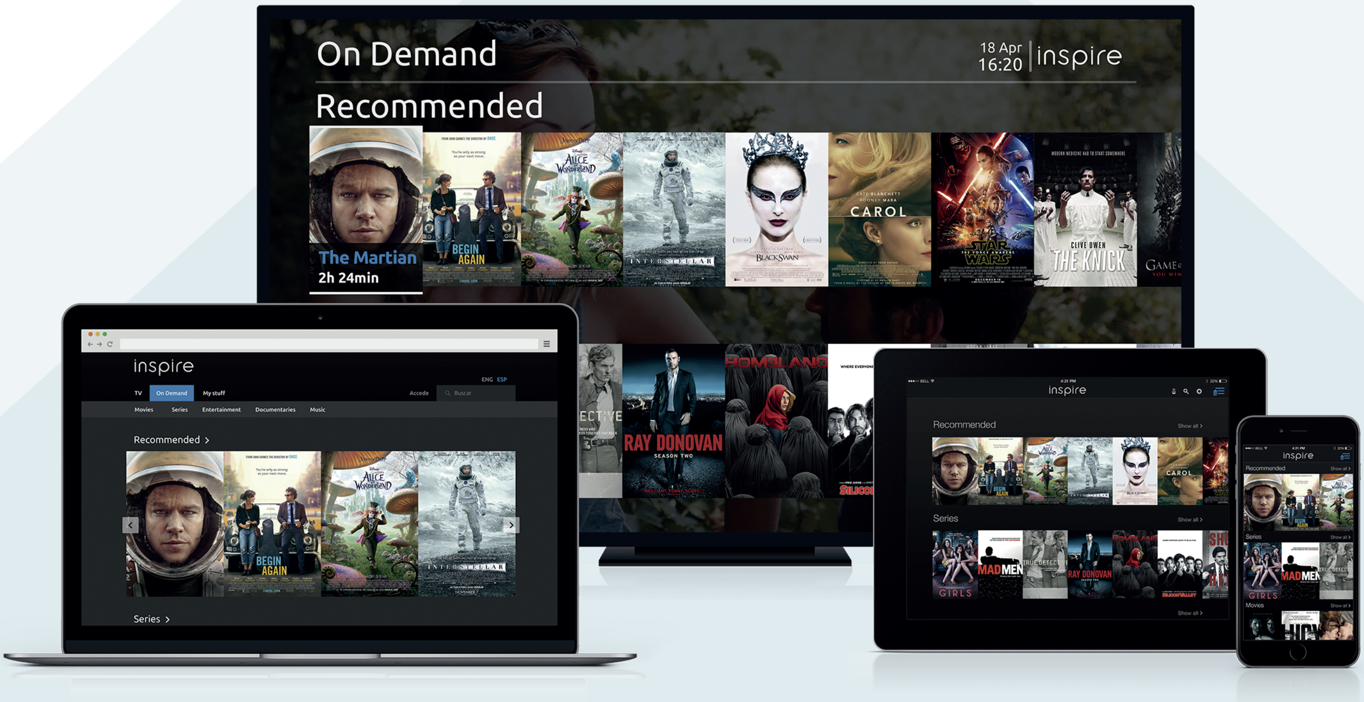
mirada

AUDIOVISUAL INTERACTION
MADE EASY

Products

Industry

Clients



ANNUAL REPORT
AND ACCOUNTS 2016

OUR YEAR

REVIEW OF THE YEAR

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

EXECUTIVE MANAGEMENT

JOSÉ LUIS VÁZQUEZ
CEO

Founder and CEO of Mirada PLC, and the Chairman of Spanish Association of Interactive Technology Companies (AEDETI). He holds a degree in Advanced Telecommunications Engineering and an MBA from IESE Business School.

GONZALO BABÍO
CFO

Prior to joining Mirada in 2015 as the CFO, he worked as Finance Director for both The Walt Disney Company (10 years) and Electronic Arts (10 years). He holds an EMBA from IESE Business School, among other titles.

JOSÉ GOZALBO
CTO

José has been CTO of Mirada since its creation. He holds a degree in Computer Science and he has in depth experience in Software Development and Digital TV markets.

ANTONIO RODRÍGUEZ
VP OF BUSINESS DEVELOPMENT

He joined Mirada from Jazztel PLC, where he held the roles of Network Engineering Manager and Telco Platforms and OSS Manager. He holds a BSc in Telecommunications Engineering and an MBA from IE Business School.

NURIA LAHUERTA
HEAD OF HUMAN RESOURCES

In Mirada since 2011, Nuria has been recently appointed Head of Human Resources. She is a double graduate in Human Resources Management and History of Art and a skilled professional.

JAVIER PAÑIN
VP SALES

His previous experience includes working at AUNA during the launch of Spain's first digital cable TV platform. He also worked as Senior Sales Manager in Telefonica and as Global Sales Manager at ADB. BSc in Telecoms Engineering and BMD from IESE.

Mirada PLC is an AIM-quoted leading provider of products and services for global Digital TV Operators and Broadcasters. Founded in 2000 and led by Executive Chairman Javier Casanueva and Group CEO José Luis Vázquez, Mirada's core focus is on the ever-growing demand for 'TV Everywhere' for which it offers a range of products, notably the 'Iris' multiscreen software platform, acclaimed by clients for its incomparable flexibility and optimal time to market.

> "Mirada prides itself on being a pioneer in the future of Digital TV"

Since its establishment sixteen years ago, Mirada's products and solutions have been deployed by some of the biggest names in broadcasting including Telefonica, Sky, Virgin Media, BBC, ITV and most recently with Televisa, the largest media company in the Spanish-speaking world. Mirada has also established partnerships with key players in the Digital TV world such as Conax and Ericsson.

In the wake of the ground-breaking deployment of its entire software solution for izzi Telecom, Mirada has exceeded the industry's expectations and has been invited to participate in a number of bids for further Tier One projects. The Company prides itself on being a pioneer in the future of Digital TV and is currently competing for most of the major live projects in Latin America, while also building a pipeline in other promising regions including Asia-Pacific and Eastern Europe.

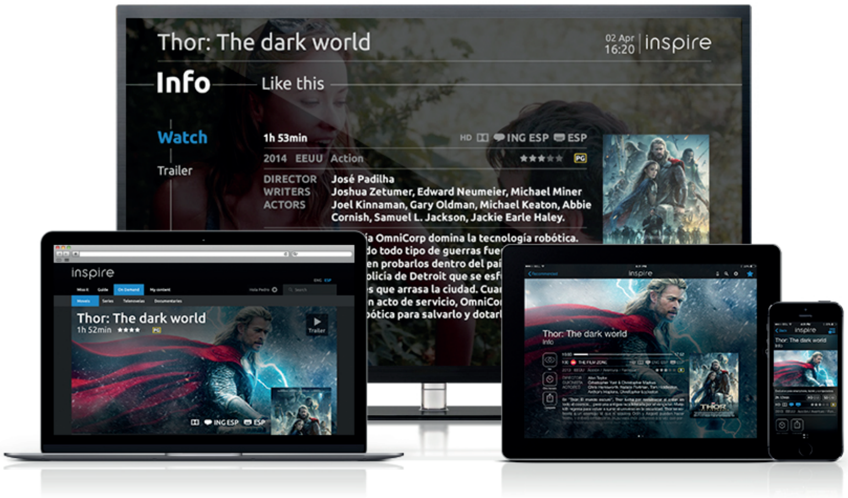
MIRADA OFFICES AROUND THE WORLD

IRIS END-TO-END SOLUTION

Mirada's seamless multiscreen solution for content consumption

Mirada's Iris software solution provides clients' subscribers with a seamless and easy-to-use platform to discover and consume both traditional broadcast and internet-based content anytime, anywhere. The multiscreen software suite enables content consumption across TVs, tablets, smartphones and laptops, in addition to the provision of essential tools for clients such as audience measurement and content management.

Incomparable flexibility of product and optimal time to market.



IRIS SERVICE DELIVERY PLATFORM (SDP)

Powerful tool for both TV Operators and subscribers

This extensive back-end product - the brain of our Iris ecosystem - is an accessible platform providing Operators with advanced tools to access configuration settings, statistics, content management and many other essential features to suit their specific marketing needs. Our SDP also provides users with features such as content suggestions and smart search throughout the catalogue.

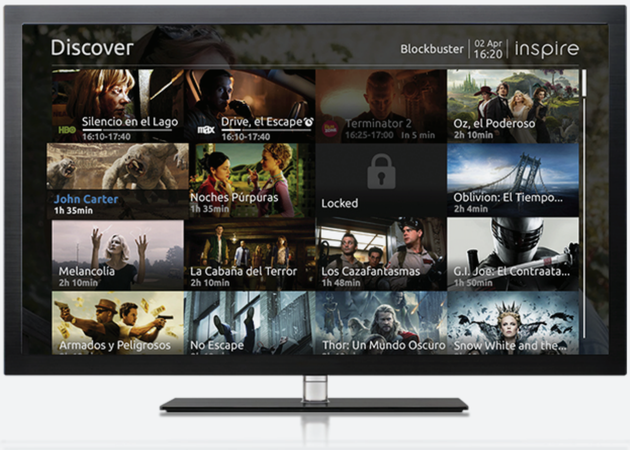
Providing clients with desirable software management tools to suit their specific marketing needs.

INSPIRE UI

Our state-of-the-art user experience

Inspire is Mirada's exclusive user interface which enables a seamless content consumption experience across all platforms including smartphones, tablets and PCs. Developed with real-user live testing, our team of experts designed our user-centric Inspire UI to be both rich in high-end features and extraordinarily intuitive.

Suitability and satisfaction even with the most demanding users, both on the level of usability and visual attractiveness.



OVER THE TOP PLATFORM

Advanced platform to enjoy content anytime, anywhere

Over The Top refers to the ever-growing demand for content delivery on viewers' terms at the time, place and on the device of their choice…and this product does exactly that! Mirada's OTT platform enables viewers to enjoy their favourite content at any time on their preferred device (TVs, smartphones, tablets or laptops) and can work independently to the TV Operator's cable/DTH digital TV service.

Providing a future-proof solution independent from traditional broadcasting.

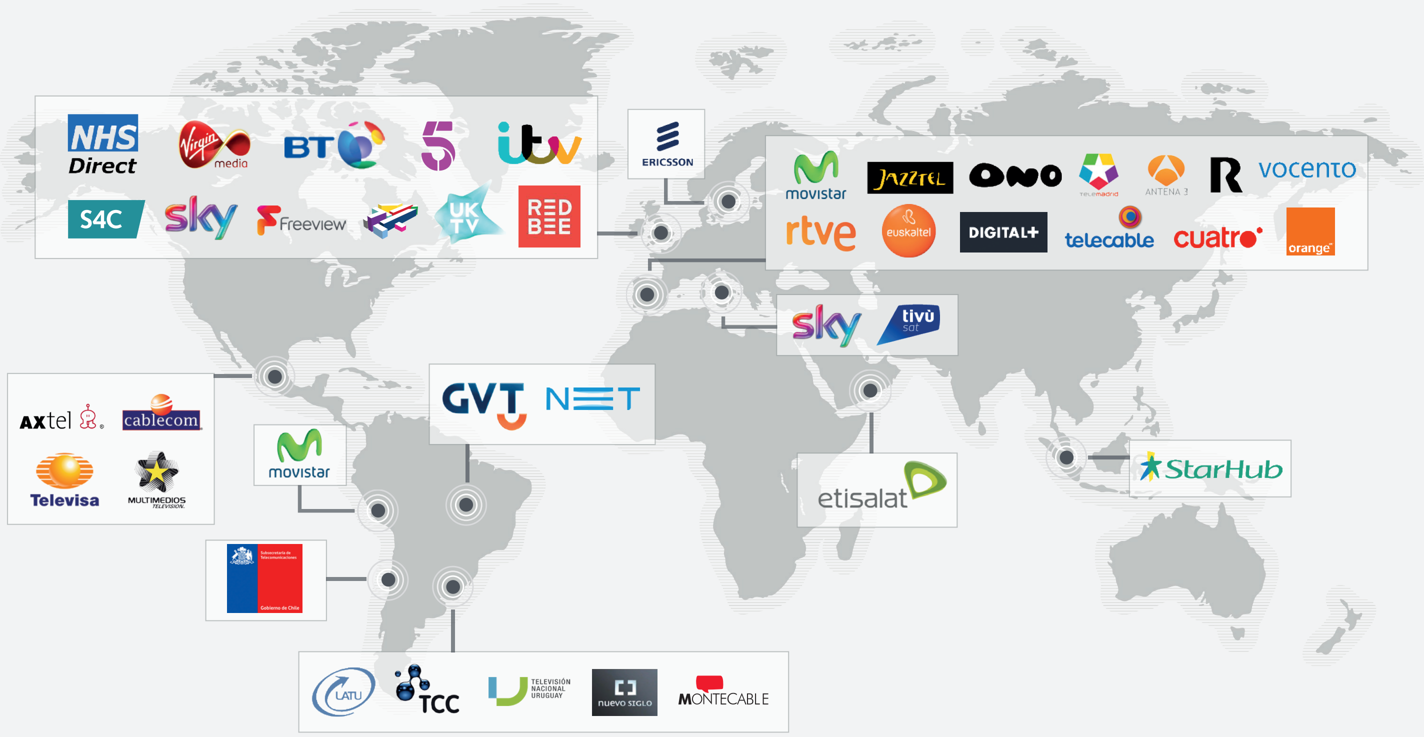
xPLAYER

Managing synchronised interactive content

One of Mirada's flagship products which manages red and green button interactivity on behalf of a channel. xPlayer allows viewers to interact efficiently with on-screen content (red button) in addition to scheduling recordings or reminders (green button).

Managing essential viewer interactivity within multiple TV devices.

OUR CLIENTS



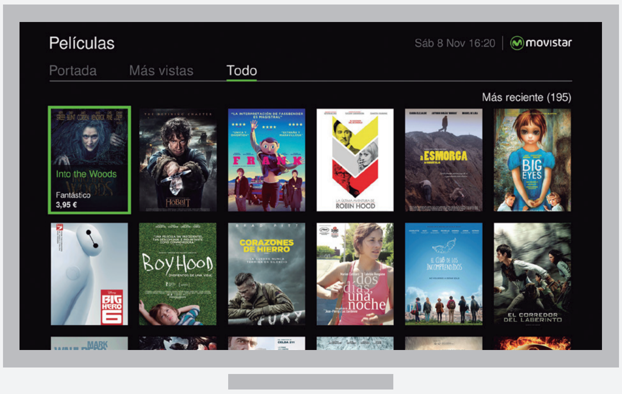
HIGHLIGHTS OF THE YEAR

PROJECTS

Commercial launch of Movistar+ UI by Mirada

Telefonica Group's Movistar, the biggest Pay TV operator in Spain, launched their new Pay TV offering Movistar+ with an adapted version of Mirada's flagship product - Inspire UI. This isn't the first time that Telefonica has benefitted from Mirada's solutions: in 2014, Telefonica Peru deployed Mirada's web and back-end products.

movistar+



Iris platform performing above expectations in Monterrey, Mexico

Mirada's solution deployed in February 2015 by Cablevision Monterrey (now fully owned by Televisa Group) has been installed to over 240,000 set-top boxes by the end of the FY 2016, performing above expectations of both the Board and the Client. Even though it wasn't until February 2015 that the full OTT solution was deployed inin Monterrey, the Video on Demand consumption was also above expectation, exceeding previous Operator's milestones.

First commercial launch of Mirada's Over-the-top platform

In February 2016, Mirada celebrated the commercial launch of the over-the-top solution for Televisa Group in Mexico. It was the first commercial launch of the Company's OTT platform, which replaced an existing izzi product with software toenable customers to interact with live TV and catch-up TV content available on-the-go from smartphones, tablets and computers. This rollout not only provided an important reference point for Mirada, but is also expected to generate a significant incremental revenue stream for the Company.

Televisa Deal

Post year end Mirada successfully embarked upon the **full commercial rollout of its Iris Multiscreen software solution** across five cable networks in Mexico for izzi Telecom, a commercial brand of Televisa, the world's largest Spanish speaking TV network.

This was **the largest deployment in Mirada's history**, and in the history of the industry itself within Mexico. It was also an undertaking of huge complexity, the success of which pays testament to Mirada's considerable delivery capabilities. Mirada was appointed by Televisa to act as the system integrator; **co-ordinating multiple hardware and software partners and managing a workforce of hundreds**. The result is that izzi Telecom now offers a multiscreen platform with OTT capabilities which positions it firmly **ahead of its competitors** within the Mexican market.

The deployment was accompanied by an extensive marketing campaign by Televisa, which is **accelerating the acquisition of new subscribers** and ultimately new license fees to Mirada. In addition to the increased license fees resulting directly from the current deployment, Mirada expects its relationship with Televisa to lead to **further new business over the longer term**. Typically clients remain with their initial supplier for the roll out of any future updates, new components, new features and so on. For example, Mirada continues to deploy new services for its client Euskaltel, with which it has worked since 2003.

The scale and complexity of the deployment combined with Televisa's high profile both in the Latin America region and internationally, provides a first-class reference for Mirada. Mirada has already built an **excellent level of brand awareness** in Latin America and is receiving numerous proposals from potential partners wishing to integrate their offerings. These partnerships, along with the Company's salesforce, are proving to be the best way in which to generate new leads and Mirada is witnessing **a growing pipeline of opportunities**.

> "The largest deployment in Mirada's history and one of the biggest ever in the region"

HIGHLIGHTS OF THE YEAR

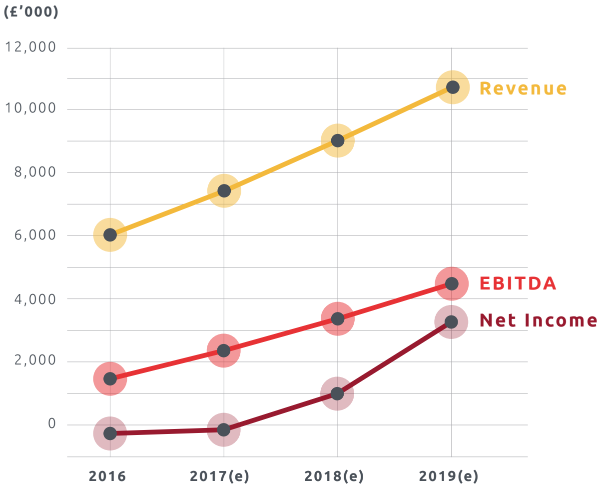
FINANCE

CFO Gonzalo Babío appointed to the Board

After spending the last 10 years as Finance Director at Walt Disney Company in Madrid, Gonzalo Babío joined Mirada at the end of FY15. In November 2015 he was appointed to the Board of Directors, to which he brings his broad expertise in addition to his valuable experience managing corporate finance.

FINANCIAL FORECAST FY16-19*

*Equity Research, July 2016. Allenby Capital Ltd.



Improved profitability

Revenue grew to £6.02 million (2015: £5.66 million), driven primarily by the significant integration of Mirada's product for the Televisa Group. Gross profit margin also grew to £5.80 million (2015: £5.42 million) while adjusted EBITDA remained predominantly consistent throughout the year at £1.50 million (2015: £1.54 million) resulting from a larger professional services component within the revenue mix. The Company generated £0.55 million (2015: -£1.12 million) in operating cash flow.

HIGHLIGHTS OF THE YEAR

STRATEGY AND PROSPECTS

Positioning brand awareness

The Televisa project has had an incredible effect on Mirada's brand awareness in terms of the Company's name becoming widely recognised with positive associations in Latin America. It has also reinforced the brand across other regions as a result of marketing activities including Mirada's participation in the most prestigious trade shows in the industry in addition to targeted content strategy. These activities are potentiated by Mirada's regional sales force and worldwide network of partners. Brand awareness is crucial to Mirada's expansion strategy as bidding opportunities tend to be announced first and foremost to the companies that the Operator takes into consideration.

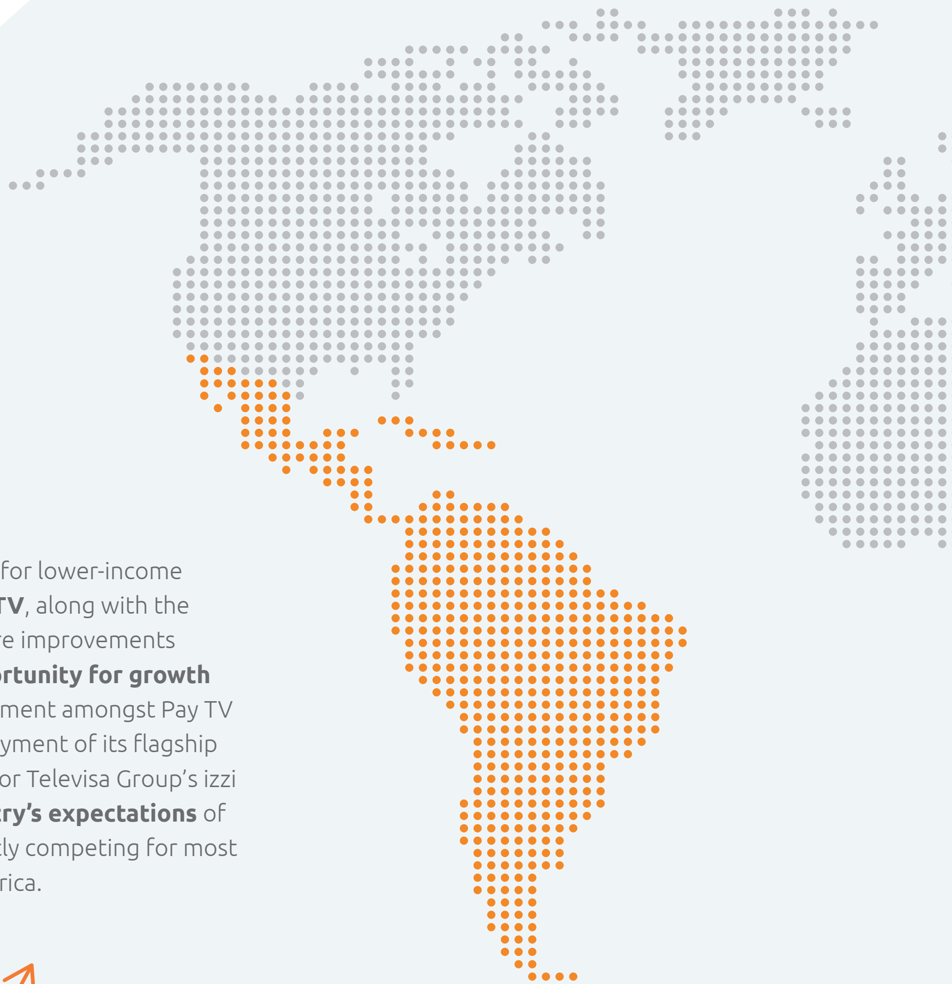
Reinforced Sales Team

Mirada's sales force doubled in size and restructured according to the functional strategy, organising the team not only by geographical regions but also by activity. Mirada currently counts with sales managers and local sales representatives, the latter being external agents with extensive networks of contacts within the region's industry in which they operate. Contracts with our sales representatives are based heavily on commission, with the main focus on bringing in new accounts.

Pay TV Overview

The pay TV industry is one of the fastest-growing sectors in the world. According to Business Wire (2015), the worldwide industry is expected to reach 1.1 billion subscribers and generate US$307.5 billion in service revenue by 2020. As a result of such high growth expectations in the pay TV sector, particularly across the emerging markets of Latin America and Asia Pacific, Operators are facing tough competition both regionally and globally. In addition, increasingly demanding subscribers are putting pressure on Operators to make platforms more flexible while remaining one step ahead with service delivery capabilities.

Mirada is fully poised to provide Operators with a future-proof solution to such pressures, not only with the constant innovations and updates to its services but also with the unparalleled flexibility of its products and optimal time to market.



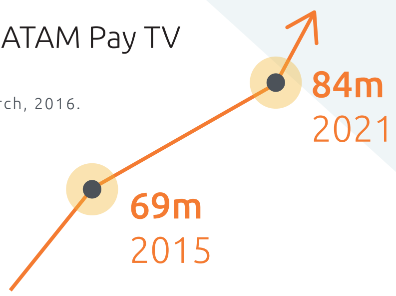
LATIN AMERICA

In response to the rising standard of living for lower-income households **fueling the demand for Pay TV**, along with the adoption of technologies and infrastructure improvements across the continent, the **significant opportunity for growth** within the LatAm market is sparking excitement amongst Pay TV Operators. Following the impressive deployment of its flagship 'Iris' product across the Mexican territory for Televisa Group's izzi Telecom, Mirada has **exceeded the industry's expectations** of its capability and technology and is currently competing for most of the major live projects across Latin America.

Growth of LATAM Pay TV subscribers

@Digital TV Research, 2016.

+20%



"Worldwide industry expected to reach **1.1 billion subscribers** and generate **US$307.5 billion in service** revenue by 2020"

SVoD subscribers in Eastern Europe
@Digital TV Research, 2016.

EASTERN EUROPE

While the Pay TV market continues to grow across Asia-Pacific and LatAm, Operators are also turning their attention to the **highly immature OTT TV and video market of Eastern Europe**. The region, within which the digitalisation of cable infrastructure and service bundling are well and truly underway, presents the OTT market with **exceptional room for growth** over the coming years. This suggests an important and equally **promising opportunity** for Mirada and its state-of-the-art OTT platform. El Economista (2016) recognised that Televisa's deployment of Mirada's software solution in Mexico has been 'forcing competitors to start designing other innovate proposals' in response, portraying how **Mirada is perfectly positioned and prepared** to serve the Eastern European market with its unrivalled OTT platform.

$72bn

Pay TV sales across Asia-Pacific markets predicted to reach $72 billion by 2021.

90%

APAC region will see pay TV penetration increase from 44% in 2012 to 90% in 2018.

@ABI Research, 2015.

ASIA-PACIFIC

As broadband infrastructure development continues to soar across the Asia-Pacific region, key players in the Pay TV industry are setting their sights on the increasingly promising APAC market which is expected to be **the fastest growing Pay TV market in the years to come**. In response to the ground-breaking deployment of Mirada's Iris software solution in Mexico, Proactive Investors (2016) considers Mirada to be **'well-positioned to build a pipeline' across the APAC region**. With the recent openings of our sales offices in India and Singapore, Mirada stands in a **very promising position** to win bids for future Tier 1 and Tier 2 clients across the APAC market.

"This year saw the consolidation of our flagship product, Iris, across one of the largest Digital TV deployments that has taken place in Latin America within recent years"

Overview

I am pleased to present the Group's financial results for the year ended 31 March 2016. This year saw the **consolidation of our flagship product**, Iris, across one of the largest Digital TV deployments that has taken place in Latin America within recent years. We were able to integrate our technology across all of the Televisa cable networks, now operating under the Izzi brand, thereby greatly **reinforcing our relationship with our largest customer**. Mirada was also able to demonstrate the effectiveness of its technology through its first Iris Inspire deployment in Monterrey. No technical issues have been experienced with the Monterrey deployment and its **performance is ahead of the Board's expectations**.

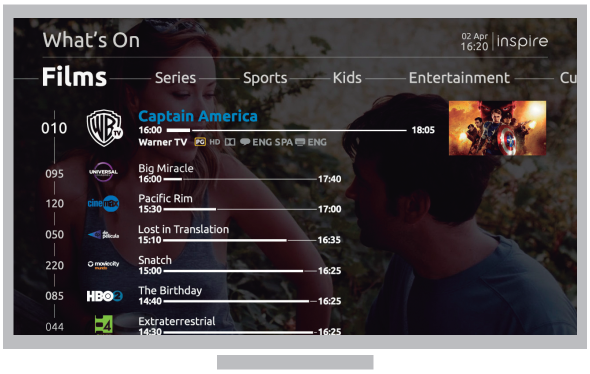
The Group slightly **increased revenues** for the year, which were concentrated around the provision of professional services relating to the conclusion of the Televisa project. While the key performance indicators for the year under review were comparable to the previous year, we expect to see an **improvement in our revenue mix** going forward, given that the full commercial rollout across the Televisa cable networks commenced post year end. Professional services should remain strong due to the extended functionalities and customisation required by our customers, but subscriber-based licence fees should represent a **higher percentage of our turnover** in the present financial year (FY2017), leading to an expected increase in margins and improved cash flows.

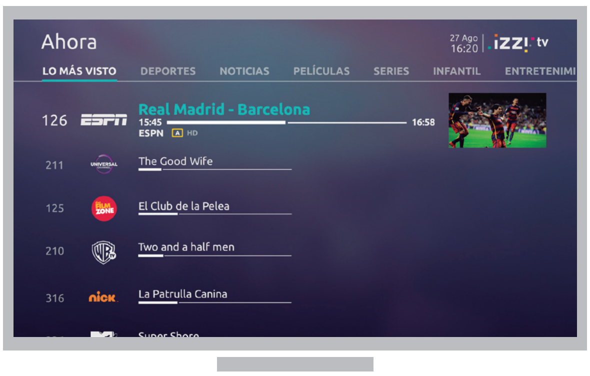
Mirada was also able to **increase its capabilities** in three main areas during the year: (i) **operationally**, through improved processes and technology, enabling us to cope with highly complex projects; (ii) **commercially**, with an extended network of partners and local resellers expanding our sales reach beyond Latin America and Western Europe; and (iii) in our **marketing activities**, with our flagship product Iris commanding a greater presence at important trade events.

Once again, I would like to thank all our stakeholders for their efforts and support; our team, who were resilient throughout all of the challenges on our largest deployment to date; our shareholders, who have continuously demonstrated their support for our vision; and our customers and partners, who inspire us to continue growing as a leading player in the Digital TV market.

Trading review

The priorities for the Company over the year were to ensure the **successful deployment of our products** over the global Izzi Telecom network, to support operating needs of prior deployments and to **achieve new references in the market**. As system integrators for the full Izzi TV project we are proud to have led a **very complex project** involving hundreds of people and a large number of partners; including software vendors, set-top box manufacturers and content providers among others. The roll out at Monterrey used the R4 version of our Iris service delivery platform (SDP) product, only deployed initially on set-top boxes. The full roll out, extended across five different cable networks, used the newer R6 version of our Iris SDP product. This version includes Over the Top (OTT) functionalities, which allow content to be seamlessly delivered to tablets, computers and smartphones, and allows handheld devices to be used as remote controls for the TV. In addition, it provides links to major content providers such as Fox and HBO. This was a **significant technological achievement**, and has been praised by our partners. Following this successful deployment, Izzi tv is ahead of any of the competitors in the Mexican market in terms of user experience and multiscreen integration.





> We are proud to have led a very complex project involving hundreds of people and a large number of partners

Since first deploying its technology in Cablevision Monterrey in February 2015, Mirada had by 31 March 2016 installed its solutions into more than 240,000 set-top-boxes, representing 150,000 subscribers. This cable network, totalling nearly 500,000 subscribers (and now fully controlled by the Televisa Group) served as a good test-bed for the performance of our user interface, even without the full OTT capabilities available with the latest version of our solution. Video On Demand consumption was also **ahead of expectations**, as a result of easier content discovery and our improved service experience.

A main focus for Mirada's management team has been to **develop a healthy pipeline** from different parts of the world. In September, the Company announced the launch of the new **Movistar+ user interface designed by Mirada**. This was an early success with the Telefónica Group in Spain, which enhanced our reputation with this customer. Mirada was also invited to participate in bids for other significant Tier One projects during the period.

In addition, Mirada has been able to demonstrate its capabilities at a larger number of events during the year. These include the IBC show in Europe, NAB in the United States and more recently the Broadcast Asia show.

Our partners, including manufacturers, conditional access providers and content delivery network providers, now have our Iris technology fully integrated into their products (partially as a result of the work on the Televisa project). As a result, they are **showcasing our user experience** to their customers all over the world and are generating new leads. This network, alongside our recent agreements with local resellers and our increased sales and marketing presence, give us confidence that we will **deliver new contract wins** during the year.

Appointments

We were delighted that our CFO, **Gonzalo Babío**, joined our Board of Directors during the period. Gonzalo is an experienced professional and is proving to be an excellent addition to our Board. In October, **Rafael Martín** sadly decided to step down after a long period serving as a Non-Executive Director to pursue other business interests.

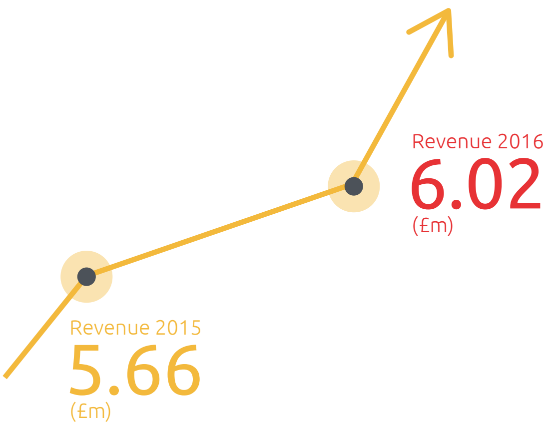
The Board is grateful for his valuable contribution over the years. During the period **Newgate Communications** was appointed as our new Financial PR advisor and post year-end, **Allenby Capital** was appointed as our new Nominated Adviser and Broker.

Financial overview

"We are currently competing for most of the major live projects in the Latin America region"

Revenue grew to £6.02 million (2015: £5.66 million), driven primarily by the significant product integration for the Televisa Group. In our mobile cashless parking payment division, revenues continued to grow steadily to £0.54 million (2015: £0.43 million). **Gross profit margin also grew to £5.80 million** (2015: £5.42 million). Adjusted EBITDA for the year remained broadly constant at £1.50 million (2015: £1.54 million) resulting from the different revenue mix with a larger professional services component. The Company also booked a potentially irrecoverable sales tax charge on its Wapping lease of £150,000. Amortisation charges increased to £1.63 million from £1.19 million, due to increased product investment.

The Group posted a net loss for the year of £0.40 million compared to a loss of £0.18 million in the prior year, mainly as a result of increased amortisation and provisions. Net Debt (see note 17) rose to £3.48 million (2015: £2.61 million) as a result of **increased product investment**, delays in the full Televisa commercial roll out and currency exchange factors. Long term interest-bearing loans and borrowings increased 32% to £1.77 million (2015: £1.35 million) and short term borrowings increased to £2.42 million (2015: £1.47 million). Trade receivables decreased from £2.19 million to £1.43 million as invoices related to the Monterrey deployment raised at the end of the previous financial year matured. Cash at bank increased to £0.71 million from £0.21 million, with additional invoice discounting facilities of £2.28 million available and unused short-term credit lines of £0.88 million available at the end of March 2016. In November 2015, the Company completed an equity fundraising of £1.5 million (before expenses), which provided then working capital required for the final stage of the Televisa deployments and strengthened the balance sheet.



Current Trading and Outlook

The Company continues to be a **successful contender in the market** for advanced digital television user experience propositions, especially in Latin America. We are competing for most of the major live projects in the region, and are confident that our product quality and proven expertise will be key strengths in the decision-making process. The reference provided by our major project with Televisa, with its demonstrable efficiency ratios and higher rates of consumption of Video-ondemand, should make a positive impact on our negotiations with new customers.

Mirada had been fully prepared for the Televisa roll out since the deployment of the solution in Monterrey in February 2015. However, delays resulting from the integration of the Televisa five cable networks under the Izzi brand shifted the balance of the Company revenue mix for the full year towards professional services associated with additional change requests from the customer.

Now **we are at a new stage in our relationship with Televisa** and the Board believes that we will increasingly benefit from subscriber-based license fees as our product is rolled out across their networks. In addition, Televisa will continue to require support, maintenance and additional professional services.

Meanwhile, our partners and local representatives are **building the pipeline in other regions**, especially South East Asia and Eastern Europe. In addition, we continue to open new reseller agreements in unexplored areas, recognising that on-the-ground representation is essential in most of our new target markets. The Company now has a **complete and exceptional suite of multiscreen products**, which we will continue to develop, introducing new

> "We are extremely well-positioned within the markets to convert our growing pipeline into concrete deals"

cutting-edge functionalities as the market demands. As of today, we consider Iris Inspire to be a leading proposition, at least **as strong as any major competitor**, and the Board believes that Iris Inspire's development was achieved at a fraction of the cost that our competitors have spent on their offerings. We therefore believe that we are extremely well positioned within the markets in which we operate, and are confident that we will increasingly be able to convert our **growing pipeline into concrete deals**.

I would like to thank all of our stakeholders who have helped us build Mirada to its present position, in which it has proven its ability to deliver on a major deal. We now need to replicate this with new business opportunities, and this will be our top priority for the foreseeable future.

José Luis Vázquez
Chief Executive Officer
15 July 2016

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, including digital TV decoders (set-top boxes), tablets, smartphones and computers. Our major products are our **navigational software proposition, Iris, including our Inspire user interface, and xplayer, our 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), 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 set-top box vendor represents the most significant investment, and licence fees are paid to the software providers for the use of CA licences and UI licences.

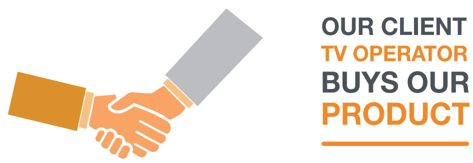
The Group tends to interact with the customer in the early stages of their decision-making process, and help in the selection of the proper ecosystem. Our expertise is widely recognised in the industry, and we provide a **value that goes beyond our actual UI proposition**. Our business model is to charge a one-off subscriber or device related fee, where the Pay TV platform pays the Group for any new deployment of our products. As a result of this Mirada's licence fees increase as our clients' subscribers increase. 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). For small customers, Mirada can also provide a financed model with recurrent monthly subscriber-based revenues. A customer using Mirada's technology would also pay annual support and maintenance fees.

Strategy

The Group's strategy is to **extend its presence in the Digital TV markets**, focusing on those markets with higher potential growth rates, for example the **Latin American, Eastern Europe and South East Asia** market. The aim is to increase the number of customers being charged subscriber-based licence fees, as 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 the **growth in Mirada's licence revenues**, which will be led by the progress of our recent rollouts and any potential new licence-based contract wins.

Reference deployments are very important in this market, and **winning reference contracts** has been and is an integral part of our strategy. The Group will need to continue investing in research and development in order to provide 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.



Development, performance and position of business

Development, performance and position of business have been discussed in the CEO report, with key items on page 12.

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 key management personnel and is conscious that it must keep appropriate 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. There have been no changes in the key executive management team in the last five years, excepting the Finance Director.

Digital TV and Broadcast markets

The sectors in which the Group operates may undergo rapid and unexpected changes. It is possible, therefore, that competitors will develop products that are similar to those of 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 new products and features that meet changing customer requirements and incorporate technological advances on a timely and cost effective basis. 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.

Approval

This strategic report was approved in behalf of the Board on 15 July 2016 and signed on its behalf.

José-Luis Vázquez
Chief Executive Officer
15 July 2016

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 12 to 16.

Dividends

No dividend is declared in respect of the year (2015: £nil).

Financial risk management objectives and policies

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

Credit risk

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

Foreign currency exchange risk

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

The company is aware that the UK decision to leave the European Union may affect the intercompany trading between the different subsidiaries. We will adapt our internal policies accordingly if required. In the short term, exchange rates are likely to increase the GBP denominated revenues, as the primary cash inflows for the Group are based in US dollars.

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.

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*
Mr Jose Gozalbo	
Mr Gonzalo Babío	*Appointed 24 November 2015*

Non-executive directors

Mr Javier Casanueva	*Non- Executive Chairman*
Mr Rafael Martín Sanz	*Resigned 14 October 2015*
Mr Francis Coles	
Mr Matthew Earl	

Significant shareholdings

At 31 March 2016 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	30,782,837	22.14%
Kaptungs Ltd	10,639,183	7.65%
Hargreave Hale Nominees Ltd	27,394,560	19.70%
Danehill Corporate Ltd	6,000,000	4.31%
Commerz Nominees Ltd	4,840,647	3.48%
Charles Stanley	4,661,744	3.35%
Amati	5,733,137	4.12%
Barclayshare Nominees Ltd	6,395,505	4.60%
Nomura Holdings PLC	4,068,316	2.93%

Related Party transactions

On 24 November 2015, the Company completed a placing which raised gross proceeds of £1.47 million. Pursuant to the AIM Rules for Companies, certain related parties participated in that fundraising as set out below, which were deemed related party transactions under the AIM Rules for Companies:

Name of director/shareholder	Participation in the placing
José Luis Vázquez	£20,000
Francis Coles	£10,000
José Gozalbo Sidro	£10,000
Antonio Rodríguez	£10,000
Javier Peñín	£10,000
Matthew Earl	£10,000
Chase Nominees	£302,582
Hargreave Hale	£379,416

Events since the reporting date

No significant events have occurred since the reporting date.

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
15 July 2016

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 2016.

	Salary & fees £'000	Benefits £'000	Share-based payment £'000	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Executive					
José-Luis Vázquez	209	2	8	**219**	**285**
Jose Gozalbo	126	8	12	**146**	**117**
Gonzalo Babío (i)	83	3	—	**86**	**—**
Non-executive					
Rafael Martín Sanz (ii)	16	—	2	**18**	**—**
Javier Casanueva	30	—	3	**33**	**30**
Mathew Earl	30	—	—	**30**	**14**
Francis Coles	30	—	2	**32**	**30**
	524	**13**	**27**	**564**	**476**

(i) appointed on 24 November 2015

(ii) resigned on 14 October 2015

The directors participation in the company's share option plan is detailed in Note 22, page 49 and, as confirmed on Note 7, page 36, there were no contributions paid into a pension scheme for any director.

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 and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 year. 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 account ing policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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;
- 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.

We have audited the financial statements of mirada plc for the year ended 31 March 2016 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 statement of financial position, the company statement of changes in equity, the company statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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's and the parent company's affairs as at 31 March 2016 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 IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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
15 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 2016

	Notes	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Revenue	5	6,019	5,657
Cost of sales		(221)	(234)
Gross profit		**5,798**	**5,423**
Depreciation	13	(19)	(21)
Amortisation	12	(1,635)	(1,187)
Share-based payment charge	22	(54)	(61)
Other administrative expenses		(4,449)	(3,869)
Total administrative expenses		**(6,157)**	**(5,138)**
Operating (loss)/profit	6	(359)	285
Finance income	8	5	38
Finance expense	9	(475)	(436)
Loss before taxation		**(829)**	**(113)**
Taxation	10	425	(62)
Loss for year		**(404)**	**(175)**

	Notes	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Loss per share			
Loss per share for the year			
– basic & diluted	11	(0.003)	(0.002)

The notes on pages 27 to 50 form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2016

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Loss for the year	**(404)**	**(175)**
Other comprehensive loss:		
Currency translation differences	303	(225)
Total other comprehensive profit/(loss)	**303**	**(225)**
Total comprehensive loss for the year	**(101)**	**(400)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

	Share capital £'000	Share premium account £'000	Foreign exchange reserve £'000	Merger reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2015	**1,141**	**8,748**	**258**	**2,472**	**(3,643)**	**8,976**
Loss for the year	–	–	–	–	(404)	(404)
Movement in foreign exchange	–	–	303	–	–	303
Total comprehensive loss for the year	–	–	303	–	(404)	(101)
Share based payment	–	–	–	–	54	54
Issue of shares	250	1,250	–	–	–	1,500
Share issue costs	–	(139)	–	–	–	(139)
Balance at 31 March 2016	**1,391**	**9,859**	**561**	**2,472**	**(3,993)**	**10,290**

	Share capital £'000	Share premium account £'000	Foreign exchange reserve £'000	Merger reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2014	**861**	**5,776**	**483**	**2,472**	**(3,529)**	**6,063**
Loss for the year	–	–	–	–	(175)	(175)
Movement in foreign exchange	–	–	(225)	–	–	(225)
Total comprehensive loss for the year	–	–	(225)	–	(175)	(400)
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**

The notes on pages 27 to 50 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2016

	Notes	31 March 2016 £'000	31 March 2015 £'000
Goodwill	12	6,946	6,946
Other Intangible assets	12	3,890	2,843
Property, plant and equipment	13	94	41
Deferred Tax Assets	10	395	543
Other Receivables	14	191	—
Non-current assets		**11,516**	**10,373**
Trade & other receivables	14	3,839	3,565
Cash and cash equivalents	24	714	206
Current assets		**4,553**	**3,771**
Total assets		**16,069**	**14,144**
Loans and borrowings	16	(2,419)	(1,467)
Trade and other payables	15	(1,570)	(1,790)
Provisions	17	–	(500)
Current liabilities		**(3,989)**	**(3,757)**
Net current assets		**564**	**14**
Total assets less current liabilities		**12,080**	**10,387**
Interest bearing loans and borrowings	17	(1,772)	(1,345)
Other non-current liabilities	17	(18)	(66)
Non-current liabilities		**(1,790)**	**(1,411)**
Total liabilities		**(5,779)**	**(5,168)**
Net assets		**10,290**	**8,976**
Issued share capital and reserves attributable to equity holders of the company			
Share capital	20	1,391	1,141
Share premium	21	9,859	8,748
Other reserves	21	3,033	2,730
Retained losses	21	(3,993)	(3,643)
Equity		**10,290**	**8,976**

These financial statements were approved and authorised for issue on 15 July 2016.

Signed on behalf of the Board of Directors

José-Luis Vázquez
Chief Executive Officer

The notes on pages 27 to 50 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 March 2016

	Notes	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Cash flows from operating activities			
Loss after tax		(404)	(175)
Adjustments for:			
Depreciation of property, plant and equipment	13	19	21
Amortisation of intangible assets	12	1,635	1,187
Share-based payment charge		54	61
Profit on disposal of fixed assets		(1)	(11)
Finance income		(5)	(38)
Finance expense		475	436
Taxation		(425)	62
Operating cash flows before movements in working capital		**1,348**	**1,543**
Increase in trade and other receivables		(464)	(2,144)
Decrease in trade and other payables		(27)	(444)
Decrease in defered tax asset		191	–
Decrease in provisions		(500)	(76)
Net cash (used in)/generated from operating activities		**548**	**(1,121)**
Cash flows from investing activities			
Interest and similar income received		5	8
Cash payments receipts for financial investment assets		–	(132)
Receipts for financial investment assets		–	23
Proceeds from disposal of property, plant and equipment		1	11
Purchases of property, plant and equipment	13	(73)	(29)
Purchases of other intangible assets	12	(2,343)	(1,795)
Net cash used in investing activities		**(2,410)**	**(1,914)**
Cash flows from financing activities			
Net payment to settle derivative		–	(121)
Interest and similar expenses paid		(475)	(420)
Issue of share capital		1,500	3,500
Costs of share issue		(139)	(248)
Loans received		2,525	1,254
Repayment of loans		(962)	(570)
Net cash from financing activities		**2,449**	**3,395**
Net increase in cash and cash equivalents		**587**	**360**
Cash and cash equivalents at the beginning of the year	24	206	(150)
Exchange losses on cash and cash equivalents		(79)	(4)
Cash and cash equivalents at the end of the year	**24**	**714**	**206**

Cash and cash equivalents comprise cash at bank less bank overdraft

The notes on pages 27 to 50 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2016

1. General information

Mirada plc is a company incorporated in the United Kingdom. The address of the registered office is 68 Lombard Street, London, EC3V 9LJ. 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.

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.

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 2016.

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.

Other than detailed below, the financial statements incorporate the results of Mirada Plc and all its subsidiary undertakings as at 31 March 2016 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.

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.

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. Goodwill is allocated to cash generating units or groups of cash generating units.

2. Significant accounting policies – continued

Other intangible assets

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

Amortisation of other intangible assets 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.

If a development project has been abandoned, then any unamortised balance is immediately written off to the income statement. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. The amortisation is charged to administrative expenses in the consolidated income statement.

Impairment of non current assets excluding deferred tax assets

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.

Goodwill impairments are not reversed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2016 – continued

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.

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.

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.

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.

2. Significant accounting policies – continued

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2016 – continued

2) Contracts licence fees payable by customers are dependent upon the number of 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.

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.

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 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.

Research and development tax credit

Companies within the group may be entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R&D tax credits). The group accounts for such allowances as tax credits, which means that they are recognized when it is probable that the benefit will flow to the group and that benefit can be reliably measured. R&D tax credits reduce current tax expense and, to the extent the amounts due in respect of them are not settled by the balance sheet date, reduce current tax payable. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

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 2016 or later periods and which the Group has decided not to adopt early.

Other than noted below, none of the newly issued standards, amendments and interpretations have, or are expected to have a material effect on the financial statements.

IFRS 15 – Revenue from contracts with customers (Issued 28 May 2014, applicable from January 2018 subject to adoption by the EU).

3. Standards not yet effective to the Group – continued

The standard specifies how and when to recognize revenue as well as requiring relevant disclosures. The standard requires an entity recognises revenue for transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, with associated disclosures. The group has started the process of evaluating the effect of the standard on the Group.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2016 – continued

5. Segmental reporting

Reportable segments

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

Segmental results for the year ended 31 March 2016 are as follows:

	Digital TV & Broadcast £›000	Mobile £›000	Other £›000	Group £›000
Revenue - external	5,482	537	—	6,019
Segmental profit/(loss) (Adjusted EBITDA, see note 6)	2,242	154	(898)	1,498
Finance income	—	—	5	5
Finance expense	—	—	(475)	(475)
Depreciation	(19)	—	—	(19)
Amortisation	(1,612)	(23)	—	(1,635)
Profit on sale	1	—	—	1
Share-based payment charge	—	—	(54)	(54)
Irrecoverable sales tax expense	(150)	—	—	(150)
Profit/(Loss) before taxation	**462**	**131**	**(1,422)**	**(829)**

The segmental results for the year ended 31 March 2015, presented on the revised basis, are as follows:

	Digital TV & Broadcast £'000	Mobile £'000	Other £'000	Group £'000
Revenue	5,232	425	—	5,657
Segmental profit/(loss) (Adjusted EBITDA, see note 6)	2,086	91	(634)	1,543
Finance income	—	—	38	38
Finance expense	—	—	(436)	(436)
Depreciation	(17)	(1)	(3)	(21)
Amortisation	(1,162)	(25)	—	(1,187)
Profit on sale	—	—	11	11
Share-based payment charge	—	—	(61)	(61)
Profit/(Loss) before taxation	**907**	**65**	**(1,085)**	**(113)**

There is no material inter-segment revenue.

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 £3.6 million (2015: £2.16 million) and £0.94 million (2015: £0.84 million) of the total Group revenues respectively.

5. Segmental reporting – continued

The segment assets and liabilities at 31 March 2016 are as follows:

	Digital TV – Broadcast £'000	Mobile £'000	Other £'000	Group £'000
Additions to non-current assets	2,416	—	—	2,416
Total assets	11,108	139	4,822	16,069
Total liabilities	(5,016)	(79)	(684)	(5,779)

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

The segment assets and liabilities at 31 March 2015, presented on a revised basis, 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)

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

	Assets 31 March 2016 £'000	Liabilities 31 March 2016 £'000	Assets 31 March 2015 £'000	Liabilities 31 March 2015 £'000
Digital TV – Broadcast & Mobile	11,247	5,095	13,924	4,163
Other:				
Intangible assets	3,890	—	—	—
Property, plant & equipment	—	—	2	—
Other financial assets & liabilities	932	684	218	1,005
Total other	**4,822**	**684**	**220**	**1,005**
Total Group assets and liabilities	**16,069**	**5,779**	**14,144**	**5,168**

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 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
UK	609	593	5,230	3,323
Spain	540	953	10,839	10,821
Rest of Continental Europe	—	52	—	—
Latin America	4,870	4,059	—	—
	6,019	**5,657**	**16,069**	**14,144**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2016 – continued

5. Segmental reporting – continued

Revenues by Products:

	31 March 2016 Digital TV & Broadcast £'000	31 March 2016 Mobile £'000	31 March 2015 Digital TV & Broadcast £'000	31 March 2015 Mobile £'000
Development	3,639	—	2,949	—
Self Billing	—	537	—	410
Licenses	1,260	—	1,730	20
Managed Services	583	—	552	(4)
	5,482	**537**	**5,231**	**426**

6. Operating profit

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

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Depreciation of owned assets	19	21
Amortisation of intangible assets	1,635	1,187
Operating lease charges	265	250

Analysis of auditors' remuneration is as follows:

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Remuneration receivable by the Company's auditor or an associate of the Company's auditor for the auditing of these accounts	53	51

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

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Operating (loss)/profit	(359)	285
Depreciation	19	21
Amortisation	1,635	1,187
Profit on disposal	(1)	(11)
Operating profit before interest, taxation, depreciation, amortisation (EBITDA)	1,294	1,482
Share-based payment charge	54	61
Irrecoverable sales tax expense	150	—
Operating profit before interest, taxation, depreciation, amortisation and share-based payment charge (Adjusted EBITDA)	**1,498**	**1,543**

7. Staff costs and employee information

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Staff costs (including directors) comprise:		
Wages and salaries	4,177	3,582
Social security costs	765	714
Other pension costs	13	12
Share based payments	54	61
Staff costs	**5,009**	**4,369**

Contained within staff costs are amounts capitalised as intangible assets totalling £2,363,151 (2015: £2,134,600).

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 2016 £'000	Year ended 31 March 2015 £'000
By activity		
Office and management	8	8
Platform and development	107	80
Sales and marketing	6	6
	121	**94**

Directors and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the company listed on page 59, the Director of Business Development and the Sales Director.

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Salaries and fees	758	814
Social Security costs	33	42
Defined contribution pension cost	—	—
Other benefits	16	26
Share-based payments	46	43
	853	**925**

The directors' remuneration is disclosed in the Directors' Remuneration Report on page 20.

8. Finance income

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Interest received on bank deposits	5	6
Other financial income	—	32
	5	**38**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2016 – continued

9. Finance expense

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Interest and finance charges on bank loans and overdrafts	471	287
Other interest payable	4	28
Movement in Fair Value of derivative	—	121
	475	**436**

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 20%. The differences are reconciled below:

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Loss before taxation	**(829)**	**(113)**
Loss on ordinary activities multiplied by 20% (2015: 21%)	(166)	(24)
Effect of expenses not deductible for tax purposes	13	21
Losses carried forward	153	3
Witholding Taxes	—	159
Total current tax	**—**	**159**
Origination and reversal of temporary differences	—	31
(Increase)/decrease of deferred tax assets	191	(128)
Total deferred tax	**191**	**(97)**
Subtotal	191	62
R&D	(616)	—
Total tax (credit)/expense	**(425)**	**62**

Deferred Taxation

Deferred tax assets have been recognised in respect of tax losses for Mirada Connect Limited, research and development investment for Mirada Iberia 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 Mirada Iberia S.A and Mirada Connect Limited over recent years, combined with the forecasts for future periods. However, following a prudent approach deferred tax assets have been reduced by £191,000 during FY16

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

Group	Asset 31 March 2016 £'000	Asset 31 March 2015 £'000	(Charged)/ credited to profit & loss 31 March 2016 £'000
Tax credit for losses	387	536	(191)
Other temporary deductible differences	8	7	—
Tax asset	**395**	**543**	**(191)**

Foreign exchange differences of £42,000 arising on consolidation of the deferred tax asset are recognised in other comprehensive income.

10. Taxation – continued

Reconciliation of deferred tax asset and liabilities:

	Year ended 31 March 2016 Asset £'000	Year ended 31 March 2015 Asset £'000
Balance at 1 April	543	508
Other tax credit	—	128
Reversal of Deferred tax asset	(191)	—
Other Temporary Deductible differences	—	(31)
Forex	43	(62)
Balance at the end of year	**395**	**543**

Deferred taxation amounts not recognised are as follows:

Group	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Depreciation in excess of capital allowance	429	429
Losses	9,668	9,515
Research & Development Tax Credits, useable against future profits	2,199	2,199
	12,296	**12,143**

The gross value of tax losses carried forward at 31 March 2016 equals £58.0 million (2015: £57.8 million).

11. Earnings per share

	Year ended 31 March 2016 Total	Year ended 31 March 2015 Total
Loss for year	£(404,647)	£(175,078)
Weighted average number of shares	122,345,366	104,315,229
Basic loss per share	**£(0.003)**	**£(0.002)**
Diluted loss per share	**£(0.003)**	**£(0.002)**

Adjusted EBITDA per share

Adjusted EBITDA per share is calculated by reference to the operating margin from continuing activities before profit on disposal, share-based payment charges, depreciation, amortisation and irrecoverable sales tax (see note 6).

	Year ended 31 March 2016 Total	Year ended 31 March 2015 Total
Adjusted EBITDA	£1,497,955	£1,543,178
Weighted average number of shares	122,345,366	104,315,229
Basic adjusted EBITDA per share	**£0.012**	**£0.014**
Diluted adjusted EBITDA per share	**£0.012**	**£0.014**

The Company has 4,697,166 (2015: 5,602,238) potentially dilutive ordinary shares arising from share options issued to staff. Share options have been included in calculating the diluted earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2016 – continued

12. Intangible assets

	Deferred development costs £'000	Completed Technology £'000	Total Intangible assets £'000	Goodwill £'000
Cost				
At 1 April 2015	7,526	1,032	8,558	29,083
Additions	2,257	86	2,343	—
Foreign exchange	870	18	888	—
At 31 March 2016	10,653	1,136	11,789	29,083
Accumulated amortisation				
At 1 April 2015	4,735	980	5,715	22,137
Provided during the year	1,595	40	1,635	—
Foreign exchange	532	17	549	—
At 31 March 2016	6,862	1,037	7,899	22,137
Net book value				
At 31 March 2016	**3,791**	**99**	**3,890**	**6,946**
At 31 March 2015	**2,791**	**52**	**2,843**	**6,946**

	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**

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.

12. Intangible assets – continued

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five 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 2.5% (2015: 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 15.1% (2015: 15.3%). 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 15 and 31 March 16	6,390	556	6,946

13. Property, plant and equipment

	Office & computer equipment £'000	Short-leasehold improvements £'000	Total £'000
Cost			
At 1 April 2015	1,315	49	1,364
Additions	73	—	73
Disposals	(702)	(3)	(705)
Foreign exchange	26	—	26
At 31 March 2016	712	46	758
Depreciation			
At 1 April 2015	1,274	49	1,323
Provided during the year	19	—	19
Disposals	(701)	(3)	(704)
Foreign exchange	26	—	26
At 31 March 2016	618	46	664
Net book value			
At 31 March 2016	**94**	**—**	**94**
At 31 March 2015	**41**	**—**	**41**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2016 – continued

13. Property, plant and equipment – continued

	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**

14. Trade & other receivables

	31 March 2016 £'000	31 March 2015 £'000
Trade receivables	1,449	2,217
Allowance for bad debts	(23)	(28)
	1,426	**2,189**
Other receivables	421	372
R&D tax credit	425	
Prepayments and accrued income	1,567	1,004
	3,839	**3,565**
Non current other receivables R&D tax credit	191	—
	191	**—**

Additionally, both Mirada Iberia and Digital Impact have prepared the legal documentation to apply for R&D tax credit. The total amount of these tax credit represents £616,000. This amount is expected to be collected before March 2017, excepting £191,000 for the FY16 R&D tax credit in Mirada Iberia that will be collected after March 2017.

Trade receivables

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

	31 March 2016 £'000	31 March 2015 £'000
Sterling	59	89
US Dollars	1,171	1,549
Euro	196	551
Total	**1,426**	**2,189**

14. Trade & other receivables – continued

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 £546,000 (2015: £34,000) 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 77 days (2015: 80 days).

Ageing of past due but not impaired trade receivables:

	31 March 2016 £'000	31 March 2015 £'000
30-60 days	282	13
60-90 days	224	20
90+ days	40	1
Total	**546**	**34**

Movement in allowance for doubtful debts:

	31 March 2016 £'000	31 March 2015 £'000
Balance at beginning of year	28	31
Utilised in year	—	—
Forex	(5)	(3)

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 2016 £'000	31 March 2015 £'000
+120 days	23	28

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2016 – continued

15. Trade and other payables

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 76 days (2015: 69 days).

	31 March 2016 £'000	31 March 2015 £'000
Trade payables	553	456
Other payables	456	438
Other taxation and social security taxes	—	445
Accruals and deferred income	561	451
	1,570	**1,790**

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

	31 March 2016 £'000	31 March 2015 £'000
Up to 3 months	845	465
3 to 6 months	148	179
6 to 12 months	311	395
	1,304	**1,039**

16. Loans and borrowings

	31 March 2016 £'000	31 March 2015 £'000
Advances Drawn on invoice discounting facilities	822	441
Bank loans	1,354	852
Other Loans	243	174
	2,419	**1,467**
The borrowings are repayable as follows:		
On demand or within one year	**2,419**	**1,467**

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

	31 March 2016 %	31 March 2015 %
The weighted average interest rates paid were as follows:		
Invoice discounting facilities	2.0	3.0
Bank loans	3.2	4.1
The directors estimate the fair value of the Group's borrowings as follows:		
Invoice discounting facilities	822	441
Bank loans	1,354	852
Other Loans	243	174
	2,419	**1,467**

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

17. Non-current liabilities

	31 March 2016 £'000	31 March 2015 £'000
Interest bearing loans and borrowings:		
Bank loans	1,298	686
Other loans	474	659
	1,772	**1,345**
Other non-current payables:		
Other taxation and social security taxes	18	66
	1,790	**1,411**

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.

Capital risks have been analysed in the Director's report (page 18)

Net Debt

Net Debt is calculated based on short term loans, long terms loans and cash and cash equivalents:

	31 March 2016 £'000	31 March 2015 £'000
Loans and borrowings – Current	2,419	1,467
Loans and borrowings – Non Current	1,772	1,345
Cash	(714)	(206)
Net Debt	**3,477**	**2,606**

Provisions

Provisions relate to a liability arising from an onerous lease and dilapidation obligation. A settlement agreement was signed and paid on December 1, 2015. The movement in provisions is as follows:

	Dilapidation Provision £'000	31 March 2016 £'000	31 March 2015 £'000
Balance at the beginning of the year	500	500	576
Utilised in the year	(500)	(500)	(76)
Balance at the end of the year	**—**	**—**	**500**
Provisions are allocated as follows:			
Provisions due within one year	—	—	500
Provisions due between 2 and 5 years	—	—	—
	—	**—**	**500**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2016 – continued

17. Non-current liabilities – continued

Borrowings, including interest, are repayable as follows:

	31 March 2016 £'000	31 March 2015 £'000
Bank loans		
On demand or within one year	1,437	933
Between one and two years	646	352
Between two and five years	758	320
	2,841	**1,605**
Other loans		
On demand or within one year	247	183
Between one and two years	113	228
Between two and five years	364	439
	724	**850**
Advances drawn on invoice discounting		
On demand or within one year	821	441
	821	**441**
Total borrowings including finance leases		
On demand or within one year	2,505	1,557
Between one and two years	759	580
Between two and five years	1,122	759
	4,386	**2,896**

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 £11,855 (2015: £12,000).

At 31 March 2016, contributions amounting to £3,555 (2015: £3,000) 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.

19. Financial instruments – continued

Categories of financial instruments

	Carrying value	
	31 March 2016 £'000	31 March 2015 £'000
Financial assets		
Loans and receivables:		
- Trade and other receivables, excluding prepayments	3,622	3,443
- Cash and cash equivalents	714	206
	4,336	**3,649**
Financial liabilities		
Financial liabilities at amortised cost:		
- Trade and other payables*	1,304	1,038
- Loans and borrowings due within one year	2,419	1,467
- Interest bearing loans and borrowings due after one year	1,772	1,345
- Other payables due after one year	18	66
	5,513	**3,916**

* 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.

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 2016 £'000	31 March 2015 £'000	31 March 2016 £'000	31 March 2015 £'000
US Dollar denominated assets and liabilities	—	—	1,197	2,250

Entities from United Kingdom have no balance Euro/USD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2016 – continued

19. Financial instruments – continued

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in Sterling against the Euro. The sensitivity analysis includes only outstanding Euro denominated monetary items and adjusts their translation at the period end for a 10% change in the Euro/Sterling rate at March 31, 2015. Due to the Brexit, the Company has used a 20% change in the Euro/Sterling rate at March 31, 2016. A positive number below indicates an increase in profit and other equity where Sterling strengthens against the relevant currency. For a 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	
	2016 £'000	2015 £'000
Euro	225	42

Interest rate risk management

At 31 March 2016 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 £1,356,000. The remaining bank loans totalling £2,835,000 pay fixed rates of interest.

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

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

Credit risk management

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

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

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

The Group believes the credit risk on liquid funds, being cash and cash equivalents, to be limited because the counterparties are banks with high-credit ratings assigned by international credit-rating agencies. However, the concentration of credit risk by counterparty does exceed 10% of the overall cash and cash equivalents balance (being £470,000 at 31 March 2016 and £21,000 at 31 March 2015) 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 2016		31 March 2015	
Counterparty	Rating	% of overall cash & cash equivalents	Carrying amount £'000	% of overall cash & cash equivalents	Carrying amount £'000
BancSabadell	BB+	—	—	10.0%	21
Santander	A-	—	—	74.3%	153
LiberBank	N/A	7.4%	53	—	—
BBVA	BBB+	65.8%	470	7.8%	16
Barclays	A-	5.9%	42	—	—

19. Financial instruments – continued

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 2016 is as follows:

	31 March 2016 Number	31 March 2016 £'000	31 March 2015 Number	31 March 2015 £'000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	139,057,695	1,391	114,057,695	1,141

Share issues

During the year the following share issues took place:

– On 1 December 2015 the Company completed a placing for cash raising gross proceeds of £1,500,000 via the issue of 25,000,000 £0.01 ordinary shares at a price of £0.06 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 Mirada Iberia S.A, formally known as Fresh Interactive Technologies S.A, has been taken to the merger reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2016 – continued

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 Gozalbo Sidro	938,728
Jose-Luis Vazquez	631,464
Javier Casanueva	247,850
Francis Coles	185,888
Rafael Martin Sanz	185,888

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

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 2016		Year ended 31 March 2015	
	No. of share options	Weighted average exercise price (£)	No. of share options	Weighted average exercise price (£)
Outstanding at the beginning of the period	**5,602,238**	**0.10**	**5,602,555**	**0.10**
Granted during period	—	—	—	—
Lapsed during period	(905,072)	0.10	(317)	0.10
Exercised during period	—	—		
Outstanding at the end of the period	**4,697,166**	**0.10**	**5,602,238**	**0.10**
Exercisable at the end of the period	**4,697,166**	**0.10**	**3,835,158**	**0.12**

The options outstanding at 31 March 2016 and at 31 March 2015 had a range of exercise prices from £0.10 to £1.85

The options outstanding at 31 March 2016 had a weighted average remaining contractual life of 5.4 years (2015: 6.4 years).

For the year ended 31 March 2016, the Group has recognised a total expense of £54,000 (2015: £61,000) 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.

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 2016 £'000	31 March 2015 £'000
Within one year	232	207
In second to fifth years inclusive	331	324
	563	**531**

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 leasee to pay all insurance, maintenance and repair costs.

24. Notes supporting cash flow statement

Cash and cash equivalents comprise:

	31 March 2016 £'000	31 March 2015 £'000
Cash available on demand	714	206
Net cash increase/(decrease) in cash and cash equivalents	508	356
Cash and cash equivalents at beginning of year	**206**	**(150)**
Cash and cash equivalents at end of year	**714**	**206**

Cash and cash equivalents

Cash and cash equivalents are held in the following currencies:

	31 March 2016 £'000	31 March 2015 £'000
Sterling	41	9
Euro	673	197
Total	**714**	**206**

25. Related party transactions

On 7 January 2016, Matthew Earl, Non-Executive Director of the Company, on the same day transferred 166,667 ordinary shares from a nominee account into a personal SIPP at a price of 5.125p per ordinary share.

As part of the £1.5m placing on 24th November 2016, key management personal participated in the placing and acquired £70,000 of shares on the same terms as other participants.

Outstanding at the year end was an amount payable to José Luis Vázquez, a director of Mirada plc, of £1,068 (2015: £1,273).

26. Events after the reporting date

There are no material reportable post balance sheet events.

COMPANY STATEMENT OF FINANCIAL POSITION

31 March 2016

	Notes	31 March 2016 £'000	31 March 2015 £'000	31 March 2014 £'000
Intangible assets	iv	2	28	56
Property, plant and equipment	v	—	—	2
Investments	vi	11,437	10,591	9,407
Non-current assets		**11,439**	**10,619**	**9,465**
Trade and other receivables	vii	268	793	571
Cash and cash equivalents		45	5	3
Current assets		**313**	**798**	**574**
Total assets		**11,752**	**11,417**	**10,039**
Current liabilities	**viii**	**(808)**	**(645)**	**(2,099)**
Net current (liabilities)/assests		**(495)**	**152**	**(1,525)**
Total assets less current liabilities		**10,944**	**10,772**	**7,940**
Provisions for liabilities	x	—	(500)	(576)
Total liabilities		**(808)**	**(1,146)**	**(2,676)**
Net assets		**10,944**	**10,271**	**7,364**
Issued share capital and reserves attributable to equity holders of the company				
Share capital	xii	1,391	1,141	861
Share premium		9,859	8,748	5,776
Retain (losses)/Earnings		(306)	382	727
Equity		**10,944**	**10,271**	**7,364**

These financial statements were approved and authorised for issue on 15 July 2016.

Signed on behalf of the Board of Directors

José-Luis Vázquez

Chief Executive Officer

The notes on pages 54 to 58 form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY

31 March 2016

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2015	**1,141**	**8,748**	**383**	**10,272**
Loss for the financial year	—	—	(743)	(743)
Share based payment	—	—	54	54
Issue of shares	250	1,250	—	1,500
Share issue costs	—	(139)	—	(139)
Balance at 31 March 2016	**1,391**	**9,859**	**(306)**	**10,944**

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2014	**861**	**5,776**	**728**	**7,365**
Loss for the financial year	—	—	(406)	(406)
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**	**383**	**10,272**

The notes on pages 54 to 58 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
31 March 2016

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Cash flows from operating activities		
Loss after tax	(743)	(406)
Adjustments for:		
Depreciation of property, plant and equipment	—	3
Amortisation of intangible assets	26	28
Share-based payment charge	54	61
Finance income	—	(24)
Finance expense	(1)	21
Operating cash flows before movements in working capital	**(664)**	**(316)**
Increase/(decrease) in trade and other receivables	525	(222)
(Decrease)/increase in trade and other payables	80	(1,648)
(Decrease)/increase in provisions	(500)	(76)
Net cash (used in)/generated from operating activities	**(559)**	**(2,263)**
Cash flows from investing activities		
Investment in Mirada Iberia	(846)	(1,184)
Net cash used in investing activities	**(846)**	**(1,184)**
Cash flows from financing activities		
Interests and similar expenses paid	1	2
Issue of share capital	1,500	3,500
Cost of share issue	(139)	(248)
Loans received	85	195
Net cash from financing activities	**1,447**	**3,449**
Net (decrease)/increase in cash and cash equivalents	**42**	**2**
Cash and cash equivalents at the beginning of the year	5	3
Cash and cash equivalents at the end of the year	**47**	**5**

The notes on pages 54 to 58 form part of these financial statements.

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 International Financial Reporting Standards and law.

Principal accounting policies for the company are consistent of those for the group company which are disclosed in note 2 of the group accounts, page 27. Further polices considered in the company financial statements are listed 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.

Investments in subsidiaries

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

ii. Directors' remuneration

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

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Executive directors:		
Aggregate emoluments	451	402
Non-executive directors:		
Aggregate emoluments	113	74
	564	**476**

Emoluments payable to the highest paid director are as follows:

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Aggregate emoluments	219	285

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

iii. Company income statement

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own statement of comprehensive income for the year. The Company reported a loss after tax for the financial year ended 31 March 2016 of £0.73 million (2015: loss after tax £0.41 million).

NOTES TO COMPANY FINANCIAL STATEMENTS
Year ended 31 March 2016 – continued

iv. Intangible assets

Cost	Deferred development costs £'000
At 1 April 2015 and 31 March 2016	139
Depreciation	
At 1 April 2015	111
Provided during the year	26
At 31 March 2016	137
Net book value	
At 31 March 2016	**2**
At 31 March 2015	**28**

v. Property, plant and equipment

	Office & computer equipment £'000
Cost	
At 1 April 2015	704
Write off fixed assets	(704)
At 31 March 2016	—
Depreciation	
At 1 April 2015	704
Write off fixed assets	(704)
At 31 March 2016	—
Net book value	
At 31 March 2016	**—**
At 31 March 2015	**—**

vi. Investments

	Cost £'000
Cost	
At 1 April 2015	23,476
Additions	846
Write off investment	(6,583)
At 31 March 2016	17,739
Amounts provided	
At 1 April 2015	12,885
Write off investments	(6,583)
At 31 March 2016	6,302
Net book value	
At 31 March 2016	**11,437**
At 31 March 2015	**10,591**

The write off of investments relates to the subsidiaries previously impaired which have been struck off in the year.

The Company increased its participation in Mirada Iberia, SA by £0.85 million for the financial year ended 31 March 2016.

vi. Investments – continued

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	% Voting rights	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
Mirada Iberia, S.A.	Ordinary shares	100%	Spain	Interactive TV services
Mirada Mexico, S.A.*	Ordinary shares	100%	Mexico	Dormant

* Held indirectly in Mirada Iberia S.A.

vii. Trade and other receivables

	31 March 2016 £'000	31 March 2015 £'000
Trade receivables	1	9
Amounts owed by group undertakings	235	744
Other receivables	4	10
Prepayments	28	30
	268	**793**

viii Trade and other payables

	31 March 2016 £'000	31 March 2015 £'000
Bank loans	279	195
Trade payables	67	65
Amounts owed to group undertakings	189	163
Accruals and deferred income	193	64
Other taxation and social security	28	51
Other payables	51	108
	808	**645**

All amounts fall due within one year.

ix. Operating lease arrangements

Operating lease payments represent rentals payable by the Company for its office properties. Leases of buildings are subject to rent reviews at specified intervals and provide for the leasee to pay all insurance, maintenance and repair costs. On 31 October 2015, the Company moved its offices to 68 Lombard Street EC3V 9LJ, London

	31 March 2016 £'000	31 March 2015 £'000
Within one year	23	16
Leases expiring between one and five years	4	12

NOTES TO COMPANY FINANCIAL STATEMENTS
Year ended 31 March 2016 – continued

x. Provisions

Movement in provisions:

	Dilapidation provision £'000	31 March 2016 £'000	31 March 2015 £'000
Balance at the beginning of the year	500	500	576
Utilised in the year	(500)	(500)	(76)
Balance at the end of the year	—	—	**500**

Provisions relate to a liability arising from an onerous lease and dilapidation obligation. A settlement agreement was signed and paid on December 1, 2015.

xi. Deferred taxation

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

	31 March 2016 £'000	31 March 2015 £'000
Accelerated capital allowances	402	402
Losses	7.297	6.555
	7.699	**6.957**

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. Share capital

A breakdown of the authorised and issued share capital in place as at 31 March 2016 is as follows:

	31 March 2016 Number	31 March 2016 £'000	31 March 2016 Number	31 March 2016 £'000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	139,057,695	1,391	114,057,695	1,141

Share issues

During the year the following share issues took place:

– On 1 December 2015 the Company completed a placing for cash raising gross proceeds of £1,500,000 via the issue of 25,000,000 £0.01 ordinary shares at a price of £0.06 each.

xiv. Related parties

Details of balances and transactions with related parties:

	Year ended 31 March 2016		Year ended 31 March 2015	
	Balance £'000	Transactions £'000	Balance £'000	Transactions £'000
Mirada Iberia	(189)	187	377	47
Digital Impact	483	16	517	20
Mirada Connect	269	—	367	—
Digital Interactive TV Group	—	(163)	(163)	—

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

xv. Transition to IFRS

No changes to previously reported profits or equity were indentified as at the transition date of 1 April 2014.

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr Javier Casanueva	*Non-Executive Chairman*
Mr José-Luis Vázquez	*Chief Executive Officer*
Mr Francis Coles	*Non-Executive Director*
Mr Matthew Earl	*Non-Executive Director*
Mr Jose Gozalbo	*Executive Director*
Mr Gonzalo Babío	*Executive Director*

Company Secretary

Miss Kathy Claydon

Nominated Adviser and Broker

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