounded to the nearest thousand ("000"). The functional currency of the entities in the Group is the Malaysian Ringgit as that is the Currency of the primary economic environment in which the Group operates. The directors have chosen to present these financial statements in Pound Sterling due to the international exposure and shareholders of the entity.

2. Accounting policies

The principal accounting policies adopted by the Group and Company in the preparation of the financial statements are set out below.

i. Basis of preparation

The financial statements of the Group and the Company have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the European Union and the historical cost convention as modified by the use of fair values. The Board had reviewed the accounting policies set out in the financial statements and consider them to be the most appropriate to Group's business activities.

New standards, amendments to standards or interpretations

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

ii. Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries made up to 31 December. Intra-group sales and profits are eliminated fully on consolidation. The results of subsidiaries acquired or disposed of during the period are dealt with in the consolidated income statement from or up to their effective dates of acquisition or disposal respectively. Uniform accounting policies are applied across the group.

Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

iii. Business combinations

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date except as described below in (iv). The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

iv. Transactions under common control

The acquisition of Medilink-Global (Asia) Pte. Ltd during the year ended 31 December 2008 was outside the scope of IFRS 3 because it is not a business combination (Medilink-Global UK Limited was a shell company at the time of the transaction) and all parties were under common control before and afterwards.

IAS 8 "Accounting policies, changes in accounting estimates and errors" requires the management to develop a relevant and reliable policy in respect of the business combination. Management has therefore chosen to apply purchase accounting rules. As a result the consideration given and the assets and liabilities acquired are recorded at their fair value. The excess of nominal value of the shares issued over the fair value of the net assets acquired is recorded as goodwill.

v. Going concern

The directors report that after making enquiry, they have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Group's ability to continue as a going concern is reliant upon continuing shareholder and director support or successfully obtaining alternative means of funding as it moves towards self-sustainability and to finance its on-going expansion. In considering the appropriateness of this basis of preparation, the Directors have reviewed the Company's working capital forecasts and performed sensitivity analysis thereon and the key inputs into these can be found in note 10 in the annual report and accounts. They believe that the increasing revenues from trading activities and the support of key shareholders and directors will be sufficient for the Group's purposes for a minimum of 12 months from the date of the approval of these financial statements. The Directors have considered and assessed the letter of support provided by these key shareholders and directors and are satisfied that they will and can, if required, provide the support for the development of the growth over at least the next twelve months from signing these financial statements. If the Group was unable to secure sufficient funding to enable it to continue on a going concern basis then adjustments would be necessary to write down assets to their recoverable amounts, reclassify fixed assets and long-term liabilities as current and provide for additional liabilities.

vi. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis and depreciated separately. The estimated useful lives of property, plant and equipment are as follows:

Computer equipment	33.3%
EDC terminals	33.3%
Motor vehicles	20%

Furniture, fittings and renovations	33.3%

An impairment review is undertaken where there are indicators of impairment. Maintenance and repairs are charged to expenses when incurred.

vii. Inventories

Inventories are valued on a first in, first out basis at the lower of cost and net realisable value. Cost includes all expenditure incurred during the normal course of business in bringing in stocks to their present location and condition, including in the case of work-in-progress and finished goods an appropriate proportion of production overheads. Net realisable value is based on the estimated useful selling price less further costs expected to be incurred to completion and subsequent disposal.

viii. Goodwill on consolidation

Goodwill arising on the acquisition of a subsidiary or jointly controlled entity represents the excess of the cost of acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

ix. Intangible assets

Acquired intangible assets are valued at cost less accumulated amortisation. Amortisation is calculated using the straight line method. The annual rates used for this purpose are as follows:

System software	33.33% per annum
Contracted customers	20% per annum
Trademark	Fully impaired as the group does not continue the use of the acquired trademark

The assets residual value and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date. An asset’s carrying value is written down immediately to its recoverable value if the asset’s carrying value is greater than its listed recoverable amount.

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 annual impairment testing 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 the 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 independent of those from other assets or groups of assets and the asset’s value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows 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 risk specific to the asset. Impairment losses of continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment is treated as a revaluation decrease).

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 recoverable amount is estimated, a previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

x. Associated companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 % and 50 % of the voting rights. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost. A company's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When its share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, a company does not recognise future losses, unless it has incurred obligations or made payments on behalf of the associate.

xi. Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The impairment loss is reversed through the statement of comprehensive income. A reversal of an impairment loss is measured as the difference between the asset's carrying amount and its estimated recoverable amount.

The carrying amount of the asset is reduced through the use of an allowance amount and the amount of the loss is recognised in the statement of comprehensive income. If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the statement of comprehensive income. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods.

xii. Hire purchase

Assets financed by hire purchase arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised as property, plant and equipment, and the corresponding obligations are treated as liabilities. The assets capitalised are depreciated in accordance with the accounting policy on property, plant and equipment. Finance charges are charged to the aggregated statement of comprehensive income over the periods of the respective agreements.

xiii. Borrowing costs

Borrowing costs are expensed to the statement of comprehensive income except where they arise from financing used on qualifying assets, where they are capitalised.

xiv. Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future, whether or not billed to the Group. Trade payables are subsequently measured at amortised cost using the effective interest method and are not interest bearing.

xv. Provisions

Provisions are recognised when the Group has a present obligation 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 of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Provisions have been made in the financial statements for benefits accruing in respect of sick leave, annual leave and long service leave.

xvi. Taxation

The tax expense in the statement of comprehensive income represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the statement of financial position date.

Deferred tax is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principal, deferred tax liabilities are recognised for all taxable temporary differences and 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 taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is 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 tax rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is recognised in the statement of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

xvii. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Revenue is shown net of service tax, returns and discounts. The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity as follows:

(i) Revenue arising from third party administration services charged to insurance companies are billed on a monthly basis so as to reflect monthly changes in membership of each scheme.
(ii) Corporate clients and individual policyholders are billed annually in advance based on membership at the time of renewal. Amounts billed in advance at each statement of financial position date are carried forward to future periods as deferred revenue and recognised as revenue in the period to which the services provided relate.
(iii) Service and network transaction fees are billed and recognised as revenue on a monthly basis by reference to the usage by scheme members of their electronic swipe cards. A membership fee per member per annum is charged annually in advance. Amounts billed in advance at each statement of financial position date are carried forward to future periods as deferred revenue and recognised as revenue in the period to which the services provided relate.
(iv) Software licence sales are recognised when all contractual arrangements have been satisfied, typically on completion of user acceptance testing.
(v) Terminal rentals are billed and recognised on a monthly basis.

xviii. Foreign currency translation

(a) Functional and presentational currency
Items included in the financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the entities in the Group is Ringgit Malaysia ("RM"). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Pounds Sterling ("£"), for reporting in the United Kingdom, which is the company's presentational currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period and exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

The foreign exchange reserve represents the differences arising translation of foreign operations into the presentational currency.

(c) Group companies
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;

- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which case income and expenses are translated at the rate on the dates of the transactions); and all resulting exchange differences are recognized as a separate component of equity.

(d) Exchange difference on translation of foreign subsidiaries
The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at year-end rates. Any resulting exchange differences are taken to the Income statement.

On consolidation, assets and liabilities of Group entities reported in their functional currencies are translated into British Pound, the Group's presentation currency, at year-end exchange rate. Income and expense items are translated into British Pound at the annual weighted average rates of exchange.

Differences arising from the retranslation of opening net assets of Group entities, together with differences arising from the restatement of net result for the year of Group entities, are recognised in other comprehensive income.

xix. Financial assets

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. 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 transaction costs for all financial assets not carried at fair value through profit or loss. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All arms length purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Such purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

(i) Financial assets at fair value through profit and loss

Financial assets classified as held for trading are included in the category financial assets at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the short term. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the statement of comprehensive income.

The Group does not designate any financial assets not held for trading as financial assets at fair value through profit and loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the assets to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount and minus any reduction for impairment or uncollectibility. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulate gain or loss previously reported in equity is included in the statement of comprehensive income.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant stock exchange’s quoted market bid prices at the close of business on the statement of financial position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

xx. Derecognition of financial assets and liabilities

i. Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

The contractual rights to receive cash flows from the asset have expired;

The Group retains the contractual rights to receive cash flows from the assets, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or

The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of comprehensive income.

ii. Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where 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 as exchange or modification, is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

xxi. Impairment of assets

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is recognised in the statement of comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For assets that have indefinite lives, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

xxii. Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand, deposits, bank balances, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subjected to an insignificant risk of change in value.

xxiii. Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess of nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly to the issue of shares are accounted for as a deduction from share premium, otherwise they are charged to the statement of comprehensive income.

xxiv. Events after the balance sheet date

Post period-end events that provide additional information about the Group's position are reflected in the financial statements. Post period-end events that are not adjusting events are disclosed in the notes when material.

xxv. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

xxvi. Pensions

The Group makes no other contributions to individual pension schemes except for the contributions to defined contribution plans, including the Employees' Provident Fund, the national defined contribution plan in Malaysia, the Central Provident Fund in Singapore and basic pension insurance in China for all the employees in the respective countries.

xxvii. Leased assets

Operating lease

Operating lease rentals are included in the determination of the operating profit or loss for the period in accordance with the contracted lease payment agreement.

xxviii. Discontinued operation

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operation, which has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

xxix. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification held-for-sale and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held for sale, intangible assets and property, plant and machinery are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

xxx. Employee benefits

(i) Short term employee benefits

Wages, salaries, annual leave and sick leave, social security contributions, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees.

(ii) Post-employment benefits

Contributions to defined contribution plans, including the Employees' Provident Fund, the national defined contribution plan in Malaysia, the Central Provident Fund in Singapore and basic pension insurance in China are charged to the statement of comprehensive income in the period to which they are related. A defined contribution plan is a pension plan under which the Group pays fixed contributions and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current or prior financial periods. Once the contributions have been paid, the Group has no further payment obligations.

xxxi. Significant accounting estimates and judgements

Estimates, assumptions and judgements concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key 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 as stated below:

(i) Carrying value of goodwill - Group

The Group follows the guidance of IAS 36 in determining whether goodwill is impaired. This determination requires the assumption made regarding the duration and extent to which the fair value of the goodwill is less than its costs and the financial health of and near-term business outlook for the goodwill.

Management's assessment for impairment of goodwill is based on the estimation of value in use of the cash-generating unit ("CGU") by forecasting the expected future cash flows for a period of up to five years, using a suitable discount rate in order to calculate the present value of those cash flows.

Impairment testing inherently involved a number of judgmental areas: the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting; the assessment of the discount rate appropriate to the business; estimation of the fair value of cash-generating units; and the valuation of the separable assets of each business whose goodwill is being reviewed.

The methods, assumptions, sensitivity and possible outcomes in relation to the calculation of the estimates are detailed in note 10.

(ii) Carrying value of investment and long term loan in subsidiaries - Company

The Company follows the guidance of IAS 36 in determining whether investment in and long term loans to subsidiaries are impaired. This determination requires the assumption made regarding the duration and extent to which the fair value of an investment or a financial asset is less than its costs and the financial health of and near-term business outlook for the investment or financial asset. The Company has a sole direct investment in Medilink-Global (Asia) Pte Ltd, who then owns the other entities in the group.

Management's assessment for impairment of investment and long term loans in subsidiaries is based on the estimation of value in use of the cash-generating unit ("CGU") by forecasting the expected future cash flows for a period of up to five years, using a suitable discount rate in order to calculate the present value of those cash flows.

Impairment testing inherently involved a number of judgmental areas: the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting; the assessment of the discount rate appropriate to the business; estimation of the fair value of cash-generating units; and the valuation of the separable assets of each business in the sub-group.

As Medilink-Global (Asia) Pte Ltd forms an individual sub-group, the Company has assessed the recoverability of the investment and long term loans on the underlying value of this sub-group. In this respect, the methods, assumptions, sensitivity and possible outcomes in relation to the calculation of the estimates are detailed in note 10 as they are the same as those used on the impairment review of the carrying value of goodwill.

(iii) Discontinued operations and assets held for sale

On 1 August 2014, the Group entered into a Sale and Purchase Agreement (the “divestment”) with Selfdoctor (Beijing) Technology Co., Limited (“Selfdoctor”) to divest 51% of interest in Medilink (Beijing) TPA Services Co Limited (“Medilink China”). The directors are of the opinion that the divestment was fully completed on 10th July 2015 (the “completion date”) when the transfer of ownership took place.

The Group follows the guidance of IFRS 5 to specify the accounting for assets held for sales and the presentation and disclosure of discontinued operation. In considering whether discontinued activity meet these criteria which require significant judgement is applied by the directors apply those judgements. The directors consider that the divestment did not become unconditional until the completion date. The operations of Medilink China are therefore classified as a disposal group held for sale. The directors also considered this divestment to represent the entirety of the Group’s operating segment in China. Accordingly, the Group has presented these results within discontinued operations in the statement of comprehensive income.

For more details on the discontinued operation refer to note 21.

3. Business segments

The Group applies IFRS 8 Operating Segments. Per IFRS 8 operating segments are based on internal reports about components of the group, which are regularly reviewed and used by the Board of Directors being the Chief Operating Decision Maker (“CODM”) for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance. The Group’s reportable operating segments are as follows:

i) Third party administrator
ii) Software licensing

The CODM monitors the operating results of each segment for the purpose of performance assessments and making decisions on resource allocation. The management has organised the entity based on differences in products and services. Third party administrator segment is derived from aggregating Malaysia and Singapore entity while Software licensing segment represent a single entity from Malaysia. Performance is based on external and internal revenue generations and profit before tax, which the CODM believes are the most relevant in evaluating the results relative to other entities in the industry. Segment assets and liabilities are presented inclusive of inter-segment balances, as inter-segment pricing. Information regarding each of the operations of each reportable segment is included below.

2014	**Third party administrator £'000**	**Software licensing £'000**	**Consolidation £'000**	**Total £'000**
External revenue	1,296	109	-	1,405
Internal revenue	133	90	(223)	-
Total revenue	1,429	199	(223)	1,405
Interest expenses	38	-	-	38
Depreciation and amortisation	80	1	-	81
Impairment loss	(1,700)	-	-	(1,700)
Earnings before tax (EBT)	(2,097)	(8)	174	(1,931)
Assets	4,654	185	(741)	4,098
Liabilities	(6,810)	(326)	3,092	(4,044)

(i) The assets of third party administrator are including the goodwill on consolidation of £1,338,000 (2013: £3,038,000)

Revenues from customers amounted to £263,249: AIA Bhd (Previously known as ING Insurance Bhd) compared with year 2013: £243,685: AIA Bhd, arising from sales by third party administrator segment.

2013	**Third party administrator £'000**	**Software licensing £'000**	**Consolidation £'000**	**Total £'000**
External revenue	1,294	22	-	1,316
Internal revenue	30	109	(139)	-
Total revenue (restated)	1,324	131	(139)	1,316
Interest expenses (restated)	23	-	-	23
Depreciation and amortisation	177	1	-	178
Earnings before tax (EBT)	(573)	2	66	(505)
Assets	5,764	190	(1,240)	4,714
Liabilities	(5,534)	(323)	3,220	(2,637)

The geographical split of revenue and non-current assets arises as follows:

2014	**Jersey £'000**	**Singapore £'000**	**Malaysia £'000**	**Discontinued Operation (China) £'000**	**Total £'000**
Revenue	-	643	762	-	1,405
Intangible assets	-	-	167	-	167
Goodwill	1,338	-	-	-	1,338
PPE	-	-	75	-	75

2013	**Jersey**	**Singapore**	**Malaysia**	**Discontinued Operation (China)**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Revenue (restated)	-	508	808	-	1,316
Intangible assets	-	-	102	-	102
Goodwill	3,038	-	-	-	3,038
PPE	-	-	123	40	163

The geographical split of revenue reflects the continuing operation same as its comparative period. The non-current assets of the discontinued operation are classified as held for sale but no restatement is required for its comparative period.

4. Loss from operations

Loss from operation has been arrived at after charging:

	2014	**2013**
	£'000	**£'000**
Unrealised loss/(gain) on exchange difference	65	2
Depreciation	61	126
Amortisation of intangible assets	20	52
Auditor remuneration – audit of the company accounts	25	19
Impairment of goodwill	1,700	-
Operating lease payment	184	157

5. Directors emoluments

	2014	**2013**
	£'000	**£'000**
Directors' remuneration	30	34
Directors' fees	28	29
	58	63

All the executive directors have a fixed base fee or salary and participate in discretionary bonus arrangement, according to the performance as determined by the Remuneration Committee.

Details of the directors' emoluments are set out below.

	2014	**2013**
	£'000	**£'000**
Executive		
Shia Kok Fat	46	47
Non-executive		
Norman Lott	12	12
Chen Shien Yee	-	4
Total	58	63

6. Staff costs

	2014	**2013**
	£'000	**£'000**
Wages and salaries	686	699
Defined contribution plans	140	153
	826	852

7. Finance expenses

	2014 £'000	2013 £'000
Finance cost bank borrowing and hire purchase	20	5
Other interest	18	18
	38	23

8. Taxation

	2014 £'000	2013 £'000
Current tax charge	-	**4**
Deferred tax	-	-
	-	4
Factors affecting tax charge:		
Loss before tax	(2,031)	(505)
Tax at the corporate rate 23.5% (2013:23.5%)	(477)	(119)
Tax effects of:		
- Non deductible expenses	423	-
- Tax loss not recognised	54	119
- Difference in overseas tax rate	-	4
	-	4

The applicable tax of the Group is derived from the consolidation of all Group companies applicable tax band on their domestic tax rates.

9. Property, plant and equipment

GROUP 2014

	Computer, office equipment £'000	EDC terminals £'000	Furniture, fitting & renovation £'000	Motor vehicles £'000	Total £'000
Cost					
As at 1 January 2014	434	440	93	33	1,000
Exchange differences	-	-	-	-	-
Additions	12	1	-	-	13
Assets held for sale	(144)	(89)	(17)	(16)	(266)
Disposal	-	-	-	-	-
As at 31 December 2014	302	352	76	17	747
Accumulated depreciation					
As at 1 January 2014	320	404	91	22	837
Exchange differences	-	-	-	-	-
Depreciation	49	4	4	4	61
Assets held for sale	(124)	(67)	(19)	(16)	(226)
Disposal	-	-	-	-	-
As at 31 December 2014	245	341	76	10	672
Net book value	**57**	**11**	**-**	**7**	**75**

A motor vehicle with the carrying amount of £7,000 (2013: £11,000) was acquired by hire purchase and is pledged as security for liabilities.

GROUP 2013

	Computer, office equipment £'000	EDC terminals £'000	Furniture, fitting & renovation £'000	Motor vehicles £'000	Total £'000
Cost					
As at 1 January 2013	323	458	87	20	888
Exchange differences	(17)	(41)	(7)	(2)	(67)
Additions	129	23	13	15	180
Disposal	(1)	-	-	-	(1)
As at 31 December 2013	434	440	93	33	1,000
Accumulated depreciation					
As at 1 January 2013	262	418	83	9	772
Exchange differences	(22)	(45)	1	5	(61)
Depreciation	80	31	7	8	126
Disposal	-	-	-	-	-
As at 31 December 2013	320	404	91	22	837
Net book value	**114**	**36**	**2**	**11**	**163**

10. Intangible assets

2014			Intellectual Property		
	Goodwill	Trademark	System software	Contracted customers	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
As at 1 January 2014	4,138	2	348	213	4,701
Additions			85		85
As at 31 December 2014	4,138	2	433	213	4,786
Amortisation					
As at 1 January 2014	1,100	2	246	213	1,561
Amortisation	-	-	20	-	20
Provision for impairment	1,700	-	-	-	1,700
As at 31 December 2014	2,800	2	266	213	3,281
Net book value					
As at 31 December 2014	1,338	-	167	-	1,505

2013			Intellectual Property		
	Goodwill	Trademark	System software	Contracted customers	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
As at 1 January 2013	4,138	2	356	213	4,709
Exchange differences	-	-	(8)	-	(8)
As at 31 December 2013	4,138	2	348	213	4,701
Amortisation					
As at 1 January 2013	1,100	2	201	206	1,509
Amortisation	-	-	45	7	52
As at 31 December 2013	1,100	2	246	213	1,561
Net book value					
As at 31 December 2013	3,038	-	102	-	3,140

The amortisation recognised in respect of intellectual property has been included in the line item, administrative expenses in the consolidated statement of income.

Description of intangible assets

Goodwill arising on the acquisition of the subsidiaries represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. The carrying value of goodwill is allocated to the respective segments as follows: -

	2014	2013
	£'000	£'000
Third party administrator	1,257	2,957
Software licensing	81	81
Total carrying value of Goodwill	1,338	3,038

System software comprises Electronics Claims Clearance System and Loyalty Programme software. The system software is initially recognised based on the cost that would be incurred in re-creating the asset and is subsequently amortised based on straight-line method over a period of three years. Contracted customers are the existing customers of the acquired subsidiaries. The contracted customers are initially recognised based on the estimated net present value of the service contracts entered into between the customers and subsidiaries acquired and is subsequently amortised based on straight-line method over a period of five years. The recoverable amount of cash generating unit is determined based on value in use calculation as set out below.

The goodwill and other intangible assets are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. The 2014 review was undertaken in the first quarter of year 2015 and the impairment of goodwill amounting to £1,700,000 (2013: Nil) is recognised in the income statement. The impairment provision was to reflect the loss control of the operating segment in China as well as the ongoing economic uncertainty impact on the group's operation.

Management have approved the forecast for 2015 and have prepared additional projection based on the 2014 numbers for the next five years. This was used as the basis for determining the recoverable amount of each CGU. The cash flows beyond five year period are extrapolated using a 4% growth rate which is consistent to the industry average.

The key assumptions used in the forecast are as follows:

	Assumption (%)
Growth Rate	10% - 50%
Discount Rate	25%

Discount rates:
Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC, with appropriate adjustments made to reflect the risks specific to the CGU and to determine the pre-tax rate. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

In conducting the review we used a market beta of 4 and the discount rate applied had been set at 2%%

Growth rate estimates:
The growth rate ranges from 4% to 108% per year with an average of 32% with a peak in growth due to new prospect for technologies and solutions from overseas over the next 2-3 years.

Management recognises the ongoing economic uncertainty can have significant impact on the growth rate assumptions, which would cause the recoverable amount of any of our GGUs to be below their carrying amount.

Sensitivity analysis

A sensitivity analysis has been carried out for each CGU. The results of the analysis can be summarised as follow:

If the estimated growth rate to forecast the revenue had been 10 percentage point lower than the basis assumption, total recoverable amount would be 20 percent lower.

If the estimated discount rate used for the Group's discount cash flow had been one percentage point higher than the starting assumption of 25%, total recoverable amount would be 2% lower.

These calculations are hypothetical and should not be viewed as an indication that these figures are any more or less likely to be changed. The sensitivity analysis should therefore be interpreted with caution.

11. Investments

Company	**2014 £'000**	**2013 £'000**
Cost		
Balance as at 1 January	4,500	4,500
Additions	-	-
Balance as at 31 December	4,500	4,500
Impairment		
Balance as at 1 January	1,450	1,450
Impairment loss recognised	1,550	-
Balance as at 31 December	3,000	1,450
Net book value as at 31 December	1,500	3,050

The forecast assumptions and sensitivity analysis for the impairment review are included in Note 10.

The Company consider the relationship between the value in use of the underlying cash generating unit ("CGU") and its book value, among other factors, when reviewing for indicators of impairment. The directors apply the judgements made in note 2(xxxi) (ii), the impairment provision made during the year was to reflect the loss control of the PRC subsidiary company as well as the ongoing economic uncertainty impact on its other subsidiary undertakings.

Details of the subsidiaries:

Name of subsidiaries	**Country of incorporation**	**Principal activities**	**2014 % held**	**2013 % held**
Medilink-Global (Asia) Pte Ltd	Singapore	Investment holding and provision of third party administrator services	100	100
Medilink (Beijing) TPA Services Co., Ltd	People Republic of China	Provision of third party administrator services	100	100
MedilinkGlobal (Malaysia) Sdn Bhd (formerly known as Datalink Healthcard Network Sdn Bhd)	Malaysia	Provision of third party administrator services	100	100
Datalink Technologies Sdn Bhd	Malaysia	Provision of project management, facilities management and provision of system integration services to the third party administration and insurance companies	100	100
Medilink-Global TPA Pte Ltd	Singapore	Provision of third party administrator services	70	70
Medilink-Global (HK) Ltd	Hong Kong	Dormant	100	100

Medilink-Global UK Limited is the ultimate parent of the Group.

Trade investments

Name of Company	Country of incorporation	Principal activities	2014 % held	2013 % held
Medilink (Thailand) Co Ltd	Thailand	Provision of third party administrator services	19	19

12. Trade and other receivables

Group

	2014 £'000	2013 £'000
Current assets		
Trade and Other receivables	1,388	1,112
Less: Provision of Impairment Loss	-	(5)
	1,388	1,107

Company

	2014 £'000	2013 £'000
Non-Current assets		
Other receivables	-	-
Amount owed by Group Undertakings	2,487	2,487
Less: Provision of amounts owed by Group undertakings	(2,487)	(2,450)
	-	37

As at 31 December 2014, trade and other receivables of £1,388,000 (2013: £1,107,000) were past due but not impaired. It is management's belief that these debts will be fully repaid by reference to no default experience to date. In determining the recoverability of trade and other receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date.

	Gross 2014 £'000	Impairment 2014 £'000	Gross 2013 £'000	Impairment 2013 £'000
Current	484	-	672	-
60 – 90 days	140	-	150	
More than 90 days	764	-	290	(5)
	1,388	-	1,112	(5)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2014 £'000	2013 £'000
Malaysia Ringgit	1,284	561
US Dollar	-	3
Chinese Yuan Renminbi	-	496
Singapore Dollar	94	46
Great Britain Pound Sterling	10	6
	1,388	1,112

Financial asset

The Group's financial assets by each financial instrument category are as follows:-

	2014 £'000	2013 £'000
Loan and receivables		
Trade receivables	1,318	827
Other receivables	70	280
Cash and cash equivalents	254	304
Total	1,642	1,411

13. Cash and cash equivalents

Group

	2014 £'000	2013 £'000
Cash and bank balance	254	304
	254	304

Company

	2014 £'000	2013 £'000
Cash and bank balance	1	-
	1	-

14. Trade and other payables

Group

	2014 £'000	2013 £'000
Trade payables	1,174	433
Other payables	913	867
Amount owed to a shareholder	501	715
Amount owed to directors	40	100
	2,628	2,115

Company

	2014 £'000	2013 £'000
Other payables	842	641
	842	641

The carrying amount of trade and other payables approximates to their fair value.

It is the Group's policy to pay suppliers in accordance with the terms of business agreed with them. The number of days of trade purchases outstanding for the Group at the year end was 90 days (2013: 90 days).

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2014 £'000	2013 £'000
Malaysia Ringgit	1,843	881
Chinese Yuan Renminbi	-	513
Singapore Dollar	106	79
Great Britain Pound Sterling	678	641
Hong Kong Dollar	1	1
US Dollar	-	-
	2,628	2,115

Financial liabilities

The group's financial liabilities by each financial instrument category are as follows:-

Amortised cost	**2014** **£'000**	**2013** **£'000**
Trade and other payables	2,087	1,300
Amount owed to director	158	418
Amount owed to a shareholder	501	715
Term loan	161	150
Finance lease	3	10
Total	2,910	2,593

Gross maturity analysis of the financial liabilities is as follows:

Non derivatives	**2014** **£'000**	**2013** **£'000**
Within 1 year	2,631	2,118
Later than 1 year not later than 5 years	279	475
Greater than 5 years	-	-
Total	2,910	2,593

15. Hire purchase

Group

	2014 **£'000**	**2013** **£'000**
Minimum hire purchase payments:		
- not later than one year	3	3
- later than one year and not later than five years	-	7
- after five years	-	-
	3	10
Less: future interest charges	-	-
	3	10
Represented by:		
Current – not later than one year	3	3
Long term – Later than one year and not later than 5 years	-	7
After five years	-	-
	3	10

Hire purchase interest at 4.87% per annum

16. Deferred taxation

Movements in deferred tax liability for the Group during the year are as follows:

	2014	2013
	£'000	£'000
Balance as at 1 January	44	44
Movement in deferred tax	-	-
Balance as at 31 December	44	44

The deferred tax liabilities arose on the acquisition of Medilink-Global (Asia) Pte. Ltd in 2008.

Deferred tax asset of £138,000 (2013: £138,000) arising from the unused tax losses has not been recognised and there is no expiry period for the said unrecognised deferred tax assets.

17. Advance from a director

Group

	2014	2013
	£'000	£'000
Advance from a director	158	418
	158	418

Company

	2014	2013
	£'000	£'000
Advance from a director	118	118
	118	118

In March 2012, Mr Shia Kok Fat, had advanced £300,000 to the Group and the terms and conditions of the advance are as follows:-

i) It carries interest at 6% per annum;
ii) The repayment of principal amount is deferred to 31 December 2016. The repayment date of the loan will be capable of being extended beyond 31 December 2016 subject to agreement between the Company and Shia Kok Fat and conditional on the loan being repaid at a minimum rate of £50,000 per annum thereafter.

As at 31 December 2014, there are approximately £200,000 advance loan classified as liabilities directly associated with the assets held for sale.

18. Term loan

Group

	2014	2013
	£'000	£'000
Borrowing from financial institution	161	150
	161	150

The terms and conditions of term loans are as below:-

(i) It carries interest at 13% per annum;
(ii) The maturity of principal on 15 October 2015. The term loan shall auto renew for another one (1) year, on similar terms and conditions as stated herein or shall be mutually agreed in writing between both parties

19. Share capital

The Company has one class of ordinary share capital which carries no rights to fixed income, any preferences or restrictions.

	2014 £'000	**2013 £'000**
Ordinary shares issued and fully paid		
At 1 January	6,045	6,045
Additions	29	-
At 31 December	6,074	6,045

On 9 September 2014, the company issued 582,895 new ordinary shares at a price of 5p per share in satisfaction of fees due to one of the Company's professional advisers totalling £29,145. As at 31 December 2014, the total issued share capital were 121,492,003 ordinary shares.

20. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. In accordance with IAS 33, and as the Group has reported a loss for the year, the shares are not diluted.

	2014	**2013**
Loss after taxation attributable to owners of the company (£'000)		
- Continued operation	(1,929)	(507)
- Discontinued operation	(61)	(169)
	(1,990)	(676)
Basic weighted average shares in issue	121,091,163	120,909,108
Basic and diluted loss per share based on issued share capital as at 31 December (pence)	(1.64)	(0.56)

21. Discontinued operations

On 1 August 2014, the Group publicly announced the divestment of 51% interest in Medilink (Beijing) TPA Services Co Limited ("Medilink China"), a wholly owned subsidiary, to Selfdoctor (Beijing) Technology Co Limited ("Selfdoctor") for a nominal consideration of RMB 10.00 (approximately £1.00) (the "Divestment"). The Group retain a 49% interest in Medilink China.

The completion of the divestment took place on 10 July 2015, when the transfer of ownership actually took place. At 31 December 2014, Medilink China was classified as a disposal group held for sale and as discontinued operations.

The business of Medilink China represents the entirety of the Group's operating segment in China. With Medilink China being classified as discontinued operations, the China operating segment is no longer presented as an operating segment. The results of Medilink China for the year are presented below:

	2014	2013
	£'000	**£'000**
Revenue	886	753
Expenses	(944)	(919)
Operating income	1	-
Finance costs	(4)	(3)
Loss before tax from discontinued operations	(61)	(169)
Taxation	-	-
Loss for the year from discontinued operations	(61)	(169)

The major classes of assets and liabilities of Medilink China classified as assets held for sale as at 31 December 2014 are, as follow:

	2014
	£'000
Property, plant and equipment (note 9)	46
Trade and other receivables	787
Cash and cash equivalents	43
Assets held for sales	876
Trade and other payables	889
HP creditors	1
Loan from a director	200
Liabilities directly associated with assets held for sale	1,090
Net liabilities directly associated with disposal group	214

The net cash flows incurred by Medilink China are, as follow:

	2014
	£'000
Operating	329
Investing	(34)
Financing	(256)
Net cash inflow/(outflow)	(39)

	2014	2013
Loss per share from discontinued operations		
Basic and diluted loss per shares (pence)	0.05	0.14

22. Financial instruments

Capital management

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, benefits for other stakeholders and to maintain optimal capital structure to reduce the cost of capital. Management considers, as part of its capital, the financial sources of funding from shareholders and third parties. Our key process for managing capital is regular Board reviews of our capital structure and needs

The Group's financial instruments, which are recognised in the statement of financial position, comprise cash and cash equivalents, receivables and payables and ordinary shares. The accounting policies and methods adopted, including the basis of measurement applied are disclosed above, where relevant. The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes above, where applicable

The Group does not generally enter into derivative transactions (such as interest rate swaps and forward foreign currency contracts) and it is, and has been throughout the year, the Group's policy that no trading in financial instruments shall be undertaken

There were no financial instruments not recognised in the statement of financial position.

The Group's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk and cash flow interest-rate risk. These risks are limited by the Group's financial management policies and practices as described below:

(a) Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Group has credit risk management policies in place and exposure to credit risk is monitored on an ongoing basis. Management generally adopts conservative strategies and tight control on credit policy. The Group has limited the amount of credit exposure to customers.

The average credit period on sales of services is 120 days. No interest is charged on the trade receivables.

Before accepting any new customer, the Group will check the credit worthiness of any new customers.

The credit risk on cash and cash equivalent is limited because the counterparties are banks with high credit ratings recognised by international credit rating agencies.

The maximum exposure to credit risk at the reporting date is the fair value of trade receivables of £1,318,000 (2013: £827,000) and other receivables of £70,000 (2013: £280,000). The Group does not hold any collateral as security.

(a) Liquidity risks

The principal risk to the Group is liquidity, which arises from the Group's management of working capital. It is a risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. This aspect is kept under review by the directors and in this respect management carries out rolling 12 month cash flow projections on a monthly basis as well as information regarding cash balances. It is the Group's policy as regards liquidity to ensure sufficient cash resources are maintained to meet short-term liabilities. All long term financial liabilities at the year-end are due in year 2016

(c) Foreign currency exchange risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group does not hedge its foreign currencies. Transactions with customers and vendors are mainly denominated in Malaysia Ringgit, Singapore Dollars, US Dollars and Chinese Yuan Renminbi. The Group has bank accounts in Malaysia Ringgit, Singapore Dollar, US Dollars and Chinese Yuan Renminbi to mitigate against the exchange risks.

The sensitivity analyses in the table below details the impact of changes in foreign exchange rates on the group's post-tax profit for the year ended 31 December 2014 and 31 December 2013.

In each case, it is assumed that the named currency is strengthening or weakening against all other currencies, while all the other currencies remain constant. If the GBP weakened or strengthen by 10% against Malaysia Ringgit, with all other variables in each case remaining constant, then:

	Impact on group post-tax profit – gain/(losses)	
	Strengthening £'000	**Weakening £'000**
2014		
Chinese Yuan Renminbi	-	-
Malaysia Ringgit	25	(31)
2013		
Chinese Yuan Renminbi	(34)	34
Malaysia Ringgit	26	(31)

(d) Cash flow and fair value interest rate risks

The Group's primary interest rate risk relates to interest bearing debts. Investments in financial assets are mainly short term in nature and are not held for speculative purposes but are placed in fixed deposits.

The Group manages its interest rate exposure by maintaining a fixed rate borrowing to mitigate the risk associated to interest rate fluctuation.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments were as follows:	**2014**	**2013**
Fixed rate instruments	**£'000**	**£'000**
- Hire purchase creditors (note 15)	4	10
- Term loan (note 18)	161	150
- Advance from director (note 17)	300	300
Carrying value	465	460

The Group had no exposure to variable rate borrowings.

23. Related party transactions

Related party transactions during the year were as follow:

	2014 £'000	2013 £'000
Transactions with related party		
Adviser fee payable to shareholders	50	50
Interest on advance from a director (note 17)	18	18
Amount due from/ (due to) related party		
Loan due from shareholder	501	715
Amount owing to director (note 17)	158	418

The term of the loan from a shareholder is interest free and with no fixed term of repayment. The loan is secured against the corporate guarantee issued by the Company. The shareholder's loan classified within liabilities directly associated with the assets held for sale amounting to £241,000 was repaid during the year.

Details of Directors' remunerations (who are considered to be the key management of the Group) are as follows:

2014	Short term employment benefits £'000	Share-based payment £'000	Total £'000
Executive directors	46	-	46
Non-executive directors	12	-	12
Senior management staff	31	-	31

2013	Short term employment benefits £'000	Share-based payment £'000	Total £'000
Executive directors	47	-	47
Non-executive directors	16	-	16
Senior management staff	31	-	31

24. Control

The controlling parties of the Group as at 31 December 2014 were Mr. Shia Kok Fat and Heah Zhong Tak. Mr. Shia Kok Fat is a Malaysian and a significant shareholder and director of the Company. Mr Heah Zhong Tak is a Malaysian and a significant shareholder.

25. Commitments

There are no other significant capital commitments contracted for but not provided.

Operating leases

The Group's future minimum lease payments under non-cancellable operating leases are as follows:

As at 31 December 2014

	Land and buildings £
Leases which expire:	
Not later than one year	137,285
Later than one year and not later than five years	42,970

26. Subsequent events

As announced on 1 August 2014, the Group publicly announced the divestment of 51% interest in Medilink (Beijing) TPA Services Co Limited ("Medilink China"), a wholly owned subsidiary, to Selfdoctor (Beijing) Technology Co Limited ("Selfdoctor") for a nominal consideration of RMB 10.00 (approximately £1.00) (the "Divestment"). The Group retains a 49% interest in Medilink China.

Saren is an executive director and president of Medilink China and is also a director and 51% shareholder of Selfdoctor.

The completion of the divestment took place on 10 July 2015, when the transfer of ownership actually took place.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Medilink-Global UK Limited (the "Company") will be held at C-16-3, Level 16, Tower C, Wisma Goshen, Plaza Pantai, No.5, Persiaran Pantai Baru, 59200, Kuala Lumpur, Malaysia on 27 October, 2015 at 11.00 am for the following purposes:

Ordinary business

1. To receive and adopt the Directors' Report and the Accounts for the year ended 31 December 2014 and the auditor's report thereon.
2. To re-elect Mr. Chen Shien Yee as director and Chairman who retires by rotation.
3. To re-appoint Messrs Crowe Clark Whitehill LLP as auditor of the Company.
4. To authorise the Directors to agree the auditor's remuneration.

Special business

As special business, to consider and, if thought fit, to pass the following Resolutions which will be proposed as an Ordinary Resolution in respect of Resolution 5, and as a Special Resolution in respect of Resolution 6:

5. That the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot and to make offers or agreements to allot equity securities (as defined in Article 6.6 of the Company's Articles of Association) up to a maximum aggregate nominal amount of £1.74m make an offer or agreement which would or might require the relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
6. That, subject to the passing of Resolution 5, the Directors be and are hereby empowered to allot equity securities (as defined in Article 6.6 of the Company's Articles of Association) for cash as if Article 6.3 of the Company's Articles of Association did not apply to any such allotment provided that this power shall not be applicable to the allotment of equity securities in connection with a rights issue or other pre-emptive offer in favour of holders of equity securities where the equity securities respectively attributable to the interests of all such holders are proportionate (or nearly as may be) to the respective numbers of equity securities held by them subject only to such exclusions or agreements as the Directors may deem necessary to deal with problems arising in any overseas territory, in connection with fractional entitlements or otherwise.

By order of the Board
[ ]
Company Secretary
Date:

Registered office:
Queensway House
Hilgrove Street, St Helier,
Jersey JE1 1ES, Channel Islands

Notes

1 The following documents will be available for inspection fifteen minutes prior to and at the Annual General Meeting. They will also be available at the registered office of the Company during usual business hours on any weekday (Saturdays and public holidays excluded) from the date of this notice until the date of the Annual General Meeting:

(a) copies of the Directors' service contracts (or a memorandum of the terms of such contracts) with the Company or any of its subsidiaries;
(b) the Register of Directors' Interests in the share capital of the Company; and
(c) a copy of the Articles of Association of the Company.

2 A member of the Company entitled to attend and vote at this meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not also be a member of the Company. Appointment of a proxy will not preclude a member from attending the meeting and voting in person.

3 A form of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid an appointment of proxy must be returned in hard copy form by post, by courier or by hand to the Company's registrars, Computershare Investor Services (Jersey) Limited, PO Box 329, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES, Channel Islands and must be received by the Company not less than 48 hours before the time of the meeting.

4 The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the Register of Members of the Company as at 11.00 am on 23 October, 2015 (2 working days before the meeting date) shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time and changes to the Register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Proxy

I/We . . . .
of . . . .
being (a) registered holder(s) of ordinary shares of Medilink-Global UK Limited HEREBY APPOINT the chairman of the meeting* . . . .
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting to be held at C-16-3, Level 16, Tower C, Wisma Goshen, Plaza Pantai, No.5, Persiaran Pantai Baru, 59200, Kuala Lumpur, Malaysia at 11.00 am on 27 October 2015 and at any adjournment thereof.

Dated this . . . . day of 2015

Signature . . . .

* If it is desired to appoint some other person to be your proxy, delete 'the chairman of the meeting' and insert the name of the person you wish to appoint. Please indicate with an 'X' in the appropriate spaces below how you wish your votes to be cast in respect of the resolutions which are set out in full in the notice convening the meeting. If no specific voting instruction is given, the proxy will vote, or abstain from voting, at his discretion.

ORDINARY BUSINESS	For	Against
1 To receive the Company's audited financial statements for the year ended 31 December 2014 together with the reports of the Directors and auditor.		
2 To re-elect Mr. Chen Shien Yee as a director and Chairman		
3 To reappoint Crowe Clark Whitehill LLP, as auditor of the Company.		
4 To authorise the directors to agree the remuneration of the auditor of the company.		
SPECIAL BUSINESS		
5 To unconditionally authorise the directors to exercise all powers of the Company to allot and to make offers or agreements to allot equity securities (as defined in Article 6.6 of the Company's Articles of Association) up to a maximum aggregate nominal amount of £1.74 million.		
6 That, subject to the passing of resolution 6 the directors be and are hereby empowered to allot equity securities (as defined in Article 6.6 of the Company's Articles of Association) for cash as if Article 6.3 of the Company's Articles of Association did not apply to any such allotment provided that this power shall not be applicable to the allotment of equity securities in connection with a rights issue or other pre-emptive offer in favour of holders of equity securities.		

Notes

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ADVISERS

Secretary	Computershare Company Secretarial Services (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES
Registered office	Queensway House Hilgrove Street St Helier Jersey JE1 1ES
Auditor	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH United Kingdom
Nominated Adviser and Broker	Allenby Capital Limited 3, St. Helen's Place London, EC3A 6AB United Kingdom

http://www.medilink-global.com

MediLink-Global

Electronic Healthcard Network

MEDILINK-GLOBAL UK LIMITED

Registered Address:
Queensway House,
Hilgrove Street, St Helier Road,
Jersey, JE1 1ES