mirada

AUDIOVISUAL INTERACTION
MADE EASY

2015 ANNUAL REPORT AND ACCOUNTS

mirada plc

ABOUT US

mirada creates products for digital TV Operators and Broadcasters. We enable consumers to enjoy and interact with digital content on every device: their TVs, smartphones, tablets and laptops.

How we do it

- +15 years of experience in TV technology sector
- highly skilled team of experts in digital TV technology
- innovative product development process
- R&D&I

Key to our success

- stable, long-term revenues from license-based contracts
- state-of-the-art product easy to deploy
- cost effectiveness – unbeatable in the sector we operate in optimal time-to-market

References across the globe

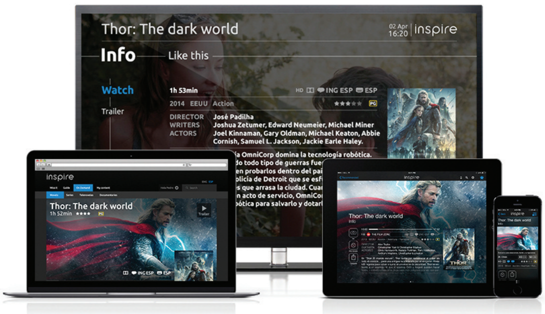
- our solutions are successfully launched in Mexico, Spain, Brazil, Italy, Peru, United Kingdom, UAE and many more
- the largest TV operators and brands in the world, such as Sky, Televisa, Telefonica, Disney International TV, MTV Networks, GVT, BBC and many others, already trust us

OUR YEAR

MIRADA AT A GLANCE

Our products

Iris end-to-end solution



mirada's state-of-the-art multiscreen solution.

A perfect fusion of traditional broadcasting with internet-based services with one mission: to provide our 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 TVs, tablets, smartphones or laptops.

Achieved goal: highly cost-effective, flexible solution, acclaimed by mirada's clients for its very optimal time to market.

Clients include:

- Euskaltel
- Cablecom
- Multimedios Monterrey
- 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 the Iris ecosystem, with advanced tools and modules to enable quick and effective access to configuration settings, statistics, content management and many other essential features.

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

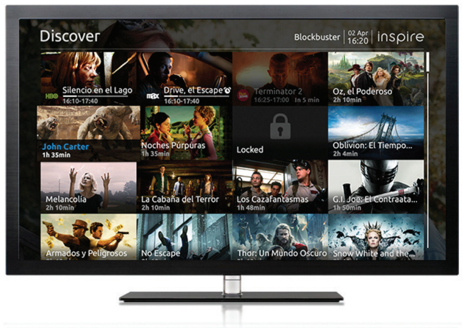
Clients include:

- Telefonica
- Multimedios Monterrey
- Euskaltel
- Ono
- Undisclosed Tier 1 operator 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.

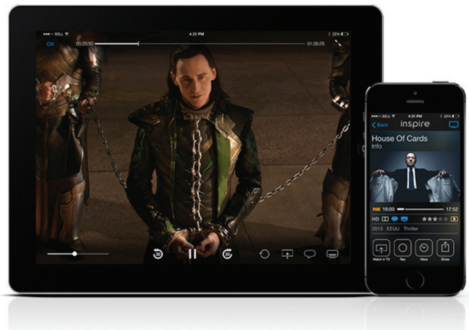
Real-user live testing during the process of the development enabled our team of UX experts to create a product that is both rich in high-end features and extraordinarily intuitive, with easy access to all advanced Iris and Iris SDP functions.

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:

» Multimedios Monterrey
» Undisclosed Tier 1 Operator

Over The Top Platform



Advanced Multiscreen platform to enjoy favourite content Anytime, Anywhere.

Over The Top means content delivery on viewer's terms: at the time, place and on the device of their choice. And that's what we do! mirada's Over The Top Platform can work independently to the TV Operator's cable/DTH digital TV service. It enables viewers to enjoy content on their TVs, smartphones, tablets or laptops through a beautiful, intuitive User Interface.

Achieved goal: future-proof solution independent from the traditional broadcasting.

Clients include:

» Undisclosed Tier 1 Operator

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).

Clients include:

- » BBC
- » Channel 4
- » UKTV
- » Ericsson
- » Discovery
- » ITV

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:

- » 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 2015. This has been a critical period for the Company during which we have secured and deployed our first Tier One contract. Mirada has proven capable of winning and delivering milestone deals competing with the largest players in the Digital TV market. As such, it has established and strengthened its network of relationships and successfully delivered its products in a challenging environment, whilst creating a strong pipeline of potential large-scale contracts.

The Company won its most important contract to date in May 2014 with Televisa Group for its flagship product, iris, a unique TV-everywhere ecosystem featuring the advanced inspire user-experience, which it launched for the first time on Cablevisión Monterrey's cable network in February this year. Even with a delay in commercial deployment beyond mirada's control, the Group achieved a healthy growth in revenues of nearly 24% to £5.66 million (2014: £4.57 million). Most of this growth resulted from professional services related to increased functionality and customisation of the Televisa Group deployments, while licence fees remained in line with last year at £1.73 million. The growth resulted in an improvement in adjusted EBITDA (defined as earnings before interest, tax, depreciation, amortisation and share based payment charges) of £1.54 million (2014: £1.02 million), increasing more than 50% from the previous year. The Group was also able to raise operating profit for the year to £0.29 million (2014: £0.004 million). Losses Before Tax were reduced to -£0.11 million (2014: -£0.39 million), with a Net loss of -£0.18 million (2014: £0.04 million profit) after taxes.

In addition to the Televisa iris contract, the Group also secured its first significant OTT contract, also with Televisa. In addition, we deployed our iris technology into with the Telefónica Group in Peru. These milestones demonstrate the competitiveness of mirada for next generation Digital TV products. The team continues to be able to achieve its goal of being at the forefront of OTT technologies, positioning us well to secure larger deals and these milestones have translated into continuing discussions with other Tier One customers.

We have strongly supportive shareholder base, as demonstrated by the oversubscribed placing of £3.5 million (before expenses) in July 2014, which allowed the Group to secure the OTT deals and substantially strengthen our balance sheet. We remain grateful for their support.

Trading review

Tier One customer

The primary focus of the Group over the year was to secure the deployment of our inaugural Tier One contract, which was awarded to us by Televisa in May 2014. Successful with commercial deployment with the first of their cable networks commenced in February 2015 for Cablevision Monterrey (following the acquisition of Cablecom and Telecable during the period under review, Televisa now owns five cable networks, which the Company expects will adopt the iris/inspire software).

As announced in December and January, issues beyond mirada's control delayed commercial deployment to the end of the financial year. The first months of the deployment have gone well, with technical and commercial performance surpassing expectations. During the period, there have been significant improvements to the software, and mirada has faced the additional challenge of integrating its product in a complex multi-network environment in the middle of a consolidation process. Substantial progress has been made and the Company is ready to launch the products across the rest of the cable networks required by the Customer.

Performance of Installed Base

The period under review generated licence fees from the following main sources: GVT in Brazil, and Cablecom, Axtel and the Televisa Group in Mexico.

During the year Telefónica acquired GVT, and has stated that it intends to merge GVT's activities with Telefónica Brazil. This merger generated around 190,000 new subscribers during the period, comprised of additional hybrid (IPTV) and satellite (DTH) operations, with GVT subscribers accounting for aroun 940,000 in total. However, GVT has reached relative maturity and, with its impending consolidation process, mirada is conservative about its growth and direction with respect to user-experience software.

CHIEF EXECUTIVE OFFICER'S REPORT
– continued

Axtel in Mexico continues to grow, reaching nearly 100,000 subscribers for the Navi solution, a user friendly tool for finding and purchasing programming on IPTV, at the end of the period. The Company continues invoicing new licence batches and earning managed services through our long established relationship with Ericsson Mexico.

In August 2014, the Televisa Group completed its acquisition of Cablecom. As the operational merger concludes, management expects that subscribers from the cable network will adopt the iris/inspire solution. In the meantime, mirada continues to offer managed services to Cablecom for their already deployed iris/origin solution. With respect to the commercial deployment of the iris/inspire solution, mirada was able to invoice one-off back-office licence fees and the first batch of subscriber-based licence fees at the end of the period as expected.

Digital TV and Broadcast unit financial performance

The Group has continued to concentrate on Digital TV & Broadcast business, which accounted for 92.5% of total turnover (2014: 90.7%) and 95.4% of gross margin (2014: 94%). Owing to the consolidation of the business and the successful transition of the Digital TV model, growing with our customers' success based on a subscriber-based licence fees agreements, revenues from the unit reached £5.23 million (2014: £4.15 million), representing 26% growth year-on-year. Licence fees remained flat, mainly due to the delays in the Tier One commercial launch, while most of the growth came from professional services, with sales of £3.50 million (2014: £2.41 million), some of which derived from the Televisa contract. Segmental EBITDA also increased to £2.09 million (2014: £1.87 million).

The major source of revenues – mainly US dollar denominated – continued to be Latin America which accounted for 72% of sales (2014: 69%), while the Company strengthened its pipeline elsewhere in the world. Turnover from the UK and Spain increased to £1.55 million (2014: £1.22 million), amounting to 27% of total turnover, in line with last year's percentage.

Mobile unit financial performance

Revenues from the mobile unit remained stable at £0.43 million (2014: £0.42 million). The business, comprising mainly cashless parking, is active in the UK.

Appointments

During the year we were pleased to welcome Matthew Earl to the role of Non-Executive Director and José Gozalbo (CTO) to the role of Chief Technology Officer. Gonzalo Babío, an experienced professional formerly working for Electronic Arts and Disney, also joined as our new CFO (non board position) at the end of the financial year.

Financial overview

Revenue grew to £5.66 million (2014: £4.57 million), mainly from Digital TV & Broadcast activities. Gross profit margin remained stable at 96% and adjusted EBITDA for the year increased 50.7% to £1.54 million (as disclosed in note 6) compared to £1.02 million in the prior year. Amortisation charges increased to £1.19 million from £0.92 million as a result of increased investment in iris, especially in the inspire user-experience and the OTT features. Based on the Group's improved performance and future projections, deferred tax assets of £0.04 million was 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 include the following:

- Gross profit margin: the Group's focus on Digital TV & Broadcast business, in which cost of sales are minimal, delivered a gross profit margin of 96%, in line with last year.
- Overseas activities (i.e. excluding UK and Spain): total revenues from Latin America increased to £4.06 million (2014: £3.14 million), representing 72% of our turnover, up from 69% last year. Overseas activities remained at 73% of total Group turnover, the same figure percentage as 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 £1.73 million, in line with £1.74 million in the prior period.

The Group posted a loss before tax for the year of £0.11 million compared to a loss of £0.39 million in the prior period. The Televisa contract-related professional services led to increased revenues, EBITDA and operational profit, although management expect subscriber-based licence fees to drive overall profitability of the contract, once the commercial launch takes place across the rest of the Customer's cable networks.

Total borrowings remained at a similar level to last year totalling £2.81 million (2014: £2.64 million). Long term interest bearing loans and borrowings reduced 30% to £1.35 million (2014: £1.91 million) and short term borrowings increased from £0.73 million to £1.47 million due to working capital needs related to delays on the Televisa commercial deployment, including factoring facilities at £0.44 million. Trade receivables were exceptionally high at the end of the period at £2.19 million (2014: £0.79 million) due to invoicing in March of licence fees related to the commercial launch of the contract. In July 2014, the Company completed the equity funding of £3.5 million (before expenses) which enabled successful OTT product development and improved the Net Asset position.

CHIEF EXECUTIVE OFFICER'S REPORT
– continued

During the year to March 2015, it was concluded that Mirada should have raised a provision for dilapidations on a long-term lease. As a result the consolidated balance sheets as at 31 March 2013 and 31 March 2014 have been restated to reflect the liability of a £500k lease provision. The restatement does not affect the Income Statement or the Statement of Cashflows.

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 & Broadcast:

We have more than 15´ years experience in technologies from interactive TV to advanced navigational services and synchronisation technologies and 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), navi (in partnership with Ericsson) and xplayer for Broadcasters.

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. mirada connect will remain independent from the rest of the business. Although non-core, it makes a positive contribution to Group EBITDA.

Current Trading and Outlook

This year has seen the consolidation of the Company as a significant contender in the Digital TV world, winning contracts generally only awarded to much larger players. The contract awarded in May 2014 and the later deployment at the first cable network, Cablevisión Monterrey, further confirmed mirada's capability to deliver complex projects on a multi-network Tier One scale.

The Group suffered from third-party related delays that postponed the receipt of further subscribed-based licence fees in the year under review, although Professional Services at normal market rates increased Revenues more than 25% on a year-to-year basis. Subscriber-based licence fees will further improve the profitability from contracts already won, as our return on investment benefits from the growth of our Customers' installed subscriber bases.

This has been the first commercial launch for our iris-inspire user experience, and we are glad to confirm that the deployment of the solution went smoothly, without noticeable technical problems, and the commercial rollout at Monterrey is progressing ahead of expectations. The Company continues integrating the solution with additional features at two additional cable networks in the customer, including the new OTT solution, with an expectation to start the commercial roll-out in those areas during the coming months. While the final date for the delivery will relay on the progress of the customer's technical team, I am very satisfied with the performance of our engineers, who continue to evolve the solution, owing to increased revenues from professional services.

The Company secured the funds and other resources to accelerate the availability its OTT full product proposition, securing a large contract with one of the largest players in the market. This reference, for both the DVB technologies and OTT propositions, has delivered new leads and translated into continuing discussions with other Tier One customers.

I would like to thank all our stakeholders, who have demonstrated their belief in our capabilities and have contributed so much to the transformation of our business. We look forward to facing the future with great optimism.

José-Luis Vázquez
Chief Executive Officer

8 July 2015

STRATEGIC REPORT

The Directors present their strategic report together with the audited financial statements for the year ended 31 March 2015.

Business model

The Company's main activity is the provision of software 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), navi (in partnership with Ericsson) and xplayer (broadcasting synchronisation technology).

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 managed service 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, Eastern Europe and South East Asia 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 £1.73 million, a similar figure to the prior period, awaiting for the commercial deployment of our solution into our larger Customer networks.

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 continued investment in iris is essential in 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.

Intellectual property

There are certain markets 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.

STRATEGIC REPORT
– continued

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 entered into forward exchange contracts in relation to US dollars and Euros. 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 statement of comprehensive income.

Capital risk

The directors believe that the Group has both enough resources and access to equity funding and bank lending to continue investing in its product base and 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.

Prior Year Adjustment

During the year to March 2015, Mirada received a dilapidation claim in relation to one of its legacy properties. It has been concluded that Mirada should have raised an dilapidation provision totalling £500k in the year to 31 March 2013. The adjustment does not impact previously recognised Goodwill. The liability arose as a result of subsequent alterations to the property, giving rise to a dilapidation provision.

Development, Financial performance highlights and position of business is disclosed on the Chief Executive Officer's report.

Approval

This strategic report was approved on behalf of the Board on 8 July 2015 and signed on its behalf.

José-Luis Vázquez

Chief Executive Officer

8 July 2015

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

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 1 to 5.

Dividends.

No dividend is declared in respect of the year (2014: £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 2014*
Mr Matthew Earl — *Appointed 13 October 2014*
Mr Jose Gozalbo — *Appointed 13 October 2014*

The interests of directors in the shares of the Group at 31 March 2015 are disclosed in the Directors' Remuneration Report on page 7.

Substantial shareholdings

At 31 March 2015 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	34,047,020	29.85%
Hargreave Hale Nominees Ltd	24,467,448	21.45%
Danehill Corporate Ltd	6,000,000	5.26%
Commerz Nominees Ltd	5,421,647	4.75%
Amati	4,808,371	4.22%
Barclayshare Nominees Ltd	4,266,572	3.74%
Rock Nominees Ltd	3,945,375	3.46%
WH Ireland	3,583,077	3.14%
BNY Nominees	2,790,000	2.45%
Asesoria Digital S.L	2,532,027	2.22%
Vidacos Nominees Ltd	2,273,436	1.99%

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 themselves 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

8 July 2015

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 2015.

	Salary & fees £000	Benefits £000	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Executive				
José-Luis Vázquez	283	2	**285**	**186**
Jose Gozalbo	102	15	**117**	**122**
Non-executive				
Rafael Martín Sanz	—	—	**—**	**—**
Javier Casanueva	30	—	**30**	**13**
Mathew Earl	14	—	**14**	**—**
Francis Coles	30	—	**30**	**30**
Richard Alden	—	—	**—**	**5**
	459	**17**	**476**	**356**

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 profit or 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 subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 AUDITOR'S REPORT TO THE MEMBERS OF MIRADA PLC

We have audited the financial statements of mirada plc for the year ended 31 March 2015 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 2015 and of the group's loss 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
08 July 2015

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

CONSOLIDATED INCOME STATEMENT
Year ended 31 March 2015

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Revenue	5	5,657	4,572
Cost of sales		(234)	(182)
Gross profit		**5,423**	**4,390**
Depreciation	13	(21)	(43)
Amortisation	12	(1,187)	(924)
Share-based payment charge	22	(61)	(53)
Other administrative expenses		(3,869)	(3,366)
Total administrative expenses		**(5,138)**	**(4,386)**
Operating profit	6	**285**	**4**
Finance income	8	38	32
Finance expense	9	(436)	(422)
Loss before taxation		**(113)**	**(386)**
Taxation	10	(62)	427
Profit/(loss) for year		**(175)**	**41**

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
(Loss)/Earnings per share			
(Loss)/Earnings per share for the year			
– basic & diluted	11	**(0.2)**	**0.1**

The notes on pages 14 to 38 form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
(Loss)/Profit for the period	**(175)**	**41**
Other comprehensive loss:		
Currency translation differences	(225)	(26)
Total other comprehensive loss	**(225)**	**(26)**
Total comprehensive (loss)/income for the year	**(400)**	**15**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Share capital £000	Share premium account £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserves £000	Retained earnings £000	Total £000
Restated Balance at 1 April 2014	**861**	**5,776**	**—**	**483**	**2,472**	**(3,529)**	**6,063**
Loss for the financial year	—	—	—	—	—	(175)	(175)
Movement in foreign exchange reserve	—	—	—	(225)	—	—	(225)
Share based payment	—	—	—	—	—	61	61
Issue of shares	280	3,220	—	—	—	—	3,500
Share issue costs	—	(248)	—	—	—	—	(248)
Balance at 31 March 2015	**1,141**	**8,748**	**—**	**258**	**2,472**	**(3,643)**	**8,976**

	Note	Share capital £000	Share premium account £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserves £000	Retained earnings £000	Total £000
Balance at 1 April 2013, as previously reported		**519**	**3,059**	**140**	**509**	**2,472**	**(3,234)**	**3,465**
Prior year restatement	2	—	—	—	—	—	(500)	(500)
Restated Balance 1 April 2013		**519**	**3,059**	**140**	**509**	**2,472**	**(3,734)**	**2,965**
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)
Restated Balance at 1 April 2014		**861**	**5,776**	**—**	**483**	**2,472**	**(3,529)**	**6,063**

The notes on pages 14 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2015

Company number 3609752

	Notes	31 March 2015 £000	31 March 2014 £000 As restated	31 March 2013 £000 As restated
Property, plant and equipment	13	41	37	61
Goodwill	12	6,946	6,946	6,946
Other Intangible assets	12	2,843	2,444	1,719
Deferred Tax Assets	10	543	508	—
Non-current assets		**10,373**	**9,935**	**8,726**
Trade & other receivables	14	3,565	1,781	1,292
Cash and cash equivalents	24	206	30	94
Current assets		**3,771**	**1,811**	**1,386**
Total assets		**14,144**	**11,746**	**10,112**
Loans and borrowings	16	(1,467)	(728)	(697)
Trade and other payables	15	(1,790)	(2,339)	(2,725)
Provisions	2, 17	(500)	(576)	(141)
Current liabilities		**(3,757)**	**(3,643)**	**(3,563)**
Net current assets/(liabilities)		**14**	**(1,832)**	**(2,177)**
Total assets less current liabilities		**10,387**	**8,103**	**6,549**
Interest bearing loans and borrowings	17	(1,345)	(1,911)	(2,767)
Embedded conversion option derivative	17	—	—	(65)
Other non-current liabilities	17	(66)	(129)	(181)
Provisions	2, 17	—	—	(571)
Non-current liabilities		**(1,411)**	**(2,040)**	**(3,584)**
Total liabilities		**(5,168)**	**(5,683)**	**(7,147)**
Net assets		**8,976**	**6,063**	**2,965**
Issued share capital and reserves attributable to equity holders of the company				
Share capital	20	1,141	861	519
Share premium	21	8,748	5,776	3,059
Other reserves	21	2,730	2,955	3,121
Retained earnings	21	(3,643)	(3,529)	(3,734)
Equity		**8,976**	**6,063**	**2,965**

These financial statements were approved and authorised for issue on 8 July 2015. Signed on behalf of the Board of Directors

José-Luis Vázquez
Chief Executive Officer

The notes on pages 14 to 38 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Cash flows from operating activities			
Profit/(loss) after tax		(175)	41
Adjustments for:			
Depreciation of property, plant and equipment		21	43
Amortisation of intangible assets		1,187	924
Share-based payment charge		61	53
Profit on disposal of fixed assets		(11)	—
Finance income		(38)	(32)
Finance expense		436	422
Taxation		62	(427)
Operating cash flows before movements in working capital		**1,543**	**1,024**
(Increase)/decrease in trade and other receivables		(2,144)	(501)
(Decrease)/increase in trade and other payables		(444)	(484)
(Decrease)/increase in provisions		(76)	(136)
Net cash (used in)/generated from operating activities		**(1,121)**	**(97)**
Cash flows from investing activities			
Interest and similar income received		8	16
Cash payments receipts for financial investment assets		(132)	—
Receipts for financial investment assets		23	—
Proceeds from disposal of property, plant and equipment		11	—
Purchases of property, plant and equipment		(29)	(20)
Purchases of other intangible assets		(1,795)	(1,661)
Net cash used in investing activities		**(1,914)**	**(1,665)**
Cash flows from financing activities			
Net payment to settle derivative		(121)	—
Interest and similar expenses paid		(420)	(335)
Issue of share capital		3,500	2,036
Costs of share issue		(248)	(54)
Loans received		1,254	289
Repayment of loans		(570)	(409)
Repayment of capital element of finance leases		—	(10)
Net cash from financing activities		**3,395**	**1,517**
Net (decrease)/increase in cash and cash equivalents		**360**	**(245)**
Cash and cash equivalents at the beginning of the year	24	(150)	94
Exchange (losses)/gains on cash and cash equivalents		(4)	1
Cash and cash equivalents at the end of the year	24	**206**	**(150)**

Cash and cash equivalents comprise cash at bank less bank overdraft

The notes on pages 14 to 38 form part of these financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2015

1. General information

mirada plc is a company incorporated in the United Kingdom. The address of the registered office is 69 Old Street, London, EC1V 9HX. 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 Group 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. Based on this cash flow forecasts, directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Prior year restatement

As disclosed in the strategic report, during the year to March 2015, Mirada received a dilapidation claim.

It was concluded that Mirada should have raised a dilapidation provision for the Wapping offices totalling £500k. As a result the consolidated balance sheet as at 31 March 2014 has been restated to reflect the post balance sheet liability of the lease provision. This restatement was also required for the balance sheet as at 31 March 2013. The restatement does not affect the Income Statement or the Statement of Cashflows.

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 2015.

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties – Other contractual arrangements
- Historic patterns in voting attendance.

Other than detailed below, the financial statements incorporate the results of Mirada Plc and all its subsidiary undertakings as at 31 March 2015 using the purchase method of accounting. When the purchase method of accounting is used the results of subsidiary undertakings are included from the date of acquisition.

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 current prices, 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.

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.

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.

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. Deferrred 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

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.

1. General information – continued

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.

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.

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.

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.

Forward Contracts

Forward contracts are accounted for as fair value through profit and loss. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

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 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 retained earnings.

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

Revenues are earned from both the Digital TV & Broadcast and Mobile segments. Interactive service revenues are divided into 4 types development fees, self-billing revenues, the sale of licences and managed services.

Revenues from development fees: (which include set-up fees) These 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.

Self-billing revenues: These are earned through a revenue-share agreement between Mirada and the customer which is presented in the Mobile segments. 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.

Sale of license: Revenue from licenses are earned from two specific and separate streams.

1) 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.

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

1. General information – continued

Managed services – revenue is measured on a straight line basis over the length of the contract. Where agreements involve multiple elements, the entire fee from such arrangements is allocated to each of the individual elements based on each element's fair value. The revenue in respect of each element is recognised in accordance with the above policies.

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 statement of financial position.

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 statement of comprehensive income statement, any exchange component of that gain or loss is recognised in the statement of comprehensive 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 2015 or later periods and which the Group has decided not to adopt early.

None of the newly issued standards, amendments and interpretations have, or 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.

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.

See note 12 for details of key assumptions and confirmation that no reasonably possible change in any of the assumptions or variables used in impairment testing would result in an impairment.

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.

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 4. The segment headed other relates to corporate overheads, assets and liabilities.

Segmental results for the year ended 31 March 2015 are as follows:

	Digital TV & Broadcast £000	Mobile £000	Other £000	Group £000
Revenue – external	5,232	425	—	5,657
Gross profit	5,175	248	—	5,423
Profit/(loss) before interest, tax, depreciation, amortisation & share based payments	2,086	91	(634)	1,543
Depreciation	(17)	(1)	(3)	(21)
Amortisation	(1,162)	(25)	—	(1,187)
Profit on sale	—	—	11	11
Share-based payment charge	—	—	(61)	(61)
Finance income	—	—	38	38
Finance expense	—	—	(436)	(436)
Taxation	(62)	—	—	(62)
Segmental profit/(loss)	**845**	**65**	**(1,085)**	**(175)**

The segmental results for the year ended 31 March 2014, presented on the revised basis, 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 profit/(loss)	**1,359**	**79**	**(1,397)**	**41**

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

The Group has two 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 £2.16 million (2014: £0.83 million) and £0.84 million (2014: £ Nil) of the total Group revenues respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2015 – continued

5. Segmental reporting – continued

The segment assets and liabilities at 31 March 2015 are as follows:

	Digital TV – Broadcast £000	Mobile £000	Other £000	Group £000
Additions to non-current assets	1,887	—	1	1,888
Total assets	13,210	714	220	14,144
Total liabilities	(4,029)	(134)	(1,005)	(5,168)

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

The segment assets and liabilities at 31 March 2014, presented on a revised basis, 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)	(1,346)	(5,683)

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

	Assets 31 March 2015 £000	Liabilities 31 March 2015 £000	Assets 31 March 2014 £000	Liabilities 31 March 2014 £000
Digital TV – Broadcast & Mobile	13,924	4,163	11,679	4,337
Other:				
Intangible assets	—	—	—	—
Property, plant & equipment	2	—	2	—
Other financial assets & liabilities	218	1,005	65	1,346
Total other	220	1,005	67	1,346
Total Group assets and liabilities	**14,144**	**5,168**	**11,746**	**5,683**

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		Total assets by location of assets	
	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
UK	593	563	3,323	3,041
Spain	953	650	10,820	6,894
Rest of Continental Europe	52	218	—	—
Latin America	4,059	3,141	—	—
	5,657	**4,572**	**14,143**	**9,935**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2015 — continued

5. Segmental reporting — continued

Revenues by Products:

	31 March 2015 Digital TV & Broadcast £000	31 March 2015 Mobile £000	31 March 2014 Digital TV & Broadcast £000	31 March 2014 Mobile £000
Development	2,949	—	1,914	—
Self Billing	—	410	—	310
Licenses	1,730	20	1,739	15
Managed Services	552	(4)	496	98
	5,231	**426**	**4,149**	**423**

6. Operating profit

The operating profit is stated after charging/(crediting) the following:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Depreciation of owned assets	21	43
Amortisation of intangible assets	1,187	924
Operating lease charges	250	233
Research and development costs	—	—
Operating Foreign Exchange (gains)/losses	(141)	33

Analysis of auditors' remuneration is as follows:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £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	36	28
Total fees	**51**	**43**

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

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Operating profit	285	4
Depreciation	21	43
Amortisation	1,187	924
Share-based payment charge	61	53
Profit on disposal	(11)	—
Operating profit before interest, taxation, depreciation, amortisation and share-based payment charge (Adjusted EBITDA)	**1,543**	**1,024**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2015 – continued

7. Staff costs and employee information

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Staff costs (including directors) comprise:		
Wages and salaries	3,582	3,009
Social security costs	714	597
Other pension costs	12	28
Share based payments	61	53
Staff costs	**4,369**	**3,687**

Contained within staff costs are amounts capitalised as intangible assets totalling £2,134,600 (2014: £1,663,771).

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

	Year ended 31 March 2015	Year ended 31 March 2014
By activity		
Office and management	8	7
Platform and development	80	63
Sales and marketing	6	9
	94	**79**

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 the inside back cover, 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 2015 £000	Year ended 31 March 2014 £000
Salaries and fees	814	813
Social Security costs	42	52
Defined contribution pension cost	—	12
Other benefits	26	7
Share option based payments cost	43	45
Amounts paid to third parties in respect of directors' services	—	5
	925	**934**

The directors' remuneration is disclosed in the Directors' Remuneration Report on page 7.

8. Finance income

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Interest received on bank deposits	6	19
Other financial income	32	13
	38	**32**

9. Finance expense

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Interest and finance charges on bank loans and overdrafts	287	312
Convertible loan interest	—	67
Finance leases	—	3
Other interest payable	28	40
Movement in Fair Value of derivative	121	—
	436	**422**

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 21%. The differences are reconciled below:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Loss before taxation	**(113)**	**(386)**
Loss on ordinary activities multiplied by 21% (2014: 23%)	(24)	(89)
Effect of expenses not deductible for tax purposes	21	52
Losses carried forward	3	37
Witholding Taxes	159	—
Total current tax	**159**	**—**
Origination and reversal of temporary differences	31	(35)
Recognition of previously un recognised deferred tax assets	(128)	(392)
Total deferred tax	**(97)**	**(427)**
Total tax expense	**62**	**(427)**

Deferred taxation

Deferred tax assets have been recognised in respect of 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.

10. Taxation – continued

The movements in deferred tax assets and liabilities during the period are shown below.

Group	Asset 31 March 2015 £000	Asset 31 March 2014 £000	(Charged)/ credited to profit & loss 31 March 2015 £000
Tax credit for losses	52	52	—
Other tax credits	484	421	128
Other temporary deductible differences	7	35	(31)
Tax asset	**543**	**508**	**97**

Reconciliation of deferred tax asset and liabilities:

	Asset £000
Balance at 1 April 2014	**508**
Tax Credit for Losses	—
Other Tax Credit	128
Other Temporary Deductible differences	(31)
Forex	(62)
Balance at the end of year	**543**

Deferred taxation amounts not recognised are as follows:

Group	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Depreciation in excess of capital allowance	429	1,587
Losses	9,515	9,830
Unrecognised Tax Credit	2,199	1,839
	12,143	**13,256**

The gross value of tax losses carried forward at 31 March 2015 equals £57.8 million (2014: £57.6 million).

11. Earnings per share

	Year ended 31 March 2015	Year ended 31 March 2014
Loss/(Profit) for year	£(175,078)	£41,000
Weighted average number of shares	104,315,229	65,233,761
Basic (loss)/earnings per share	**£(0.002)**	**£0.001**
Diluted (loss)/earnings per share	**£(0.002)**	**£0.001**

11. Earnings per share – continued

Adjusted (loss)/earnings 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 2015	Year ended 31 March 2014
Adjusted profit after tax for year	£1,543,178	£1,024,000
Weighted average number of shares	104,315,229	65,233,761
Basic adjusted earnings per share	**£0.015**	**£0.016**
Diluted adjusted earnings per share	**£0.014**	**£0.014**

The Company has 5,602,238 (2014: 5,602,555) potentially dilutive ordinary shares arising from share options issued to staff. Share options have been included in calculating the diluted earnings.

12. Intangible assets

	Deferred development costs £000	Completed Technology £000	Total Intangible assets £000	Goodwill £000
Cost				
At 1 April 2014	6,974	593	7,567	29,083
Transfer	(466)	466	—	—
Additions	1,795	—	1,795	—
Foreign exchange	(777)	(27)	(804)	—
At 31 March 2015	7,526	1,032	8,558	29,083
Accumulated amortisation				
At 1 April 2014	4,530	593	5,123	22,137
Transfer	(404)	404	—	—
Provided during the year	1,179	8	1,187	—
Foreign exchange	(570)	(25)	(595)	—
At 31 March 2015	4,735	980	5,715	22,137
Net book value				
At 31 March 2015	**2,791**	**52**	**2,843**	**6,946**
At 31 March 2014	**2,444**	**—**	**2,444**	**6,946**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2015 – continued

12. Intangible assets – continued

	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 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% (2014: 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 15.3% (2014: 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.

	Digital TV – Broadcast £000	Connect £000	Total £000
Carrying value at 1 April 14 and 31 March 15	6,390	556	6,946

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Year ended 31 March 2015 — continued

13. Property, plant and equipment

	Office & computer equipment £000	Short-leasehold improvements £000	Total £000
Cost			
At 1 April 2014	1,341	49	1,390
Additions	28	—	28
Disposals	(17)	—	(17)
Foreign exchange	(37)	—	(37)
At 31 March 2015	1,315	49	1,364
Depreciation			
At 1 April 2014	1,305	48	1,353
Provided during the year	20	1	21
Disposals	(17)	—	(17)
Foreign exchange	(34)	—	(34)
At 31 March 2015	1,274	49	1,323
Net book value			
At 31 March 2015	**41**	**—**	**41**
At 31 March 2014	**36**	**1**	**37**

	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**

14. Trade & other receivables

	31 March 2015 £000	31 March 2014 £000
Trade receivables	2,217	819
Allowance for bad debts	(28)	(31)
	2,189	**788**
Other receivables	372	379
Prepayments and accrued income	1,004	614
	3,565	**1,781**

Trade receivables

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

	31 March 2015 £000	31 March 2014 £000
Sterling	89	77
Euro	1,549	147
US Dollars	551	564
Total	**2,189**	**788**

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 £34,000 (2014: £157,000) 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 80 days (2014: 61 days).

Ageing of past due but not impaired trade receivables:

	31 March 2015 £000	31 March 2014 £000
30-60 days	13	155
60-90 days	20	—
90+ days	1	2
Total	**34**	**157**

Movement in allowance for doubtful debts:

	31 March 2015 £000	31 March 2014 £000
Balance at beginning of year	31	46
Utilised in year	—	(15)
Forex	(3)	—
Balance at the end of the year	**28**	**31**

14. Trade & other receivables — 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 2015 £000	31 March 2014 £000
+120 days	28	31

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

	31 March 2015 £000	31 March 2014 £000
Trade payables	456	814
Other payables	438	282
Other taxation and social security taxes	445	675
Accruals and deferred income	451	568
	1,790	**2,339**

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 payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 69 days (2014: 118 days).

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

	31 March 2015 £000	31 March 2014 £000
Up to 3 months	465	512
3 to 6 months	179	524
6 to 12 months	395	297
	1,039	**1,333**

16. Loans and borrowings

	31 March 2015 £000	31 March 2014 £000
Bank overdrafts	—	180
Advances Drawn on invoice discounting facilities	441	—
Bank loans	852	410
Other Loans	174	138
	1,467	**728**
The borrowings are repayable as follows:		
On demand or within one year	**1,467**	**728**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2015 — continued

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16. Loans and borrowings — continued

	31 March 2015 %	31 March 2014 %
The weighted average interest rates paid were as follows:		
Bank overdrafts	—	29.0
Invoice discounting facilities	3.0	—
Bank loans	4.1	5.9
The directors estimate the fair value of the Group's borrowings as follows:		
Bank overdrafts	—	180
Invoice discounting facilities	441	—
Bank loans	852	410
Other Loans	174	138
	1,467	**728**

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

17. Non-current liabilities

	31 March 2015 £000	31 March 2014 £000 As restated
Interest bearing loans and borrowings:		
Convertible loan	—	—
Bank loans	686	961
Other loans	659	950
	1,345	**1,911**
Other non-current payables:		
Other taxation and social security taxes	66	129
Provisions	—	—
	1,411	**2,040**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2015 — continued

17. Non-current liabilities — continued

Provisions

Provisions relate to a potential liability arising from an onerous lease and dilapidation obligation. Management have taken their best estimate concerning the potential liabilities and the subsequent outflow of cash. These provisions are 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:

	Onerous Lease £000	Dilapidation Provision £000	31 March 2015 £000	31 March 2014 £000 As restated
Balance at the beginning of the year	76	500	576	712
Utilised in the year	(76)	—	(76)	(136)
Balance at the end of the year	**—**	**500**	**500**	**576**
Provisions are allocated as follows:				
Provisions due within one year	—	500	500	576
Provisions due between 2 and 5 years	—	—	—	—
	—	**500**	**500**	**576**

Borrowings, including interest, are repayable as follows:

	31 March 2015 £000	31 March 2014 £000
Bank overdrafts		
On demand or within one year	—	180
Bank loans		
On demand or within one year	933	510
Between one and two years	352	426
Between two and five years	320	1,231
	1,605	**2,167**
Other loans		
On demand or within one year	183	151
Between one and two years	228	147
Between two and five years	439	311
	850	**609**
Advances drawn on invoice discounting		
On demand or within one year	441	—
	441	**—**
Total borrowings including finance leases		
On demand or within one year	1,557	841
Between one and two years	580	573
Between two and five years	759	1,542
	2,896	**2,956**

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 £12,000 (2014: £28,000).

At 31 March 2015, contributions amounting to £3,000 (2014: £9,000) 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 20.

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Categories of financial instruments

	Carrying value	
	31 March 2015 £000	31 March 2014 £000
Financial assets		
Loans and receivables:		
– Trade and other receivables, excluding prepayments	3,443	1,672
– Cash and cash equivalents	206	30
	3,649	**1,702**
Financial liabilities		
Financial liabilities at amortised cost:		
– Trade and other payables*	1,038	1,333
– Loans and borrowings due within one year	1,467	728
– Interest bearing loans and borrowings due after one year	1,345	1,911
– Other payables due after one year	66	129
	3,916	**4,101**

* Excluding other taxation and social security and deferred income.

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.

19. Financial instruments – continued

Foreign currency risk management

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

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 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Dolar denominated assets and liabilities	—	—	2,250	1,141
Sterling demonimated assets and liabilities	—	—	—	—

Forward contracts

During the year to March 2015, the company executed a number of forward contracts from USD to Euros.

No forward contracts were in existence at either the beginning or end of the year.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in Sterling against the Dollar. The sensitivity analysis includes only outstanding Dollar denominated monetary items and adjusts their translation at the period end for a 10% change in the Dollar/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	
	31 March 2015 £000	31 March 2014 £000
Euro	(250)	(286)

Interest rate risk management

At 31 March 2015 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 £1,129,000. The remaining bank loans totalling £1,683,000 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2015 – continued

19. Financial instruments – continued

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 £21,000 at 31 March 2015 and £3,000 at 31 March 2014) in some cases. 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.

			31 March 2015		31 March 2014	
Counterparty	Location	Rating	% of overall cash & cash equivalents	Carrying amount £000	% of overall cash & cash equivalents	Carrying amount £000
Banco Sabadell	Spain	BB+	10.0%	21	—	—
Banco Santander	Spain	BBB	74.3%	153	—	—
BBVA	Spain	BBB	7.8%	16	59.8%	18

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.

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 2015 is as follows:

	31 March 2015 Number	31 March 2015 £000	31 March 2014 Number	31 March 2014 £000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	114,057,695	1,141	86,057,695	861

Share issues

During the year the following share issues took place:

- On 5 August 2014 the Company completed a placing for cash raising gross proceeds of £3,500,000 via the issue of 28,000,000 £0.01 ordinary shares at a price of £0.125 each.

21. Reserves

Share premium

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

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 2015, 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
Jose Gozalbo Sidro	938,728

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.

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 22 June 2007 are as follows:

	Year ended 31 March 2015		Year ended 31 March 2014	
	No. of share options	Weighted average exercise price (£)	No. of share options	Weighted average exercise price (£)
Outstanding at the beginning of period	**5,602,555**	**0.16**	**301,327**	**1.18**
Granted during period	—	—	5,301,238	0.10
Lapsed during period	(317)	10	(10)	487.50
Exercised during period	—	—	—	—
Outstanding at the end of the period	**5,602,238**	**0.16**	**5,602,555**	**0.16**
Exercisable at the end of the period	**3,835,158**	**0.18**	**2,068,396**	**0.25**

The options outstanding at 31 March 2015 and at 31 March 2014 had a range of exercise prices from £0.10 to £1.85.

The options outstanding at 31 March 2015 had a weighted average remaining contractual life of 6.4 years (2014: 7.4 years).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2015 – continued

22. Share based payments – continued

For the year ended 31 March 2015, the Group has recognised a total expense of £61,000 (2014: £53,000) 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 2015 is determined by any grants made, in our case, since 31 March 2012. 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 2015 £000	31 March 2014 £000
Within one year	207	142
In second to fifth years inclusive	324	161
	531	**303**

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 2015 – continued

24. Notes supporting cash flow statement

Cash and cash equivalents comprise:

	31 March 2015 £000	31 March 2014 £000
Cash available on demand	206	30
Overdrafts	—	(180)
	206	(150)
Net cash increase/(decrease) in cash and cash equivalents	356	(244)
Cash and cash equivalents at beginning of year	**(150)**	**94**
Cash and cash equivalents at end of year	**206**	**(150)**

Cash and cash equivalents

Cash and cash equivalents are held in the following currencies:

	31 March 2015 £000	31 March 2014 £000
Sterling	9	4
Euro	197	26
Total	**206**	**30**

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 2015 £000	31 March 2014 £000
Financing activities:		
Convertible loans converted into equity	—	975
Accrued convertible loan interest paid by issue of equity	—	33
Creditor balances paid by issue of equity	—	68
Total	**—**	**1,076**

25. Related party transactions

On 19 May 2014, Rafael Martinez Sanz sold 400,000 £0.01 ordinary shares at £0.16 per share.

On 21 January 2015, Matthew Earl acquired 40,000 £0.01 ordinary shares at £0.121 per share. Resultant interest in the Company increased to 99,000 ordinary shares.

On 21 January 2015, Jose Luis Vázquez acquired 40,000 £0.01 ordinary shares at £0.127 per share. Resultant interest in the Company increased to 2,163,008 ordinary shares.

At the year end the Group was owed €93,034 (2014: €91,405) by a director. The maximum outstanding during the year was €93,034. Mirada owes deferred salaries up to €94,784 (2014: €93,069) to the same director.

26. Events after the reporting date

There are no material reportable post balance sheet events.

COMPANY BALANCE SHEET

As at 31 March 2015

	Notes	31 March 2015 £000	31 March 2014 £000 As restated
Intangible fixed assets	iv	28	56
Tangible fixed assets	v	—	2
Investments	vi	10,591	9,407
Fixed assets		10,619	9,465
Debtors	vii	793	571
Cash at bank and in hand		5	3
Current assets		798	574
Total assets		**11,417**	**10,039**
Current Liabilities	viii	(646)	(2,099)
Net current liabilities		(152)	(1,525)
Total assets less current liabilities		**10,771**	**7,940**
Provisions for liabilities		(500)	(576)
Total liabilities		**(1,147)**	**(2,675)**
Net assets		**10,271**	**7,364**
Capital and reserves			
Issued share capital	20	1,141	861
Share premium		8,748	5,776
Profit and loss account		382	727
Shareholders' funds		**10,271**	**7,364**

These financial statements were approved and authorised for issue on 8 July 2015.

Signed on behalf of the Board of Directors

José-Luis Vázquez
Chief Executive Officer

The notes on pages 40 to 44 form part of these financial statements.

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2015

i. 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 principal accounting policies are summarised below.

Going concern policy

As disclosed in Note 2 from the consolidated financial statement, 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. Based on this cash flow forecasts, directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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%

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.

Prior Year Adjustment

See note 2 in the consolidated financial statement for explanation of prior year adjustment retaled to the dilapidation provision totalling £500k in the year to 31 March 2013.

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2015 – continued

ii. Directors' remuneration

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

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Executive directors:		
Salaries & fees	403	183
Non-executive directors:		
Aggregate emoluments	74	48
	477	**231**

Emoluments payable to the highest paid director are as follows:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Aggregate emoluments	285	183

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 2015 of £0.41 million (2014: loss after tax £0.03 million).

iv. Intangible fixed assets

	Deferred development costs £000
Cost	
At 1 April 2014	139
Additions	—
At 31 March 2015	139
Depreciation	
At 1 April 2014	83
Provided during the year	28
At 31 March 2015	111
Net book value	
At 31 March 2015	**28**
At 31 March 2014	**56**

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2015 — continued

v. Tangible fixed assets

	Office & computer equipment £000
Cost	
At 1 April 2014	719
Additions	1
Disposals	(16)
At 31 March 2015	704
Depreciation	
At 1 April 2014	717
Provided during the year	3
Disposals	(16)
At 31 March 2015	704
Net book value	
At 31 March 2015	—
At 31 March 2014	**2**

vi. Investments

	£000
Cost	
At 1 April 2014	22,292
Additions	1,184
At 31 March 2015	23,476
Amounts provided	
At 1 April 2014	12,885
Write off of investments	—
At 31 March 2015	12,885
Net book value	
At 31 March 2015	**10,591**
At 31 March 2014	**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:

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
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.

NOTES TO COMPANY ACCOUNTS
Year ended 31 March 2015 – continued

vii. Debtors

	31 March 2015 £000	31 March 2014 £000
Trade debtors	9	5
Amounts owed by group undertakings	744	509
Accrued income	—	4
Other debtors	10	13
Prepayments	30	40
	793	**571**

viii. Creditors – amounts falling due within one year

	31 March 2015 £000	31 March 2014 £000
Bank Loans	195	—
Trade creditors	65	359
Amounts owed to group undertakings	163	1,323
Accruals and deferred income	64	261
Other taxation and social security	51	113
Other creditors	108	43
	646	**2,099**

ix. Operating lease commitments

At 31 March 2015, the Company had the following annual commitments under non-cancellable operating leases:

	31 March 2015 £000	31 March 2014 £000
Leases expiring between one and five years	28	16

x. Provisions

Movement in provisions:

	Onerous Lease £000	Dilapidation Provision £000	31 March 2015 £000	31 March 2014 £000 As restated
Balance at the beginning of the year	76	500	576	712
Utilised in the year	(76)	—	(76)	(136)
Balance at the end of the year	**—**	**500**	**500**	**576**

NOTES TO COMPANY ACCOUNTS

Year ended 31 March 2015 – continued

xi. Deferred taxation

Deferred taxation provided in the financial statements is £nil (2014: £nil) and the amounts not recognised are as follows:

	31 March 2015 £000	31 March 2014 £000
Accelerated capital allowances	402	302
Losses	6,555	5,363
	6,957	**5,665**

The deferred tax asset has not been recognised on the grounds that there is insufficient evidence at the balance sheet date that it will be recoverable. The asset would start to become potentially recoverable if, and to the extent that, the company were to generate taxable income in the future.

xii. Reserves

	Share premium £000	Profit and loss account £000 As restated
At 1 April 2014	**5,776**	**727**
Loss for the year	—	(406)
Issue of shares	3,220	—
Share Option Charge	—	61
Costs of share issue	(248)	—
At 31 March 2015	**8,748**	**382**

xiii. Reconciliation of movements in shareholders' funds

	2015 £000	2014 £000 As restated
Loss for the year	(406)	(26)
New shares issued	3,500	3,113
Share Option Charge	61	53
Share issue costs	(248)	(54)
Net increase in shareholders' funds	**2,907**	**3,086**
Opening shareholders' funds	7,364	4,278
Closing shareholders' funds	**10,271**	**7,364**

xiv. 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.

OFFICERS AND PROFESSIONAL ADVISERS

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
Mr Matthew Earl	Non-Executive Director
Mr Jose Gozalbo	Executive Director

Company Secretary

Miss Kathy Claydon

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