

mirada



Audiovisual interaction
made easy



ABOUT US

mirada plc creates products for digital TV operators and broadcasters. They enable consumers to enjoy and interact with digital content on every device, regardless of the technology used to deliver the content (IPTV, cable, satellite), including over-the-top services for the users of Internet-connected devices.

mirada's biggest value is an excellent and highly skilled team with wide experience in digital TV technology. Company's internal process of product creation, based on creative brainstorming and real user testing, has proved to be one of the keys to the excellence of delivered products.

mirada develops major digital TV software projects for multiple TV operators and broadcasters around the world, with their solution already launched in such countries as Mexico, Brazil, Spain, Italy, Peru, UK, United Arab Emirates and more. Mirada's products are used by the largest operators and brands, including Disney International TV, Sky, MTV Networks and many others.

mirada's solution has already gained wide popularity in the markets where they operate, thanks to the high affordability of the company's solutions, the flexibility adapting to their clients' specific needs, easiness of the deployment process and very optimal time to market.



OUR YEAR

Review of the year

Mirada at a glance – our products

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MIRADA AT A GLANCE

Our products

Iris



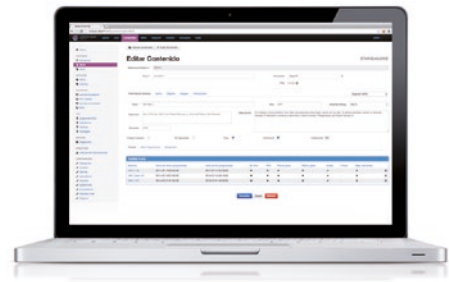
Iris – mirada's state-of-the-art TV Everywhere digital ecosystem.

A perfect fusion of traditional broadcasting with internet-based services with one mission: to provide their clients' subscribers with an easy-to-use, seamless experience across multiple devices. No tutorials needed - every user can view and interact with the available content through their Set-top-boxes, TVs, tablets and smartphones. Achieved goal: highly cost-effective, flexible solution, acclaimed by mirada's clients for its very optimal time to market.

Clients include:

- » Euskaltel
- » Cablecom
- » Undisclosed Tier 1 operator in LatAm
- » Other operators in LatAm

Iris Service Delivery Platform (SDP)



Powerful tool for both TV operators and their subscribers.

This extensive back-end product is the brain of Iris ecosystem, with advanced tools and modules to enable quick and effective access to all needed content, statistics, and extra features.

Achieved goal: to provide users with such features as content suggestions and smart search throughout the catalogue, as well as to grant operators with powerful tools of audience measurement and content management according to their specific marketing needs.

Clients include:

- » Euskaltel
- » Ono
- » Montecable
- » Nuevosiglo
- » TCC
- » 2 undisclosed Tier 1 operators in LatAm

MIRADA AT A GLANCE

Our products

Inspire UI



Exclusive user interface which enables seamless experience across all platforms, including smartphones, tablets and PCs.

Real-user live testing during the process of the development enabled our team of UX experts to create a product that is both rich with high-end features and extraordinarily intuitive, with easy access to all advanced Iris and Iris SDP functions.

Achieved goal: a solution that enables the operator to provide the most advanced features to their subscribers, and which satisfies even the most demanding users, both on the level of usability and visual attractiveness.

Clients include:

- » Undisclosed Tier 1 operator

Origin UI



Highly cost-effective user interface created to satisfy all kinds of users, with a unique blend of tradition and technological advancement.

Our UX team conceived Origin UI based on one main objective: to create an interface that is attractive and from the very first glance familiar to everyone, allowing not only an average user but also seniors and minors to enjoy all the features and content offered by their Pay TV provider without the need to explore multiple menus to achieve full usability.

Achieved goal: to create a fast, technologically advanced yet still affordable solution for the operators, and high-end, multi-screen but also easy-to-use UI for the users.

Clients include:

- » Euskaltel
- » Cablecom

MIRADA AT A GLANCE

Our products

xPlayer



One of mirada's flagship products, xPlayer manages synchronized interactive content within multiple TV devices: smartphone, web, tablet and digital TV.

xPlayer manages red and green button interactivity on behalf of a channel, allowing viewers to interact with content on screen (red button) or schedule recordings or reminders (green button).

Navi



Navi is an interactive navigational solution designed by mirada in collaboration with Ericsson.

Navi is a complete set of navigational services, including VoD and PPV services, PVR, content promotion and miniguide for linear TV. From quick and easy navigation to next generation viewing, Navi creates an engaging user experience. It is seamlessly integrated with the conditional access solution and the back-end and allows viewers to search, record and play all content stored on the Set-top Box.

Clients include:

- » ITV
- » Channel 4
- » UKTV
- » RedBeeMedia
- » BBC

Clients include:

- » GVT
- » Axtel

CHIEF EXECUTIVE OFFICER'S REPORT

José-Luis Vázquez



Overview

I am pleased to report the Group's financial results for the year ended 31 March 2014. This has been a watershed year for the Company during which we secured our first Tier One customer for our lead product, iris, further justifying management's decision to shift to a product-based model. Despite dedicating significant resources to the trial that led to this flagship contract win, we generated an operating profit for the year, recorded an increase in our adjusted EBITDA (defined as earnings before interest, tax, depreciation, amortisation and share based payment charges) to £1.02million (2013: £0.98 million) and posted full year net profits after tax of £0.04 million (2013: loss of £0.24 million).

During the year the focus has been on our ability to secure and service larger contracts in the developing market place, where Over The Top ("OTT") opportunities are expected to drive growth. The benefits of this strategy are highlighted by the post-year announcement of the Tier One contract win, following the success of the trial during the second half of the reported financial year.

Reflecting our strategic investment in this contract, Group revenues were slightly lower than last year (£4.57 million, a decrease of around 5%). Our Digital TV & Broadcast unit revenues were broadly in line with last year, equalling £4.15 million, with subscriber-based licence fees, mainly

for our iris product, growing more than 16%, from £1.49 million to £1.74 million. Digital TV & Broadcast revenues from professional services were 17% lower, owing to the diversion of resource into the Tier One trial. For commercial reasons this work was carried out at a significantly lower charge-out rate. Further, the resources diverted into the Tier One trial could not capitalise on other business which would have been charged at standard rates, adversely impacting this year's Digital TV & Broadcast revenues.

During the year we were pleased to welcome a number of new institutional shareholders to the Group, which we consider a significant demonstration of support for our strategy. In addition, as evidenced by the recently announced fundraising, the Company is now well placed to take advantage of the growing OTT market, enabling us to fund new contracts and improve our product range within demanding time-scales. The team has adapted well to the changing environment, and has shown its ability to meet new challenges. We are grateful for the continued support that we have received from our stakeholders.

Trading review

Tier One customer

Following sustained growth in our subscriber-based licence fees in recent years, the main goal of management this year was to secure our first Tier One customer. After winning new contracts in Latin America over the last two years and establishing a strong track record on deliveries, we were given the opportunity to participate in a much larger tender against industry-leading competitors, most much larger than us. The outcome of this process was the offer of a trial period in which to showcase our iris product. In management's opinion, the key to securing the trial derived from the following factors:

- Our ability to deliver a finished product faster than our competitors;
- The superior architecture of our iris product;
- The number of references that mirada had won in the market during the previous few years; and
- The high degree of flexibility of iris, which allowed for a more customised proposal.

We have now entered a new stage in which other major players in the digital television market are showing increased interest in our capabilities. The Company is in advanced negotiations with other potential customers, and we expect to announce new deals after the summer break. References are key in this market, and we are now winning really important ones.

CHIEF EXECUTIVE OFFICER'S REPORT

- continued

Performance of Installed Base

This year has been the second complete year of operations under our product-based model and we now have four customers' platforms generating subscriber-based licence fees: GVT in Brazil, on both IPTV (through Ericsson) and DTH (satellite platforms), and Cablecom and Axtel in Mexico. By the end of our financial year we should have at least one more, owing to the recent Tier One contract win.

GVT in Brazil, owned by the Vivendi Group, is growing well with more than 750,000 subscribers as of 31 March 2014, yielding around 300,000 new subscribers during the fiscal year. Most of their growth is driven by their new satellite platform, which was launched in August 2013. Axtel is a smaller customer, although their subscriber base is growing satisfactorily. Cablecom is still waiting for the approval of the Mexican regulators to consolidate their integration into the Televisa group, expected during the current financial year.

Digital TV and Broadcast unit financial performance
It should be noted that for the year under review, we have stopped segregating revenues between Digital TV and Broadcast. This is because we have been increasingly integrating xplayer functionalities into our larger Digital TV product (iris and navi) deals. The Group has continued to focus on Digital TV & Broadcast business, which, with revenues of £4.15 million this year, represented 91% of the Group total (90% last year) and 94% of gross margins (94% last year). Subscriber-based licence fees continued to grow from £1.49 million to £1.74 million (up 16%), while the rest of revenues decreased by around 17% from £2.76 million to £2.40 million owing to the reasons already set out above. Segmental EBITDA remained strong at £1.87 million (2013: £1.97 million).

Increasing our presence in growing markets represents our main focus and, even with the lower trial-related prices for professional services in the region this year, Latin America represented 69% of total Group revenues (65% last year). We continue to focus on international activities, with revenues from the UK and Spanish markets remaining broadly stable at 27% of total turnover (25% last year).

Appointments

During the year we were pleased to welcome Mr. Javier Casanueva to the role of Non-Executive Chairman. Mr. Raúl Labrada also joined us as our new CFO.

Financial overview

Owing to the impact of the trial on professional service fee revenue, total turnover decreased by 5% to £4.57 million (2013: £4.84 million). Gross profit margin was stable at 96% and adjusted EBITDA for the year was up 4.5% to £1.02 million, compared to £0.98 million in the prior year. Amortisation charges increased to £0.92 million from £0.68 million resulting from increased investment in our iris product. Owing to the improved performance and future projections of the Group deferred tax assets of £0.47 million were recognised during the year.

Adjusted EBITDA is a key performance indicator ("KPI") used by management as it removes the impact of one-off and non-cash transactions. Other KPIs used by management included the following:

- Gross profit margin: due to the concentration of the Group on the Digital TV & Broadcast business has led to a sustained gross profit margin of 96%, in line with last year.
- Overseas activities (i.e. excluding UK and Spain): total revenues remained stable in Latin America at £3.14 million compared to £3.16 million last year, owing to the effect of the Tier One trial. Latin America now represents 69% of our turnover, up from 65% last year. Overseas activities remained at 73% of total Group turnover, a small reduction from 75% last year.
- Subscriber-based licence fee revenue included within the Digital TV & Broadcast segment: revenues from licence fees command higher margins and are key to our return on investment and overall profitability. Total licence fees for the year equalled £1.74 million, a 16.7% increase on the £1.49 million earned in the prior period.

The Group posted a profit after tax for the year of £0.04 million compared to a loss of £0.24 million loss in the prior period although management is acutely aware that investment is still ongoing in ensuring that the Tier One contract can be executed. This contract should however, deliver higher margins like the ones already being received from other subscriber-based licence fees

The entire convertible loan balance of £975,000 outstanding at 31 March 2013 was converted into equity during the year with all conversions taking place at a price of 10 pence. We believe that this demonstrates the confidence of the loan note holders in the future performance of the share price. Total loans and borrowings decreased from £3.53 million to £2.64 million during

CHIEF EXECUTIVE OFFICER'S REPORT

- continued

the period. Additionally, during the financial year, the Company was able to secure about £2.1 million from both existing and new institutional shareholders, with the aim of funding the expected contract win and enhancing our inspire user interface.

As detailed in an announcement on 30 July 2014, the Company has approved a placing of £3.5 million (before expenses) which will allow the Group to improve its presence in the OTT market, further reduce its net debt and increase working capital available to fund potential new deals.

Operational Review

Areas of business

mirada is an audiovisual interaction technology company providing both interactive products and software development services. We trade in complementary areas around the media business, with some smaller stand-alone activities in certain other markets:

Digital TV operators:

We have nearly 15 years' experience in technologies from interactive TV to advanced navigational services. We have a solid network of partners and we are internationally recognised for our skill base. Our products comprise user interfaces for content navigation and consumption over Digital TV receivers (TV and set-top boxes), personal computers and companion devices (tablets and smartphones). Our major products are our navigational software propositions: iris (with our origin and inspire user interfaces) and navi (in partnership with Ericsson).

Other areas:

mirada has experience and business activities in other areas, principally broadcast and cashless payment solutions for the car parking market via mirada connect. Broadcast activities have been merged with the Digital TV unit in the year under review, as the group has been increasingly integrating the product range of these business units. Mirada connect will remain independent of the rest of the business. Although non-core, it makes a positive contribution to Group EBITDA.

Current Trading and Outlook

This has been a transformational period for the Group, in which we have proven our ability to deliver on top-level deals. The Group remains in a period of investment and current trading is similar to that stated at financial year-end. The Group continues to direct resources to the Tier

One contract. We remain confident in the Group's ability to deliver on the Tier One contract and the recent £3.5 million placing strengthens our balance sheet and enables the Group to pursue further OTT opportunities in the Latin American market.

We expect our performance to be supported by strong subscriber-based licence revenues deriving from existing installations, the new Tier One contract and future contract wins. We believe the Tier One contract will be a significant catalyst to the Group growing substantially as the product is rolled out over its life from commercial launch later this financial year.

The Tier One contract has expanded the pipeline of opportunities in Latin America and beyond. References are key in this market and we are already seeing the benefits as we seek to capitalise on recent successes.

The Company expects to benefit from its focus on OTT propositions. We will be investing heavily in our technical capabilities and expanding our sales and marketing efforts in this area.

Our team has performed well during the transition from delivering on small to medium-sized projects to the greater demands and complexities of much bigger Tier One projects. The quality and values of our stakeholders have made a real difference to their ability to effect such a difficult transition. I cannot be more grateful to them for their hard work and their professionalism.

José-Luis Vázquez

Chief Executive Officer

11 August 2014

STRATEGIC REPORT

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2013.

Business model

The Company's main activity is the provision of software for the for the Digital TV market. Our major customers are Digital TV platforms, mostly Pay TV service providers. We provide the technology needed to facilitate the final user's interaction with the devices they provide, starting with digital TV decoders (set-top boxes), and now with the TV-everywhere propositions on tablets, smartphones, computers and connected TVs. Our major products are our navigational software propositions: iris (with our origin and inspire user interfaces) and navi (in partnership with Ericsson).

Our customers need the services of a User Interface ("UI") provider such as mirada when creating a new Digital TV service or replacing/upgrading an existing one. The UI provider interacts with the device vendor (in the case of set-top boxes and connected TVs), the encryption technology vendor (Conditional Access ("CA") vendor) for the protection of content, and the customer systems (billing and provisioning systems). For the larger customers, this is usually a capital expenditure model per final subscriber or household where the STB vendor is the highest investment and licence fees are paid to the software providers (CA licence and UI licence).

The Group tends to interact with the customer in the early stages of their decision making process, and help in the selection of the proper ecosystem. Our expertise is widely recognised in the industry, and we provide a value that goes beyond our actual UI proposition. Our business model is to charge a one-off subscriber or device related fee, where the Pay TV platform pays the Group for any new deployment of our products, and as their subscribers continue to increase so does mirada's licence fees. Additionally, the customer pays for the set-up fees (adaptation and integration of our technology) and for any additional bespoke developments (on a professional services basis) or product enhancements (on a subscriber or device basis). A customer using mirada's technology would also pay annual support and maintenance fees.

Strategy

The Group's strategy is to extend its presence in the Digital TV markets, focusing on those markets with higher potential growth rates, for example the Latin American

market. The aim is to increase the number of customers being charged subscriber-based licence fees because these revenues command higher margins and, as long as the customer's subscriber base is growing, mirada will continue to earn licence fees even from projects which were completed several years previously.

The main key performance indicator ("KPI") used by management in assessing the success of this strategy is growth in mirada's subscriber-based licence fee revenue; total licence fees for the year equalled £1.74 million, an 16.7% increase on the £1.49 million earned in the prior period.

References are very important in this market, and winning reference contracts has been and is an integral part of our strategy. We need to continue investing in having the required functionalities in our products to satisfy the cutting-edge demands from our customers, while maintaining a fair balance between potential growth and profitability. Our investment in iris and the over-the-top functionalities are essential on ensuring a proper implementation of this strategy.

Principal risks and uncertainties

The key business risks affecting the Group are set out below.

Dependence on people

The Group recognises the value of the commitment of its skilled personnel and is conscious that it must keep the reward systems, both financial and motivational, in place to minimise this area of risk. Our share option scheme and investment in training are examples of this.

Digital TV and Broadcast markets

The sectors in which the Group operates may undergo rapid and unexpected changes. It is possible therefore that either competitors will develop products similar to the Group, or its technology may become obsolete or less effective. The Group's success depends upon its ability to enhance its products and technologies and develop and introduce, on a timely and cost effective basis, new products and features that meet changing customer requirements and incorporate technological advances. As a result the Group continues to invest significantly in research and development.

Information technology

Data security and business continuity pose inherent risks for the Group. The Group invests in, and keeps under review, formal data security and business continuity policies.

STRATEGIC REPORT

- continued

Intellectual property

There are certain markets, most notably the United States of America, in which there are instances of disputes regarding intellectual property involving technology companies, including the Digital TV market. While the Group internally generates its products and software and strongly believes that it has not infringed any third party intellectual property, management do recognise that due to the nature of the technology market there will always be a risk of other corporations potentially making claims regarding intellectual property/patent infringements.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including capital risk, credit risk, foreign currency exchange risk, interest rate risk and liquidity risk. The management of financial risk is governed by the Group's policies approved by the board of directors, which provide written principles to manage these risks. See note 19 for further details on the Group's financial instruments.

Credit risk

The Group has some exposure to credit risk from credit sales. It is the Group's policy to assess the credit risk of new customers before entering into contracts. Historically, as Mirada's customers are mainly broadcasters and medium/large telecommunication companies, bad debts across the Group have been low.

Foreign currency exchange risk

The majority of cash at bank is held in Sterling and Euro accounts. There are also trade balances in these currencies. As these currencies are now the Group's functional currencies, the Group has not entered into any forward exchange contracts in relation to these currencies. The Group is increasing signing more sales contracts in US dollars and is currently investigating ways of reducing the risk on any potential future fluctuations in the US dollar exchange rate. Any foreign exchange gains or losses on trading activities are recognised in the consolidated income statement.

Capital risk

Post the balance sheet date on 5 August 2014 the Group successfully completed a placing totalling £3.5 million (before expenses). The directors have therefore formed a judgement at the time of approving the consolidated financial statements that the Group has both sufficient resources to invest in its product base and has adequate resources to continue in operational existence for the

foreseeable future. For this reason, the directors continue to prepare the consolidated financial statements on the going concern basis.

Approval

This strategic report was approved in behalf of the Board on 11 August 2014 and signed on its behalf.

José-Luis Vázquez

Chief Executive Officer

11 August 2014

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

Review of business and future developments

Reviews of the business, its results, future direction and key performance indicators are included in the Chief Executive Officer's Report and Strategic Report on pages 2 to 7.

Dividends

No dividend is declared in respect of the year (2013: £nil).

Directors' and officers' indemnity insurance

The Group has taken out an insurance policy to indemnify the directors and officers of the company and its subsidiaries in respect of certain liabilities which may attach to them in their capacity as directors or officers of the Group, so far as permitted by law. This policy remained in force throughout the year and remains in place at the date of this report.

Directors

The directors who held office during the year are given below:

Executive Directors

Mr José-Luis Vázquez *Chief Executive Officer*

Non-executive Directors

Mr Javier Casanueva *Non-Executive Chairman*

Mr Rafael Martín Sanz

Mr Francis Coles

Mr Richard Alden *Resigned 26 April 2013*

The interests of directors in the shares of the Group at 31 March 2014 are disclosed in the Directors' Remuneration Report on pages 10 and 11.

Substantial shareholdings

At 31 March 2014 the following shareholders held, directly or indirectly, two per cent or more interests in the issued share capital of the Company:

	Number of ordinary £1 shares	Percentage of issued ordinary share capital
Chase Nominees Ltd	18,687,837	21.7%
Infoglobal S.A	11,558,661	13.4%
Baring Iberia II Inversión en Capital F.C.R.	10,686,855	12.4%
HSBC Global Custody Nominee	7,362,090	8.5%
Naropa Cartera S.L.U	4,229,643	4.9%
Asesoria Digital S.L.	2,932,027	3.4%
Vidacos Nominees Ltd	2,142,859	2.5%
Fresh Inversiones S.L	2,123,008	2.5%
Commerz Nominees Ltd	2,027,350	2.4%
Harewood Nominees Ltd	1,877,088	2.2%

Events since the reporting date

Significant events which have occurred since the reporting date are detailed in note 26.

Auditors

Each of the persons who are directors at the date of approval of this report confirms that:

1. so far as the directors are aware, there is no relevant audit information of which the auditors are unaware; and
2. the directors have taken all the steps that they ought to have taken as directors in order to make them aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

BDO LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board:

José-Luis Vázquez

Chief Executive Officer

11 August 2014

DIRECTORS' REMUNERATION REPORT

The Remuneration Committee decides the remuneration policy that applies to executive directors and senior management. The Remuneration Committee meets as necessary in order to consider and set the annual remuneration for executive directors and senior managers, having regard to personal performance and industry remuneration rates. In determining that policy it considers a number of factors including:

- the basic salaries and benefits available to executive directors and senior management of comparable companies;
- the need to attract and retain directors and others of an appropriate calibre; and
- the need to ensure all executives' commitment to the success of the Group.

Non-executive directors are appointed on contracts with a three-month notice period and may be awarded fees as determined by the Board.

Executive directors are appointed on contracts with a 12-month notice period.

Directors' Remuneration

The following table summarises the remuneration receivable by the directors for the year ended 31 March 2014.

	Salary & fees £000	Benefits £000	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Executive				
José-Luis Vázquez	183	3	186	111
Non-executive				
Rafael Martín Sanz	—	—	—	—
Javier Casanueva	13	—	13	—
Francis Coles	30	—	30	24
Richard Alden	5	—	5	47
	231	3	234	182

Directors' interests

The interests of the directors who held office during the year in the shares of the Group at 31 March 2014 were as follows:

	Number of ordinary shares	
	31 March 2014	31 March 2013
José-Luis Vázquez*	2,123,008	2,123,008
Richard Alden	—	1,065,854
Rafael Martín Sanz**	2,932,027	2,032,027
Francis Coles	572,486	572,486

* Shares held by Fresh Inversiones S.L., a company under the control of José-Luis Vázquez.

** Shares held by Asesoría Digital S.L. which is owned by Rafael Martín Sanz and his wife.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- for the Company financial statements, state whether applicable UK Accounting Standards have been followed; 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. 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.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIRADA PLC

We have audited the financial statements of mirada plc for the year ended 31 March 2014 which comprise consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position, consolidated statement of cash flows, the company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group and the parent company's affairs as at 31 March 2014 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the

European Union;

- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Iain Henderson (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
11 August 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2014

	Notes	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Revenue	5	4,572	4,837
Cost of sales		(182)	(207)
Gross profit		4,390	4,630
Depreciation	13	(43)	(58)
Amortisation	12	(924)	(683)
Share-based payment charge	22	(53)	—
Other administrative expenses		(3,366)	(3,649)
Total administrative expenses		(4,386)	(4,390)
Operating profit	6	4	240
Finance income	8	32	137
Finance expense	9	(422)	(617)
Loss before taxation		(386)	(240)
Taxation	10	427	—
Profit/(loss) for year		41	(240)

		Year ended 31 March 2014 £	Year ended 31 March 2013 £
Earnings/(loss) per share			
Earnings/(loss) per share for the year			
- basic & diluted	11	(0.001)	(0.007)

The above amounts are attributable to the equity holders of the parent.
The notes on pages 20 to 53 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2014

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Profit/(loss) for the period	41	(240)
Other comprehensive loss:		
Currency translation differences	(26)	(28)
Total other comprehensive loss	(26)	(28)
Total comprehensive loss for the year	15	(268)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2014

	Share capital £000	Share premium account £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserves £000	Retained earnings £000	Total £000
At 1 April 2013	519	3,059	140	509	2,472	(3,234)	3,465
Profit for the financial year	—	—	—	—	—	41	41
Movement in foreign exchange reserve	—	—	—	(26)	—	—	(26)
Share based payment	—	—	—	—	—	53	53
Transfer between reserves	—	—	(140)	—	—	140	—
Conversion of convertible loans into shares	98	877	—	—	—	(29)	946
Issue of shares	244	1,894	—	—	—	—	2,138
Share issue costs	—	(54)	—	—	—	—	(54)
At 31 March 2014	861	5,776	—	483	2,472	(3,029)	6,563

	Share capital £000	Shares to be issued £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Retained earnings £000	Total £000
At 1 April 2012	319	1,216	140	537	2,472	(3,026)	1,658
Loss for the financial year	—	—	—	—	—	(240)	(240)
Movement in foreign exchange reserve	—	—	—	(28)	—	—	(28)
Conversion of convertible loans into shares	45	400	—	—	—	32	477
Issue of shares	155	1,457	—	—	—	—	1,612
Share issue costs	—	(14)	—	—	—	—	(14)
At 31 March 2013	519	3,059	140	509	2,472	(3,234)	3,465

The notes on pages 20 to 53 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2014

Company number 3609752

	Notes	31 March 2014 £000	31 March 2013 £000
Property, plant and equipment	13	37	61
Goodwill	12	6,946	6,946
Intangible assets	12	2,444	1,719
Deferred Tax Assets	10	508	—
Non-current assets		9,935	8,726
Trade & other receivables	14	1,781	1,292
Cash and cash equivalents	24	30	94
Current assets		1,811	1,386
Total assets		11,746	10,112
Loans and borrowings	16	(728)	(697)
Trade and other payables	15	(2,339)	(2,725)
Provisions	17	(76)	(141)
Current liabilities		(3,143)	(3,563)
Net current liabilities		(1,332)	(2,177)
Total assets less current liabilities		8,603	6,549
Interest bearing loans and borrowings	17	(1,911)	(2,767)
Embedded conversion option derivative	17	—	(65)
Other non-current liabilities	17	(129)	(181)
Provisions	17	—	(71)
Non-current liabilities		(2,040)	(3,084)
Total liabilities		(5,183)	(6,647)
Net assets		6,563	3,465
Issued share capital and reserves attributable to equity holders of the company			
Share capital	20	861	519
Share premium	21	5,776	3,059
Other reserves	21	2,955	3,121
Retained earnings	21	(3,029)	(3,234)
Equity		6,563	3,465

These financial statements were approved and authorised for issue on 11 August 2014.
Signed on behalf of the Board of Directors.

José-Luis Vázquez

Chief Executive Officer

The notes on pages 20 to 53 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2014

	Note	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Cash flows from operating activities			
Profit/(loss) after tax		41	(240)
Adjustments for:			
Depreciation of property, plant and equipment		43	58
Amortisation of intangible assets		924	683
Share-based payment charge		53	—
Finance income		(32)	(137)
Finance expense		422	617
Taxation		(427)	—
Operating cash flows before movements in working capital		1,024	981
Decrease in trade and other receivables		(501)	44
Decrease in trade and other payables		(484)	21
(Decrease)/increase in provisions		(136)	(356)
Net cash (used in)/generated from operating activities		(97)	690
Cash flows from investing activities			
Interest and similar income received		16	3
Purchases of property, plant and equipment		(20)	(8)
Purchases of other intangible assets		(1,661)	(1,116)
Net cash used in investing activities		(1,665)	(1,121)
Cash flows from financing activities			
Interest and similar expenses paid		(335)	(341)
Issue of share capital		2,036	1,014
Costs of share issue		(54)	(14)
Loans received		289	913
Repayment of loans		(409)	(735)
Repayment of capital element of finance leases		(10)	(10)
Net cash from financing activities		1,517	827
Net (decrease)/increase in cash and cash equivalents		(245)	396
Cash and cash equivalents at the beginning of the year	24	94	(299)
Exchange gains on cash and cash equivalents		1	(3)
Cash and cash equivalents at the end of the year	24	(150)	94

Cash and cash equivalents comprise cash at bank less bank overdrafts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014

1. General information

mirada plc is a company incorporated in the United Kingdom. The address of the registered office is New City Cloisters, 196 Old Street, London, EC1V 9FR. The nature of the Group's operations and its principal activities are the provision and support of products and services in the Digital TV and Broadcast markets.

The Directors have chosen to present these financial statements in Pounds Sterling. All balances are shown in thousands unless otherwise stated. Foreign operations are included in accordance with the policies set out in note 2.

2. Significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by European Union ("IFRSs") and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRSs.

Going concern policy

The directors have prepared a cash flow forecast covering a period extending beyond 12 months from the date of these financial statements. The forecast contains certain assumptions about the performance of the business. These assumptions are the directors' best estimate of the future development of the business, including consideration of cash reserves required to support working capital and its new growth initiatives. The directors completed a fund raising in July 2014 in order to secure £3.5m for the Group. Based on shareholder approval received at the general meeting on 30 July 2014, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March 2014. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The acquisition of subsidiaries or trade and assets, is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued or to be issued, by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. There have been no business combinations since the introduction of IFRS3(R).

Goodwill arising on acquisition is recognised as an asset and initially measured at cost and is accounted for according to the policy below.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation

Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

- Office & computer equipment 33.3% per annum
- Short-leasehold improvements 10% per annum

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial period end.

Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, intangible fixed assets and liabilities of a subsidiary, or acquired sole trade business 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. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014

income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the 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. Where two or more cash-generating units are combined, the goodwill associated with the cash-generating units is allocated to the combined cash-generating unit.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

Intangible assets with a finite useful life represent items which have been separately identified under IFRS 3 arising in business combinations, or meet the recognition criteria of IAS 38, "Intangible Assets". Intangible assets acquired as part of a business combination are initially recognised at their fair value and subsequently amortised on a straight line basis over their useful economic lives. Intangible assets that meet the recognition criteria of IAS 38, "Intangible Assets" are carried at cost less amortisation and any impairment losses. Intangible assets comprise of completed technology, acquired software, capitalised development costs and goodwill.

Amortisation

Amortisation of intangible assets acquired in a business combination is calculated over the following periods on a straight line basis:

Completed technology - over a useful life of 4 years
Deferred development costs - over a useful life of 3 to 4 years

The amortisation is charged to administrative expenses in the consolidated income statement. Completed technology relates to software and other technology related intangible assets acquired by the Group from a third party. Deferred development costs are internally-generated intangible assets arising from work completed by the Group's product development team.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Any internally-generated intangible asset arising from the Group's development projects are recognised only if all of the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives of three to four years. If a development project has been abandoned then any unamortised balance is immediately written off to the income statement. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. The amortisation is charged to administrative expenses in the consolidated income statement.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the impairment of intangible assets line in the consolidated income statement as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet at fair value when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables represent amounts due from customers in the normal course of business. All amounts are initially stated at their fair value and are subsequently carried at amortised cost, less provision for impairment which is calculated on an individual customer basis, where there is objective evidence.

Cash and cash equivalents

Cash and cash equivalents include cash at hand and deposits held at call with banks with original maturities of three months or less. For the purposes of the cash flow statement, bank overdrafts are included in cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

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

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

Incremental external costs directly attributable to the issue of new shares (other than in connection with a business combination) are recorded in equity as a deduction, net of tax, to the share premium reserve.

Bank Borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value less direct issue costs. Finance charges are accounted for on an accruals basis in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Convertible debt

When the terms of the convertible debt result in conversion into a variable number of shares, the proceeds of the convertible debt are initially allocated into liability (debt) and derivative components at fair value. The debt component is calculated by reference to the net present value of the cash flows arising from the convertible loan. These cash flows were discounted at a rate of 20%. The derivative component of the convertible debt is calculated by deducting the debt component from the proceeds received. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost. The derivative component is also included within liabilities, but is measured at fair value at each reporting date, with changes in the fair value of the derivative component being recognised in the consolidated income statement under finance income.

Employee share incentive plans

The Group issues equity-settled share-based payments to certain employees (including directors). These payments are measured at fair value at the date of grant by use of the Black-Scholes pricing model. This fair value cost of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

estimate of shares that will eventually vest and adjusted for the effect of any non market-based vesting conditions. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. A corresponding credit is recorded in equity in the share option reserve.

Leases

Leases taken by the Group are assessed individually as to whether they are finance leases or operating leases. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease rental payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The benefit of lease incentives is spread over the term of the lease.

Taxation

The tax expense represents the sum of the current tax and deferred tax charges.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at

each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Revenue recognition

Interactive service revenues

Interactive service revenues relate to the revenues earned from both the Digital TV & Broadcast and Mobile segments. Interactive service revenues are divided into 4 types, fixed-priced contracts, development fees, self-billing revenues and the sale of licences.

Revenues from development fees (which include set-up fees) are recognised according to management's estimation of the stage of completion of the project. This is measured by reference to the amount of development time spent on a project compared to the most up to date calculation of the total time estimated to complete the project in full.

In respect of self-billing revenues, the Group are informed by the customer of the amount of revenue to invoice and the revenues are recognised in the period these services are provided.

Where the revenue relates to the sale of a one off licence, the licence element of the sale is recognised as income when the following conditions have been satisfied:

- the software has been provided to the customer in a form that enables the customer to utilise it;
- the ongoing obligations of the Group to the customer are minimal; and
- the amount payable by the customer is determinable and there is a reasonable expectation of payment.

For certain contracts licence fees payable by customers are dependent upon the number end user subscribers signing

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

up to the customer's digital television service. For this type of contract revenues are recognised by multiplying the individual licence fee by the net increase in the customer's subscriber base. Where the contract specifies a guaranteed minimum number of licences, the revenue is recognised in equal monthly amounts spread across the term of the contract.

Certain revenues earned by the Group are invoiced in advance. As outlined in the revenue recognition policy above, revenues are recognised in the period in which the Group provides the services to the customer, revenues relating to services which have yet to be provided to the customer are deferred.

Retirement benefit costs

The Group operates defined contribution pension schemes. The amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the period.

Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign exchange

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the result and the financial position of each group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

On translation of balances into the functional currency of the entity in which they are held, exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. Conversely, when a gain or loss on a non-monetary item is recognised in the income statement, any exchange component of that gain or loss is recognised in the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing

on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Exchange differences arising on translating the opening statement of financial position and the current year income statements at the closing rate are classified as equity and transferred to the Group's foreign exchange reserve. Such translation differences are recognised as income or an expenses in the period in which the operations is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as sterling denominated assets and liabilities.

3. Standards not yet effective to the Group

Standards, amendments and interpretations to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning after 1 April 2013 or later periods and which the Group has decided not to adopt early.

None of the newly issued standards, amendments and interpretations are expected to have a material effect on the financial statements.

4. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

Key sources of estimation uncertainty

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements.

Impairment of goodwill and intangibles

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and 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 risks specific to the cash-generating unit. This includes the directors' best estimate on the likelihood of current deals in negotiation not yet concluded. Consequently the outcome of negotiations may vary materially from management expectation.

Useful economic life of intangibles

Intangible assets are amortised over their useful lives. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness.

Capitalised development costs

Any internally generated intangible asset arising from the Group's development projects are recognised only once all the conditions set out in the accounting policy Internally Generated Intangible Assets are met. The amortisation period of capitalised development costs is determined by reference to the expected flow of revenues from the product based on historical experience. Furthermore the Group reviews, at the end of each financial year, the capitalised development costs for each product for indications of any loss of value compared to net book value at that time. This review is based on expected future contribution less the total expected costs.

Provisions

There is currently a potential liability arising from an onerous lease obligation. Management have taken their best estimate concerning the potential liability and subsequent outflow of cash. This provision will be re-evaluated at each reporting date. Should events signify that the provision differs from management's current assessment this could lead to future gains or losses recognised in the income statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

5. Segmental reporting

Reportable segments

The chief operating decision maker for the Group is ultimately the board of directors. For financial and operational management the board considers the Group to be organised into two operating divisions based upon the varying products and services provided by the Group – Digital TV & Broadcast and Mobile. The products and services provided by each of these divisions are described in the Strategic Report on page 5. The Digital TV & Broadcast segment has been created in 2014, following the merger of the Digital TV and Broadcast & Content segments during the year. The segment headed other relates to corporate overheads, assets and liabilities.

Segmental results for the year ended 31 March 2014 are as follows:

	Digital TV & Broadcast £000	Mobile £000	Other £000	Group £000
Revenue - external	4,149	423	—	4,572
Gross profit	4,120	270	—	4,390
Profit/(loss) before interest, tax, depreciation, amortisation & share based payments	1,871	53	(900)	1,024
Depreciation	(23)	—	(20)	(43)
Amortisation	(864)	(26)	(34)	(924)
Share-based payment charge	—	—	(53)	(53)
Finance income	—	—	32	32
Finance expense	—	—	(422)	(422)
Taxation	375	52	—	427
Segmental (loss)/profit	1,358	79	(1,396)	41

The segmental results for the year ended 31 March 2013, presented on the revised basis, are as follows:

	Digital TV & Broadcast £000	Mobile £000	Other £000	Group £000
Revenue - external	4,367	470	—	4,837
Gross profit	4,331	299	—	4,630
Profit/(loss) before interest, tax, depreciation, amortisation & share based payments	1,974	57	(1,050)	981
Impairment of goodwill	—	—	—	—
Depreciation	(33)	—	(25)	(58)
Amortisation	(615)	(34)	(34)	(683)
Finance income	—	—	137	137
Finance expense	—	—	(617)	(617)
Segmental (loss)/profit	1,326	23	(1,589)	(240)

There is no material inter-segment revenue included in the segments which is required to be eliminated.

The Group has three major customers in the Digital TV and Broadcast segment (a major customer being one that generates revenues amounting to 10% or more of total revenue) that account for £0.86 million (2013: £1.37 million), £0.83 million (2013: £0.48 million) and £0.67 million (2013: £0.48 million) of the total Group revenues respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

The segment assets and liabilities at 31 March 2014 are as follows:

	Digital TV & Broadcast £000	Mobile £000	Other £000	Group £000
Additions to non-current assets	2,132	54	3	2,189
Total assets	10,947	732	67	11,746
Total liabilities	(4,280)	(57)	(846)	(5,183)

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

The segment assets and liabilities at 31 March 2013, presented on a revised basis, are as follows:

	Digital TV & Broadcast £000	Mobile £000	Other £000	Group £000
Additions to non-current assets	1,087	23	14	1,124
Total assets	9,085	688	339	10,112
Total liabilities	(2,141)	(97)	(4,409)	(6,647)

Segment assets and liabilities are reconciled to the Group's assets and liabilities as follows:

	Assets 31 March 2014 £000	Liabilities 31 March 2014 £000	Assets 31 March 2013 £000	Liabilities 31 March 2013 £000
Segment assets and liabilities	11,679	4,337	9,773	2,238
Other:				
• Intangible assets	—	—	89	—
• Property, plant & equipment	2	—	19	—
• Other financial assets & liabilities	65	846	231	4,409
Total other	67	846	339	4,409
Total Group assets and liabilities	11,746	5,183	10,112	6,647

Assets allocated to a segment consist primarily of operating assets such as property, plant and equipment, intangible assets, goodwill and receivables.

Liabilities allocated to a segment comprise primarily trade payables and other operating liabilities.

Geographical disclosures

	External revenue by location of customer		Non-current assets by location of assets	
	31 March 2014 £000	31 March 2013 £000	31 March 2014 £000	31 March 2013 £000
UK	563	743	3,041	3,063
Spain	650	473	6,894	5,663
Continental Europe	218	465	—	—
Americas	3,141	3,156	—	—
	4,572	4,837	9,935	8,726

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

6. Operating profit

The operating profit is stated after charging the following:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Depreciation of owned assets	43	35
Depreciation of assets held under finance lease	—	23
Amortisation of intangible assets	924	683
Operating lease charges	233	200
Research and development costs	—	220

Analysis of auditors' remuneration is as follows:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Remuneration receivable by the Company's auditor or an associate of the Company's auditor for the auditing of these accounts	15	15
Remuneration receivable by the Company's auditors and its associates for other services:		
• The auditing of accounts of any associate of the Company	28	28
Total fees	43	43

Reconciliation of operating profit for continuing operations to adjusted earnings before interest, taxation, depreciation and amortisation:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Operating profit	4	240
Depreciation	43	58
Amortisation	924	683
Share-based payment charge	53	—
Operating profit before interest, taxation, depreciation, amortisation and share-based payment charge	1,024	981

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

7. Staff costs and employee information

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Staff costs (including directors) comprise:		
Wages and salaries	3,009	2,764
Social security costs	597	555
Other pension costs	28	12
Share based payments	53	—
Staff costs	3,687	3,331

The Group operates a defined contribution pension scheme for certain employees. No directors are members of this scheme in both the current year and the previous year. The outstanding amount of pension contributions accruing at the year end was £9,000 (2013: £25,000).

The average number of persons, including executive directors, employed by the Group during the year was:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
By activity		
Office and management	7	7
Platform and development	63	64
Sales and marketing	9	9
	79	80

Directors and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the company listed on page 1, the Chief Technical Officer, the Chief Financial Officer, the Director of Sales and Business Development, the Sales Director of Northern Europe and North America and the Sales Director of Southern Europe and Latin America.

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Salaries and fees	813	525
Social Security costs	52	52
Defined contribution pension cost	12	—
Other benefits	7	—
Share option based payments cost	45	—
Amounts paid to third parties in respect of directors' services	5	47
	934	624

The directors' remuneration is disclosed in the Directors' Remuneration Report on page 10.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

8. Finance income

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Interest received on bank deposits	19	3
Other financial income	13	—
Net gain on fair value of conversion option derivative	—	134
	32	137

9. Finance expense

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Interest and finance charges on bank loans and overdrafts	312	277
Convertible loan interest	67	215
Finance leases	3	3
Other interest payable	40	122
	422	617

Finance charges include all fees directly incurred to facilitate borrowing. These include professional fees paid to accounting practices, bank arrangement fees and fees to secure required guarantees.

10. Taxation

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of tax of 23%. The differences are reconciled below:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Loss before taxation	(386)	(240)
Loss on ordinary activities multiplied by 23% (2013: 24%)	(89)	(58)
Effect of expenses not deductible for tax purposes	52	23
Effect of non-taxable income	—	(32)
Losses carried forward	—	67
Losses Utilised	37	—
Total current tax	—	—
Origination and reversal of temporary differences	(35)	—
Recognition of previously un recognised deferred tax assets	(392)	—
Total deferred tax	(427)	—
Total tax expense	(427)	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

Deferred taxation

Deferred tax assets have been recognised in respect of all tax losses for Mirada Connect Limited, research and development investment for Fresh Interactive Technologies S.A and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered. The Directors believe that the deferred tax assets are recoverable given the increasing profitability of Fresh Interactive Technologies S.A and Mirada Connect Limited over recent years, combined with the forecasts for future periods.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown below.

	Asset 31 March 2014 £000	Liability 31 March 2014 £000	(Charged)/ credited to profit & loss 31 March 2014 £000	Charged/ credited to Equity 31 March 2014 £000
Tax credit for losses	52	—	52	—
Other tax credits	421	—	340	—
Other temporary deductible differences	35	—	35	—
Tax asset	508	—	427	—

Deferred tax asset of £11,000 as at 31 March 2013 is included within trade and other receivables.

Deferred taxation amounts not recognised are as follows:

Group	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Depreciation in excess of capital allowances	1,587	1,582
Losses	9,830	10,196
Unrecognised Tax Credit	1,839	1,623
	13,256	13,401

The gross value of tax losses carried forward at 31 March 2014 equals £57.6 million (2013: £58.3 million).

Deferred tax asset

The deferred tax asset has not been recognised due to the uncertainty surrounding the timescale as to its recoverability. The asset would start to become potentially recoverable if, and to the extent that, the Group were to generate taxable income in the future.

11. Earnings per share

	Year ended 31 March 2014 Total	Year ended 31 March 2013 Total
Profit/(loss) for year	£41,000	(£240,000)
Weighted average number of shares	65,233,761	34,612,552
Basic earnings/(loss) per share	£0.001	(£0.007)
Diluted earnings/(loss) per share	£0.001	(£0.007)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

Adjusted loss per share

Adjusted loss per share is calculated by reference to the loss from continuing activities before interest, taxation, share-based payment charges, depreciation and amortisation (see note 6).

	Year ended 31 March 2014 Total	Year ended 31 March 2013 Total
Adjusted profit after tax for year	£1,024,000	£981,000
Weighted average number of shares	65,233,761	34,612,552
Basic adjusted earnings per share	£0.016	£0.028
Diluted adjusted earnings per share	£0.014	£0.022

The Company has 5,602,555 (2013: 301,327) potentially dilutive ordinary shares arising from share options issued to staff. At 31 March 2014 the Company had no potentially dilutive ordinary shares arising from the convertible loan (2013: 9,750,000), see note 19. For the comparatives for year ended 31 March 2013 these have not been included in calculating the diluted earnings per share as the effect is anti-dilutive, although they have been included in calculating the adjusted earnings per share.

12. Intangible assets

	Deferred development costs £000	Completed Technology £000	Total Intangible assets £000	Goodwill £000
Cost				
At 1 April 2013	5,374	603	5,977	29,083
Additions	1,661	—	1,661	—
Foreign exchange	(61)	(10)	(71)	—
At 31 March 2014	6,974	593	7,567	29,083
Accumulated amortisation				
At 1 April 2013	3,655	603	4,258	22,137
Provided during the year	924	—	924	—
Foreign exchange	(49)	(10)	(59)	—
At 31 March 2014	4,530	593	5,123	22,137
Net book value				
At 31 March 2014	2,444	—	2,444	6,946
At 31 March 2013	1,719	—	1,719	6,946

The net book value of internally generated assets at 31 March 2014 equalled £2,408,000 (2013: £1,656,000) and the net book value of other intangible assets was £36,000 (2013: £63,000).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

	Deferred development costs £000	Completed Technology £000	Total Intangible assets £000	Goodwill £000
Cost				
At 1 April 2012	4,232	597	4,829	29,083
Additions	1,116	—	1,116	—
Foreign exchange	26	6	32	—
At 31 March 2013	5,374	603	5,977	29,083
Accumulated amortisation				
At 1 April 2012	2,937	597	3,534	22,137
Provided during the year	683	—	683	—
Foreign exchange	35	6	41	—
At 31 March 2013	3,655	603	4,258	22,137
Net book value				
At 31 March 2013	1,719	—	1,719	6,946
At 31 March 2012	1,295	—	1,295	6,946

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next three years. The forecasts are based on current contracts and management's estimate of revenues relating to opportunities that are currently being pursued. The cash flow forecasts are extrapolated for the balance of 20 years based on an estimated growth rate of 5% (2013: 5%) for Digital TV & Broadcast and Connect. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast pre-tax cash flows for all CGUs is 16% (2013: 16%). No reasonably possible change in any of the assumptions or variables used in the impairment test of goodwill would result in an impairment.

Following the impairment review of the carrying value of goodwill, no impairments were considered to be appropriate.

During the year, the Group have been increasingly integrating the xplayer functionalities into its Digital TV product deals, thus utilising the assets and workforce previously included in the Broadcast and Content CGU. As a result of this management are no longer able to monitor the cash flows of the Broadcast and Content CGU independently from those of the Digital TV CGU. In order to reflect this reorganisation, all of the assets, including goodwill, were transferred to the Digital TV CGU for the purpose of impairment testing.

	Digital TV & Broadcast £000	Interactive Marketing £000	Connect £000	Group £000
Carrying value at 1 April 2013	4,485	1,905	556	6,946
Transfer of goodwill	1,905	(1,905)	—	—
Carrying value at 31 March 2014	6,390	—	556	6,946

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

13. Property, plant and equipment

	Office & computer equipment £000	Short-leasehold improvements £000	Total £000
Cost			
At 1 April 2013	1,327	49	1,376
Additions	20	—	20
Foreign exchange	(6)	—	(6)
At 31 March 2014	1,341	49	1,390
Depreciation			
At 1 April 2013	1,267	48	1,315
Provided during the year	43	—	43
Foreign exchange	(5)	—	(5)
At 31 March 2014	1,305	48	1,353
Net book value			
At 31 March 2014	36	1	37
At 31 March 2013	60	1	61

Included in the net book value of property, plant and equipment are amounts of £Nil (2013: £Nil) held under finance lease and hire purchase contracts. Depreciation of £Nil (2013: £23,000) has been charged on these assets.

	Office & computer equipment £000	Short-leasehold improvements £000	Total £000
Cost			
At 1 April 2012	1,340	49	1,389
Additions	8	—	8
Disposals	(24)	—	(24)
Foreign exchange	3	—	3
At 31 March 2013	1,327	49	1,376
Depreciation			
At 1 April 2012	1,230	47	1,277
Provided during the year	57	1	58
Disposals	(24)	—	(24)
Foreign exchange	4	—	4
At 31 March 2013	1,267	48	1,315
Net book value			
At 31 March 2013	60	1	61
At 31 March 2012	110	2	112

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

14. Trade & other receivables

	31 March 2014 £000	31 March 2013 £000
Trade receivables	819	317
Allowance for bad debts	(31)	(46)
	788	271
Other receivables	379	324
Prepayments and accrued income	614	697
Total	1,781	1,292

Trade receivables

Trade receivables net of allowances are held in the following currencies:

	31 March 2014 £000	31 March 2013 £000
Sterling	77	104
Euro	147	89
US Dollars	564	78
Total	788	271

The fair values of trade and other receivables are the same as book values as credit risk has been addressed as part of impairment provisioning and, due to the short term nature of the amounts receivable, they are not subject to other ongoing fluctuations in market rates.

Before accepting any new customer, the Group uses a credit approval process to assess the potential customer's credit quality and defines credit limits by customer.

Included in the Group's trade receivable balance are debtors with a carrying amount of £157,000 (2013: £2,000) which are past due at the reporting date. The Group does not hold any collateral over these balances. The average age of these receivables is 61 days (2013: 120 days).

Ageing of past due but not impaired trade receivables:

	31 March 2014 £000	31 March 2013 £000
30-60 days	155	—
60-90 days	—	—
90+ days	2	2
Total	157	2

Movement in allowance for doubtful debts:

	31 March 2014 £000	31 March 2013 £000
Balance at beginning of year	46	59
Utilised in year	(15)	(20)
(Credit)/charge for year	—	7
Balance at the end of the period	31	46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Ageing of impaired receivables:

	31 March 2014 £000	31 March 2013 £000
+120 days	31	46

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable set out above.

15. Trade and other payables - current

	31 March 2014 £000	31 March 2013 £000
Trade payables	814	1,054
Other payables	282	312
Other taxation and social security taxes	675	769
Accruals	237	97
Deferred income	331	483
Finance lease creditor	—	10
	2,339	2,725

The fair values of trade and other payables are the same as book values as due to the short term nature of the amounts payable, they are not subject to other ongoing fluctuations in market rates.

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 118 days (2013: 143 days).

Maturity analysis of the financial liabilities, excluding other taxation and social security and deferred income, is as follows:

	31 March 2014 £000	31 March 2013 £000
Up to 3 months	512	808
3 to 6 months	524	148
6 to 12 months	297	517
Total	1,333	1,473

16. Loans and borrowings

	31 March 2014 £000	31 March 2013 £000
Bank overdrafts	180	—
Bank loans	410	697
Other loans	138	—
	728	697
The borrowings are repayable as follows:		
On demand or within one year	728	697

The above bank overdrafts are denominated in Euros and are unsecured.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

	31 March 2014 %	31 March 2013 %
The weighted average interest rates paid were as follows:		
Bank overdrafts	29.0	—
Bank loans	5.9	6.1
The directors estimate the fair value of the Group's borrowings as follows:		
Bank overdrafts	180	—
Bank loans	410	697
Other loans	138	—
	728	697

Interest-bearing bank loans and overdrafts are initially recorded at fair value less direct issue costs.

At 31 March 2014 the Group had undrawn committed borrowing facilities of £Nil (2013: £Nil).

17. Non-current liabilities

	31 March 2014 £000	31 March 2013 £000
Interest bearing loans and borrowings:		
Convertible loan	—	840
Bank loans	961	1,337
Other loans	950	590
	1,911	2,767
Embedded conversion option derivative	—	65
Other non-current payables:		
Other taxation and social security taxes	129	181
Provisions	—	71

Further information on the convertible loan and embedded conversion option derivative is given in note 19.

Other loans relate to loans received by the Group's Spanish operation to assist in funding the continued development of the Group's Digital TV products.

Provisions

Provisions relate to a potential liability arising from an onerous lease obligation. Management have taken their best estimate concerning the potential liability and the subsequent outflow of cash. This provision will be reviewed at each reporting date. Should events significantly differ from management's current assessment this could lead to future gains or losses arising in the income statement. The movement in provisions is as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

Movement in provisions:

	31 March 2014 £000	31 March 2013 £000
Balance at the beginning of the year	212	568
Utilised in the year	(136)	(356)
Balance at the end of the year	76	212
Provisions are allocated as follows:		
Provisions due within one year	76	141
Provisions due between 2 and 5 years	—	71
	76	212

Borrowings, including interest, are repayable as follows:

	31 March 2014 £000	31 March 2013 £000
Bank overdrafts		
On demand or within one year	180	—
Bank loans		
On demand or within one year	510	804
Between one and two years	426	316
Between two and five years	1,231	1,241
	2,167*	2,361
Other loans		
On demand or within one year	151	—
Between one and two years	147	153
Between two and five years	311	466
	609	619
Convertible loans		
Between two and five years	—	1,170
	—	1,170
Finance leases		
On demand or within one year	—	10
	—	10
Total borrowings including finance leases		
On demand or within one year	841	814
Between one and two years	573	469
Between two and five years	1,542	2,877
	2,956	4,160

* £383 of bank loans due after one year at 31 March 2014 were in default as at 30 June 2014. As a result, these balances are now due on demand.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

18. Retirement benefit schemes

The Group operates defined contribution pension schemes. The pension charge for the period represents contributions payable by the Group to the schemes and amounted to £28,000 (2013: £12,000).

At 31 March 2014, contributions amounting to £9,000 (2013: £25,000) were payable and included in other payables.

19 Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 16 and 17, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity and note 21.

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Categories of financial instruments

	Carrying value	
	31 March 2014 £000	31 March 2013 £000
Financial assets		
Loans and receivables:		
• Trade and other receivables, excluding prepayments	1,672	1,202
• Cash and cash equivalents	30	94
	1,702	1,296
Financial liabilities		
Financial liabilities at amortised cost:		
• Trade and other payables*	1,333	1,473
• Loans and borrowings due within one year	728	697
• Interest bearing loans and borrowings due after one year	1,911	2,767
• Other payables due after one year	129	181
	4,101	5,118
Financial liabilities at fair value through profit or loss:		
• Embedded conversion option derivative	—	65
	4,101	5,183

* Excluding other taxation and social security and deferred income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

Convertible loan

On 21 March 2010 the Company entered into a convertible loan agreement for £1,500,000. A summary of the terms of the convertible loan is as follows:

- The convertible loan is repayable on 18 March 2015;
- Annual interest rate of 10 per cent;
- Convertible into ordinary shares at a conversion price of the lower of £1.10 or a 20% discount to the mid-market share price at the time of conversion, subject to a minimum conversion price of £0.10;
- If the mid-market price is below £1.10 the Company has the option to cancel the lenders' conversion rights by repaying the convertible loan plus a 20% premium; and
- Under the terms of the convertible loan the Company has given a fixed and floating charge over the assets of the Group.

The proceeds of the convertible loan are allocated into liability (debt) and derivative components at fair value. The debt component is accounted for as a financial liability measured at amortised cost. The derivative component is also included within liabilities, but is measured at fair value at each reporting date using the Black-Scholes option pricing model, with changes in the fair value of the derivative component being recognised in the consolidated income statement. This fair value measurement involves the input of directly observable market data into the Black-Scholes formula (Level 2 in the IFRS 7 fair value measurement hierarchy).

During the year the following conversions took place:

- On 15 July 2013 £315,000 of the convertible loan balance was converted into 3,150,000 £0.01 ordinary shares at £0.10 per share.
- On 23 December 2013 £170,000 of the convertible loan balance was converted into 1,700,000 £0.01 ordinary shares at £0.10 per share.
- On 11 February 2014 £390,000 of the convertible loan balance was converted into 3,900,000 £0.01 ordinary shares at £0.10 per share.
- On 3 March 2014 the remaining convertible loan balance of £100,000 was converted into 1,000,000 £0.01 ordinary shares at £0.10 per share.

As at 31 March 2014 the Company had a contractual liability due at maturity of the convertible loan of £Nil (2013: £975,000) and a carrying value included in the balance sheet of £Nil (2013: £840,000). At 31 March 2014, the derivative component did not exist, and at 31 March 2013 the derivative component was revalued leading to a revised fair value of £65,000 with the change in fair value of £134,000 being recognised under finance income in the Income Statement.

Financial risk management objectives

The Group monitors and manages the risks relating to the financial instruments held. The principal risks include currency risk (on financial assets and trade payables), credit risk (on financial assets) and interest rate risk (on financial assets and borrowings). These risks are discussed in further detail below.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group does not use forward foreign exchange contracts to hedge exchange rate risk.

Foreign currency risk management

The Group has undertaken certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

The carrying amounts of the Group's material foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	31 March 2014 £000	31 March 2013 £000	31 March 2014 £000	31 March 2013 £000
Euro denominated assets and liabilities	(4,219)	(4,592)	2,149	1,117

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in Sterling against the Euro. The sensitivity analysis includes only outstanding Euro denominated monetary items and adjusts their translation at the period end for a 10% change in the Euro/Sterling rate. A positive number below indicates an increase in profit and other equity where Sterling strengthens 10% against the relevant currency. For a 10% weakening of Sterling against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative. The sensitivities below are based on the exchange rates at the balance sheet used to convert the asset or liability to sterling.

	Profit and loss impact	
	2014 £000	2013 £000
Euro	230	386

Interest rate risk management

At 31 March 2014 the Group was exposed to interest rate risk as the interest payable on some of the Group's loans and borrowings are linked to Euribor. The Group's loans and borrowings where interest payable is linked to Euribor include bank loans and development loans totalling £1,476,000. The remaining bank loans totalling £1,163,000 pay fixed rates of interest.

Neither interest rate swaps contracts nor forward interest rate contracts are used to hedge any risks arising.

If interest rates changed by 1% (100 basis points) the profit and loss impact would not be material to the Group's results.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group faces exposure to credit risk on its trade receivables and cash equivalents.

The risk of financial loss arising from defaults on trade receivables is mitigated by the Group using a credit approval process to assess the potential customers' credit quality and also establishes credit limits by customer. The limits and credit scores attributed to customers is reviewed bi-annually however, the sales ledger is reviewed at least monthly to ensure all receivables are recoverable.

Please refer to note 14 for further details on trade receivables, including analyses of bad debts, ageing and profile by currency.

The Group believes the credit risk on liquid funds, being cash and cash equivalents, to be limited because the counterparties are banks with high-credit ratings assigned by international credit-rating agencies. However, the concentration of credit risk by counterparty does exceed 10% of the overall cash and cash equivalents balance (being £3,000 at 31 March 2014 and £9,000 at 31 March 2013) in some cases. Given the recent "credit crunch" the table below shows the balance of counterparties at the reporting date in excess of 10% of the overall balance, together with the Standard and Poor's credit rating symbols.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2013 - continued

Counterparty	Location	Rating	31 March 2014		31 March 2013	
			% of overall cash & cash equivalents	Carrying amount £000	% of overall cash & cash equivalents	Carrying amount £000
Banco Sabadell	Spain	BB	—	—	39.9%	31
BBVA	Spain	BBB	59.8%	18	—	—
Bankinter	Spain	A+	13.0%	4	18.1%	17
Barclays Bank plc	UK	A-	12.7%	4	45.3%	43

Liquidity risk management

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As part of this monitoring the Group ensures that the financial liabilities due to be paid can be met by existing cash and cash equivalents, forecasted receipts from customers and borrowing facilities. The Group has raised £3,500,000 additional funding since year end, see note 26 for details.

Tables showing the maturity profile of the Group's financial liabilities are included in notes 15, 16 and 17.

20. Share capital

A breakdown of the authorised and issued share capital in place as at 31 March 2014 is as follows:

	31 March 2014 Number	31 March 2014 £000	31 March 2013 Number	31 March 2013 £000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	86,057,695	861	51,927,793	519

Share issues

During the year the following share issues took place:

- On 15 July 2013 £315,000 of the convertible loan balance was converted into 3,150,000 £0.01 ordinary shares at £0.10 per share.
- On 9 October 2013 the Company completed a placing for cash raising gross proceeds of £1,000,000 via the issue of 11,428,571 £0.01 ordinary shares at a price of £0.0875 each.
- On 19 November 2013 the Company raised £1,104,398 via the issue of 12,621,688 £0.01 ordinary shares at a price of £0.0875 each. The issue of shares consisted of a placing for cash raising gross proceeds of £1,036,531 by the issue of 11,846,066 ordinary shares, and 775,622 ordinary shares were issued to capitalise certain creditor balances totalling £67,866.53. These share based payments to creditors were measured at the market value of the services rendered.
- On 23 December 2013 £170,000 of the convertible loan balance was converted into 1,700,000 £0.01 ordinary shares at £0.10 per share. As part of this conversion, Asesoría Digital S.L., which is owned by Rafael Martín Sanz and his wife, received 900,000 shares.
- On 11 February 2014 4,229,643 £0.01 ordinary shares were issued at a price of £0.10 each via the conversion of a convertible loan balance of £390,000 and the capitalisation of interest owed on this convertible loan of £32,964.
- On 3 March 2014 the remaining convertible loan balance of £100,000 was converted into 1,000,000 £0.01 ordinary shares at £0.10 per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2013 - continued

21. Reserves

Share premium

The amount subscribed for share capital in excess of nominal value.

Share option reserve

The fair value of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of any non market-based vesting conditions. The corresponding credit is recorded in equity in the share option reserve.

Foreign exchange reserve

This reserve relates to exchange differences arising on the translation of the balance sheet of the Group's foreign operations at the closing rate and the translation of the income statement of those operations at the average rate.

Merger reserve

Under the provisions of s612 of the Companies Act 2006, the premium that arose on the shares issued as consideration in the acquisition of Fresh Interactive Technologies S.A. has been taken to the merger reserve.

22. Share based payments

Equity settled share option scheme

On 20 December 2013 the Company granted a total of 5,301,238 share options to certain employees and directors through approved and unapproved share option schemes. The exercise price for these options is £0.10. The exercise of these options is not subject to any performance criterion and they vest in three equal instalments on 1 January 2014, 1 February 2015 and 1 March 2016. If the options remain unexercised after a period of ten years from the date of grant the options expire. The options are forfeited if the employee leaves before the options vest. The directors granted options under this scheme are as follows:

	No. of share options
Jose-Luis Vazquez	631,464
Javier Casanueva	247,850
Francis Coles	185,888
Rafael Martin Sanz	185,888

In prior periods the Company has granted share options to employees and directors through approved and unapproved share option schemes. The exercise of options for all options granted during the 15 months ended 31 March 2008 is subject to a performance criterion being satisfied. The exercise of options granted prior to 1 January 2007 is not subject to any performance criterion. If the options remain unexercised after a period of ten years from the date of grant the options expire. The options are forfeited if the employee leaves before the options vest.

IFRS2 – Share based payment

In accordance with IFRS 2 the Group has elected not to apply IFRS 2 to options granted on or before 7 November 2002 or to options which had vested by 1 January 2006.

Details of the share options outstanding during the period for options issued since 7 November 2002 are as follows:

	Year ended 31 March 2014		Year ended 31 March 2013	
	No. of share options	Weighted average exercise price (£)	No. of share options	Weighted average exercise price (£)
Outstanding at the beginning of period	301,327	1.18	302,370	1.24
Granted during period	5,301,238	0.10	—	—
Lapsed during period	(10)	487.50	(1,042)	18.15
Exercised during period	—	—	—	—
Outstanding at the end of the period	5,602,555	0.16	301,327	1.18
Exercisable at the end of the period	2,068,396	0.25	301,327	1.18

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

The options outstanding at 31 March 2014 and at 31 March 2013 had a range of exercise prices from £0.10 to £1.85

The options outstanding at 31 March 2014 had a weighted average remaining contractual life of 7.4 years (2013: 4.9 years).

For the year ended 31 March 2014, the Group has recognised a total expense of £53,000 (2013: £Nil) related to equity-settled share-based payment transactions.

The estimated fair values for determining this charge were calculated using the Black-Scholes option pricing model. This produces a fair value for each grant of options made and the fair value is then charged over the vesting period, which is three years. For this reason the charge for the year ended 31 March 2014 is determined by any grants made, in our case, since 31 March 2011. The inputs into the model at each grant date since then were as follows:

Date of grant	20 December 2013
Share price at date of grant (in £s)	0.10
Exercise price (in £s)	0.10
Fair value at date of grant (in £s)	0.034
Expected volatility	40%
Expected life (years)	5
Risk-free rate	1.80%
Expected dividend yield	—

Assumptions in calculating fair value

The expected volatility was determined by calculating the historical volatility of the Company's share price over the five years preceding the grant of the option. Five years was selected as this is the expected term of the options.

The risk free rate is the rate of interest obtainable from government securities (i.e. Gilts in the UK) over the expected life of the option.

The expected dividend yield is based on the historic dividend yield – i.e. dividends paid in the twelve months prior to grant calculated as a percentage of the share price on the date of grant.

23. Operating lease arrangements

At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 March 2014 £000	31 March 2013 £000
Within one year	142	114
In second to fifth years inclusive	161	8
	303	122

Operating lease payments represent rentals payable by the Group for its office properties. Leases of buildings are subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2014 - continued

24. Notes supporting cash flow statement

Cash and cash equivalents comprise:

	31 March 2014 £000	31 March 2013 £000
Cash available on demand	30	94
Overdrafts	(180)	—
	(150)	94
Net cash (decrease)/increase in cash and cash equivalents	(244)	393
Cash and cash equivalents at beginning of year	94	(299)
Cash and cash equivalents at end of year	(150)	94

Cash and cash equivalents

Cash and cash equivalents are held in the following currencies:

	31 March 2014 £000	31 March 2013 £000
Sterling	4	42
Euro	26	52
Total	30	94

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Significant non-cash transactions are as follows:

	31 March 2014 £000	31 March 2013 £000
Financing activities:		
Convertible loans converted into equity	975	445
Accrued convertible loan interest paid by issue of equity	33	412
Creditor balances paid by issue of equity	68	186
Total	1,076	1,043

25. Related parties

On 23 December 2013 Asesoría Digital S.L., which is owned by Rafael Martín Sanz and his wife, converted its total convertible loan balance of £90,000 into 900,000 £0.01 ordinary shares at £0.10 per share.

26. Events after the reporting date

On 7 July 2014 the Company announced a proposed placing to raise £3.5 million (before expenses) by way of a placing of 28,000,000 £0.01 ordinary shares at 12.5 pence per share, subject to shareholder approval being obtained at a General Meeting held on 30 July 2014. All resolutions proposed at the General Meeting were passed and the shares were issued on 5 August 2014. Post the placing there are 114,057,695 ordinary shares of £0.01 each in issue.

COMPANY BALANCE SHEET

31 March 2014

	Notes	31 March 2014 £000	31 March 2013 £000
Intangible fixed assets	iv	56	89
Tangible fixed assets	v	2	18
Investments	vi	9,407	9,407
Fixed assets		9,465	9,514
Debtors	vii	571	137
Cash at bank and in hand		3	30
Current assets		574	167
Total assets		10,039	9,681
Creditors – amounts due within one year	viii	(2,099)	(3,716)
Net current liabilities		(1,525)	(3,549)
Total assets less current liabilities		7,940	5,965
Interest bearing loans and borrowings	ix	—	(975)
Creditors – amounts due in more than one year		—	(975)
Provisions for liabilities	xi	(76)	(212)
Total liabilities		(2,175)	(4,903)
Net assets		7,864	4,778
Capital and reserves			
Issued share capital	20	861	519
Share premium	xiii	5,776	3,059
Share option reserve	xiii	—	140
Profit and loss account	xiii	1,227	1,060
Shareholders' funds	xiv	7,864	4,778

These financial statements were approved and authorised for issue on 11 August 2014.

Signed on behalf of the Board of Directors

José-Luis Vázquez

Chief Executive Officer

The notes on pages 55 to 63 form part of these financial statements.

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2014

1. Accounting policies

Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and law.

The principle accounting policies are summarised below.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is calculated to write off the cost of fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Office & computer equipment	33.3%
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Investments in subsidiaries

Investments in subsidiaries are held at cost less any provision for impairment.

Deferred taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences on retranslation of assets and liabilities are taken to the profit and loss account in the year in which they arise.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Onerous lease provision

Where the unavoidable cost of a lease exceeds the economic benefit to be received from it, a provision is made for the present value of the obligations under the lease.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2014 - continued

ii. Directors' remuneration

The emoluments received by the directors who served during the year were as follows:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Executive directors:		
Salaries & fees	183	111
Non-executive directors:		
Aggregate emoluments	48	71
	231	182

Emoluments payable to the highest paid director are as follows:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Aggregate emoluments	183	111

There were no Company contributions to the pension scheme or benefits on behalf of the highest paid director.

iii. Profit attributable to members of the parent company

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year. The Company reported a loss after tax for the financial year ended 31 March 2014 of £0.03 million (2013: loss after tax £1.09 million).

iv. Intangible fixed assets

	Deferred development costs £000
Cost	
At 1 April 2013	139
Additions	—
At 31 March 2014	139
Depreciation	
At 1 April 2013	50
Provided during the year	33
At 31 March 2014	83
Net book value	
At 31 March 2014	56
At 31 March 2013	89

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2014 - continued

v. Tangible fixed assets

	Office & computer equipment £000
Cost	
At 1 April 2013	719
Additions	—
At 31 March 2014	719
Depreciation	
At 1 April 2013	701
Provided during the year	16
At 31 March 2014	717
Net book value	
At 31 March 2014	2
At 31 March 2013	18

vi. Investments

	£000
Cost	
At 1 April 2013	22,742
Write off of investments	(450)
At 31 March 2014	22,292
Amounts provided	
At 1 April 2013	13,335
Write off of investments	(450)
At 31 March 2014	12,885
Net book value	
At 31 March 2014	9,407
At 31 March 2013	9,407

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2014 - continued

Name of company	Holding	Proportion of voting rights and shares held	Country of incorporation	Nature of business
Digital Interactive Television Group Limited	Ordinary shares	100%	UK	Dormant
Digital Impact (UK) Limited*	Ordinary shares	100%	UK	Interactive TV services
Go Interactive TV Limited	Ordinary shares	100%	UK	Dormant
Mirada Connect Ltd	Ordinary shares	100%	UK	Payment solutions provider
Fresh Interactive Technologies S.A.	Ordinary shares	100%	Spain	Interactive TV services

* Held indirectly in Fresh Interactive Technologies S.A.

vii. Debtors

	31 March 2014 £000	31 March 2013 £000
Trade debtors	5	51
Amounts owed by group undertakings	509	—
Accrued income	4	23
Other debtors	13	17
Prepayments	40	46
	571	137

viii. Creditors – amounts falling due within one year

	31 March 2014 £000	31 March 2013 £000
Trade creditors	359	421
Amounts owed to group undertakings	1,323	3,096
Accruals and deferred income	261	74
Other taxation and social security	113	93
Other creditors	43	22
Obligations under finance leases and hire purchase contracts	—	10
	2,099	3,716

ix. Creditors – amounts falling due in more than one year

	31 March 2014 £000	31 March 2013 £000
Convertible loans	—	975
Obligations under finance leases and hire purchase contracts	—	—
	—	975

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2014 - continued

Borrowings are repayable as follows:

	31 March 2014 £000	31 March 2013 £000
Other creditors		
Between one and two years	—	—
Convertible loans		
Between two and five years	—	975
Finance leases		
On demand or within one year	—	10
Between one and two years	—	—
	—	10
Total borrowings including finance leases		
On demand or within one year	—	10
Between one and two years	—	—
Between two and five years	—	975
	—	985

x. Operating lease commitments

At 31 March 2014, the Company had the following annual commitments under non-cancellable operating leases:

	31 March 2014 £000	31 March 2013 £000
Leases expiring between one and five years	16	16

xi. Provisions

Movement in provisions:

	31 March 2014 £000	31 March 2013 £000
Balance at the beginning of the year	212	568
Utilised in the year	(136)	(356)
Balance at the end of the year	76	212

xii. Deferred taxation

Deferred taxation provided in the financial statements is £nil (2013: £nil) and the amounts not recognised are as follows:

	31 March 2014 £000	31 March 2013 £000
Accelerated capital allowances	302	289
Losses	5,363	5,370
	5,665	5,659

The deferred tax asset has not been recognised on the grounds that there is insufficient evidence at the balance sheet

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2014 - continued

date that it will be recoverable. The asset would start to become potentially recoverable if, and to the extent that, the Group were to generate taxable income in the future.

xiii. Reserves

	Share premium	Share option reserve	Profit and loss account
	£000	£000	£000
At 1 April 2013	3,059	140	1,060
Loss for the year	—	—	(26)
Cancellation of share option reserve	—	(140)	140
Issue of shares	1,894	—	—
Share Option Charge	—	—	53
Conversion of convertible loan notes	877	—	—
Costs of share issue	(54)	—	—
At 31 March 2014	5,776	—	1,227

xiv. Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Loss for the year	(26)	(1,087)
New shares issued	3,113	2,057
Share Option Charge	53	—
Share issue costs	(54)	(14)
Net increase in shareholders' funds	3,086	956
Opening shareholders' funds	4,778	3,822
Closing shareholders' funds	7,864	4,778

xv. Related parties

The company has taken advantage of the exemption of Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions with other wholly owned companies in the mirada plc group.

Details of all other related parties are included within note 25 of the Consolidated Financial Statements.

Directors

Mr Javier Casanueva	Non-Executive Chairman
Mr José-Luis Vázquez	Chief Executive Officer
Mr Rafael Martín Sanz	Non-Executive Director
Mr Francis Coles	Non-Executive Director

Company Secretary

Mr Graham Duncan

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NOTES



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