

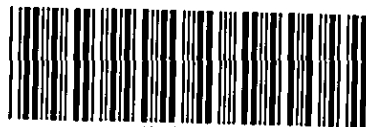
Company Registration No. 3609752

mirada plc

Report and Financial Statements

31 March 2012

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mirada plc

**Annual report and financial statements
For the year ended 31 March 2012**

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mirada plc

Officers and professional advisers

Directors

Mr Richard Alden	Non-Executive Chairman
Mr Jose-Luis Vázquez	Chief Executive Officer
Mr Rafael Martín Sanz	Non-Executive Director
Mr Javier Casanueva	Non-Executive Director
Mr Javier Herrero	Non-Executive Director
Mr Carlos Vizcayno	Non-Executive Director
Mr Francis Coles	Non-Executive Director

Company Secretary

Mr Graham Duncan

Nominated Adviser and Broker

Seymour Pierce Limited
20 Old Bailey
London
EC4M 7EN

Joint Broker

Peterhouse Corporate Finance Limited
31 Lombard Street
London
EC3V 9BQ

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Lawyers

Finers Stephens Innocent
179 Great Portland Street
London
W1W 5LS

Company Registrars

Capita Registrars Limited
Bourne House
34 Beckenham Road
Kent
BR3 4TU

Registered Office

New City Cloisters
196 Old Street
London
EC1V 9FR

Chief Executive Officer's Report

Overview

I am pleased to report on the Group financial results for the year ended 31 March 2012. This has been a very important year for the company, in which we have continued to focus on our main business area, Digital TV. More importantly, we have proved that a transition from a professional services based company to a product and licence fees based model was possible in the middle of, probably, the worst economic environment we will experience during our professional lives. We have expanded our activities overseas, with a significant increase in revenues earned from the Central and South American markets, this has reduced our exposure to Western Europe.

During the year under review mirada secured several new contracts, most notably GVT in Brazil through our partnership with Ericsson, and Cablecom in México who are launching our brand new multi-screen product, iris. Both these contracts have led to a significant increase in the licence fee revenue earned post year end as GVT and Cablecom sign up new subscribers to their services. During the year mirada also successfully deployed three new Digital TV platforms, and we are about to announce another new IPTV deployment in Central America. Post the year end we are proud to have secured a multi-national agreement with a major telecommunication operator which we expect to lead to further new contracts during the current fiscal year.

During the period we have been able to secure new banking facilities to fund our transition, and in December mirada completed a placing in which certain directors and managers joined our main shareholders participated which we believe demonstrates their commitment and support to the vision of a growing media business based on talent, expertise and hard work.

I want to thank again our employees, customers, shareholders and partners for their continued support in the evolution of our business.

Trading review

During the year management focused on the expansion of our main area of business, Digital TV. Having completed development of the core products, iris and navi, the Sales and Technical teams were able to concentrate on deploying services to existing customers and securing new contracts. The major new contracts are based on a product-based model that comprises set-up fees plus licence fees based on the number of subscribers signing up to our customers' digital television services. We are very satisfied with the results. During the year mirada earned set-up fees and guaranteed licences for up to 110,000 subscribers from GVT in Brazil. Post the year end, GVT acquired additional advance licences over 400,000 subscribers, and since March 2012 they have been deploying new services at a rate exceeding 30,000 subscribers a month. If this growth is sustained this would lead to mirada earning licence fees in excess of €1.3m a year in relation to this contract, in addition to recurrent support and maintenance fees. The Cablecom deployment was close to completion at the year end, and it successfully launched its HD (High Definition) product based on our iris technology on July this year which will further increase the licence fees earned in the current year.

The Group was also able to secure new customers in the UK broadcast market through the evolution of its xplayer product, and we were able to sell our first licences of this product in the USA. Although the evolution of xplayer (our main Broadcast product) will need an increased sales activity to achieve the same momentum we have on iris and navi (our main Digital TV products), the capability of the company to extend its reach to non-UK markets like Continental Europe and the Americas looks promising.

Having concentrated our activities on the Digital TV market, this area of activity experienced a significant increase in revenues, improving by 39% from £2.41 million in the year ended 31 March 2011 to £3.35 million in the year under review. We forecast this growth rate to be sustained or even surpassed in the current year due to the licence fees being earned from both our current navi and iris deployments noted above and future deployments in Latin America.

The international activities of the Group (everything outside of the UK and Spain) continued to expand during the year under review, and we expect this momentum to be sustained into the current year. The revenues from these markets increased by 79% to £2.82 million in the year ended 31 March 2012 compared to £1.58 million in the prior year.

Chief Executive Officer's Report

Financial overview

During the period revenues were £4.35 million, down from £5.11 million in the previous year, and gross profit reduced from £3.95 million to £3.78 million. This reduction was principally due to the Group concentrating on its most profitable activity, Digital TV, and the impact of exiting certain business activities - most notably the gaming division which contributed revenues of £0.89 million in 2011 but none in the current year. Restructuring and control over costs helped reduce other administrative expenses by £0.82 million, resulting in the loss from continuing activities before interest, tax, depreciation, amortisation, impairment of goodwill and restructuring costs reducing to £0.37 million compared to £1.02 million in the previous year. It should be noted that the increased licence fees earned from March 2012 will lead to a further increase in the gross margin percentage earned and will lead to significantly improved results in the current year.

Loss from continuing activities before interest, tax, depreciation, amortisation, impairment of goodwill and restructuring costs is a key performance indicator ("KPI") used by management and removes the impact of one-off and non-cash transactions (see note 6). Other KPIs used by management are as follows:

- **Gross profit margin** The Group's continued move towards a product based has led to an increase in the gross profit margin from 77% in the year ended 31 March 2011 to 87% in the year under review.

- **Overseas activities (outside of UK and Spain)** During the year revenues generated from these international customers increased by 79% to £2.82 million and amounted to 65% of the Group's total revenues compared to 31% in the prior year. This was mainly due to an increase on the Latin American activities, and management believes that this growth is reflecting the success of the product strategy on the growing markets.

- **Royalties-based turnover** Revenues from licence fees have higher margins and allow the Group to benefit from multi-year agreements with customers. During the year the percentage of revenues coming from licence fees represented 18% of the Digital TV turnover. We expect this percentage to nearly double during the present year.

Loss for the year equalled £3.16 million (2011: £7.1 million), however this was after deducting a charge for the impairment of goodwill of £0.6 million (see note 13 for further details).

During the year mirada secured additional banking facilities of £1.2 million, supported by the evolution of the Digital TV business and the strength of the agreements in place. Additionally in December 2011 the Group raised a further £1.1 million by way of a placing, participants in this placing included directors and managers who invested £0.29 million.

Post year end certain short term bank loans and overdrafts totalling £381,000, which are currently included in loans and borrowings repayable within one year, have been renegotiated so that they are now repayable between one and two years after the balance sheet date.

Operational Review

Areas of business

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

Digital TV operators:

We have more than 10 years of experience in technologies from Interactive TV to advanced navigational services. We have a solid network of partners and we are internationally recognised for our skill base. Our products comprise user interfaces for content navigation and consumption over Digital TV receivers (TV and set-top boxes), Personal Computers (PCs) and companion devices (tablets and smartphones). Our major products are navi, integrated over the Ericsson IAP IPTV platform, and iris, our multiscreen proposition mainly addressed to the cable television markets.

Broadcasters

Our focus is the distribution and support of our xplayer product, a successful synchronisation tool for Channels that allows them to link the live programming to interactive services, from EPG information to PVR reminders or second screen (PC, companion devices) applications.

Chief Executive Officer's Report

Other areas

mirada has experience and business activities in other areas interactive marketing and mirada connect which provides cashless payment solutions for the car parking market Whilst these activities are expected to contribute towards Group profitability in the medium term management believe that the main areas of growth for the business will be in the Digital TV and Broadcast activities Accordingly an impairment provision of £560,000 has been made against the goodwill relating to interactive marketing

Outlook

The Digital TV Business now represents 77% of the Group turnover and 84% of the Group gross margin Year to year growth of the gross margin of this unit was 28% in the year ended 31 March 2011 and 33% in the year ended 31 March 2012 We expect this growth to be surpassed during the current year due to the evolution of the product-based deals which are allowing the Group to earn recurrent, high margin revenue Our international expansion continues, with a 79% growth on overseas turnover, and now less than 35% of our turnover comes from our original Spanish and UK markets

The management continued its policy of cost control and reduced the annual overheads by 16% during the period, and continue optimising the efficiency during the present year Our Directors, managers and major shareholders have continued to invest into the business, which we believe shows an increased level of confidence in the success of our strategy

Our Brazilian and Mexican markets represented last year a 23% of the total turnover, due to our change of strategy based on product development and licence fee based revenue We expect this percentage to increase substantially during the following periods, as our customers deploy our product to their subscriber base and we mutually benefit from their growth Added to these countries, we secured further solid relationships Latin American in Uruguay, Argentina, Chile, Peru and Colombia which we expect to lead a further increase in revenues from Digital TV

We believe that the Group is now benefiting from a return from its investment made in its products, and we expect to give our shareholders positive news about our financial situation during the coming months



José-Luis Vázquez
Chief Executive Officer
28 September 2012

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

Principal activities

The principal activities of the Group are the provision and support of products and services in the Digital TV and Broadcast markets. For a more detailed description of the Group's activities refer to the Chief Executive Officer's Report on pages 2 to 4.

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 on pages 2 to 4.

Results and dividends

The consolidated income statement for the year is set out on page 14 and shows the loss for the year. No dividend is declared in respect of the year (2011: £nil).

Principal risks and uncertainties

When the Board considers business risks going forward, the prominent risks include our dependence on people, the interactive services and gaming markets, and information technology.

Dependence on people

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

Digital TV and Broadcast markets

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

Information technology

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

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 20 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, bad debts across the Group have been low.

Directors' Report (continued)

Capital risk

After making enquiries, the directors have formed a judgement at the time of approving the consolidated financial statements that there is a reasonable expectation that the Company and Group will have adequate resources to continue in operational existence for the foreseeable future notwithstanding the Group's continued losses. These resources include funding from the Group's overdraft facilities and new facilities that are anticipated to be secured post year end. Management is also pursuing other potential fund raising options should sufficient bank facilities not be raised. For this reason, the directors continue to prepare the consolidated financial statements on the going concern basis (see note 2).

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. Any foreign exchange gains or losses are recognised in the consolidated income statement.

Liquidity risk

Details on the Group's liquidity risk are provided in note 20.

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' Report (continued)

Directors

The directors who held office during the year are given below

Executive directors

Mr Jose-Luis Vazquez Chief Executive Officer

Non-executive directors

Mr Richard Alden Non- Executive Chairman

Mr Rafael Martin Sanz

Mr Javier Casanueva

Mr Javier Herrero

Mr Carlos Vizcayno

Mr Francis Coles

The interests of directors in the shares of the Group at 31 March 2012 are disclosed in the Directors' Remuneration Report on pages 9 and 10

Substantial shareholdings

At 27 September 2012 the following shareholders held, directly or indirectly, three per cent or more interests in the issued share capital of the Company

	Number of ordinary £1 shares	Percentage of issued ordinary share capital
Naropa Cartera S L U	7,552,467	23.6%
Kasei 2000 S L	4,799,259	15.0%
Baring Iberia II Inversion en Capital F C R	5,738,088	17.9%
Euroclear Nominees Ltd	2,484,266	7.8%
Vidacos Nominees Ltd	2,142,859	6.7%
Fresh Inversiones S L	2,123,008	6.6%

Political and charitable contributions

The Group made no political or charitable contributions during the year

Creditor payment policy and practice

The Group's policy is that payments to suppliers are made in accordance with the terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with. At 31 March 2012, the Group had an average of 128 days purchases outstanding in trade creditors (2011: 125 days)

Employee involvement and disabled employees

Employees of the Group are regularly consulted by management and kept informed of matters affecting them and the overall development of the Group. The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, the Group's policy, wherever practicable, is to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees.

Events since the balance sheet date

Significant events which have occurred since the balance sheet date are detailed in note 27

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Directors' Report (continued)

Auditors

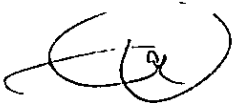
Each of the persons who are directors at the date of approval of this report confirms that

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

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

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

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



Jose-Luis Vazquez
Chief Executive Officer
28 September 2012

Directors' Remuneration Report

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

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

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

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

Directors' Remuneration

The following table summarises the remuneration receivable by the directors for the year ended 31 March 2012.

	Salary & fees £000	Benefits £000	Sums paid to a third party for directors' services £000	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Executive					
Jose-Luis Vazquez	137	-	-	137	197
Non-executive					
Rafael Martín Sanz	-	-	-	-	-
Javier Casanueva	-	-	-	-	-
Javier Herrero	-	-	-	-	-
Carlos Vizcayno	-	-	-	-	-
Francis Coles	23	-	-	23	23
Richard Alden	-	-	41	41	35
	<u>160</u>	<u>-</u>	<u>41</u>	<u>201</u>	<u>255</u>

mirada plc

Directors' Remuneration Report (continued)

Directors' Interests

The interests of the directors who held office during the year in the shares of the Group at 31 March 2012 were as follows

	Number of ordinary shares	
	31 March 2012	31 March 2011
Jose-Luis Vazquez*	2,123,008	1,180,242
Richard Alden	457,346	143,159
Rafael Martín Sanz**	4,799,259	4,799,259
Francis Coles	388,873	125,000

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

** Shares held by Kasei 2000 S L Asesoria Digital S L owns one-third of the issued share capital of Kasei 2000 S L , Asesoria Digital S L is owned by Rafael Martín Sanz and his wife Rafael Martín Sanz is a director of Kasei 2000 S L

Statement of Directors' Responsibilities

Directors' responsibilities

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

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

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

mirada plc

Independent Auditor's report to the Members of mirada plc

We have audited the financial statements of mirada plc for the year ended 31 March 2012 which comprise consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position, consolidated statement of cash flows, the company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group and the parent company's affairs as at 31 March 2012 and of the group's loss for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

mirada plc

Independent Auditor's report to the Members of mirada plc

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2 of the financial statements concerning the company's ability to continue as a going concern. At the balance sheet date the group had net current liabilities of £2,824,000. The company is reliant on its continuing ability to manage the timing of settlement of liabilities with its creditors and raising additional further funds including renegotiation of existing facilities with its lenders. Whilst discussions are ongoing with creditors, and negotiations with other possible sources of finance continue, there remains a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

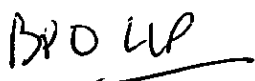
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the 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



*Andrew Viner (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
28 September 2012*

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

mirada plc
Consolidated income statement
Year ended 31 March 2012

	Note	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Revenue	5	4,346	5,116
Cost of sales		(562)	(1,163)
Gross profit		3,784	3,953
Net gaming income		-	15
Depreciation	14	(106)	(118)
Amortisation	13	(733)	(617)
Impairment of goodwill	13	(560)	(4,911)
Restructuring costs	6	(528)	-
Other administrative expenses		(4,156)	(4,975)
Total administrative expenses		(6,083)	(10,621)
Operating loss	6	(2,299)	(6,653)
Finance income	9	4	97
Finance expense	10	(867)	(410)
Loss before taxation		(3,162)	(6,966)
Taxation	11	-	-
Loss for the year from continuing operations		(3,162)	(6,966)
Discontinued operations			
Loss for year from discontinued operations	8	-	(135)
Loss for year		(3,162)	(7,101)
Loss per share		Year ended 31 March 2012 £	Year ended 31 March 2011 £
Loss per share for the year			
- basic & diluted from continuing operations	12	(0 11)	(0 35)

The above amounts are attributable to the equity holders of the parent

The notes on pages 19 to 52 form part of these financial statements

mirada plc
Consolidated statement of comprehensive income
Year ended 31 March 2012

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Loss for the period	(3,162)	(7,101)
Currency translation differences	(306)	(48)
Total comprehensive expense for the year	(3,468)	(7,149)

mirada plc
Consolidated statement of changes in equity
Year ended 31 March 2012

	Share capital £000	Share premium account £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserves £000	Retained earnings £000	Total £000
At 1 April 2011	213	273	2,109	843	2,472	(1,833)	4,077
Loss for the financial period	-	-	-	-	-	(3,162)	(3,162)
Movement in foreign exchange reserve	-	-	-	(306)	-	-	(306)
Transfer between reserves	-	-	(1,969)	-	-	1,969	-
Issue of shares	106	960	-	-	-	-	1,066
Share issue costs	-	(17)	-	-	-	-	(17)
At 31 March 2012	319	1,216	140	537	2,472	(3,026)	1,658

	Share capital £000	Share premium account £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserves £000	Retained earnings £000	Total £000
At 1 April 2010	34,923	-	2,109	891	2,472	(29,457)	10,938
Loss for the financial period	-	-	-	-	-	(7,101)	(7,101)
Movement in foreign exchange reserve	-	-	-	(48)	-	-	(48)
Cancellation of share capital against profit and loss account	(34,725)	-	-	-	-	34,725	-
Issue of shares	15	285	-	-	-	-	300
Share issue costs	-	(12)	-	-	-	-	(12)
At 31 March 2011	213	273	2,109	843	2,472	(1,833)	4,077

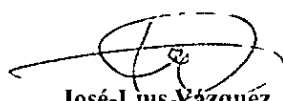
mirada plc
Consolidated statement of financial position
31 March 2012

Company number 3609752

		31 March 2012 £000	31 March 2011 £000
	Note		
Property, plant and equipment	14	112	180
Goodwill	13	6,946	7,506
Intangible assets	13	1,295	1,236
Non-current assets		8,353	8,922
Trade & other receivables	15	1,324	1,531
Cash and cash equivalents	25	35	68
Current assets		1,359	1,599
Total assets		9,712	10,521
Loans and borrowings	17	(1,095)	(619)
Trade and other payables	16	(3,088)	(2,773)
Current liabilities		(4,183)	(3,392)
Net current liabilities		(2,824)	(1,793)
Total assets less current liabilities		5,529	7,129
Interest bearing loans and borrowings	18	(2,817)	(2,408)
Embedded conversion option derivative	18	(292)	(292)
Other non-current liabilities	18	(194)	-
Provisions	18	(568)	(352)
Non-current liabilities		(3,871)	(3,052)
Total liabilities		(8,054)	(6,444)
Net assets		1,658	4,077
Issued share capital and reserves attributable to equity holders of the company			
Share capital	21	319	213
Share premium	22	1,216	273
Other reserves	22	3,149	5,424
Retained earnings	22	(3,026)	(1,833)
Equity		1,658	4,077

These financial statements were approved and authorised for issue on 28 September 2012

Signed on behalf of the Board of Directors



José-Luis Vázquez
Chief Executive Officer

The notes on pages 19 to 52 form part of these financial statements

mirada plc
Consolidated statement of cash flows
Year ended 31 March 2012

	Note	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Cash flows from operating activities			
Loss for the period		(3,162)	(7,101)
Adjustments for			
Depreciation of property, plant and equipment		106	118
Amortisation of intangible assets		733	617
Impairment of goodwill		560	4,911
Profit on disposal of subsidiaries		-	(444)
Finance income		(4)	(97)
Finance expense		867	410
Operating cash flows before movements in working capital		(900)	(1,586)
Decrease in trade and other receivables		152	265
Decrease in trade and other payables		(56)	293
Increase in provisions		216	-
Cash used in operations		(588)	(1,028)
Interest and similar expenses paid		(307)	(142)
Net cash used in operating activities		(895)	(1,170)
Cash flows from investing activities			
Interest and similar income received		4	2
Cash held in disposed subsidiaries		-	(1)
Purchases of property, plant and equipment		(41)	(61)
Purchases of other intangible assets		(828)	(601)
Net cash used in investing activities		(865)	(661)
Cash flows from financing activities			
Issue of convertible loans		-	200
Issue of share capital		843	300
Costs of share issue		(17)	(12)
Loans received		1,246	1,466
Repayment of loans		(239)	(36)
Repayment of capital element of finance leases		(27)	(23)
Net cash from financing activities		1,806	1,895
Net increase in cash and cash equivalents		46	64
Cash and cash equivalents at the beginning of the period	25	(366)	(433)
Exchange gains on cash and cash equivalents		21	3
Cash and cash equivalents at the end of the period	25	(299)	(366)

Cash and cash equivalents comprise cash at bank less bank overdrafts

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

1 General information

mirada plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is New City Cloisters, 196 Old Street, London, EC1V 9FR. The nature of the Group's operations and its principal activities are set out in the Directors' Report on page 5.

The Directors have chosen to present these financial statements in the currency of the primary economic environment in which the Group operates, which is Pounds Sterling. All balances are shown in thousands unless otherwise stated. Foreign operations are included in accordance with the policies set out in note 2.

2. Significant accounting policies

Basis of accounting

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

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive Officer's Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Director's report. In addition, note 20 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and exposures to credit risk and liquidity risk.

The consolidated statement of financial position as at 31 March 2012, being the Company's year-end, shows a net current liability position of £2,824,000 (2011: £1,793,000). Subsequent to the balance sheet date, the Board has been able to renegotiate payment terms in connection with loans and overdrafts amounting to £381,000. The company is, however, reliant on its continuing ability to manage the timing of settlement of its current and future liabilities and if the revenue projections are not met in the short term further funds may be required. As such, the Directors intend to strengthen the Company's financial position through a combination of securing additional financing and subsequently from proceeds generated from trading activities. The Directors are currently at an advanced stage of negotiation with a number of possible lenders and are confident that these will be concluded satisfactorily.

The Directors have concluded that the need to generate future funds from either further financing or from trading activities to satisfy the settlement of its ongoing and future liabilities represents a material uncertainty, which may cast significant doubt upon the Group's and the Company's ability to continue as a going concern.

Nevertheless after making enquiries and considering this uncertainty and the measures that can be taken to mitigate the uncertainty, the Directors have a reasonable expectation that the Group and the Company will have adequate resources to continue in existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the annual report and accounts. The financial statements do not include any adjustments that would result if the Group and Company was unable to continue as a going concern.

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 2012. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

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

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

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

2. Significant accounting policies (continued)

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.

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

Property, plant and equipment

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

Depreciation

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

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

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial period end.

Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, intangible fixed assets and liabilities of a subsidiary, or acquired sole trade business at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the Group income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

2. Significant accounting policies (continued)

Intangible assets

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

Amortisation

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

Completed technology - over a useful life of 4 years

Amortisation of other deferred development costs is calculated using the straight-line method to allocate the cost of the asset over its estimated useful life, which equates to 25% to 50% per annum. The amortisation is charged to amortisation in the consolidated income statement.

Internally-generated intangible assets – research and development expenditure

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

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

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

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

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet 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.

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

2. Significant accounting policies (continued)

Impairment of tangible and intangible assets excluding goodwill (continued)

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

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

Financial instruments

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

Trade receivables

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

Cash and cash equivalents

Cash and cash equivalents include cash at hand and deposits held at call with banks with original maturities of three months or less.

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, A deferred shares and deferred 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.

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

2. Significant accounting policies (continued)

Financial instruments (continued)

Trade payables

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

Convertible debt

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

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 share option reserve.

Leases

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

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

Taxation

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

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

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

2 Significant accounting policies (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

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

Revenue recognition

Interactive service revenues

Interactive service revenues relate to the revenues earned from all the operating units. Interactive service revenues are divided into 3 types, fixed-priced contracts, development fees, self-billing revenues and the sale of licences

Fixed-price contract revenues are recognised as these services are provided or in accordance with the contract. Revenue is recognised when the significant risks and rewards of products and services have been passed to the buyer and can be measured reliably

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

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

Where the revenue relates to the sale of a 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

Deferred revenue

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

Retirement benefit costs

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

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

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

2 Significant accounting policies (continued)

Foreign exchange

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

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet 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 balance sheets and the current year income statements at the closing rate are classified as equity and transferred to the Group's foreign exchange reserve. Such translation differences are recognised as income or an expense in the period in which the operations are disposed of.

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

3 Standards not yet effective to the Group

Standards, amendments and interpretations to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning after 1 April 2011 or later periods and which the Group has decided not to adopt early.

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

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

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.

Useful economic life of intangibles

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

Capitalised development costs

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

Provisions

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

mirada plc**Notes to consolidated financial statements****Year ended 31 March 2012 (continued)****5. Segmental reporting****Reportable segments**

For management purposes the Group is currently organised into three (previously four) operating divisions based upon the varying products and services provided by the Group –Digital TV, Broadcast & Content and Mobile (which includes Interactive Marketing and Mirada Connect) The products and services provided by each of these divisions are described in the CEO Statement on page 3 The segment headed other relates to corporate overheads, assets and liabilities

Segmental results for the year ended 31 March 2012 are as follows

	Digital TV £'000	Broadcast & content £'000	Mobile £'000	Other £'000	Group £'000
Revenue - external	3,346	594	406	-	4,346
Gross profit	3,165	420	199	-	3,784
Profit/(loss) before interest, tax, depreciation & amortisation	792	323	(61)	(1,426)	(372)
Impairment of goodwill	-	-	(560)	-	(560)
Restructuring costs	-	-	-	(528)	(528)
Depreciation	(53)	-	-	(53)	(106)
Amortisation	(707)	-	(18)	(8)	(733)
Finance income	-	-	-	4	4
Finance expense	-	-	-	(867)	(867)
Discontinued operations	-	-	-	-	-
Segmental profit/(loss)	32	323	(639)	(2,878)	(3,162)

The segmental results for the year ended 31 March 2011 are as follows

	Gaming £'000	Digital TV £'000	Broadcast & content £'000	Mobile £'000	Other £'000	Group £'000
Revenue - external	888	2,410	1,334	484	-	5,116
Gross profit	537	2,384	692	340	-	3,953
Net gaming income	15	-	-	-	-	15
Profit/(loss) before interest, tax, depreciation & amortisation	279	525	418	32	(2,261)	(1,007)
Impairment of goodwill	(2,716)	-	(2,195)	-	-	(4,911)
Depreciation	-	(55)	-	-	(63)	(118)
Amortisation	-	(590)	-	-	(27)	(617)
Finance income	-	-	-	-	97	97
Finance expense	-	-	-	-	(410)	(410)
Discontinued operations	-	-	(135)	-	-	(135)
Segmental profit/(loss)	(2,437)	(120)	(1,912)	32	(2,664)	(7,101)

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

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

5 Segmental reporting (continued)

The Group has three major customers in the Digital TV segment (a major customer being one that generates revenues amounting to 10% or more of total revenue) that account for £0.79 million (2011: £0.81 million), £0.63 million (2011: £0.72 million) and £0.47 million (2011: £0.56 million) of the total Group revenues respectively.

The segment assets and liabilities at 31 March 2012 are as follows:

	Gaming £'000	Digital TV £'000	Broadcast & content £'000	Mobile £'000	Other £'000	Group £'000
Additions to non-current assets	-	680	-	67	122	869
Total assets	-	6,302	1,940	1,104	366	9,712
Total liabilities	-	(1,647)	(214)	(162)	(6,031)	(8,054)

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

The segment assets and liabilities at 31 March 2011 are as follows:

	Gaming £'000	Digital TV £'000	Broadcast & content £'000	Mobile £'000	Other £'000	Group £'000
Additions to non-current assets	-	634	-	9	51	694
Total assets	-	6,396	2,140	1,610	375	10,521
Total liabilities	2	1,360	505	63	4,514	6,444

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

	Assets 31 March 2012 £'000	Liabilities 31 March 2012 £'000	Assets 31 March 2011 £'000	Liabilities 31 March 2011 £'000
Segment assets and liabilities	9,346	2,023	10,146	1,930
Other				
Intangible assets	109	-	12	-
Property, plant & equipment	41	-	79	-
Other financial assets & liabilities	216	6,031	284	4,514
Total other	366	6,031	375	4,514
Total Group assets and liabilities	9,712	8,054	10,521	6,444

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

5 Segmental reporting (continued)

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

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

Geographical disclosures

	External revenue by location of customer		Non-current assets by location of assets	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
UK	908	2,610	3,119	3,569
Spain	615	925	5,234	5,353
Continental Europe	1,319	1,189	-	-
Middle East	-	45	-	-
Americas	1,504	347	-	-
	<u>4,346</u>	<u>5,116</u>	<u>8,353</u>	<u>8,922</u>

6. Operating loss

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

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Depreciation of owned assets	83	95
Depreciation of assets held under finance lease	23	23
Amortisation of intangible assets	733	617
Impairment of goodwill	560	4,911
Operating lease charges	264	259
Restructuring costs (see below)	528	-
Research and development costs	<u>239</u>	<u>252</u>

Analysis of auditors' remuneration is as follows

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	15	15
Fees payable to the Company's auditors and its associates for other services		
- The audit of the Company's subsidiaries pursuant to legislation	<u>35</u>	<u>42</u>
Total fees	<u>50</u>	<u>57</u>

mirada plc
Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

6. Operating loss (continued)

Reconciliation of operating loss for continuing operations to loss before interest, taxation, depreciation, amortisation and share-based payment charges

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Operating loss	(2,299)	(6,653)
Depreciation	106	118
Amortisation	733	617
Restructuring costs	528	-
Impairment of goodwill	560	4,911
	<hr/>	<hr/>
Operating loss before interest, taxation, depreciation, amortisation, impairment of goodwill and restructuring costs	(372)	(1,007)
	<hr/>	<hr/>

Adjusted loss before interest, taxation, depreciation, amortisation and share-based payment charges has been presented to provide additional information to the reader

During the year the Group incurred restructuring costs of £528,000 comprising £440,000 relating to an onerous lease commitment and £88,000 relating to redundancy costs

7. Staff costs and employee information

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Staff costs (including directors) comprise		
Wages and salaries	3,515	3,279
Social security costs	597	568
Other pension costs	27	30
	<hr/>	<hr/>
Staff costs	4,139	3,877
	<hr/>	<hr/>

The Group operates a defined contribution pension scheme for certain employees. No directors are members of this scheme. The outstanding amount of pension contributions accruing at the year end was £26,000 (2011: £9,000).

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

7. Staff costs and employee information (continued)

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

	Year ended 31 March 2012	Year ended 31 March 2011
By activity		
Office and management	9	10
Platform and development	65	57
Sales and marketing	10	12
	<u>84</u>	<u>79</u>

Directors and key management personnel remuneration

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

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Salaries and fees	616	641
Defined contribution pension cost	6	2
Amounts paid to third parties in respect of directors' services	41	35
	<u>663</u>	<u>678</u>

The directors' remuneration is disclosed in note 11 of the Company accounts

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

8 Discontinued operations

On 16 August 2010 two of the Group's subsidiaries, Digital Interactive Studio Centre Ltd and The Gaming Channel Ltd, were placed into voluntary liquidation, this led to the cessation of the Group's studio and playout activities. The comparatives for these activities are included within the consolidated income statement in the line item "loss for the year from discontinued operations"

The post-tax result of discontinued operations was determined as follows

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Revenue	-	31
Gross profit	-	31
Administrative expenses	-	(610)
Gain on disposal	-	444
	<hr/>	<hr/>
Loss for financial year	-	(135)
	<hr/>	<hr/>

9. Finance income

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Bank interest receivable	4	2
Other finance income	-	95
	<hr/>	<hr/>
	4	97
	<hr/>	<hr/>

10. Finance expense

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Interest and finance charges on bank loans and overdrafts	240	99
Convertible loan interest	206	172
Finance leases	4	4
Other interest payable	417	135
	<hr/>	<hr/>
	867	410
	<hr/>	<hr/>

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

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

11 Taxation

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of tax of 28%
The differences are reconciled below

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Loss before taxation	(3,162)	(7,101)
Loss on ordinary activities multiplied by 26% (2011 28%)	(822)	(1,988)
Effect of expenses not deductible for tax purposes	252	1,403
Effect of non-taxable income	-	(124)
Losses not recognised	570	709
Current period tax	-	-

Deferred taxation

Deferred taxation provided in the financial statements is £nil (2011 £nil) and the amounts not recognised are as follows

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Group		
Depreciation in excess of capital allowances	1,782	1,769
Losses	11,440	10,871
	13,222	12,640

The gross value of tax losses carried forward at 31 March 2012 equals £50.9 million (2011 £48.6 million)

Deferred tax asset

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 Group were to generate taxable income in the future.

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

12. Loss per share

	Year ended 31 March 2012 Total	Year ended 31 March 2011 Total
Loss for period	£3,192,000	£7,101,000
Weighted average number of shares	29,050,700	20,010,964
Basic & diluted loss per share	<u>£0 11</u>	<u>£0 35</u>
Loss for period from continuing operations	£3,192,000	£6,966,000
Weighted average number of shares	29,050,700	20,010,964
Basic & diluted loss per share	<u>£0 11</u>	<u>£0 35</u>

Adjusted loss per share

Adjusted loss per share is calculated by reference to the loss from continuing activities before interest, taxation, impairment of goodwill, depreciation and amortisation (see note 6)

	Year ended 31 March 2012 Total	Year ended 31 March 2011 Total
Adjusted loss after tax for period	£372,000	£1,007,000
Basic & diluted loss per share	<u>£0 01</u>	<u>£0 05</u>

The Company has 302,370 (2011 302,540) potentially dilutive ordinary shares arising from share options issued to staff. The Company also has potentially dilutive ordinary shares arising from the convertible loan, see note 20. These have not been included in calculating the diluted earnings per share as the effect is anti-dilutive.

The deferred shares are not included in the earnings per share or diluted earnings per share. These shares have no voting rights and are non-convertible and therefore do not form part of the ordinary share capital used for the loss per share calculation.

Basic and diluted loss per share from discontinued operations was £Nil (2011 £0 007)

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

13 Intangible assets

	Deferred development costs £000	Completed Technology £000	Total Intangible assets £000	Goodwill £000
Cost				
At 1 April 2011	3,498	629	4,127	29,083
Additions	828	-	828	-
Foreign exchange	(94)	(32)	(126)	-
At 31 March 2012	4,232	597	4,829	29,083
Accumulated amortisation				
At 1 April 2011	2,409	482	2,891	21,577
Provided during the year	589	144	733	560
Foreign exchange	(61)	(29)	(90)	-
At 31 March 2012	2,937	597	3,534	22,137
Net book value				
At 31 March 2012	1,295	-	1,295	6,946
At 31 March 2011	1,089	147	1,236	7,506

The net book value of internally generated assets at 31 March 2012 equalled £1,267,000 (2011 £1,034,000) and the net book value of other intangible assets was £28,000 (2011 £55,000)

	Deferred development costs £000	Completed Technology £000	Total Intangible assets £000	Goodwill £000
Cost				
At 1 April 2010	5,892	633	6,525	45,528
Additions	601	-	601	-
Disposals	(2,987)	-	(2,987)	(16,445)
Foreign exchange	(8)	(4)	(12)	-
At 31 March 2011	3,498	629	4,127	29,083
Accumulated amortisation				
At 1 April 2010	4,885	327	5,212	33,111
Disposals	(2,954)	-	(2,954)	(16,445)
Provided during the year	465	152	617	4,911
Foreign exchange	13	3	16	-
At 31 March 2011	2,409	482	2,891	21,577
Net book value				
At 31 March 2011	1,089	147	1,236	7,506
At 31 March 2010	1,007	306	1,313	12,417

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

13. Intangible assets (continued)

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

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

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next three years. The forecasts are based on current contracts and management's estimate of revenues relating to opportunities that are currently being pursued. The cash flow forecasts are extrapolated for the balance of 20 years based on an estimated growth rate of 5% (2011: 5%) for Digital TV, Broadcast and Connect. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast pre-tax cash flows for all CGUs is 16% (2011: 16%).

An impairment provision of £560,000 has been recorded in relation to the Interactive Marketing division due to a reduction in the level of activity during the year and uncertainty surrounding the prospects of future growth for this division.

Following the impairment review of the carrying value of goodwill, the following impairments were considered appropriate:

	Digital TV £000	Broadcast & Content £000	Interactive Marketing £000	Connect £000	Total £000
Carrying value at 1 April 11	4,068	1,905	977	556	7,506
Impairment	-	-	(560)	-	(560)
Carrying value at 31 March 12	<u>4,068</u>	<u>1,905</u>	<u>417</u>	<u>556</u>	<u>6,946</u>

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

14. Property, plant and equipment

	Office & computer equipment £000	Short- leasehold improvements £000	Total £000
Cost			
At 1 April 2011	1,398	46	1,444
Additions	38	3	41
Disposals	(82)	-	(82)
Foreign exchange	(14)	-	(14)
	<hr/>	<hr/>	<hr/>
At 31 March 2012	1,340	49	1,389
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2011	1,218	46	1,264
Provided during the year	105	1	106
Disposals	(82)	-	(82)
Foreign exchange	(11)	-	(11)
	<hr/>	<hr/>	<hr/>
At 31 March 2012	1,230	47	1,277
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2012	110	2	112
	<hr/>	<hr/>	<hr/>
At 31 March 2011	180	-	180
	<hr/>	<hr/>	<hr/>

Included in the net book value of property, plant and equipment are amounts of £23,000 (2011 £46,000) held under finance lease and hire purchase contracts. Depreciation of £23,000 (2011 £23,000) has been charged on these assets.

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

14. Property, plant and equipment (continued)

	Office & computer equipment £000	Short- leasehold improvements £000	Total £000
Cost			
At 1 April 2010	4,403	989	5,392
Additions	93	-	93
Disposals	(3,096)	(943)	(4,039)
Foreign exchange	(2)	-	(2)
	<hr/>	<hr/>	<hr/>
At 31 March 2011	1,398	46	1,444
Depreciation			
At 1 April 2010	4,183	981	5,164
Provided during the year	109	8	117
Disposals	(3,075)	(943)	(4,018)
Foreign exchange	1	-	1
	<hr/>	<hr/>	<hr/>
At 31 March 2011	1,218	46	1,264
Net book value			
At 31 March 2011	<hr/> 180	<hr/> -	<hr/> 180
At 31 March 2010	<hr/> 220	<hr/> 8	<hr/> 228

The impairment of £556,000 in year ended 31 March 2011 related to the cessation of the studio and playout operations in July 2010

15. Trade & other receivables

	31 March 2012 £000	31 March 2011 £000
Trade receivables	866	1,402
Allowance for bad debts	(59)	(248)
	<hr/>	<hr/>
	807	1,154
Other receivables	349	141
Prepayments and accrued income	168	236
	<hr/>	<hr/>
	1,324	1,531

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

15 Trade & other receivables (continued)

Trade receivables

Trade receivables net of allowances are held in the following currencies

	31 March 2012 £000	31 March 2011 £000
Sterling	99	252
Euro	708	902
Total	807	1,154

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 £25,000 (2011 £26,000) 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 88 days (2011 69 days)

Ageing of past due but not impaired trade receivables

	31 March 2012 £000	31 March 2011 £000
30-60 days	9	22
60-90 days	10	-
90+ days	6	4
Total	25	26

Movement in allowance for doubtful debts

	31 March 2012 £000	31 March 2011 £000
Balance at beginning of year	248	214
Utilised in year	(188)	-
(Credit)/charge for year	(1)	34
Balance at the end of the year	59	248

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

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

15 Trade & other receivables (continued)

Ageing of impaired receivables

	31 March	31 March
	2012	2011
	£000	£000
+120 days	59	248

The directors consider that the carrying amount of trade and other receivables approximates their fair value

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

16. Trade and other payables - current

	31 March	31 March
	2012	2011
	£000	£000
Trade payables	956	1,017
Other payables	841	295
Other taxation and social security taxes	796	669
Accruals	120	425
Deferred income	365	340
Finance lease creditor	10	27
	<u>3,088</u>	<u>2,773</u>

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

The directors consider that the carrying amount of trade payables approximates to their fair value

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 128 days (2011: 124 days)

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

	31 March	31 March
	2012	2011
	£000	£000
Up to 3 months	1,089	1,377
3 to 6 months	144	91
6 to 12 months	694	296
	<u>1,927</u>	<u>1,764</u>

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

17 Loans and borrowings

	31 March 2012 £000	31 March 2011 £000
Bank overdrafts	334	434
Bank loans	761	185
	<u>1,095</u>	<u>619</u>
The borrowings are repayable as follows		
On demand or within one year	<u>1,095</u>	<u>619</u>
The above bank overdrafts are denominated in Euros and are unsecured		
	31 March 2012 %	31 March 2011 %
The weighted average interest rates paid were as follows		
Bank overdrafts	4.8	4.7
Bank loans	<u>6.0</u>	<u>5.8</u>
The directors estimate the fair value of the Group's borrowings as follows		
Bank overdrafts	334	434
Bank loans	761	185
	<u>1,095</u>	<u>619</u>

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

At 31 March 2012 the Group had undrawn committed borrowing facilities of £Nil (2011: £10,000)

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

18. Non-current liabilities

	31 March 2012 £000	31 March 2011 £000
Interest bearing loans and borrowings		
Convertible loan	1,148	1,084
Bank loans	1,242	865
Other loans	417	439
Finance lease creditor	10	20
	<hr/> 2,817 <hr/>	<hr/> 2,408 <hr/>
 Embedded conversion option derivative	 292	 292
	<hr/>	<hr/>
Other non-current payables		
Other taxation and social security taxes	194	-
	<hr/>	<hr/>
Provisions	568	352
	<hr/>	<hr/>

Further information on the convertible loan and embedded conversion option derivative is given in note 20

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

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

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

18 Non-current liabilities (continued)

Borrowings, including interest, are repayable as follows

	31 March 2012 £000	31 March 2011 £000
Bank overdrafts		
On demand or within one year	339	441
Bank loans		
On demand or within one year	849	241
Between one and two years	556	498
Between two and five years	762	432
	<u>2,167</u>	<u>1,171</u>
Other loans		
Between two and five years	456	464
	<u>456</u>	<u>464</u>
Convertible loans		
Between two and five years	1,704	1,988
	<u>1,704</u>	<u>1,988</u>
Finance leases		
On demand or within one year	10	27
Between one and two years	10	20
	<u>20</u>	<u>47</u>
Total borrowings including finance leases		
On demand or within one year	1,198	709
Between one and two years	566	518
Between two and five years	2,922	2,884
	<u>4,686</u>	<u>4,111</u>

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Notes to consolidated financial statements

Year ended 31 March 2012 (continued)

19. 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 £27,000 (2011 £30,000)

At 31 March 2012, contributions amounting to £26,000 (2011 £9,000) were payable and included in other liabilities

20. 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 17 and 18, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 22.

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Categories of financial instruments

	Carrying value	
	31 March 2012 £000	31 March 2011 £000
Financial assets		
Loans and receivables		
- Trade and other receivables, excluding prepayments	1,224	1,371
- Cash and cash equivalents	35	68
	<u>1,259</u>	<u>1,439</u>
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables*	1,927	1,764
- Loans and borrowings due within one year	1,095	619
- Interest bearing loans and borrowings due after one year	2,817	2,408
- Other payables due after one year	762	352
	<u>6,601</u>	<u>5,143</u>
Financial liabilities at fair value through profit or loss		
- Embedded conversion option derivative	292	292
	<u>6,893</u>	<u>5,435</u>

* Excluding other taxation and social security and deferred income

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

20. Financial instruments (continued)

Convertible loan

On 21 March 2010 the Company entered into a convertible loan agreement for £1,500,000, of which £1,420,000 had been drawn down as at 31 March 2012. A summary of the terms of the convertible loan is as follows

- The convertible loan is repayable on 18 March 2015,
- Annual interest rate of 10 per cent,
- Convertible into ordinary shares in the Company from the third anniversary of the date of issue at a conversion price of the lower of £1 10 or a 20% discount to the mid-market share price at the time of conversion,
- The Company is able under certain circumstances to repay the convertible loan at par on the third anniversary,
- If the mid-market price is below £1 10 the Company has the option to cancel the lenders' conversion rights by repaying the convertible loan plus a 20% premium, and
- Under the terms of the convertible loan the Company has given a fixed and floating charge over the assets of the Group

The proceeds of the convertible loan are allocated into liability (debt) and derivative components at fair value. The debt component is accounted for as a financial liability measured at amortised cost. The derivative component is also included within liabilities, but is measured at fair value at each reporting date, with changes in the fair value of the derivative component being recognised in the consolidated income statement.

Financial risk management objectives

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

By virtue of the nature of the Group's operations, it is generally not exposed to price risk.

It is not Group policy to trade in financial instruments.

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.

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

20. Financial instruments (continued)

Foreign currency risk management

The Group has undertaken certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. During the year ended 31 March 2012 the Group has not utilised forward exchange contracts to manage exchange rate exposures.

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 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
Euro denominated assets and liabilities	<u>(4,678)</u>	<u>(1,795)</u>	<u>1,105</u>	<u>1,056</u>

Foreign currency sensitivity analysis

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

	Profit and loss impact	
	2012 £000	2011 £000
Euro	<u>397</u>	<u>694</u>

Interest rate risk management

At 31 March 2012 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 the bank overdrafts, the development loan and bank loans totalling £650,000. The remaining bank loans and overdrafts totalling £3,544,000 and the convertible loans 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.

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

20. Financial instruments (continued)

Credit risk management

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

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

Please refer to note 15 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 £4,000 at 31 March 2012 and £7,000 at 31 March 2011) in some cases. Given the recent "credit crunch" the table below shows the balance of counterparties at the balance sheet date in excess of 10% of the overall balance, together with the Standard and Poor's credit rating symbols.

Counterparty	Location	Rating	31 March 2012		31 March 2011	
			% of overall cash & cash equivalents	Carrying amount £000	% of overall cash & cash equivalents	Carrying amount £000
Banco Sabadell	Spain	AA-	100.0%	35	-	-
Barclays Bank plc	UK	AA-	-	-	82.0%	56

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. At present the Group is looking to increase its borrowing facilities to ensure that it can continue to meet its financial obligations as they fall due.

Tables showing the maturity profile of the Group's financial liabilities are included in notes 16, 17 and 18.

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

21. Share capital

A breakdown of the authorised and issued share capital in place as at 31 March 2012 is as follows

	31 March 2012 Number	31 March 2012 £000	31 March 2011 Number	31 March 2011 £000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	31,973,423	319	21,305,485	213

Share issue

On 15 December 2011 the Company raised £1,066,794 via the issue of 10,667,938 £0.01 ordinary shares at a price of £0.10 each. The issue of shares consisted of a placing for cash raising gross proceeds of £842,517 by the issue of 8,425,172 shares and 2,242,766 shares were issued to capitalise certain creditor balances totalling £224,277. The directors who participated in this fund raising and the number of ordinary shares subscribed for were, Richard Alden, 314,187 shares, José-Luis Vázquez, 942,766 shares, and Francis Coles, 263,873 shares.

22. Reserves

	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Total other reserves £000	Share premium £000	Profit and loss account £000
At 1 April 2011	2,109	843	2,472	5,424	273	(1,833)
Loss for the financial year	-	-	-	-	-	(3,162)
Transfer between reserves	(1,969)	-	-	(1,969)	-	1,969
Issue of shares	-	-	-	-	960	-
Costs of share issue	-	-	-	-	(17)	-
Movement in foreign exchange reserve	-	(306)	-	(306)	-	-
At 31 March 2012	140	537	2,472	3,149	1,216	(3,026)

	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Total other reserves £000	Share premium £000	Profit and loss account £000
At 1 April 2010	2,109	891	2,472	5,472	-	(29,457)
Loss for the financial year	-	-	-	-	-	(7,101)
Cancellation of A deferred shares	-	-	-	-	-	8,210
Cancellation of deferred shares	-	-	-	-	-	6,908
Cancellation of B deferred shares	-	-	-	-	-	19,607
Issue of shares	-	-	-	-	285	-
Costs of share issue	-	-	-	-	(12)	-
Movement in foreign exchange reserve	-	(48)	-	(48)	-	-
At 31 March 2011	2,109	843	2,472	5,424	273	(1,833)

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Notes to consolidated financial statements
Year ended 31 March 2012 (continued)

22. Reserves (continued)

Share premium

The amount subscribed for share capital in excess of nominal value

Share option reserve

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

Foreign exchange reserve

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

Merger reserve

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

23 Share based payments

Equity settled share option scheme

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

IFRS2 - Share based payment

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

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

	Year ended 31 March 2012		Year ended 31 March 2011	
	No. of	Weighted	No. of	Weighted
	share	average	share	average
	options	exercise	options	exercise
		price (£)		price (£)
Outstanding at the beginning of period	302,540	1.48	315,167	5.03
Granted during period	-	-	-	-
Lapsed during period	(170)	433.55	(12,627)	90.09
Exercised during period	-	-	-	-
Outstanding at the end of the period	302,370	1.24	302,540	1.48
Exercisable at the end of the period	302,370	1.24	302,540	1.48

The options outstanding at 31 March 2012 and at 31 March 2011 had a range of exercise prices from £1.096 to £487.50.

The options outstanding at 31 March 2012 had a weighted average remaining contractual life of 5.9 years (2011: 6.7 years).

For the year ended 31 March 2012, the Group has recognised a total expense of £Nil (2011: £Nil) related to equity-settled share-based payment transactions.

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Notes to consolidated financial statements

Year ended 31 March 2012 (continued)

23. Share based payments (continued)

IFRS2 - Share based payment (continued)

The estimated fair values for determining this charge were calculated using the Black-Scholes option pricing model. This produces a fair value for each grant of options made and the fair value is then charged over the vesting period, which is three years. For this reason the charge for the year ended 31 March 2012 is determined by any grants made, in our case, since 22 December 2004. The inputs into the model at each grant date since then were as follows:

Date of grant	22 Dec 04	22 Dec 04	28 Aug 06	22 Dec 06	25 Feb 08
Share price at date of grant (in £s)	0.17	0.17	0.0138	0.0185	1.0962
Exercise price (in £s)	0.01	0.15	0.025	0.0185	1.0962
Fair value at date of grant (in £s)	0.16	0.11	0.016	0.0030	0.928
Expected volatility	70%	70%	70%	80%	121%
Expected life (years)	5	5	2	5	5
Risk-free rate	4.53%	4.53%	4.53%	5.20%	5.20%
Expected dividend yield	-	-	-	-	-

Assumptions in calculating fair value

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

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

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

24. Operating lease arrangements

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

	31 March 2012 £000	31 March 2011 £000
Within one year	126	135
In second to fifth years inclusive	52	67
	<u>178</u>	<u>202</u>

mirada plc

Notes to consolidated financial statements

Year ended 31 March 2012 (continued)

24. Operating lease arrangements (continued)

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

25. Notes supporting cash flow statement

Cash and cash equivalents comprise

	31 March 2012 £000	31 March 2011 £000
Cash available on demand	35	68
Overdrafts	(334)	(434)
	<u>(299)</u>	<u>(366)</u>
Net cash increase in cash and cash equivalents	67	67
Cash and cash equivalents at beginning of year	(366)	(433)
Cash and cash equivalents at end of year	<u>(299)</u>	<u>(366)</u>

There were no significant non-cash transactions in the year.

Cash and cash equivalents

Cash and cash equivalents are held in the following currencies

	31 March 2012 £000	31 March 2011 £000
Sterling	-	55
Euro	35	13
Total	<u>35</u>	<u>68</u>

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

26. Related parties

On 15 December 2011 the Company raised £1,066,794 via the issue of 10,667,938 £0.01 ordinary shares at a price of £0.10 each. The directors who participated in this fund raising and the number of ordinary shares subscribed for were, Richard Alden, 314,187 shares, Jose-Luis Vázquez, 942,766 shares, and Francis Coles, 263,873 shares.

As at 31 March 2012 Naropa Cartera S L U, which owns 23.6% of the issued share capital of the Company, and Baring Iberia II Inversion en Capital F C R, which owns 17.9% of the issued share capital of the Company, had convertible loans outstanding of £480,000 and £215,000 respectively. During both the current year and prior year interest was accrued but unpaid at a rate of 10% per annum.

mirada plc**Notes to consolidated financial statements****Year ended 31 March 2012 (continued)****27 Events after the balance sheet date**

Post year end certain short term bank loans and overdrafts totalling £381,000, which are currently included in loans and borrowings repayable within one year, have been renegotiated so that they are now repayable between one and two years after the balance sheet date

mirada plc
Company balance sheet
As at 31 March 2012

	Notes	31 March 2012 £000	31 March 2011 £000
Intangible fixed assets	iv	110	13
Tangible fixed assets	v	40	77
Investments	vi	8,529	8,529
Fixed assets		8,679	8,619
Debtors	vii	181	215
Cash at bank and in hand		2	55
Current assets		183	270
Total assets		8,862	8,889
Creditors – amounts due within one year	viii	(3,112)	(8,433)
Net current liabilities		(2,929)	(8,163)
Total assets less current liabilities		5,750	456
Interest bearing loans and borrowings	ix	(1,430)	(1,488)
Other liabilities	ix	(498)	(352)
Creditors – amounts due in more than one year		(1,928)	(1,840)
Total liabilities		(5,040)	(10,273)
Net assets/(liabilities)		3,822	(1,384)
Capital and reserves			
Issued share capital	21	319	213
Share premium	xi	1,216	273
Share option reserve	xi	140	2,109
Profit and loss account	xi	2,147	(3,979)
Shareholders' funds/(deficit)	xii	3,822	(1,384)

These financial statements were approved and authorised for issue on 28 September 2012

Signed on behalf of the Board of Directors



José-Luis Vázquez
Chief Executive Officer

mirada plc
Notes to Company accounts
Year ended 31 March 2012

1. Accounting policies

Basis of accounting

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

The principal accounting policies are summarised below.

Tangible fixed assets

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

Office & computer equipment - 33 3%

Deferred taxation

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

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

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

Foreign currencies

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

Leases

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

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

mirada plc
Notes to Company accounts
Year ended 31 March 2012

1. Accounting policies (continued)

Bank borrowings

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

Financial instruments

The Company's financial instruments comprise cash and liquid resources together with debtors and creditors that arise directly from its operations.

The company does not enter into derivative or hedging transactions. It has been, throughout the year under review, the company's policy that no trading in financial instruments shall be undertaken. The company places the majority of its cash on interest-bearing, short-term and instant-access deposit. Funds are transferred to and from deposit on a daily basis. The company's objective is to minimise the risk of loss to the company by limiting the company's credit exposure to quality institutions maintaining a very high credit rating. The main risk arising from the company's financial instruments is interest rate risk.

The company's policy in relation to interest rate risk is to monitor short and medium-term interest rates and to place cash on deposit for periods that optimise the amount of interest earned, while maintaining access to sufficient funds to meet day-to-day cash requirements.

Movements in the exchange rates can affect the company's balance sheet. The magnitude of this risk is not presently significant to the company and therefore no specific measures are currently undertaken to manage this risk.

mirada plc
Notes to Company accounts
Year ended 31 March 2012

ii. Directors' remuneration

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

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Executive directors:		
Salaries & fees	137	197
Pensions and benefits	-	-
Non-executive directors:		
Aggregate emoluments	64	58
	<u>201</u>	<u>255</u>

Emoluments payable to the highest paid director are as follows

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Aggregate emoluments	<u>137</u>	<u>197</u>

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

iii. Profit attributable to members of the parent company

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year. The Company reported a profit after tax for the financial year ended 31 March 2012 of £4.16 million (2011: loss after tax £4.90 million).

mirada plc
Notes to Company accounts
Year ended 31 March 2012

iv. Intangible fixed assets

	Deferred development costs £000
Cost	
At 1 April 2011	22
Additions	104
	<hr/>
At 31 March 2012	126
	<hr/>
Depreciation	
At 1 April 2011	9
Provided during the year	7
	<hr/>
At 31 March 2012	16
	<hr/>
Net book value	
At 31 March 2012	110
	<hr/>
At 31 March 2011	13
	<hr/>

mirada plc
Notes to Company accounts
Year ended 31 March 2012

v. Tangible fixed assets

	Office & computer equipment £000
Cost	
At 1 April 2011	788
Additions	13
Disposals	(83)
	<hr/>
At 31 March 2012	718
	<hr/>
Depreciation	
At 1 April 2011	711
Provided during the year	50
Disposals	(83)
	<hr/>
At 31 March 2012	678
	<hr/>
Net book value	
At 31 March 2012	40
	<hr/>
At 31 March 2011	77
	<hr/>

mirada plc
Notes to Company accounts
Year ended 31 March 2012

vi. Investments

	£000
Cost	
At 1 April 2011	32,991
Disposals	-
	<hr/>
At 31 March 2012	32,991
	<hr/>
Amounts provided	
At 1 April 2011	24,462
Provided in year	-
Disposals	-
	<hr/>
At 31 March 2012	24,462
	<hr/>
Net book value	
At 31 March 2012	8,529
	<hr/>
At 31 March 2011	8,529
	<hr/>

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

Name of company	Holding	Proportion of voting rights and shares held	Country of incorporation	Nature of business
MieTV Limited	Ordinary shares	100%	UK	Dormant
Fancy a Flutter Limited	Ordinary shares	100%	UK	Dormant
Whoosh Group Limited	Ordinary shares	100%	UK	Mobile telephone technology provider
Digital Interactive Television Group Limited	Ordinary shares	100%	UK	Interactive TV services
Digital Television Production Company Limited	Ordinary shares	100%	UK	Interactive TV services
Digital Impact (UK) Limited*	Ordinary shares	100%	UK	Interactive TV services
Go Interactive TV Limited	Ordinary shares	100%	UK	Dormant
Interactive Television Infrastructure Limited	Ordinary shares	100%	UK	Interactive TV services
Mirada Connect Ltd	Ordinary shares	100%	UK	Payment solutions provider
Fresh Interactive Technologies S A	Ordinary shares	100%	Spain	Interactive TV services

* Held indirectly in Fresh Interactive Technologies S A

mirada plc
Notes to Company accounts
Year ended 31 March 2012

vii. Debtors

	31 March 2012 £000	31 March 2011 £000
Trade debtors	60	134
Accrued income	67	8
Other debtors	-	7
Prepayments	54	66
	<u>181</u>	<u>215</u>

viii. Creditors - amounts falling due within one year

	31 March 2012 £000	31 March 2011 £000
Trade creditors	344	427
Amounts owed to group undertakings	2,009	7,429
Accruals and deferred income	109	328
Other taxation and social security	243	222
Other creditors	397	-
Obligations under finance leases and hire purchase contracts	10	27
	<u>3,112</u>	<u>8,433</u>

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

	31 March 2012 £000	31 March 2011 £000
Convertible loans	1,420	1,468
Obligations under finance leases and hire purchase contracts	10	20
Other creditors	498	352
	<u>1,928</u>	<u>1,840</u>

mirada plc
Notes to Company accounts
Year ended 31 March 2012

ix. Creditors - amounts falling due in more than one year (continued)

Borrowings are repayable as follows

	31 March 2012 £000	31 March 2011 £000
Other creditors		
Between one and two years	498	352
Convertible loans		
Between two and five years	1,420	1,468
Finance leases		
On demand or within one year	10	27
Between one and two years	10	20
	20	47
Total borrowings including finance leases		
On demand or within one year	10	27
Between one and two years	508	372
Between two and five years	1,420	1,468
	1,938	1,867

x Deferred taxation

Deferred taxation provided in the financial statements is £nil (2011 £nil) and the amounts not recognised are as follows

	31 March 2012 £000	31 March 2011 £000
Accelerated capital allowances	331	318
Losses	5,943	6,098
	6,274	6,416

Deferred tax asset

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 Group were to generate taxable income in the future.

mirada plc
Notes to Company accounts
Year ended 31 March 2012

xi. Reserves

	Share premium £000	Share option reserve £000	Profit and loss account £000
At 1 April 2011	273	2,109	(3,979)
Profit for the year	-	-	4,157
Transfer between reserves	-	(1,969)	1,969
Issue of shares	960	-	-
Costs of share issue	(17)	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2012	1,216	140	2,147
	<hr/>	<hr/>	<hr/>

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Notes to Company accounts
Year ended 31 March 2012

xii. Reconciliation of movements in shareholders' funds/(deficit)

	2012	2011
	£000	£000
Profit/(loss) for the year	4,157	(4,895)
New shares issued	1,066	300
Share issue costs	(17)	(12)
	<hr/>	<hr/>
Net increase/(reduction) in shareholders' funds	5,206	(4,607)
Opening shareholders' (deficit)/funds	(1,384)	3,223
	<hr/>	<hr/>
Closing shareholders' funds/(deficit)	<u>3,822</u>	<u>(1,384)</u>