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mirada plc
(AIM: MIRA)
("mirada" or "the Company")
Final Results for the year ended 31 March 2011

mirada plc, the AIM-quoted leading audiovisual content interaction specialist, announces its final results for the year ended 31 March 2011.

Financial Highlights

- Revenue: £5.1m (2010: £5.7m)
- Gross profit: £4.0m (2010: £3.7m)
- Adjusted loss per share: £0.05p (2010: £0.02)

Operational Highlights

- In January announced two contract wins worth in excess of \$1.3m in revenue over the next two years
- International revenues increased 40% in the year
- Raised £300,000 via a placing and issued further £200,000 of loan notes

Post Period Highlights

- Won a contract with a leading satellite operator in Europe worth circa \$800,000 over a period of nine months
- Partnership with Ericsson progressing well, significant royalty based revenues expected in the future

Commenting on the results announcement, CEO of mirada, José-Luis Vázquez, said:

“After a transitional period covering our first two years of restructuring, mirada has expanded as an international group with a significant increase of activities outside of our original markets, the UK and Spain.

We believe that the Group now has the products in place to allow it to grow at a good pace, and we will continue updating the market as we consolidate the increasing number of opportunities ahead of us.”

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Chief Executive Officer's Statement

Overview

I am pleased to report on our third full year of activity as mirada plc. After a transitional period covering our first two years of restructuring, mirada has expanded as an international group with a significant increase of activities outside of our original markets, the UK and Spain. This has been possible through the implementation of our product-focused strategy and to the development of our international partnerships with leading players like Ericsson.

The Group has concentrated its activity on the core business, improving its margins and maximising the usage of our main areas of expertise. The growth of our Digital TV business, the main area of our product-focused strategy, not only during the previous financial year but also during the first months of the present fiscal year, demonstrates that we are following the right path.

The partnership agreement with Ericsson in which mirada's innovative Electronic Program Guide, Navi, is included in Ericsson's IPTV product catalogue, the development of our multiscreen product (iris), and the international expansion of our Broadcast synchronisation tool (xplayer) are now leading our sales activities, gaining new customers in the United States, Italy, Mexico, Chile and Brazil.

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

Trading review

This year the Group's focus has been to concentrate on developing the core areas of the business which we believe have the greatest potential for growth, its Digital TV and Broadcast activities. We made a significant investment in improving our products to accommodate the needs of the market, and position the company on the cutting edge of our market sector. Towards the end of the year we started to commercialise our Digital TV products on a royalty-based model which will in the future lead to higher recurring revenues than our previous professional services based business. We have also made considerable effort to extend the reach of xplayer to markets beyond the UK where xplayer is the market leader.

Although overall revenues decreased during this period of focusing on the Digital TV and Broadcast businesses, gross margins increased to £4.0 million (77%) from £3.7 million (65%) in the prior year. I would like to stress how important our product-based strategy is to the future growth of the company. Management considers it essential to continue investing in this strategy as the improvement in the potential margins and recurrent nature of the royalty based revenues will generate an important increase in the value of the Group for our stakeholders.

The Group is also focusing on increasing its international activities (everything outside of the UK and Spain, the original markets) the revenues from these activities increased by 40% to £1.6 million compared to £1.1 million in the prior year. During the period under review the Company announced two strategically important contract wins, one in Mexico with the cable operator Cablecom who will be the first customer to use our iris technology in Latin America, which we believe will be the first of many agreements for this product in the region; and secondly a remote recording (iPhone based) tool for a large South American telecommunication operator. Both agreements are perfectly replicable, using our core IPR, the majority of these revenues will be recognised in the current year.

Additionally, in April and May, post period end, we announced two more deals, one with an important European satellite digital TV platform which is worth more than €0.8 million, and the other being our first significant sale of the Navi product through our IPTV partnership with Ericsson. We can now announce that this customer is GVT, a major telecommunications operator in Brazil, who launched its Digital TV service this month. Revenues earned through the Ericsson partnership include set-up fees and future royalty revenues based upon the number of subscribers using the Ericsson IPTV platform. Management expects that with the current deals in place, provided Ericsson's customers achieve their commercial expectations, it will represent revenues in excess of €4.0 million for mirada during the first four years of commercial activity. In addition to the Latin American expansion, the company started its activity in the United States, and we expect to announce our first relevant deals during the present period.

On 10 December 2010 we announced that Richard Alden, previously a Non-Executive Director of the Company, was appointed as Non-Executive Chairman. From 2000 to 2009 Richard was the Chief Executive Officer of Grupo Corporativo ONO S.A. ("ONO"), the largest alternative telecoms (broadband/telephone/digital TV) operator in Spain. He is a prominent industry figure with a proven track record and a number of international contacts that will be invaluable as the Group progresses with its international expansion.

Financial overview

During the period revenues were £5.1 million, down from £5.7 million in the previous year, however gross profit increased from £3.7 million to £4.0 million. Loss from continuing activities before interest, tax, depreciation and amortisation was £1.0 million compared to £0.5 million in the previous year. This result was partly due to substantial resources being allocated to both improving existing products and the development of new products for the Digital TV business. Assistance with the funding of this valuable development was received by way of a Spanish Government backed development loan of €0.5 million which is repayable in six equal instalments from June 2014 to December 2016.

Loss from continuing activities before interest, tax, depreciation and amortisation is a key performance indicator (“KPI”) used by management and removes the impact of one-off and non-cash transactions (see note 4). Other KPIs used by management are as follows:

- Gross profit margin: The Group’s continued move towards a product based strategy and its focus on the higher margin core activities has led to an increase in the gross profit margin from 65% in the year ended 31 March 2010 to 77% in the year under review.
- Overseas activities: Management believe that one of the major drivers for growth for the Group will come from its ability to increase its activities outside of mirada’s traditional markets, being the UK and Spain. During the year revenues generated from these international customers increased by 40% to £1.6 million and amounted to 31% of the Group’s total revenues compared to 20% in the prior year.

Retained loss for the year equalled £7.1 million (£7.5 million), however this was after deducting a charge for the impairment of goodwill of £4.9 million (see note 13 for further details) and the loss from discontinued operations of £0.14 million (2010: £1.11 million).

During the year, despite the current economic climate the Group received additional bank financing of £1.0 million, it was able to do this by demonstrating a robust business plan with a strong pipeline of revenues and the ability to earn recurrent future revenues based upon its new licencing model. During the year the Group also raised a further £0.3 million by way of a placing, participants in this placing included directors who invested £0.05 million, and issued further convertible loan notes totalling £0.2 million. In addition mirada has also entered into negotiations to secure additional bank facilities to provide for the general working capital requirements of the group and to support its continued product investment. mirada is also pursuing other fund raising options, including development grants, should sufficient bank facilities not be raised (see note 2).

Operational Review

Areas of business

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

Digital TV operators:

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

Broadcasters:

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

Other areas:

mirada has experience and business activities in other areas: B2B Gaming, activities for which have reduced significantly post year end, Interactive Marketing and mirada connect which provides cashless payment solutions for the car parking market. Management believe, however, that the main areas of growth for the business will be in the Digital TV and Broadcast activities.

Outlook

The Group experienced its first successes in its extension into the product-based strategy during the period which has continued into the current year with contracted revenues in the Digital TV business already substantially higher than the previous year. Our international expansion is continuing, reducing the reliance on our traditional UK and Spanish markets. We have important distribution contracts for our core business, with an increasing portfolio of opportunities, and projects up and running that are generating a solid ground for our financial sustainability.

The management continued its policy of cost control and is committed to optimise further the efficiency of our activities. In addition to that, we have secured additional funding from bank facilities and investment from Directors and management which goes some way to prove the confidence that the team have in the future of the Company.

Our global agreement with Ericsson in the IPTV market is evolving very positively, with a first important reference in the Brazilian market and many more joint opportunities across the world. We foresee that the revenues generated from this line will exceed our initial expectations as we increase the number of customers using our Navi technology.

We believe that the Group now has the products in place to allow it to grow at a good pace, and we will continue updating the market as we consolidate the increasing number of opportunities ahead of us.

José-Luis Vázquez
Chief Executive Officer
30 September 2011

Consolidated income statement

Year ended 31 March 2011

	Note	Year ended 31 March 2011 £000	Year ended 31 March 2010 £000
Revenue		5,116	5,740
Cost of sales		(1,163)	(2,028)
Gross profit		3,953	3,712
Net gaming income		15	102
Depreciation		(118)	(254)
Amortisation of deferred development costs		(617)	(455)
Impairment of goodwill		(4,911)	(5,157)
Share based payment charge		-	(95)
Other administrative expenses		(4,975)	(4,306)
Total administrative expenses		(10,621)	(10,267)
Operating loss	4	(6,653)	(6,453)
Finance income		97	172
Finance expense		(410)	(74)
Loss before taxation		(6,966)	(6,355)
Taxation		-	-
Loss for the year from continuing operations		(6,966)	(6,355)
Discontinued operations			
Loss for year from discontinued operations		(135)	(1,112)
Loss for year		(7,101)	(7,467)
Loss per share		£	£
Loss per share for the year – basic & diluted	5	0.35	0.38
Adjusted loss per share – basic & diluted	5	0.05	0.02

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

Consolidated statement of comprehensive income
Year ended 31 March 2011

	Year ended 31 March 2011 £000	Year ended 31 March 2010 £000
Loss for the period	(7,101)	(7,467)
Currency translation differences	(48)	(310)
Total comprehensive expense for the year	(7,149)	(7,777)
Attributable to equity holders of the parent	(7,149)	(7,777)

Consolidated statement of changes in equity

Year ended 31 March 2011

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

	Share capital £000	Share premium account £000	Shares to be issued £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserves £000	Retained earnings £000	Total £000
At 1 April 2009	34,923	-	281	2,014	1,201	2,472	(22,271)	18,620
Loss for the financial period	-	-	-	-	-	-	(7,467)	(7,467)
Share based payment	-	-	-	95	-	-	-	95
Movement in foreign exchange reserve	-	-	-	-	(310)	-	-	(310)
Write back of shares to be issued	-	-	(281)	-	-	-	281	-
At 31 March 2010	34,923	-	-	2,109	891	2,472	(29,457)	10,938

Consolidated statement of financial position
31 March 2011

	Note	31 March 2011 £000	31 March 2010 £000
Property, plant and equipment		180	228
Goodwill		7,506	12,417
Intangible assets		1,236	1,313
Non-current assets		8,922	13,958
Trade & other receivables		1,531	2,095
Cash and cash equivalents		68	103
Current assets		1,599	2,198
Total assets		10,521	16,156
Loans and borrowings		(619)	(536)
Trade and other payables		(2,773)	(2,760)
Current liabilities		(3,392)	(3,296)
Net current liabilities		(1,793)	(1,098)
Total assets less current liabilities		7,129	12,860
Interest bearing loans and borrowings		(2,408)	(960)
Embedded conversion option derivative		(292)	(339)
Provisions		(352)	(623)
Non-current liabilities		(3,052)	(1,922)
Total liabilities		(6,444)	(5,218)
Net assets		4,077	10,938
Equity attributable to equity holders of the company			
Share capital	6	213	34,923
Share premium		273	-
Other reserves		5,424	5,472
Retained earnings		(1,833)	(29,457)
Equity		4,077	10,938

Consolidated statement of cash flows

Year ended 31 March 2011

	Year ended 31 March 2011	Year ended 31 March 2010
Note	£000	£000
Cash flows from operating activities		
Loss for the period	(7,101)	(7,467)
Adjustments for:		
Depreciation of property, plant and equipment	118	254
Impairment of property, plant and equipment	-	556
Amortisation of intangible assets	617	455
Impairment of goodwill	4,911	5,157
Profit on disposal of subsidiaries	(444)	-
Share-based payment charges	-	95
Finance income	(97)	(172)
Finance expense	410	74
Operating cash flows before movements in working capital	(1,586)	(1,048)
Decrease in trade and other receivables	265	669
Increase/(decrease) in trade and other payables	293	(1,693)
Cash used in operations	(1,028)	(2,072)
Interest and similar expenses paid	(142)	(74)
Net cash used in operating activities	(1,170)	(2,146)
Cash flows from investing activities		
Interest and similar income received	2	172
Cash held in disposed subsidiaries	(1)	-
Purchases of property, plant and equipment	(61)	(56)
Purchases of other intangible assets	(601)	(720)
Net cash used in investing activities	(661)	(604)
Cash flows from financing activities		
Issue of convertible loans	200	1,220
Issue of share capital	300	-
Costs of share issue	(12)	-
Loans received	1,466	60
Repayment of loans	(36)	-
Repayment of capital element of finance leases	(23)	(57)
Net cash from financing activities	1,895	1,223
Net increase/(decrease) in cash and cash equivalents	64	(1,527)
Cash and cash equivalents at the beginning of the period	7 (433)	1,137
Exchange gains/(losses) on cash and cash equivalents	3	(43)
Cash and cash equivalents at the end of the period	7 (366)	(433)

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

Notes to consolidated financial statements

1. General information

mirada plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is Bentima House, 168-172 Old Street, London, EC1V 9BP.

The financial information set out in this document does not constitute the company's statutory accounts for 2010 or 2011. Statutory accounts for the years ended 31 March 2010 and 31 March 2011 have been reported on by the Independent Auditors. The Independent Auditors' Reports on the Report and Financial Statements for each of 2010 and 2011 were unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The Independent Auditors' Reports on the Report and Financial Statements for 2011 drew attention to an emphasis of matter due to the uncertainty over going concern.

The statutory accounts for the year ended 31 March 2010 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 March 2011 will be delivered to the Registrar in due course.

The financial information set out in these preliminary results has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively Adopted IFRSs). The accounting policies adopted in these preliminary results have been consistently applied to all the years presented and are consistent with the policies used in the preparation of the statutory accounts for the period ended 31 March 2011. The principal accounting policies adopted are unchanged from those used in the preparation of the statutory accounts for the period ended 31 March 2010. New standards, amendments and interpretations to existing standards, which have been adopted by the group have not been listed, since they have no material impact on the financial statements.

2. Significant accounting policies

Going concern

During the year ended 31 March 2011 the Group recorded a loss before interest, taxation, depreciation, impairment of goodwill, amortisation and discontinued operations of £1.01 million and a loss after taxation of £7.10 million. At 31 March 2011 the Group had total net assets of £4.08 million and net current liabilities of £1.79 million, and during the year ended 31 March 2011 had an operating cash outflow before movements in working capital of £1.59 million.

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 the directors have considered both the recent and expected contract wins and the likely cash inflows to be derived from the Group's forecasted trading activities. Given the nature of the Group's activities, there is a degree of uncertainty surrounding the timing and amount of such cash inflows. In addition Mirada plc has also entered into negotiations to secure additional bank facilities to provide for the general working capital requirements of the group and to support its continued product investment, it is also pursuing other fund raising options should sufficient bank facilities not be raised. Although the negotiations are at an advanced stage and the Directors are confident that sufficient funds will be raised, no binding agreements are in place at the date of approval of these financial statements. On the basis of these forecasts and the underlying assumptions together with the anticipated additional financing, the directors believe that the Group will have sufficient funding to continue in operational existence for at least twelve months from the date of approval of these financial statements.

The directors have concluded that a material uncertainty exists that may cast significant doubt on the Group's ability to continue to trade as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, given the current opportunities available to secure additional financing for the Group, the directors continue to adopt the going concern basis of accounting.

3. Segmental reporting

Reportable segments

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

Segmental results for the year ended 31 March 2011 are as follows:

	Gaming £'000	Digital TV & content £'000	Broadcast & content £'000	Mobile £'000	Other £'000	Group £'000
Revenue	888	2,410	1,334	484	-	5,116
Gross profit	537	2,384	692	340	-	3,953
Net gaming income	15	-	-	-	-	15
Profit/(loss) before interest, tax, depreciation & amortisation	279	526	418	32	(2,261)	(1,007)
Impairment of goodwill	(2,716)	-	(2,195)	-	-	(4,911)
Depreciation	-	(55)	-	-	(63)	(118)
Amortisation	-	(590)	-	-	(27)	(617)
Finance income	-	-	-	-	97	97
Finance expense	-	-	-	-	(410)	(410)
Discontinued operations	-	-	(135)	-	-	(135)
Segmental profit/(loss)	(2,437)	(120)	(1,912)	32	(2,664)	(7,101)

The segmental results for the year ended 31 March 2010 are as follows:

	Gaming £'000	Digital TV & content £'000	Broadcast & content £'000	Mobile £'000	Other £'000	Group £'000
Revenue	1,820	1,857	1,580	483	-	5,740
Gross profit	778	1,857	750	327	-	3,712
Net gaming income	102	-	-	-	-	102
Profit/(loss) before interest, tax, depreciation & share-based payment charges	497	381	441	(13)	(1,798)	(492)
Impairment of goodwill	(4,105)	-	(1,052)	-	-	(5,157)
Depreciation	-	(57)	-	-	(197)	(254)
Amortisation	-	(420)	-	-	(35)	(455)
Share based payment charges	-	-	-	-	(95)	(95)
Finance income	-	169	-	-	3	172
Finance expense	-	-	-	-	(74)	(74)
Discontinued operations	-	-	(1,112)	-	-	(1,112)
Segmental profit/(loss)	(3,608)	73	(1,723)	(13)	(2,196)	(7,467)

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

The Group has three major customers (a major customer being one that generates revenues amounting to 10% or more of total revenue) that account for £0.81 million (2010: £1.43 million), £0.72 million (2010: £0.93 million) and £0.56 million (2010: £0.13 million) of the total Group revenues respectively.

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

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

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

The segment assets and liabilities at 31 March 2010 are as follows:

	Gaming £'000	Digital TV £'000	Broadcast & content £'000	Mobile £'000	Other £'000	Group £'000
Additions to non-current assets	-	709	-	-	67	776
Total assets	2,793	6,266	4,670	1,638	789	16,156
Total liabilities	89	740	837	69	3,483	5,218

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

	Assets 31 March 2011 £'000	Liabilities 31 March 2011 £'000	Assets 31 March 2010 £'000	Liabilities 31 March 2010 £'000
Segment assets and liabilities	10,146	1,930	15,367	1,735
Other:				
Intangible assets	12	-	94	-
Property, plant & equipment	79	-	117	-
Other financial assets & liabilities	284	4,514	578	3,483
Total other	375	4,514	789	3,483
Total Group assets and liabilities	10,521	6,444	16,156	5,218

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

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

Geographical disclosures

	External revenue by location of customer		Non-current assets by location of assets	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
UK	2,610	3,423	3,569	8,563
Spain	925	1,187	5,353	5,395
Continental Europe	1,189	633	-	-
Middle East	45	77	-	-
Americas	347	420	-	-
	<u>5,116</u>	<u>5,740</u>	<u>8,922</u>	<u>13,958</u>

4. Operating loss

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

	Year ended 31 March 2011 £000	Year ended 31 March 2010 £000
Depreciation of owned assets	95	231
Depreciation of assets held under finance lease	23	23
Amortisation of intangible assets	617	455
Impairment of goodwill	4,911	5,157
Share based payment charge	-	95
Operating lease charges	259	352
Foreign exchange loss/(gain)	42	(235)
Research and development costs	252	217
	<u> </u>	<u> </u>

Analysis of auditors' remuneration is as follows:

	Year ended 31 March 2011 £000	Year ended 31 March 2010 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	15	15
Fees payable to the Company's auditors and its associates for other services:		
- The audit of the Company's subsidiaries pursuant to legislation	42	65
- Tax services	-	25
	<u> </u>	<u> </u>
Total fees	<u>57</u>	<u>105</u>

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

	Year ended 31 March 2011 £000	Year ended 31 March 2010 £000
Operating loss	(6,653)	(6,453)
Depreciation	118	254
Amortisation of deferred development costs	617	455
Impairment of goodwill	4,911	5,157
Share based payment charge	-	95
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Loss before interest, taxation, depreciation, amortisation and share-based payment charges	(1,007)	(492)
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Adjusted loss before interest, taxation, depreciation, amortisation and share-based payment charges has been presented to provide additional information to the reader.

5. Loss per share

	Year ended 31 March 2011 Total	Year ended 31 March 2010 Total
Loss for period	£7,101,000	£7,467,000
Weighted average number of shares	20,010,964	19,805,485
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Basic & diluted loss per share	£0.35	£0.38
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Loss for period from continuing operations	£6,966,000	£6,355,000
Weighted average number of shares	20,010,964	19,805,485
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Basic & diluted loss per share	£0.35	£0.32
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Adjusted loss per share

Adjusted loss per share is calculated by reference to the loss from continuing activities before interest, taxation, impairment of goodwill, depreciation and amortisation (see note 4).

	Year ended 31 March 2011 Total	Year ended 31 March 2010 Total
Adjusted loss for period	£1,007,000	£492,000
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Basic & diluted loss per share	£0.05	£0.02
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The Company has 302,540 (2010: 315,167) potentially dilutive ordinary shares arising from share options issued to staff. The Company also has potentially dilutive ordinary shares arising from the convertible loan. These have not been included in calculating the diluted earnings per share as the effect is anti-dilutive.

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

Basic and diluted loss per share from discontinued operations was £0.007 (2010: £0.06).

6. Share capital

At the General Meeting and Extraordinary General Meeting of mirada plc held on 12 January 2011 authority was received for the Company to undertake a capital reorganisation and capital cancellation.

Capital reorganisaton

The capital reorganisation had the effect of reducing the nominal value of the ordinary shares from £1.00 to 1 pence per ordinary share. In order to maintain the same number of fully participating ordinary shares after the capital reorganisation as there were before such reorganisation, each ordinary share was subdivided into one new ordinary share and ninety-nine B Deferred Shares.

Immediately before the capital cancellation there were 19,805,485 £1.00 ordinary shares in issue. Immediately after the capital cancellation there were 19,805,485 £0.01 ordinary shares and 1,960,743,015 £0.01 B Deferred shares.

Capital cancellation

The capital cancellation comprised the cancellation against the Company's profit and loss account of the existing 8,210,178,477 0.1p A Deferred Shares, 690,822,639 £0.01 Deferred Shares and the new 1,960,743,015 £0.01 B Deferred Shares created by the capital reorganisation. This capital reorganisation was completed on 2 March 2011, as confirmed by an Order of the High Courts of Justice.

A breakdown of the authorised and issued share capital in place as at 31 March 2011 is as follows:

	31 March 2011 Number	31 March 2011 £000	31 March 2010 Number	31 March 2010 £000
Authorised				
Ordinary shares of £0.01 (2010: £1) each	-	-	25,789,822	25,790
A Deferred shares of 0.1p each	-	-	8,210,178,477	8,210
Deferred shares of 1p each	-	-	900,000,000	9,000
	-	-	9,135,968,299	43,000
Allotted, called up and fully paid				
Ordinary shares of £0.01 (2010: £1) each	21,305,485	213	19,805,485	19,805
A Deferred shares of 0.1p each	-	-	8,210,178,477	8,210
Deferred shares of 1p each	-	-	690,822,639	6,908
	21,305,485	213	8,920,806,601	34,923

In the Company's General Meeting held on 12 January 2011 a resolution was passed to amend the Articles to remove the statement of authorised share capital of the Company and any related references thereto within the Articles. The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and these amendments reflected this.

On 9 February 2011 the Company raised £300,000 via the issue of 1,500,000 £0.01 ordinary shares at a price of £0.20 each. Participants included in this issue included Richard Alden, the Non-Executive Chairman, and Francis Coles, a non-executive director, who both subscribed for 125,000 ordinary shares.

Below is a reconciliation of the movements in the ordinary share capital and share premium balances during the year ended 31 March 2011:

	B Deferred Shares		Ordinary Shares		
	Number of shares	Nominal value £000	Number of shares	Nominal value £000	Share premium £000
Balance at 1 April 2010	-	-	19,805,485	19,805	-
Balance at date of capital reorganisation	1,960,743,015	19,607	19,805,485	198	-
9 February 2011 share issue	-	-	1,500,000	15	285
Costs of share issue	-	-	-	-	(12)
2 March 2011 capital cancellation	(1,960,743,015)	(19,607)	-	-	-
Balance at 31 March 2011	-	-	21,305,485	213	273

7. Notes supporting cash flow statement

Cash and cash equivalents comprise:

	31 March 2011 £000	31 March 2010 £000
Cash available on demand	68	103
Overdrafts	(434)	(536)
	<u>(366)</u>	<u>(433)</u>
Net cash increase/(decrease) in cash and cash equivalents	67	(1,570)
Cash and cash equivalents at beginning of year	(433)	1,137
Cash and cash equivalents at end of year	<u>(366)</u>	<u>(433)</u>

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

Cash and cash equivalents

Cash and cash equivalents are held in the following currencies:

	31 March 2011 £000	31 March 2010 £000
Sterling	55	94
Euro	13	9
Total	<u>68</u>	<u>103</u>

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

8. Related parties

On 9 February 2011 the Company raised £300,000 via the issue of 1,500,000 £0.01 ordinary shares at a price of £0.20 each. Participants included in this issue included Richard Alden, the Non-Executive Chairman, and Francis Coles, a non-executive director, who both subscribed for 125,000 ordinary shares.

In March 2010 Naropa Cartera S.L.U., which owns 17.9% of the issued share capital of the Company, and Baring Iberia II Inversion en Capita F.C.R., which owns 16.4% of the issued share capital of the Company, subscribed for convertible loans of £480,000 and £215,000 respectively. During the current year interest was accrued but unpaid at a rate of 10% per annum.

9. Events after the balance sheet date

Post the year end the Group obtained additional bank financing totalling €0.91 million (£0.80 million), of these facilities €0.20 million (£0.18 million) is due to be repaid within one year. The interest rate payable on all of these facilities is under 6%.

10. Availability of Report and accounts

The Company's report and accounts for the year ended 31 March 2011 will be available on www.mirada.tv today and will be posted to shareholders today. Copies of the report and accounts for the year ended 31 March 2011 are available from the Company's registered address.