Company Registration No. 3609752

mirada plc

Report and Financial Statements

31 March 2009

mirada plc

Report and financial statements
For the year ended 31 March 2009

mirada plc

Officers and professional advisers

Directors

Dr Michael Sinclair (MBBS)	Non-Executive Chairman
Mr José-Luis Vázquez	Chief Executive Officer
Mr Richard Blake (FCA)	Non-Executive Director
Mr Rafael Martín Sanz	Non-Executive Director

Company Secretary

Graham Duncan

Nominated Adviser and Broker

Seymour Pierce Limited
20 Old Bailey
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Bankers

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Auditors

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Lawyers

Finers Stephens Innocent
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Company Registrars

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Chief Executive Officer's Report

Overview

This is the first full financial year of trading since the Group's transformation following the acquisition of Fresh Interactive Technologies SA ("Fresh"), a leading Spanish interactive television company, in February 2008. The onset of the recession shortly after has presented the directors and management with both challenges and rewards in that we are able to report on a period of considerable, tangible progress for the Group.

On the whole, the Group is emerging with most of its objectives achieved namely an efficient operating cost structure, a strong international sales and operational team and extensive overseas activities.

We are grateful for the support of our team and our partners during this transitional period in the face of a world economic crisis and we reaffirm our commitment to long-term and mutually profitable relationships within our marketplace.

Areas of business

Mirada is an audiovisual interaction technology company. We trade in complementary areas, and have assets and interests across five operational divisions:

Digital TV operators:

To date we have deployed over 200 interactive services with a wide range of international customers and partners. Our core software for digital receivers includes Electronic Programming Guides ("EPG"), Video on Demand ("VOD") and Personal Video Recorders ("PVR") applications as well as Audience Measurement systems, voting and polling, advertising and synchronisation services.

Broadcasters and content producers:

We work with the media value chain to create and support fully interactive shows, in which our technology and skills play an important role to increase investment returns and improve the users' engagement. Through the brand Wapping Broadcast, mirada also provides quality broadcast and play out solutions.

Gaming brands:

We provide video rich gaming and gambling content for television, mobile and the internet. Content includes our highly successful Roulette and Bingo products which deliver multiplatform content and technology, using our synchronised multiplatform interaction capabilities and our audiovisual playout.

Interactive marketing:

Our customers are agencies, brand owners and media buyers, who utilise our mobile marketing and interactive advertising tools. In a market where references are key, we are pleased to say that our services have been deployed by leading brands in the UK, Spain and Italy.

mirada connect:

As a subsidiary company, mirada connect provides our transactional technology to parking platforms and services, working with major partners like NCP, APCOA and Meteor, providing mobile cashless parking, permits management and Penalty Charge Notice payment transactional technologies.

Chief Executive Officer's Report (continued)

Trading review

This year's primary aims were to consolidate the merger between Yoomedia and Fresh, including the execution of an ambitious turnaround plan to dramatically reduce the global operating overhead of the Group and a focus on profitable business areas. This led to a reduction in non-core and loss making activities with the objective of maximising the bottom line results. The result of these exercises is a reported 89% reduction in Group losses compared to the 15 months ended 31 March 2008 and a very promising trend towards profitability. It has to be said that we had hoped at the outset for an even better performance but economic recession meant the expiry of certain sales contracts and delays in negotiations with new customers. These factors reduced the expected revenues of the Group to a level that made it impossible to achieve positive operational results for the full trading year. Management made a decision to implement further cost reduction measures in order to improve our cash flow until market conditions improved. Following the year end we can now say that the Group has reduced its overheads and increased its margins to enable the Group to achieve sustainable positive operating profits and cash flows.

Financial overview

For the year ended 31 March 2009 the Group recorded an operating loss before interest, tax, restructuring, depreciation, amortisation and share based payment charges of £0.67 million compared to a loss of £4.46 million in the 15 months ended 31 March 2008. It should also be noted that the equivalent result reported in the interim statements for the 6 months ended 30 September 2008 was a loss of £0.53 million which shows a promising trend towards profitability.

This improvement in performance is due to two main factors:

- An increase in the gross margin being earned: £5.97 million in the current year with a gross margin percentage of 57% compared to £4.26 million and 34% in the 15 months ended 31 March 2008; and
- A reduction in overheads: other administrative expenses in the year equalled £7.10 million, now including Fresh overheads, compared to £10.02 million in the 15 months ended 31 March 2008. I am confident that the current year will see a further reduction in reported overheads.

Loss before interest, tax, restructuring, depreciation, amortisation and share based payment charges is a key performance indicator used by management to review the performance of the Group and removes the impact of one off and non-cash items (see note 6). Other KPIs used by management are as follows:

- Gross Profit Margin. Historically the old Yoomedia business was engaged in relatively low margin activities, but since the creation of mirada it has been management's aim to focus mainly on activities which generate higher margins. As outlined above the Group's gross margin increased to 57% in the year ended 31 March 2009 compared to 34% in the prior period. This trend of improved margins has continued and it is our target to further increase the gross margin during the year ending 31 March 2010.
- Operating cash flows. Management monitors operating cash flow before movements in working capital. This allows management to assess the cash generated by the Group's ongoing trading activities before taking into account its investment in tangible fixed assets and capitalised development costs. It also eliminates the impact of the cash used in repaying the large, historic Yoomedia creditors which existed at 31 March 2008. The net operating cash outflow before movements in working capital for the year was £0.14 million which shows a dramatic decrease in outflow reported in the 15 months ended 31 March 2008 of £5.64 million and illustrates that the Group is getting closer to achieving the directors' aim of achieving sustainable positive cash flows.

The retained loss for the year equalled £2.26 million (15 months ended 31 March 2008: £20.56 million loss), this result was adversely impacted by a large foreign exchange loss of £0.75 million which was mainly incurred on the inter company loan between Fresh and mirada. It needs to be noted that this foreign exchange loss is on an inter company loan and has been offset in the balance sheet by the foreign currency translation gain of £0.93 million which was taken directly to reserves.

Chief Executive Officer's Report (continued)

Operational Review

Digital TV business
The past trading year has shown a large increase in the revenues coming from our overseas Digital TV activities, due to the consolidation of a very skilled international team. The Group generated an increasing number of opportunities, some of them materialising in the present trading year due to delays in customer decisions. Our main customer wins for the past trading year were:

- **Ono**: As Ono is the largest cable operator in Spain, mirada was proud to be awarded with a contract for the development of both a new Motorola decoder PVR and VOD technologies over MHP, and a new guide for the installed base of old Motorola boxes. This contract has opened up new opportunities to work on a non-middleware based deployments and the potential to export our technology to all the Motorola based platforms in North, Central and South America.

- **Middle East**: Our new partnership agreements led to sustained activities in the Middle East region, where mirada deployed and maintains its VOD technology for the largest cable company in the Middle East. We are very proud of the high quality and efficiency of the deployments which shows our international operational capabilities from our UK and Spanish technical centres.

- **Italy**: mirada opened its first Italian office in Milan. In conjunction with Virgilio and Mastercard we were able to offer innovative interactive services which further extended our ambition for international expansion. Our technical capabilities made us the preferred partner for interactive advertising services and helped secure important relationships with the leading satellite platform in Italy, Sky Italia. Following the year end this crucial partnership saw mirada team up with Sky Italia to deliver interactive advertising applications to allow consumers to access additional associated content. This is a big milestone for us and indicates the arrival of true interactive advertising applications.

Apart from our digital television activities in the UK, Spain and Italy, mirada has recently announced a contract win in Uruguay and during the current year has been involved in negotiations with customers in Germany, France, Scandinavia, Austria, Greece, Portugal, UAE, India, Turkey, USA, Canada, Mexico, Colombia, Argentina and Chile. We are strengthening our relationships with Conditional Access and Middleware providers as well as manufacturers, and we expect those partnerships and the global market growth to result in a sustained increase in the Digital TV business over the coming years.

Broadcast business
The past year has been unprecedented in the media business with broadcasters struggling with a huge decrease in advertising revenues. Our focus has been to protect our present business, and to provide a portfolio of assets which will help our partners be prepared for a global multimedia/multiplatform content distribution and management network.

Our main areas of trading last year in the Broadcast business were as follows:

- **Return path**: mirada is licensed to operate the alternative return path for interactive TV applications that run on the Sky platform in the UK. Our long term customers include Gala, PlayJam and the BBC for whom we delivered campaigns including Red Nose Day and Children in Need which required mirada to handle millions of transactions.

- **Studios and playout:** mirada has been actively promoting its facilities in Wapping under the "Wapping Broadcast" brand, which offers a true media centre in the heart of London. During the year mirada provided broadcast services to Gala, SportsXchange and Two Way Media (Challenge JackPot channel).

- **Synchronisation technologies:** mirada is a leading reference in the UK for the synchronisation of TV content and interactive applications. Partners include RedBee and channels like the BBC, ITV, Channel 4 and UKTV.

Due to our dominant presence in the Spanish market, mirada has been a key player in the new developments taking place in Spain with regards to the transition to Digital Terrestrial Television ("DTT"). The planned switch off date is 3 April 2010 and mirada has been working closely with the Spanish authorities during this process. Being a key partner for broadcasters in both freeview and Pay-TV technologies over DTT, mirada expects to benefit from its competitive advantage in this area in the near future.

We anticipate further extending our broadcast business overseas and increasing our collaboration with both UK and foreign channels and content producers, through the generation of innovative 360° formats utilising our expertise in viewer interaction in a multi-platform environment.

Gaming business

The past financial year has seen a clear evolution of our Gaming business towards a pure B2B strategy, repositioning the company from being a low-tier competitor of our customers to becoming an audiovisual interaction technology partner for them.

While Yoomedia was a leading player in the business of audiovisual gaming technology, it tried to compete in the B2C market – without the necessary resources or structure to succeed, instead of focusing on technology and expertise. Examples like Avago show that the Group had the capability to create innovative formats in the highly competitive gaming market, but in order to find a market these needed to be sold to a B2C player. mirada therefore decided to gradually switch off its B2C activities, concentrating instead on developing innovative audiovisual gaming products for customers such as Gala and ITV. It has also maintained a dialogue with international partners to prepare for the anticipated change in gaming regulations in Western Europe and other areas.

During the year mirada developed web video streaming and synchronisation technologies to address the increasing demand for video content by internet users. While mirada ceased its own loss making B2C satellite operations to concentrate on B2B activities, it has however retained its own Internet streaming gaming line (www.montecarloroulette.tv) to use as a live "shop window" for potential customers.

In line with our new product strategy, mirada launched Virtual Dealer Roulette ("VDR") in October 2008. This innovative format has been successfully distributed to customers like Gala, SportsXchange and in the current period CCMedia. VDR has proven to be an attractive product for our international audience as well. We are pleased that during the current year we will be launching our first service in Eastern Europe which will allow consumers to play VDR live on a dedicated channel and simultaneously online. We expect to win more international distribution agreements with gaming platforms, digital television operators, broadcasters and content providers during the present year.

Our gaming activity with broadcasters included the launch of Bingo Night Live on ITV which was so successful that it entered the Guinness Book of World Records as the largest online game of bingo with around 60,000 players playing simultaneously on 10 October 2008. We have been actively promoting our Bingo format internationally through agreements with Broadcasters and content producers, and we expect to reach significant agreements in the next financial year.

Interactive marketing

mirada's activity in interactive advertising and marketing campaigns concentrated on maintaining a reference point in a severely depressed sector. Without a clear focus on product the reduction in marketing budgets and the high level of competition in the UK market resulted in a decrease in the division's revenues.

The decision of the management was to reduce the overheads in the division, retain key talent, and to invest in combining our interactive mobile marketing skills with our audiovisual and synchronisation technologies. In this field, we are progressing very well and we strongly believe that we now have a compelling proposition for agencies, advertisers, media buyers and broadcasters in the advertising market.

During the year mirada became the technology partner to Britvic and delivered campaigns for Britvic brands which include Tango, Robinsons and Pepsi. During the Twenty20 Cricket World Cup in June 2009 mirada launched Pepsi's mobile campaign which gave away a total of £1 million in prize money, managing the consumer interaction and tracking consumer responses for three Pepsi brands.

In addition, we opened our first Italian office in Milan. Partnerships to date include Telecom Italia Group, Mastercard and Sky Italia and we consider these to be significant landmarks in the evolution of our product. This is another showcase of our capability to expand the different skills of the business units overseas. Business lines like

Chief Executive Officer's Report (continued)

Interactive Marketing, which were traditionally constrained to UK activities, are expected to show a sustained growth during the following years due to our expansion into new revenue generating markets.

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Connect is an independent business unit, operating in a significantly different market sector from the rest of the Group. Indeed since the year end a new entity was formed; Mirada Connect Limited, which will focus solely on the commercialisation of our transactional skills for the parking business. This subsidiary will continue contracting mirada's core technical technology and services, as well as benefitting from our increasing international sales presence.

We have been investing in products which can be distributed to a wider market and are adaptable for different international partners, drawing on our experience in collaborating with major partners in the UK.

We expect that our product development programme, relationships with customers like Meteor, APCOA, NCP and Vinci Park, and our international sales efforts will lead to an increasing number of agreements, both in the UK and overseas, during the forthcoming financial year.

Outlook

Today's results indicate a clear turnaround and a return to more favourable operation conditions. The Group ended the year with most of its objectives achieved, namely an efficient operating cost structure, a strong international sales and operational team and extensive overseas activities. Moreover after reducing overheads further since the year end and having seen a return to positive trading conditions, we are moving towards a sustainable cash flow positive position. Accordingly, we are grateful for the support of our team and our partners during a lengthy transitional period in the face of a world economic crisis and we reaffirm our commitment to long-term profitable relationships within our marketplace.

José Luis Vázquez
Chief Executive Officer
28 September 2009

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Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2009.

Principal activities

The principal activities of the Group are the provision and support of products and services in the interactive media, advertising and gaming markets. For a more detailed description of the Group's activities refer to the Chief Executive Officer's Report on pages 2 to 6.

Review of business and future developments

The comparative amounts included in the consolidated income statement, consolidated statement of recognised income and expense, consolidated cash flow statement and their related notes are for the 15 months ended 31 March 2008. This means the current year results will not be entirely comparable to the prior period.

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 6.

Results and dividends

The consolidated income statement for the year is set out on page 20. No dividend is declared in respect of the period.

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 their commitment and is conscious that we must keep the reward systems, both financial and motivational, in place to minimise this area of risk. Our share option schemes and investments in training are examples of this.

Interactive media and gaming 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 advancements. 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 22 for further details on the Group's financial instruments.

Credit risk

The Group has a small 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 have adequate resources to continue in operational existence for the foreseeable future. These resources include funding from the Group's overdraft facilities. 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.

Interest rate risk

The Group is cash positive and places its balances on short-term deposits with highly regarded financial institutions. Changes in interest rates will affect the return on cash balances. The Group does not hold or issue derivative financial instruments.

Liquidity risk

During the year, in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group had used short-term debt finance.

Research and development

The Group has capitalised development costs incurred in the production of various products for the audio visual market, where directors are satisfied as to the technical, commercial and financial viability of individual projects. These development costs are included within intangible fixed assets. The capitalisation of development costs is due to a greater certainty of revenues being generated from these assets.

The policy of the Group is to amortise these capitalised development costs over their useful economic lives which is expected to be between 3 and 4 years. These amortisation costs are expensed through the income statement.

Research costs are expensed to the income statement as incurred.

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 indemnity policy subsisted throughout the year and remains in place at the date of this report.

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Directors' Report (continued)

Directors and their interests

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

Executive directors

Dr Michael Sinclair	Non-Executive Chairman
Mr José-Luis Vázquez	Chief Executive Officer

Non-executive directors

Mr Richard Blake
Mr Rafael Martín Sanz

The interests of directors in the shares of the Group at 31 March 2009 are disclosed in the Directors' Remuneration Report on pages 15 and 16.

Substantial shareholdings

At 25 September 2009 the following shareholders hold, 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
Kasei 2000 S.L.	4,799,259	24.2%
Naropa Capital S.L.	3,818,589	19.3%
Baring Private Equity Partners España S.A.	3,899,830	19.7%
Hanover Nominees Ltd	2,618,391	13.2%
T. Hoare Nominees Ltd	2,142,859	10.8%
Fresh Inversiones S.L.	1,180,242	6.0%

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 those terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with. At 31 March 2009, the Group had an average of 83 days purchases outstanding in trade creditors (2008: 66 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

No significant change or events have occurred since the balance sheet date.

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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 s234ZA of the Companies Act 1985.

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

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

José-Luis Vázquez
Chief Executive Officer
28 September 2009

Corporate Governance

Introduction

The Board of Directors is accountable to shareholders for the good corporate governance of the Group. The principles of corporate governance are set out in the Financial Reporting Council's revised Combined Code on corporate governance issued in 2006. Under the rules of the Alternative Investment Market (AIM) the Group is not required to comply with the Code and the Board considers that the size of the Group does not warrant compliance with all of the Code's requirements but has voluntarily adopted appropriate sections of the Combined Code.

Principles of the combined code

The Board

The Board now comprises the Chairman, Michael Sinclair; the Chief Executive Officer, José-Luis Vázquez; and two non-executive directors, Richard Blake, the Chairman of Audit Committee, and Rafael Martín Sanz. The non-executive directors are independent of management.

Non-executive directors are appointed on a contract with a three-month notice period. The terms and conditions of the appointment of the Non-executive directors are available for inspection from the company secretary. The executive directors are appointed on contracts with a 12-month notice period. All directors are subject to re-election every three years. Directors appointed during the year are subject to re-election by the shareholders at the first opportunity after their appointment. The director who is subject for re-election in the coming year is Richard Blake. Biographies for each director can be found on the Company's website.

The Board has a schedule of matters specifically reserved to it for decision. All directors have access to the advice and services of the company secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. If required, the directors are entitled to take independent advice, and if the Board is informed in advance the cost of the advice will be reimbursed by the Group. To discharge its governance function effectively, the board has laid down rules for its own activities in a governance process policy. Responsibility for implementing this policy is placed on the chairman. This policy covers:

- the conduct of members at meetings
- the cycle of board activities and the setting of agendas
- the provision of timely information to the board
- board officers and their roles
- board committees, their tasks and composition
- qualifications for board membership and the process of the nomination committee
- the evaluation and assessment of board performance
- the remuneration of non-executive directors
- the process for directors to obtain independent advice
- the appointment and role of the company secretary
- approval of the annual budget and the regular update of forecasts

Corporate Governance (continued)

Board meetings are scheduled to take place once every two months, with additional meetings to attend to urgent matters. The respective attendance record of each director during the year was as follows:

Directors' attendance

	Board meetings		Audit Committee		Remuneration Committee	
	Attended	Possible	Attended	Possible	Attended	Possible
Michael Sinclair	7	8	-	-	-	-
José-Luis Vázquez	8	8	-	-	-	-
Richard Blake	7	8	2	2	1	1
Rafael Martín Sanz	5	8	2	2	1	1

To enable the Board to discharge its duties, the Chief Executive Officer describes to the Board how the expected outcome and goals are intended to be delivered through regular business plans, which also encompass an assessment of the Group's risks. During the year, the Board receives updates on progress towards these outcomes through actual and forecasted results.

The Chief Executive Officer is obliged to review and discuss with the Board all strategic projects or developments and all material matters currently or prospectively affecting the Group and its performance. This key dialogue specifically includes any materially under-performing business activities, and material matters of a social responsibility, environmental or ethical nature.

The Board also sets out how the Chief Executive Officer's performance will be monitored and recognises that, in the multitude of changing circumstances, judgement will always be involved. The systems set out by the board are designed to manage, rather than to eliminate, the risk of failure to achieve the goals. They provide reasonable, rather than absolute, assurance against material misstatement or loss.

The following committees deal with specific aspects of the Group's affairs:

Remuneration Committee

During the year the Remuneration Committee, the report of which is on pages 15 and 16, comprised the non-executive directors, Richard Blake (Chairman of the Committee) and Rafael Martín Sanz. It is responsible for the terms and conditions and remuneration of the executive directors and senior management and the granting of share options to the Group's executive directors and employees. The Remuneration Committee may consult external agencies when ascertaining market salaries. The chairman of the Remuneration Committee will be available at the AGM to answer any shareholder questions.

Corporate Governance (continued)

Audit committee

During the year the Audit Committee comprised the non-executive directors, Richard Blake (Chairman of the Committee) and Rafael Martín Sanz. Biographies detailing the respective qualifications of the Audit Committee members are available for viewing on our website. The board considers that the membership of the Audit Committee as a whole has sufficient recent and relevant financial experience to fulfil its duties.

The Committee is provided with sufficient resources to undertake its duties. It has access to the services of the company secretary, and all other employees. The committee may take legal or professional advice when it believes it necessary to do so.

The Committee meets as required, but not less than two times a year. Other directors may also attend committee meetings by invitation, but the committee also meets privately for discussions with the external auditors who attend all its meetings.

The main roles and responsibilities of the committee are to:

- monitor the integrity of the Group's financial statements;
- review the Group's internal financial controls and risk management systems; and
- oversee the Group's relationship with the external auditors.

The main activities of the committee in the year ended 31 March 2009 were:

- assessing the effectiveness of the significant financial reporting issues related to the preparation of the Group's financial statements;
- assessing the effectiveness of the systems established to identify, assess, manage and monitor financial and non-financial risks;
- monitoring the integrity of the Group's internal financial controls;
- reviewing with the external auditors the findings of their work and the effectiveness of the external audit process;
- reviewing arrangements for staff of the Group to raise concerns, in confidence, about possible improprieties in matters of financial reporting of other matters;
- reviewing the need for, and the feasibility of, an internal audit function; and
- reviewing the independence and objectivity of the external auditor.

Internal control

The Board acknowledges its responsibility for the Group's system of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

An ongoing process, in accordance with the guidance of the Turnbull Committee on internal control, has been established for identifying, evaluating and managing the significant risks faced by the Group. The process has been in place for the full year under review and up to the date of approval of the Report and Financial Statements. The Board regularly reviews the process.

The key elements of the risk management processes and system of internal control procedures include:

- a clear organisational structure and lines of responsibility;
- the identification through reporting procedures of major financial, commercial, legal and operational risks;
- the operation of a comprehensive budgeting and financial reporting system and the comparison of actual results against budget;

Corporate Governance (continued)

- the periodic update of budgets and performance targets and outlook, which is reviewed by the Board; and
- the authorisation and monitoring of investment policy, acquisition and disposal proposals, and major capital expenditure.

The key processes used by the Board to review the effectiveness of the system of internal controls include the following:

- the review of the results of the risk assessment;
- review of the actual results against budget and results of the investigation of material differences for the period; and
- the review of issues raised by the external auditors.

Directors' Remuneration Report

The Remuneration Committee consists of the non-executive directors, Richard Blake (Chairman of the Committee) and Rafael Martín Sanz.

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 2009.

	Salary & fees £000	**Benefits[1] £000**	**Compensation for loss of office £000**	**Sums paid to a third party for directors' services £000**	**Year ended 31 March 2009 £000**	**15 months ended 31 March 2008 £000**
Executive						
Michael Sinclair	-	7	-	40	**47**	**200**
José-Luis Vázquez	200	-	-	-	**200**	**17**
Neil MacDonald	22	-	31	-	**53**	**224**
John Swingewood	-	-	-	-	**-**	**192**
Non-executive						
Richard Blake	30	-	-	-	**30**	**34**
Rafael Martín Sanz	30	-	-	-	**30**	**3**
Jeremy Fenn	-	-	-	-	**-**	**38**
	282	7	31	40	**360**	**708**

[1] The remuneration package of Michael Sinclair includes non-cash benefits comprising the provision of life assurance and health insurance.

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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 2009 were as follows:

	Number of ordinary shares	
	31 March 2009	**31 March 2008**
José-Luis Vázquez*	1,180,242	1,180,242
Michael Sinclair	254,761	254,761
Richard Blake	30	30

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

Under the terms of the Unapproved and Approved Executive Share Option Scheme, the directors as at 31 March 2009 have an interest in options over ordinary shares of £1.00 each of the Company as follows:

	Number of options						
	1 Apr 2008	**Granted in the year**	**Exercised in the year**	**31 Mar 2009**	**Exercise price**	**Date from which exercisable**	**Expiry date**
Michael Sinclair	300,000	-	-	300,000	£1.096	1 Jan 2011	25 Feb 2018

Under IFRS 2 (Share based payments), share options which are awarded to directors and employees are subject to a share based payment charge which is measured at the fair value of the option at the date of grant and is charged to the income statement over the vesting period of the option. This charge is purely an accounting entry and there is no cash related cost to the Group. In the year ended 31 March 2009 the 300,000 share options granted to Michael Sinclair incurred a charge of £165,000 (15 months ended 31 March 2008: £18,000).

This report was approved by the directors and signed on its behalf by:

José-Luis Vázquez
Chief Executive Officer
28 September 2009

Statement of Directors' Responsibilities

Directors' responsibilities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets of the Company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report which complies with the requirements of the Companies Act 1985.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The directors are also required to prepare financial statements for the Group in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. The directors have chosen to prepare financial statements for the Company in accordance with UK Generally Accepted Accounting Practice.

Group financial statements

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Parent company financial statements

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

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

Financial statements are published on the Group'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 Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditors' Report to the Members of mirada plc
Year ended 31 March 2009

We have audited the Group and parent company financial statements (the "financial statements") of mirada plc for the year ended 31 March 2009 which comprise the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for preparing the parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and Group Financial Statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chief Executive Officer's Report, Directors' Report, Corporate Governance and Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the Members of mirada plc
Year ended 31 March 2009

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 March 2009 and of its loss for the year then ended;

- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 March 2009;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the directors' report is consistent with the financial statements.

BDO Stoy Hayward LLP

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
London
28 September 2009

mirada plc
Consolidated Income Statement
Year ended 31 March 2009

	Note	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Continuing Operations:			
Revenue	5	10,465	12,504
Cost of sales		(4,492)	(8,242)
Gross profit		5,973	4,262
Net gaming income		462	1,304
Depreciation	6	(349)	(1,486)
Amortisation of deferred development costs	6	(251)	(10)
Impairment of goodwill	6	-	(12,000)
Restructuring costs	7	(117)	(960)
Share based payment charge	25	(165)	(205)
Other administrative expenses		(7,100)	(10,024)
Total administrative expenses		**(7,982)**	**(24,685)**
Operating loss	6	**(1,547)**	**(19,119)**
Finance income	9	117	2
Finance expense	10	(825)	(1,575)
Loss before taxation		**(2,255)**	**(20,692)**
Taxation	12	-	-
Loss for the period from continuing operations		**(2,255)**	**(20,692)**
Profit for the period from discontinued operations	11	-	**129**
Loss for the financial period		**(2,255)**	**(20,563)**

Loss per share		Year ended 31 March 2009 £	15 months ended 31 March 2008 £
From continuing operations			
- basic & diluted	13	0.11	9.02
From continuing and discontinued operations			
- basic & diluted	13	0.11	8.96

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

mirada plc
Consolidated Statement of Recognised Income and Expense
Year ended 31 March 2009

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Currency translation differences	941	260
Net income recognised directly in equity	**941**	**260**
Loss for the period	(2,255)	(20,563)
Total recognised income and expense for the period	**(1,314)**	**(20,303)**
Attributable to equity holders of the parent	**(1,314)**	**(20,303)**

mirada plc
Consolidated Balance Sheet
31 March 2009

	Notes	31 March 2009 £000	31 March 2008 £000
Property, plant and equipment	15	990	822
Goodwill	14	17,574	17,574
Intangible assets	14	1,096	557
Non-current assets		**19,660**	**18,953**
Trade & other receivables	16	2,833	3,149
Cash and cash equivalents	27	1,508	7,154
Current assets		**4,341**	**10,303**
Total assets		**24,001**	**29,256**
Loans and borrowings	18	(371)	(234)
Trade and other payables	17	(4,089)	(8,776)
Current liabilities		**(4,460)**	**(9,010)**
Net current (liabilities)/assets		**(119)**	**1,293**
Total assets less current liabilities		**19,541**	**20,246**
Interest bearing loans and borrowings	19	(39)	(19)
Provisions	20	-	(8)
Other non-current payables	19	(882)	(450)
Non-current liabilities		**(921)**	**(477)**
Total liabilities		**(5,381)**	**(9,487)**
Net assets		**18,620**	**19,769**
Equity attributable to equity holders of the company			
Share capital	23	34,923	34,923
Shares to be issued	23	281	281
Share premium	24	-	79,731
Other reserves	24	5,687	5,036
Retained earnings	24	(22,271)	(100,202)
Equity		**18,620**	**19,769**

These financial statements were approved and authorised for issue on 28 September 2009.

Signed on behalf of the Board of Directors

José-Luis Vázquez
Chief Executive Officer

mirada plc
Consolidated Cash Flow Statement
Year ended 31 March 2009

	Note	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Cash flows from operating activities			
Loss for the period		(2,255)	(20,563)
Adjustments for:			
Depreciation of property, plant and equipment		349	1,491
Amortisation and impairment of goodwill and intangible assets		251	12,010
Impairment of investments		-	(18)
Foreign exchange		1,392	225
Profit on sale of discontinued operations	11	-	(576)
Profit on disposal of property, plant and equipment		-	(7)
Share-based payment charges		165	205
Finance income		(117)	(2)
Finance expense		72	1,599
Operating cash flows before movements in working capital		(143)	(5,636)
Decrease in trade and other receivables		369	1,609
Decrease in trade and other payables		(4,388)	(2,611)
Cash used in operations		**(4,162)**	**(6,638)**
Interest and similar expenses paid		(72)	(303)
Net cash used in operating activities		**(4,234)**	**(6,941)**
Cash flows from investing activities			
Interest and similar income received		117	2
Costs of acquisition of subsidiary	28	-	(442)
Net cash acquired with subsidiary	28	-	4,330
Disposal of subsidiary, net of overdrafts disposed	11	-	253
Purchases of property, plant and equipment		(435)	(96)
Proceeds from disposal of property, plant and equipment		-	8
Purchases of other intangible assets		(719)	-
Net cash generated from/(used in) investing activities		**(1,037)**	**4,055**
Cash flows from financing activities			
Issue of ordinary share capital		-	10,009
Costs of issue of ordinary share capital		-	(61)
Issue of convertible loans		-	650
Repayment of loans		(300)	(664)
Repayment of capital element of finance leases		(212)	(267)
Net cash (used in)/generated from financing activities		**(512)**	**9,667**
Net (decrease)/increase in cash and cash equivalents	27	**(5,783)**	**6,781**
Cash and cash equivalents at the beginning of the period		6,920	139
Cash and cash equivalents at the end of the period		**1,137**	**6,920**

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

mirada plc
Notes to consolidated accounts
Year ended 31 March 2009

1. General information

mirada plc is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is 6 & 7 Princes Court, Wapping Lane, London, E1W 2DA. The nature of the Group's operations and its principal activities are set out in the Directors' Report on page 7.

The Directors have chosen to present these financial statements in the functional 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 1985 applicable to companies preparing their accounts under IFRSs.

During the year ended 31 March 2009 the Group recorded a loss before interest, taxation, depreciation, amortisation, restructuring and share-based payment charges of £665,000 and a loss after taxation of £2,255,000. At 31 March 2009 the Group had total net assets of £18,620,000 and net current liabilities of £119,000, and during the year ended 31 March 2009 had an operating cash outflow before movements in working capital of £143,000.

In assessing the going concern of the Group, the directors have prepared forecast information for the period ending twelve months from their approval of these financial statements. As part of producing these forecasts directors have considered the recent contract wins and the likely cash inflows to be derived from the Group's forecasted trading activities. The directors have also considered the impact of the cost reductions which have been achieved from its latest cost reduction programme which was implemented in June 2009, and the impact of the cessation on 31 July 2009 of its loss making B2C gaming business on the Sky platform. On the basis of these forecasts and the underlying assumptions, the directors believe that the Group will have sufficient funding, through its overdraft facilities and the receipt of committed development funding from the Spanish Government, to continue in operational existence for at least twelve months from the date of approval of these financial statements. On this basis, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

The principal accounting policies adopted are set out below.

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 2009. 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.

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.

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 and acquired software.

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 intangible assets (computer software) 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.

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. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

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.

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 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 costs, 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 recorded at the proceeds received, net of 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.

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.

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.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset 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.

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.

2. Significant accounting policies (continued)

Revenue recognition

Interactive service revenues

Interactive service revenues are divided into 3 types, fixed-priced contracts, self-billing revenues and development contracts including 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.

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.

Net gaming revenues

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised in the accounting periods in which the gaming transactions occurred. Net gaming revenue is defined as being the difference between bets placed by members less amounts won by members. All gaming revenue is generated in the United Kingdom.

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.

Foreign exchange

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

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

2. Significant accounting policies (continued)

Foreign exchange (continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are transitioned at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange relates 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 expenses in the period in which the operations is disposed of.

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

3. Standards not yet effective to the Group

Standards, amendments and interpretations to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning after 1 April 2009 or later periods and which the Group has decided not to adopt early. These are:

- *IFRS 8 Operating Segments* (effective for accounting periods beginning on or after 1 January 2009). This standard is endorsed by the EU. Management is currently assessing the impact of IFRS 8 on the accounts.

- *Revised IFRS 3 Business Combinations* (effective for accounting periods beginning on or after 1 July 2009). This standard is endorsed by the EU. Management is currently assessing the impact of IFRS 3 on the accounts.

- *Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation* (effective for accounting periods beginning on or after 1 January 2009). This standard is endorsed by the EU. Management is currently assessing the impact of IAS 1 on the accounts.

- *Amendments to IAS 39 and IFRS 7: Reclassification of Financial Instruments* (effective for accounting periods beginning on or after 1 July 2008). This standard is endorsed by the EU. Management is currently assessing the impact of IAS 39 and IFRS 7 on the accounts.

- *Amendments to IAS 39 and IFRS 7: Reclassification of Financial Instruments – Effective Date and Transition* (effective for accounting periods beginning on or after 1 July 2008). This standard is endorsed by the EU. Management is currently assessing the impact of IAS 39 and IFRS 7 on the accounts.

- *Amendment to IAS 23 Borrowing Costs* (effective for accounting periods beginning on or after 1 January 2009). This standard is endorsed by the EU. This IFRS is not applicable to the Group as it does not have any qualifying assets.

- *Amendment to IFRS 2 Share-based Payment: Vesting Conditions and Cancellations* (effective for accounting periods beginning on or after 1 January 2009). This standard is endorsed by the EU. Management is currently assessing the impact of IFRS 2 on the accounts.

- *Amendments to IAS 32 and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation* (effective for accounting periods beginning on or after 1 January 2009). This standard is endorsed by the EU. This IFRS is not applicable to the Group as it does not have any puttable financial instruments or obligations arising on liquidation.

- *Amendments to IFRS 1 and IAS 27 Cost of an Investment in a subsidiary, jointly-controlled entity or associate* (effective for accounting periods beginning on or after 1 January 2009). This standard is endorsed by the EU. Management is currently assessing the impact of IFRS 1 and IAS 27 on the accounts.

3. Standards not yet effective to the Group (continued)

- *Amendments to IAS 27 Consolidated and Separate Financial Statements* (effective for accounting periods beginning on or after 1 July 2009). This standard is endorsed by the EU. Management is currently assessing the impact of IAS 27 on the accounts.

- *Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items* (effective for accounting periods beginning on or after 1 July 2009). This standard is not yet endorsed by the EU. The IAS 39 is not applicable to the Group as it does not have any eligible hedged items.

- *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* (effective for accounting periods beginning on or after 1 January 2009). This standard is endorsed by the EU. Management is currently assessing the impact of IFRS 7 on the accounts.

- *Group Cash-settled Share-based Payment Transactions (Amendments to IFRS 2)* (effective for accounting periods beginning after 1 January 2010). This standard is not yet endorsed by the EU. Management is currently assessing the impact of IFRS 2 on the accounts.

- *Embedded Derivatives (Amendments to IFRIC 9 and IAS 39)* (effective for accounting periods beginning on or after 30 June 2009). This standard is not yet endorsed by the EU. The IFRIC and IAS are not applicable to the Group as it does not have any embedded derivatives.

- *IFRIC 13 Customer Loyalty Programmes* (effective for accounting periods beginning on or after 1 July 2008). This standard is not yet endorsed by the EU. The IFRIC is not applicable to the Group as it does not have customer loyalty programmes.

- *IFRIC 15 Agreements for the Construction of Real Estate* (effective for accounting periods beginning on or after 1 January 2009). This standard is endorsed by the EU. The IFRIC is not applicable to the Group as it is not involved in real estate construction.

- *IFRIC 16 Hedges of a Net Investment in a Foreign Operation* (effective for accounting periods beginning on or after 1 October 2008). This standard is endorsed by the EU. The IFRIC is not applicable to the Group as it does not hedge net investments in foreign operations.

- *IFRIC 17 Distributions of Non-cash Assets to Owners* (effective for accounting periods beginning on or after 1 July 2009). This standard is not yet endorsed by the EU. This IFRIC is not applicable to the Group as it has not made any distributions of non-cash assets to owners.

- *IFRIC 18 Transfer of Assets from Customers* (effective for accounting periods beginning on or after 1 July 2009). This standard is not yet endorsed by the EU. This IFRIC is not applicable to the Group as it has not received any transfers of assets from customers.

- *Improvements to IFRSs (2009)* (effective for accounting periods beginning on or after 1 January 2009). This standard is endorsed by the EU. Management is currently assessing the impact of improvements to IFRS's on the accounts.

- *Improvements to IFRSs (2010)* (effective for accounting periods beginning generally on or after 1 January 2010). This standard is not yet endorsed by the EU. Management is currently assessing the impact of improvements to IFRS's on the accounts.

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 is the critical judgement 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. Actual events 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

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 any loss of value compared to net book value at that time, based on expected future contribution less the total expected costs.

Share-based payment

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.

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Year ended 31 March 2009 (continued)

5. Segmental reporting

Based on risks and returns the directors consider that the primary reporting format is by business segment and that the secondary reporting format is by geographical segments.

Primary reporting format – business segments

For management purposes the Group is currently organised into three operating divisions – Gaming, Media (which includes Digital TV and Broadcast and Content) and Mobile (which includes Interactive Marketing and Mirada Connect). The unallocated segment relates to corporate overheads, assets and liabilities.

Segmental results for the year ended 31 March 2009 are as follows:

	Gaming £'000	Media £'000	Mobile £'000	Unallocated £'000	Group £'000
Revenue	2,829	7,252	384	-	10,465
Gross profit	1,379	4,343	251	-	5,973
Net gaming income	462	-	-	-	462
Operating profit/(loss)	1,352	1,209	(39)	(4,069)	(1,547)
Finance income	-	-	-	117	117
Finance expense	-	-	-	(825)	(825)
Profit/(loss) for the period	1,352	1,209	(39)	(4,777)	(2,255)
Capital expenditure	-	687	-	541	1,228
Depreciation	-	53	-	296	349
Amortisation	-	239	-	12	251

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

The segmental results for the 15 months ended 31 March 2008 are as follows:

	Gaming £'000	Media £'000	Mobile £'000	Unallocated £'000	Group £'000
Revenue	3,922	8,314	268	-	12,504
Gross profit	1,192	2,984	86	-	4,262
Net gaming income	1,304	-	-	-	1,304
Operating profit/(loss)	1,657	1,166	(321)	(21,621)	(19,119)
Finance income	-	-	-	2	2
Finance expense	-	-	-	(1,575)	(1,575)
Profit for period from discontinued operations	-	-	-	129	129
Profit/(loss) for the period	1,657	1,166	(321)	(23,065)	(20,563)
Capital expenditure	-	550	-	85	635
Depreciation	-	4	-	1,487	1,491
Amortisation	-	10	-	-	10

The Group ceased all its operations in the dating sector during the 15 months ended 31 March 2008. The income statement for the discontinued dating segment is shown in note 11.

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

5. Segmental reporting (continued)

The segment assets and liabilities at 31 March 2009 are as follows:

	Gaming £'000	Media £'000	Mobile £'000	Unallocated £'000	Group £'000
Total assets	5,543	15,624	57	2,777	24,001
Total liabilities	577	2,202	20	2,582	5,381

The segment assets and liabilities at 31 March 2008 are as follows:

	Gaming £'000	Media £'000	Mobile £'000	Unallocated £'000	Group £'000
Total assets	5,618	15,147	166	8,325	29,256
Total liabilities	1,391	2,199	113	5,784	9,487

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

	Assets 31 March 2009 £'000	Liabilities 31 March 2009 £'000	Assets 31 March 2008 £'000	Liabilities 31 March 2008 £'000
Segment assets and liabilities	21,224	2,799	20,931	3,703
Unallocated:				
Intangible assets	99	-	-	-
Property, plant & equipment	838	-	708	-
Other financial assets & liabilities	1,840	2,582	7,617	5,784
Total unallocated	2,777	2,582	8,325	5,784
Total Group assets and liabilities	**24,001**	**5,381**	**29,256**	**9,487**

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.

5. Segmental reporting (continued)

Secondary reporting format – geographical segments

The Group's secondary reporting format for reporting segment information is geographical segments. The Group's operations are based in UK and continental Europe.

	External revenue by location of customer		Total assets by location of assets		Capital expenditure by location of assets	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008
UK	8,249	12,430	15,795	23,473	541	85
Continental Europe	1,993	74	8,206	5,783	687	550
Middle East	223	-	-	-	-	-
	10,465	12,504	24,001	29,256	1,228	635

6. Operating loss

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

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Depreciation of owned assets	343	933
Depreciation of assets held under finance lease	6	558
Amortisation of intangible assets	251	10
Restructuring costs (note 7)	117	1,036
Impairment of goodwill	-	12,000
Share based payment charge	165	205
Profit on sale of subsidiary	-	(576)
Operating lease charges	405	581
Research and development costs	228	852

Analysis of auditors' remuneration is as follows:

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	20	20
Fees payable to the Company's auditors and its associates for other services:		
- The audit of the Company's subsidiaries pursuant to legislation	90	140
- Tax services	20	30
- Other services provided	-	25
Total fees	130	215

6. Operating loss (continued)

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

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Operating loss	(1,547)	(19,119)
Depreciation	349	1,486
Amortisation of deferred development costs	251	10
Impairment of goodwill	-	12,000
Restructuring costs	.117	960
Share based payment charge	165	205
Loss before interest, taxation, depreciation, restructuring, and share-based payment charges	(665)	(4,458)

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

7. Restructuring costs

The restructuring costs, included within administrative expenses, are detailed below:

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Recognised in arriving at operating loss:		
Restructuring costs	117	1,036

The restructuring costs incurred during the year relate to redundancy costs.

During the 15 months ended 31 March 2008 the Group incurred restructuring costs in relation to the refinancing and restructuring which was completed on 25 February 2008. The main elements of which contributed to the restructuring costs consisted of professional fees in relation to the placing, the conversion of convertible loans and the share consolidation, and redundancy costs in relation to the reorganisation of senior management team.

During the 15 months ended 31 March 2008 the Group also incurred redundancy costs relating to the discontinuation of the Group's dating activities.

8. Staff costs and employee information

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Staff costs (including directors) comprise:		
Wages and salaries	3,826	4,772
Social security costs	646	490
Other pension costs	45	124
Staff costs	4,517	5,386

The Group operates a defined contribution pension scheme for certain employees, no directors are members of this scheme (2008: 2 directors). The outstanding amount of pension contributions accruing at the year end was £4,000 (2008: £8,000).

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

	Year ended 31 March 2009	15 months ended 31 March 2008
By activity		
Office and management	13	20
Platform and development	61	42
Sales and marketing	18	25
	92	87

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 VP Sales and Business Development and the Head of Gaming.

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Salaries and fees	747	625
Defined contribution pension cost	13	48
Other benefits	11	13
Amounts paid to third parties in respect of directors' services	40	171
Compensation for loss of office	31	101
Share based payment expense (note 25)	165	18
	1,007	976

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

9. Finance income

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Bank interest receivable	117	2

10. Finance expense

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Interest and finance charges on bank loans and overdrafts	47	661
Convertible loan interest	-	843
Finance leases	2	67
Other interest payable	23	28
Net foreign exchange loss	753	-
	825	1,599

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.

11. Discontinued operations

For the 15 months ended 31 March 2008 the discontinued column in the income statement reflects the fact that the Group has ceased all its operations in the dating sector which had previously traded through its subsidiaries Yoomedia Dating Group Ltd and Finlaw 532 Ltd.

On 13 December 2007 the Group sold its 100% shareholding in Yoomedia Dating Group Limited for a cash consideration of £250,000. On 15 October 2007 the Group placed Finlaw 532 Ltd (which traded under the name Avenues) into liquidation.

The gain on the disposal of Yoomedia Dating Group Ltd and liquidation of Finlaw 532 Ltd was determined as follows:

	Yoomedia Dating Group Ltd		**Finlaw 532 Ltd**	
	£000	**£000**	**£000**	**£000**
Consideration – cash		250		-
Net liabilities disposed of:				
Goodwill	-		15	
Property, plant and equipment	20		-	
Trade and other receivables	37		42	
Bank loan and overdraft	(3)		(2)	
Trade and other payables	(142)		(293)	
		(88)		(238)
Gain on disposal		338		238
The net cash flow comprises:				
Cash received		250		-
Bank overdraft disposed of		3		2
		253		2

The cash flow statement for the 15 months ended 31 March 2008 includes the following amounts relating to discontinued operations:

	15 months ended 31 March 2008 £000
Operating activities	(42)
Investing activities	(8)
Net decrease in cash and cash equivalents	(50)

11. Discontinued operations (continued)

	15 months ended 31 March 2008 £000
Revenue	1,049
Cost of sales	(485)
Gross profit	564
Other income – profit on disposal	576
Total administrative costs	(987)
Operating profit	153
Finance expense	(24)
Profit before taxation	129
Taxation	-
Profit for the financial period	129

12. 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 2009 £000	15 months ended 31 March 2008 £000
Loss on ordinary activities before taxation	(2,255)	(20,563)
Loss on ordinary activities multiplied by 28% (2008: 30%)	(631)	(6,169)
Effect of expenses not deductible for tax purposes	399	4,523
Effect of non-taxable income	(1)	(175)
Losses not recognised	368	1,821
Brought forward losses utilised	(135)	-
Current period tax	-	-

12. **Taxation (continued)**

Deferred taxation

Deferred taxation provided in the financial statements is £nil (2008: £nil) and the amounts not recognised are as follows:

Group	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Accelerated capital allowances	1,676	1,676
Other temporary differences	-	-
Impact of change in tax rate	(509)	-
Losses	17,251	15,830
	18,418	17,506

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.

13. **Loss per share**

	Year ended 31 March 2009	15 months ended 31 March 2008		
	Total	Continuing operations	Discontinued operations	Continuing & discontinued operations
(Loss)/profit for period	(£2,255,000)	(£20,692,000)	£129,000	(£20,563,000)
Weighted average number of shares	19,807,185	2,295,329	2,295,329	2,295,329
Basic & diluted (loss)/earnings per share	(£0.11)	(£9.02)	£0.06	(£8.96)

The weighted average number of shares in issue in the 15 months ended 31 March 2008 have been adjusted to reflect the share consolidation which took place on 25 February 2008.

The Company has 370,900 (2008: 391,258) potentially dilutive ordinary shares being share options issued to staff and share warrants. 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.

14. Intangible assets

	Deferred development costs £000	Completed Technology £000	Total Intangible assets £000	Goodwill £000
Cost				
At 1 April 2008	4,481	567	5,048	45,528
Additions	720	-	720	-
Foreign exchange	-	98	98	-
At 31 March 2009	5,201	665	5,866	45,528
Accumulated amortisation				
At 1 April 2008	4,481	10	4,491	27,954
Provided during the year	101	150	251	-
Foreign exchange	10	18	28	-
At 31 March 2009	4,592	178	4,770	27,954
Net book value				
At 31 March 2009	609	487	1,096	17,574
At 31 March 2008	-	557	557	17,574

	Deferred development costs £000	Completed Technology £000	Total Intangible assets £000	Goodwill £000
Cost				
At 1 January 2007	4,481	-	4,481	41,475
Acquired with subsidiary undertaking	-	539	539	-
Additions	-	-	-	4,068
Disposed with discontinued operation	-	-	-	(15)
Foreign exchange	-	28	28	-
At 31 March 2008	4,481	567	5,048	45,528
Accumulated amortisation				
At 1 January 2007	4,481	-	4,481	15,954
Provided during the period	-	10	10	-
Provision for impairment	-	-	-	12,000
At 31 March 2008	4,481	10	4,491	27,954
Net book value				
At 31 March 2008	-	557	557	17,574
At 31 December 2006	-	-	-	25,521

14. Intangible assets (continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. After recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	31 March 2009 £000	31 March 2008 £000
The Gaming Channel Ltd ("TGC")	5,251	5,251
Digital Interactive Television Group Ltd ("DITG")	8,255	8,255
Fresh Interactive Technologies S.A. ("Fresh")	4,068	4,068
	17,574	17,574

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 five years and extrapolates cash flows for the following years based on an estimated growth rate of 2.5% (2008: 2.5%). 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 is 20% (2008: 20%).

In addition to the growth rate, the cash flow projections also include certain income from large contracts currently in the process of being negotiated. The sensitivity of the value in use to the income from these contracts has been tested - in order for the value in use to be below the carrying value the income from these contracts would have to fall to 20% of the forecast amount.

Following the impairment review the carrying value of goodwill no impairment was considered to be appropriate.

There was an impairment of £12,000,000 in the 15 months ended 31 March 2008. This consisted of impairments of the carrying value of goodwill for DITG of £12,000,000.

Subsidiaries
A list of the significant investments in subsidiaries, including the name, country of incorporation, proportion of ownership interest is given in note v. to the Company's separate financial statements.

15. Property, plant and equipment

	Office & computer equipment £000	Short-leasehold improvements £000	Total £000
Cost			
At 1 April 2008	4,094	780	4,874
Additions	265	243	508
Disposals	(4)	-	(4)
Foreign exchange	6	-	6
At 31 March 2009	4,361	1,023	5,384
Depreciation			
At 1 April 2008	3,797	255	4,052
Provided during the year	252	97	349
Foreign exchange	(7)	-	(7)
At 31 March 2009	4,042	352	4,394
Net book value			
At 31 March 2009	319	671	990
At 31 March 2008	297	525	822

Included in the net book value of property, plant and equipment are amounts of £61,000 (2008: £Nil) held under finance lease and hire purchase contracts. Depreciation of £6,000 (2008: £558,000) has been charged on these assets.

15. Property, plant and equipment (continued)

	Office & computer equipment £000	Short-leasehold improvements £000	Total £000
Cost			
At 1 January 2007	6,343	801	7,144
Additions	96	-	96
Acquired through business combinations	102	-	102
Disposal through subsidiary disposal	(17)	-	(17)
Disposals	(2,449)	(21)	(2,470)
Foreign exchange	19	-	19
At 31 March 2008	4,094	780	4,874
Depreciation			
At 1 January 2007	4,829	192	5,021
Provided during the period	1,407	84	1,491
Disposal through subsidiary disposal	(5)	-	(5)
Disposals	(2,449)	(21)	(2,470)
Foreign exchange	15	-	15
At 31 March 2008	3,797	255	4,052
Net book value			
At 31 March 2008	297	525	822
At 31 December 2006	1,514	609	2,123

16. Trade & other receivables

	31 March 2009 £000	31 March 2008 £000
Trade receivables	2,174	1,343
Allowance for bad debts	(275)	(237)
	1,899	1,106
Other receivables	361	1,103
Prepayments and accrued income	573	940
	2,833	3,149

16. Trade & other receivables (continued)

Trade receivables

Net of allowances are held in the following currencies:

	31 March 2009 £000	31 March 2008 £000
Sterling	609	968
Euro	1,290	138
Total	1,899	1,106

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 £242,000 (2008: £214,000) 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 92 days (2008: 97 days).

Ageing of past due but not impaired trade receivables.

	31 March 2009 £000	31 March 2008 £000
30-60 days	80	125
60-90 days	70	39
90+ days	92	50
Total	242	214

Movement in allowance for doubtful debts:

	31 March 2009 £000	31 March 2008 £000
Balance at beginning of period	237	696
Utilised in period	-	(578)
Charge for period	38	119
Balance at the end of the period	275	237

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.

16. Trade & other receivables (continued)

Ageing of impaired receivables:

	31 March 2009 £000	31 March 2008 £000
30-60 days	-	-
60-90 days	1	-
90-120 days	3	4
+120 days	271	233
Total	275	237

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

17. Trade and other payables - current

	31 March 2009 £000	31 March 2008 £000
Trade payables	1,690	2,450
Other payables	656	1,799
Other taxation and social security taxes	495	1,200
Accruals	738	2,255
Deferred income	453	850
Finance lease creditor	57	222
	4,089	8,776

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 83 days (2008: 66 days).

18. Loans and borrowings

	31 March 2009 £000	31 March 2008 £000
Bank overdrafts	371	234
The borrowings are repayable as follows:		
On demand or within one year	371	234

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

	31 March 2009 %	31 March 2008 %
The weighted average interest rates paid were as follows:		
Bank overdrafts	3.7	5.6
The directors estimate the fair value of the Group's borrowings as follows:		
Bank overdrafts	371	234

At 31 March 2009 the Group had undrawn committed borrowing facilities of £70,000 (2008: £201,000).

19. Non-current liabilities

	31 March 2009 £000	31 March 2008 £000
Other taxation and social security taxes	299	-
Finance lease creditor	39	19
Other payables	583	450
	921	469

19. Non-current liabilities (continued)

Borrowings are repayable as follows:

	31 March 2009 £000	31 March 2008 £000
Bank overdrafts		
On demand or within one year	371	234
	371	234
Finance leases		
On demand or within one year	57	222
Between one and two years	39	19
	96	241
Total borrowings including finance leases		
On demand or within one year	428	456
Between one and two years	39	19
	467	475

20. Provisions for liabilities

	Employers' National Insurance on share options £000
At 1 April 2008	8
Released to income statement	(8)
At 31 March 2009	-

21. Retirement benefit schemes

The Group operates defined contribution pension schemes. The pension charge for the period represents contributions payable to the Group to the schemes and amounted to £45,000 (2008: £124,000).

At 31 March 2009, contributions amounting to £4,000 (2008: £8,000) were payable and included in other liabilities.

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22. 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 18, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 24.

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements. Further details on critical accounting judgements and estimation uncertainty are detailed in note 4.

Categories of financial instruments

	Carrying value	
	31 March 2009 £000	**31 March 2008 £000**
Financial assets		
Loans and receivables:		
- Trade and other receivables	2,833	3,149
- Cash and cash equivalents	1,508	7,154
	4,341	10,303
Financial liabilities		
Financial liabilities at amortised cost:		
- Trade and other payables	4,089	8,776
- Borrowings due within one year	371	234
- Borrowings due after one year	39	19
- Other payables due after one year	882	458
	5,381	9,487

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.

Financial risk management objectives

The Group monitors and manages the financial 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 and it is also not exposed greatly to liquidity risk.

It is not Group policy to trade in financial instruments.

22. Financial instruments (continued)

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

Foreign currency risk management
Prior to the acquisition of Fresh on 25 February 2008, the Group was not exposed to significant foreign exchange risk. Since this date, the Group has undertaken certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. During the year ended 31 March 2009 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 2009 £000	31 March 2008 £000	31 March 2009 £000	31 March 2008 £000
Euro	(1,644)	(593)	7,102	5,112

Included in the amount of the Group's foreign currency denominated assets of £7,057,000, £4,380,000 relates to an intercompany loan.

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	
	2009 £000	2008 £000
Euro	545	502

Interest rate risk management
At 31 March 2009 the Group was exposed to interest rate risk as the Group had bank overdrafts linked to Euribor, and earned interest on cash deposited at banks on a variable rate 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% the profit and loss impact would not be material to the Group's results.

22. 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 16 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 £151,000 at 31 March 2009 and £715,000 at 31 March 2008) 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.

			31 March 2009		31 March 2008	
Counterparty	**Location**	**Rating**	**% of overall cash & cash equivalents**	**Carrying amount £000**	**% of overall cash & cash equivalents**	**Carrying amount £000**
Barclays Bank plc	UK	AA-	14.0%	211	32.9%	2,352
Caja Castilla La Mancha	Spain	AA-	59.2%	893	66.5%	4,754
La Caixa	Spain	AA-	26.5%	400	-	-

Liquidity risk management

Liquidity risk is considered to be low given the fact that the Group has a considerable cash and cash equivalents balance and borrowings are limited to bank overdrafts and finance leases.

23. Share capital

A breakdown of the authorised and issued share capital in place as at 31 March 2009 is as follows:

	31 March 2009 Number	31 March 2009 £'000	31 March 2008 Number	31 March 2008 £'000
Authorised				
Ordinary shares of £1 each	25,789,822	25,790	25,789,822	25,790
A Deferred shares of 0.1p each	8,210,178,477	8,210	8,210,178,477	8,210
Deferred shares of 1p each	900,000,000	9,000	900,000,000	9,000
	9,135,968,299	43,000	9,135,968,299	43,000
Allotted, called up and fully paid				
Ordinary shares of £1 each	19,805,485	19,805	19,805,485	19,805
A Deferred shares of 0.1p each	8,210,178,477	8,210	8,210,178,477	8,210
Deferred shares of 1p each	690,822,639	6,908	690,822,639	6,908
	8,920,806,601	34,923	8,920,806,601	34,923

During the year no share issues took place.

Shares to be issued

Shares to be issued relates to deferred consideration in respect of the acquisition of Via Vision Limited, and is not payable until the completion balance sheet has been agreed. A total of 1,700 (2008: 1,700) ordinary shares which are equity in nature are contracted to be issued as deferred consideration for the purchase of Via Vision Limited. These have been shown as part of shareholders funds in "shares to be issued".

	Number of shares	Value per share	Total £000
Via Vision Limited	1,700	£165.00	281

24. Reserves and changes in equity

	Capital redemption reserve £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Share premium account £000	Profit and loss account £000
At 1 April 2008	455	1,849	260	2,472	79,731	(100,202)
Loss for the financial period	-	-	-	-	-	(2,255)
Share based payment	-	165	-	-	-	-
Movement in foreign exchange reserve	-	-	941	-	-	-
Cancellation of share premium account against profit and loss account	-	-	-	-	(79,731)	79,731
Cancellation of capital redemption reserve against profit and loss account	(455)	-	-	-	-	455
At 31 March 2009	**-**	**2,014**	**1,201**	**2,472**	**-**	**(22,271)**

	Capital redemption reserve £000	Equity component of convertible debt £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Share premium account £000	Profit and loss account £000
At 1 January 2007	455	475	1,644	-	-	78,479	(80,114)
Loss for the financial period	-	-	-	-	-	-	(20,563)
Share based payment	-	-	205	-	-	-	-
Movement in foreign exchange reserve	-	-	-	260	-	-	-
Acquisition of subsidiary	-	-	-	-	2,472	-	-
Release of equity component of convertible debt on conversion	-	(475)	-	-	-	-	475
Adjustment to share premium on conversion of debt	-	-	-	-	-	5	-
Arising on share issue	-	-	-	-	-	1,307	-
Share issue costs	-	-	-	-	-	(60)	-
At 31 March 2008	**455**	**-**	**1,849**	**260**	**2,472**	**79,731**	**(100,202)**

On 23 April 2008, as confirmed by an Order of the High Courts of Justice, mirada plc cancelled its share premium account and its capital redemption reserves against its profit and loss account.

Equity component of convertible debt

This reserve related to the difference between the fair value of the convertible debt instrument as a whole and the amount allocated to the debt component.

Share capital

The amount subscribed for the share capital at nominal value.

Share premium

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

24. Reserves and changes in equity (continued)

Share option reserve

The 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 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 Fresh at the closing rate and the translation of the income statement of Fresh at the average rate.

Merger reserve

Under the provisions of s131 of the Companies Act 1985, 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.

25. 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 2009			**15 months ended 31 March 2008**		
	No. of share warrants	**No. of share options**	**Weighted average exercise price (£)**	**No. of share warrants**	**No. of share options**	**Weighted average exercise price (£)**
Outstanding at the beginning of period	54,666	334,892	11.54	54,666	47,459	45.40
Granted during period	-	-	-	-	300,000	1.096
Forfeited during period	-	(18,658)	81.42	-	(12,567)	37.43
Expired during period	-	-	-	-	-	-
Exercised during period	-	-	-	-	-	-
Outstanding at the end of the period	54,666	316,234	8.02	54,666	334,892	11.54
Exercisable at the end of the period	54,666	16,234	37.33	54,666	23,587	50.57

The options outstanding at 31 March 2009 had a weighted average remaining contractual life of 8.6 years (2008: 9.6 years).

On 25 February 2008, 300,000 share options were granted at an exercise price of £1.0962. The estimated fair value of the share options granted on that date is £278,000.

For the year ended 31 March 2009, the Group has recognised a total expense of £165,000 (2008; £205,000) related to equity-settled share-based payment transactions.

25. 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 2009 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.

The exercise of the share options granted during the 15 months ended 31 March 2008 are subject to performance criteria being met, this is for a fixed 3 year period.

26. 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 2009 £000	**31 March 2008 £000**
Within one year	289	377
In second to fifth years inclusive	851	909
After five years	68	274
	1,208	1,560

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.

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Notes to consolidated accounts
Year ended 31 March 2009 (continued)

27. Notes supporting cash flow statement

Cash and cash equivalents comprise:

	31 March 2009 £000	31 March 2008 £000
Cash available on demand	1,508	7,154
Overdrafts	(371)	(234)
	1,137	6,920
Net cash (decrease)/increase in cash and cash equivalents	(5,783)	6,781
Cash and cash equivalents at beginning of year	6,920	139
Cash and cash equivalents at end of year	1,137	6,920

Significant non-cash transactions are as follows:

	31 March 2009 £000	31 March 2008 £000
Investing activities		
Equity consideration for business combination	-	8,653
Financing activities		
Convertible loans converted into equity	-	5,811
Debt converted to equity	-	338
	-	6,149

Cash and cash equivalents

Cash and cash equivalents are held in the following currencies:

	31 March 2009 £000	31 March 2008 £000
Sterling	1,103	2,352
Euro	405	4,802
Total	1,508	7,154

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.

28. Acquisitions

On 25 February 2008 the Group acquired 100% of the voting equity instruments of Fresh Interactive Technologies S.A. which is a leading provider of interactive digital television solutions to the Spanish and Hispanic markets.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Book value £000	Fair value adjustments £000	Fair value to Group £000
Provisional value of fair assets acquired			
Property, plant and equipment	102	-	102
Completed technology	324	215	539
Receivables	381	-	381
Cash	4,555	-	4,330
Bank overdrafts	(225)		
Payables	(325)	-	(325)
	4,812	215	5,027
Consideration paid			
6,180,436 Ordinary Shares of £1 each			8,653
Costs of acquisition			442
			9,095
Goodwill (note 14)			4,068

The fair value of the shares issued was determined by reference to their quoted market price of £1.40 at the date of acquisition. The fair values of receivables and payables are the same as the IFRS carrying amounts immediately prior to the acquisition.

One category of intangible assets was identified in relation to completed technology which consisted of capitalised internal development costs in relation to Fresh's interactive television software. The fair value of the intangible was valued at the estimated cost of replacing Fresh's internally generated software and IP.

The main factors leading to a recognition of goodwill are, the presence of certain intangible assets such as the assembled workforce of the acquired entity which do not qualify for separate recognition, synergistic cost savings and the opportunity for the Group to market its variety of products in the Spanish and Hispanic markets.

Had the acquisition of Fresh taken place on 1 January 2007 rather than 25 February 2008 the Group would have recorded extra revenue of £1.6 million and an increase in the loss for the 15 months ended 31 March 2008 of £160,000.

29. Events after the balance sheet date

No significant change or events have occurred since the balance sheet date.

mirada plc
Company Balance Sheet
31 March 2009

	Notes	31 March 2009 £000	31 March 2008 £000
Tangible fixed assets	iv	118	2
Investments	v	20,287	20,287
Fixed assets		**20,405**	**20,289**
Debtors	vi	425	4,745
Cash at bank and in hand		10	2,237
Current assets		**435**	**6,982**
Total assets		**20,840**	**27,271**
Creditors – amounts due within one year	vii	(5,715)	(6,480)
Net current (liabilities)/assets		**(5,280)**	**502**
Total assets less current liabilities		**15,125**	**20,791**
Interest bearing loans and borrowings	viii	(39)	-
Other liabilities	viii	(300)	(450)
Creditors – amounts due in more than one year		**(339)**	**(450)**
Provisions for liabilities	ix	-	(8)
Total liabilities		**(6,054)**	**(6,938)**
Net assets		**14,786**	**20,333**
Capital and reserves			
Issued capital	23	34,923	34,923
Shares to be issued	23	281	281
Share premium	xi	-	79,731
Other reserves	xi	2,014	2,304
Profit and loss account	xi	(22,432)	(96,906)
Shareholders' funds	xii	**14,786**	**20,333**

These financial statements were approved and authorised for issue on 28 September 2009.

Signed on behalf of the Board of Directors

José-Luis Vázquez
Chief Executive Officer

mirada plc
Notes to company accounts
Year ended 31 March 2009

i. Accounting policies

Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 1985. They have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and law.

The principle accounting policies are summarised below.

Tangible fixed assets

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

Office & computer equipment	33%
Short-leasehold improvements	10%

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.

i. 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 2009

ii. Staff costs and employee information

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Wages and salaries	721	1,788
Social security costs	91	149
Other pension costs	11	78
Staff costs	823	2,015

The Group operates a defined contribution pension scheme for certain employees, no directors are members of this scheme (2008: 2 directors). The outstanding amount of pension contributions accruing at the year end was £4,000 (2008: £8,000).

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

	Year ended 31 March 2009	15 months ended 31 March 2008
By activity		
Office and management	10	15
Sales and marketing	3	4
	13	19

Directors' remuneration

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

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Executive directors:		
Aggregate emoluments	262	496
Compensation for loss of office	31	88
Pensions and benefits	7	49
Non-executive directors:		
Aggregate emoluments	60	62
Compensation for loss of office	-	13
	360	708

ii. Staff costs and employee information (continued)

Emoluments payable to the highest paid director are as follows:

	Year ended 31 March 2009 £000	15 months ended 31 March 2008 £000
Aggregate emoluments	200	204
Company contributions to pension scheme and benefits	-	20

iii. Loss attributable to members of the parent company

As permitted by section 230 of the Companies Act 1985 the Company has elected not to present its own profit and loss account for the year. The Company reported a loss after tax for the financial year ended 31 March 2009 of £5.71 million (2008: £23.2 million).

iv. Tangible fixed assets

	Office & computer equipment £000	Short-leasehold improvements £000	Total £000
Cost			
At 1 April 2008	1,571	38	1,609
Additions	141	-	141
At 31 March 2009	1,712	38	1,750
Depreciation			
At 1 April 2008	1,569	38	1,607
Provided during the year	25	-	25
At 31 March 2009	1,594	38	1,632
Net book value			
At 31 March 2009	118	-	118
At 31 March 2008	2	-	2

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Notes to company accounts
Year ended 31 March 2009

v. Investments

	£000
Cost or valuation	
At 1 April 2008 and at 31 March 2009	44,824
Amounts provided	
At 1 April 2008 and at 31 March 2009	24,537
Net book value	
At 31 March 2008 and at 31 March 2009	20,287

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	Interactive TV services
Fancy a Flutter Limited	Ordinary shares	100%	UK	Interactive TV services
Whoosh Group Limited	Ordinary shares	100%	UK	Mobile telephone technology provider
Digital Interactive Television Group Limited	Ordinary shares	100%	UK	Interactive TV services
Digital Interactive Studio Centre 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	Interactive TV services
Interactive Television Infrastructure Limited	Ordinary shares	100%	UK	Interactive TV services
The Gaming Channel Limited	Ordinary shares	100%	UK	Gaming
The Gaming Channel Bookmakers Limited	Ordinary shares	100%	UK	Gaming
Via Vision Limited	Ordinary shares	100%	UK	Interactive TV services
Fresh Interactive Technologies S.A.	Ordinary shares	100%	Spain	Interactive TV services
Honeycone Limited	Ordinary shares	50%	UK	Mobile telephone technology provider

mirada plc
Notes to company accounts
Year ended 31 March 2009

vi. Debtors

	31 March 2009 £000	31 March 2008 £000
Trade debtors	100	26
Amounts owed by subsidiary undertakings	94	4,041
Accrued income	2	6
Other debtors	10	419
Prepayments	219	253
	425	4,745

vii. Creditors – amounts falling due within one year

	31 March 2009 £000	31 March 2008 £000
Trade creditors	820	867
Amounts owed to group undertakings	4,329	2,062
Accruals and deferred income	348	1,351
Other taxation and social security	171	756
Other creditors	24	1,429
Obligations under finance leases and hire purchase contracts	23	15
	5,715	6,480

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

	31 March 2009 £000	31 March 2008 £000
Obligations under finance leases and hire purchase contracts	39	-
Other creditors	300	450
	339	450

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

Borrowings are repayable as follows:

	31 March 2009 £000	31 March 2008 £000
Other creditors		
Between one and two years	300	450
	300	450
Finance leases		
On demand or within one year	23	15
Between one and two years	39	-
	62	15
Total borrowings including finance leases		
On demand or within one year	23	15
Between one and two years	339	450
	362	465

ix. Provisions for liabilities

	Employers' National Insurance on share options £000
At 1 April 2008	8
Released to income statement	(8)
At 31 March 2009	-

x. Deferred taxation

Deferred taxation provided in the financial statements is £nil (2008: £nil) and the amounts not recognised are as follows:

	31 March 2009 £000	31 March 2008 £000
Accelerated capital allowances	311	304
Other timing differences	-	-
Losses	6,079	6,079
	6,390	6,383

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.

xi. Reserves

	Capital redemption reserve £000	Share option reserve £000	Share premium account £000	Profit and loss account £000
At 1 April 2008	455	1,849	79,731	(96,906)
Loss for the financial period	-	-	-	(5,712)
Share based payment	-	165	-	-
Cancellation of share premium account against profit and loss account	-	-	(79,731)	79,731
Cancellation of capital redemption reserve against profit and loss account	(455)	-	-	455
At 31 March 2009	**-**	**2,014**	**-**	**(22,432)**

mirada plc
Notes to company accounts
Year ended 31 March 2009

xii. Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Loss for the period	(5,712)	(23,214)
New shares issued	-	22,293
Movement in share premium arising on conversion of convertible loan	-	5
Additions to capital reserves re share option charge	165	205
Net reduction in shareholders' funds	(5,547)	(711)
Opening shareholders' funds	20,333	21,044
Closing shareholders' funds	14,786	20,333

xiii. Financial commitments

At 31 March 2009 the Company had annual commitments under non-cancellable operating leases expiring as follows:

	Buildings	
	2009 £000	2008 £000
Within one year	-	118

xiv. Post balance sheet events

No significant change or events have occurred since the balance sheet date.