12 August 2014

mirada plc

(AIM: MIRA)

("mirada", "the Company" or "the Group")

Final results for the year ended 31 March 2014

mirada plc, the AIM quoted leading audiovisual content interaction specialist, announces its final results for the year ended 31 March 2014.

Financial Highlights

- Revenue: £4.57 million (2013: £4.84 million)
- Revenues earned from subscriber-based licence fees increased to £1.74 million (2013: £1.49 million)
- Gross profit £4.39 million (2013: £4.63 million)
- Gross profit margin remained stable at 96%
- Adjusted EBITDA*: £1.02 million (2013: £0.98 million)
- Profit for the year: £0.04 million (2013: loss of £0.24 million)

*Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and share based payment charges

Operational Highlights

- Deployment of user interface for GVT satellite service.
- Contract with Millicom – the Group's first project with Motorola set top boxes in Latin America
- Oversubscribed placing to raise £2.1 million in October and November 2013 at a price of 8.75p
- Conversion of loans into equity – strengthening the Group's balance sheet
- Appointments of Javier Casanueva as Non-Executive Chairman and Raúl Labrada Neira as Chief Financial Officer

Post period highlights

- Inaugural Tier One contract win in Latin America following a USD $1.4 million trial
- Strengthened institutional investor base
- Placing to raise £3.5 million at a price of 12.5p – providing funds to strengthen the Group's position within the Over The Top ("OTT") market and Latin America

Commenting on the future outlook of the Group, José Luis Vázquez, CEO of mirada, said:

"We have now entered a new stage in which major players are showing an increased interest in our capabilities. The Company is an advanced negotiations with other potential customers, and we expect to announce new deals after the summer break. References are key in this market and we are now winning really important ones."

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Overview

I am pleased to report the Group's financial results for the year ended 31 March 2014. This has been a watershed year for the Company during which we secured our first Tier One customer for our lead product, iris, further justifying management's decision to shift to a product-based model. Despite dedicating significant resources to the trial that led to this flagship contract win, we generated an operating profit for the year, recorded an increase in our adjusted EBITDA (defined as earnings before interest, tax, depreciation, amortisation and share based payment charges) to £1.02million (2013: £0.98 million) and posted full year net profits after tax of £0.04 million (2013: loss of £0.24 million).

During the year the focus has been on our ability to secure and service larger contracts in the developing market place, where Over The Top ("OTT") opportunities are expected to drive growth. The benefits of this strategy are highlighted by the post-year announcement of the Tier One contract win, following the success of the trial during the second half of the reported financial year.

Reflecting our strategic investment in this contract, Group revenues were slightly lower than last year (£4.57 million, a decrease of around 5%). Our Digital TV & Broadcast unit revenues were broadly in line with last year, equalling £4.15 million, with subscriber-based licence fees, mainly for our iris product, growing more than 16%, from £1.49 million to £1.74 million. Digital TV & Broadcast revenues from professional services were 17% lower, owing to the diversion of resource into the Tier One trial. For commercial reasons this work was carried out at a significantly lower charge-out rate. Further, the resources diverted into the Tier One trial could not capitalise on other business which would have been charged at standard rates, adversely impacting this year's Digital TV & Broadcast revenues.

During the year we were pleased to welcome a number of new institutional shareholders to the Group, which we consider a significant demonstration of support for our strategy. In addition, as evidenced by the recently announced fundraising, the Company is now well placed to take advantage of the growing OTT market, enabling us to fund new contracts and improve our product range within demanding time-scales. The team has adapted well to the changing environment, and has shown its ability to meet new challenges. We are grateful for the continued support that we have received from our stakeholders.

Trading review

Tier One customer

Following sustained growth in our subscriber-based licence fees in recent years, the main goal of management this year was to secure our first Tier One customer. After winning new contracts in Latin America over the last two years and establishing a strong track record on deliveries, we were given the opportunity to participate in a much larger tender against industry-leading competitors, most much larger than us. The outcome of this process was the offer of a trial period in which to showcase our iris product. In management's opinion, the key to securing the trial derived from the following factors:

- Our ability to deliver a finished product faster than our competitors;
- The superior architecture of our iris product;
- The number of references that mirada had won in the market during the previous few years; and
- The high degree of flexibility of iris, which allowed for a more customised proposal.

We have now entered a new stage in which other major players in the digital television market are showing increased interest in our capabilities. The Company is in advanced negotiations with other potential customers, and we expect to announce new deals after the summer break. References are key in this market, and we are now winning really important ones.

Performance of Installed Base

This year has been the second complete year of operations under our product-based model and we now have four customers' platforms generating subscriber-based licence fees: GVT in Brazil, on both IPTV (through Ericsson) and DTH (satellite) platforms, and Cablecom and Axtel in Mexico. By the end of our financial year we should have at least one more, owing to the recent Tier One contract win.

GVT in Brazil, owned by the Vivendi Group, is growing well with more than 750,000 subscribers as of 31 March 2014, yielding around 300,000 new subscribers during the fiscal year. Most of their growth is driven by their new satellite platform, which was launched in August 2013. Axtel is a smaller customer, although their subscriber base is growing satisfactorily. Cablecom is still waiting for the approval of the Mexican regulators to consolidate their integration into the Televisa group, expected during the current financial year.

Digital TV and Broadcast unit financial performance

It should be noted that for the year under review, we have stopped segregating revenues between Digital TV and Broadcast. This is because we have been increasingly integrating xplayer functionalities into our larger Digital TV product (iris and navi) deals. The Group has continued to focus on Digital TV & Broadcast business, which, with revenues of £4.15 million this year, represented 91% of the Group total (90% last year) and 94% of gross margins (94% last year). Subscriber-based licence fees continued to grow from £1.49 million to £1.74 million (up 16%), while the rest of revenues decreased by around 17% from £2.76 million to £2.40 million owing to the reasons already set out above. Segmental EBITDA remained strong at £1.87 million (2013: £1.97 million).

Increasing our presence in growing markets represents our main focus and, even with the lower trial-related prices for professional services in the region this year, Latin America represented 69% of total Group revenues (65% last year). We continue to focus on international activities, with revenues from the UK and Spanish markets remaining broadly stable at 27% of total turnover (25% last year).

Appointments

During the year we were pleased to welcome Mr. Javier Casanueva to the role of Non-Executive Chairman. Mr.Raúl Labrada also joined us as our new CFO.

Financial overview

Owing to the impact of the trial on professional service fee revenue, total turnover decreased by 5% to £4.57 million (2013: £4.84 million). Gross profit margin was stable at 96% and adjusted EBITDA for the year was up 4.5% to £1.02 million, compared to £0.98 million in the prior year. Amortisation charges increased to £0.92 million from £0.68 million resulting from increased investment in our iris product. Owing to the improved performance and future projections of the Group deferred tax assets of £0.47 million were recognised during the year.

Adjusted EBITDA is a key performance indicator ("KPI") used by management as it removes the impact of one-off and non-cash transactions. Other KPIs used by management included the following:

- Gross profit margin: the concentration of the Group on the Digital TV & Broadcast business has led to a sustained gross profit margin of 96%, in line with last year.

- Overseas activities (i.e. excluding UK and Spain): total revenues remained stable in Latin America at £3.14 million compared to £3.16 million last year, owing to the effect of the Tier One trial. Latin America now represents 69% of our turnover, up from 65% last year. Overseas activities remained at 73% of total Group turnover, a small reduction from 75% last year.

- Subscriber-based licence fee revenue included within the Digital TV & Broadcast segment: revenues from licence fees command higher margins and are key to our return on investment and overall profitability. Total licence fees for the year equalled £1.74 million, a 16.7% increase on the £1.49 million earned in the prior period.

The Group posted a profit after tax for the year of £0.04 million compared to a loss of £0.24 million loss in the prior period although management is acutely aware that investment is still ongoing in ensuring that the Tier One contract can be executed. This contract should, however, deliver higher margins like the ones already being received from other subscriber-based licence fees.

The entire convertible loan balance of £975,000 outstanding at 31 March 2013 was converted into equity during the year with all conversions taking place at a price of 10 pence. We believe that this demonstrates the confidence of the loan note holders in the future performance of the share price. Total loans and borrowings decreased from £3.53 million to £2.64 million during the period. Additionally, during the financial year, the Company was able to secure about £2.1 million from both existing and new institutional shareholders, with the aim of funding the expected contract win and enhancing our inspire user interface.

As detailed in an announcement on 30 July 2014, the has Company approved a placing of £3.5 million (before expenses) which will allow the Group to improve its presence in the OTT market, further reduce its net debt and increase working capital available to fund potential new deals.

Operational Review

Areas of business

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

Digital TV operators:

We have nearly 15 years' 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 and companion devices (tablets and smartphones). Our major products are our navigational software propositions: iris (with our origin and inspire user interfaces) and navi (in partnership with Ericsson).

Other areas:

mirada has experience and business activities in other areas, principally broadcast and cashless payment solutions for the car parking market via mirada connect. Broadcast activities have been merged with the Digital TV unit in the year under review, as the group has been increasingly integrating the product range of these business units. Mirada connect will remain independent of the rest of the business. Although non-core, it makes a positive contribution to Group EBITDA.

Current Trading and Outlook

This has been a transformational period for the Group, in which we have proven our ability to deliver on top-level deals. The Group remains in a period of investment and current trading is similar to that stated at financial year-end. The Group continues to direct resources to the Tier One contract. We remain confident in the Group's ability to deliver on the Tier One contract and the recent £3.5 million placing strengthens our balance sheet and enables the Group to pursue further OTT opportunities in the Latin American market.

We expect our performance to be supported by strong subscriber-based licence revenues deriving from existing installations, the new Tier One contract and future contract wins. We believe the Tier One contract will be a significant catalyst to the Group growing substantially as the product is rolled out over its life from commercial launch later this financial year.

The Tier One contract has expanded the pipeline of opportunities in Latin America and beyond. References are key in this market and we are already seeing the benefits as we seek to capitalise on recent successes.

The Company expects to benefit from its focus on OTT propositions. We will be investing heavily in our technical capabilities and expanding our sales and marketing efforts in this area.

Our team has performed well during the transition from delivering on small to medium-sized projects to the greater demands and complexities of much bigger Tier One projects. The quality and values of our stakeholders have made a real difference to their ability to effect such a difficult transition. I cannot be more grateful to them for their hard work and their professionalism.

José-Luis Vázquez
Chief Executive Officer
11 August 2014

Consolidated income statement

Year ended 31 March 2014

	Note	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Revenue	4	4,572	4,837
Cost of sales		(182)	(207)
Gross profit		4,390	4,630
Depreciation	5	(43)	(58)
Amortisation	5	(924)	(683)
Share-based payment charge		(53)	-
Other administrative expenses		(3,366)	(3,649)
Total administrative expenses		**(4,386)**	**(4,390)**
Operating profit	5	**4**	**240**
Finance income		32	137
Finance expense		(422)	(617)
Loss before taxation		**(386)**	**(240)**
Taxation	6	427	-
Profit/(loss) for year		**41**	**(240)**

Earnings/(loss) per share		Year ended 31 March 2014 £	Year ended 31 March 2013 £
Earnings/(loss) per share for the year - basic & diluted	7	0.001	(0.007)

Consolidated statement of comprehensive income

Year ended 31 March 2014

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Profit/(loss) for the period	41	(240)
Other comprehensive loss:		
Currency translation differences	(26)	(28)
Total other comprehensive loss	(26)	(28)
Total comprehensive income/(loss) for the year	**15**	**(268)**

Consolidated statements of changes in equity

Year ended 31 March 2014

	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 2013	**519**	**3,059**	**140**	**509**	**2,472**	**(3,234)**	**3,465**
Profit for the financial year	-	-	-	-	-	41	41
Movement in foreign exchange reserve	-	-	-	(26)	-	-	(26)
Share based payment	-	-	-	-	-	53	53
Transfer between reserves	-	-	(140)	-	-	140	-
Conversion of convertible loans into shares	98	877	-	-	-	(29)	946
Issue of shares	244	1,894	-	-	-	-	2,138
Share issue costs	-	(54)	-	-	-	-	(54)
At 31 March 2014	**861**	**5,776**	**-**	**483**	**2,472**	**(3,029)**	**6,563**

	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 2012	**319**	**1,216**	**140**	**537**	**2,472**	**(3,026)**	**1,658**
Loss for the financial year	-	-	-	-	-	(240)	(240)
Movement in foreign exchange reserve	-	-	-	(28)	-	-	(28)
Conversion of convertible loans into shares	45	400	-	-	-	32	477
Issue of shares	155	1,457	-	-	-	-	1,612
Share issue costs	-	(14)	-	-	-	-	(14)
At 31 March 2013	**519**	**3,059**	**140**	**509**	**2,472**	**(3,234)**	**3,465**

Consolidated statement of financial position

As at 31 March 2014

	Note	31 March 2014 £000	31 March 2013 £000
Property, plant and equipment		37	61
Goodwill		6,946	6,946
Intangible assets		2,444	1,719
Deferred Tax Assets		508	-
Non-current assets		**9,935**	**8,726**
Trade & other receivables		1,781	1,292
Cash and cash equivalents		30	94
Current assets		**1,811**	**1,386**
Total assets		**11,746**	**10,112**
Loans and borrowings		(728)	(697)
Trade and other payables		(2,339)	(2,725)
Provisions		(76)	(141)
Current liabilities		**(3,143)**	**(3,563)**
Net current liabilities		**(1,332)**	**(2,177)**
Total assets less current liabilities		**8,603**	**6,549**
Interest bearing loans and borrowings		(1,911)	(2,767)
Embedded conversion option derivative		-	(65)
Other non-current liabilities		(129)	(181)
Provisions		-	(71)
Non-current liabilities		**(2,040)**	**(3,084)**
Total liabilities		**(5,183)**	**(6,647)**
Net assets		**6,563**	**3,465**
Issued share capital and reserves attributable to equity holders of the company			
Share capital	8	861	519
Share premium		5,776	3,059
Other reserves		2,955	3,121
Retained earnings		(3,029)	(3,234)
Equity		**6,563**	**3,465**

Consolidated statement of cash flows

Year ended 31 March 2014

	Note	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Cash flows from operating activities			
Profit/Loss after tax		41	(240)
Adjustments for:			
Depreciation of property, plant and equipment		43	58
Amortisation of intangible assets		924	683
Share-based payment charge		53	-
Finance income		(32)	(137)
Finance expense		422	617
Taxation		(427)	-
Operating cash flows before movements in working capital		1,024	981
Increase/(decrease) in trade and other receivables		(501)	44
(Decrease)/increase in trade and other payables		(484)	21
(Decrease)/increase in provisions		(136)	(356)
Net cash (used in)/generated from operating activities		**(97)**	**690**
Cash flows from investing activities			
Interest and similar income received		16	3
Purchases of property, plant and equipment		(20)	(8)
Purchases of other intangible assets		(1,661)	(1,116)
Net cash used in investing activities		**(1,665)**	**(1,121)**
Cash flows from financing activities			
Interest and similar expenses paid		(335)	(341)
Issue of share capital		2,036	1,014
Costs of share issue		(53)	(14)
Loans received		289	913
Repayment of loans		(409)	(735)
Repayment of capital element of finance leases		(10)	(10)
Net cash from financing activities		**1,517**	**827**
Net (decrease)/increase in cash and cash equivalents		**(243)**	**396**
Cash and cash equivalents at the beginning of the year		94	(299)
Exchange gains on cash and cash equivalents		(1)	(3)
Cash and cash equivalents at the end of the year	9	**(150)**	**94**

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

1. General information
mirada plc is a company incorporated in the United Kingdom. The address of the registered office is New City Cloisters, 196 Old Street, London, EC1V 9FR. The nature of the Group's operations and its principal activities are the provision and support of products and services in the Digital TV and Broadcast markets.

2. Basis of preparation
The financial information set out in this document does not constitute the Company's statutory accounts for year to 31 March 2013 and 2014. Statutory accounts for the years ended 31 March 2013 and 31 March 2014 have been reported on by the Independent Auditors. The Independent Auditor's Reports on the Annual Report and Financial Statements for each of 2013 and 2014 were unmodified and did not contain statements under sections 498(2) or 498(3) of the Companies Act 2006. However, the audit report for the year ended 31 March 2013, drew attention to an emphasis of matter due to the uncertainty over going concern.

Statutory accounts for the year ended 31 March 2013 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 March 2014 will be delivered to the Registrar in due course, and will be available from the Company's registered office at New City Cloisters, 196 Old Street, London, EC1V 9FR and from the Company's website www.mirada.tv/corporate.

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 2014. The principal accounting policies adopted are unchanged from those used in the preparation of the statutory accounts for the period ended 31 March 2013. 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

3. Significant accounting policies

Going concern policy
The directors have prepared a cash flow forecast covering a period extending beyond 12 months from the date of these financial statements. The forecast contains certain assumptions about the performance of the business. These assumptions are the directors' best estimate of the future development of the business, including consideration of cash reserves required to support working capital and its new growth initiatives. The directors completed a fund raising in July 2014 in order to secure £3.5m for the Group. Based on shareholder approval received at the general meeting on 30 July 2014, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

4. Segmental reporting

Reportable segments
The chief operating decision maker for the Group is ultimately the board of directors. For financial and operational management the board considers the Group to be organised into two operating divisions based upon the varying products and services provided by the Group – Digital TV & Broadcast and Mobile. The Digital TV & Broadcast segment has been created in 2014, following the merger of the Digital TV and Broadcast & Content segments during the year. The segment headed other relates to corporate overheads, assets and liabilities.

Segmental results for the year ended 31 March 2014 are as follows:

	Digital TV & Broadcast £'000	Mobile £'000	Other £'000	Group £'000
Revenue - external	4,149	423	-	4,572
Gross profit	4,120	270	-	4,390
Profit/(loss) before interest, tax, depreciation, amortisation & shared based payments	1,871	53	(900)	1,024
Depreciation	(23)	-	(20)	(43)
Amortisation	(864)	(26)	(34)	(924)
Share-based payment charge	-	-	(53)	(53)
Finance income	-	-	32	32
Finance expense	-	-	(422)	(422)
Taxation	375	52	-	427
Segmental profit/(loss)	1,358	79	(1,396)	41

The segmental results for the year ended 31 March 2013, presented on the revised basis, are as follows:

	Digital TV & Broadcast £'000	Mobile £'000	Other £'000	Group £'000
Revenue - external	4,367	470	-	4,837
Gross profit	4,331	299	-	4,630
Profit/(loss) before interest, tax, depreciation, amortisation & shared based payments	1,974	57	(1,050)	981
Impairment of goodwill	-	-	-	-
Depreciation	(33)	-	(25)	(58)
Amortisation	(615)	(34)	(34)	(683)
Finance income	-	-	137	137
Finance expense	-	-	(617)	(617)
Segmental profit/(loss)	1,326	23	(1,589)	(240)

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

The Group has three major customers in the Digital TV and Broadcast segment (a major customer being one that generates revenues amounting to 10% or more of total revenue) that account for £0.86 million (2013: £1.37 million), £0.83 million (2013: £0.48 million) and £0.67 million (2013: £0.48 million) of the total Group revenues respectively.

The segment assets and liabilities at 31 March 2014 are as follows:

	Digital TV – Broadcast £'000	Mobile £'000	Other £'000	Group £'000
Additions to non-current assets	2,132	54	3	2,189
Total assets	10,947	732	67	11,746
Total liabilities	(4,280)	(57)	(846)	(5,183)

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

The segment assets and liabilities at 31 March 2013, presented on a revised basis, are as follows:

	Digital TV - Broadcast £'000	Mobile £'000	Other £'000	Group £'000
Additions to non-current assets	1,087	23	14	1,124
Total assets	9,085	688	339	10,112
Total liabilities	(2,141)	(97)	(4,409)	(6,647)

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

	Assets 31 March 2014 £'000	Liabilities 31 March 2014 £'000	Assets 31 March 2013 £'000	Liabilities 31 March 2013 £'000
Segment assets and liabilities	11,679	4,337	9,773	2,238
Other:				
Intangible assets	-	-	89	-
Property, plant & equipment	2	-	19	-
Other financial assets & liabilities	65	846	231	4,409
Total other	67	846	339	4,409
Total Group assets and liabilities	**11,746**	**5,183**	**10,112**	**6,647**

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 2014 £000	31 March 2013 £000	31 March 2014 £000	31 March 2013 £000
UK	563	743	3,041	3,063
Spain	650	473	6,894	5,663
Continental Europe	218	465	-	-
Latin America	3,141	3,156	-	-
	4,572	4,837	9,935	8,726

5. Operating profit

The operating profit is stated after charging the following:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Depreciation of owned assets	43	35
Depreciation of assets held under finance lease	-	23
Amortisation of intangible assets	924	683
Operating lease charges	233	200
Research and development costs	-	220

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

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Operating profit	4	240
Depreciation	43	58
Amortisation	924	683
Share-based payment charge	53	-
Operating profit before interest, taxation, depreciation, amortisation and share-based payment charge	1,024	981

6. Taxation

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of tax of 23%. The differences are reconciled below:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Loss before taxation	(386)	(240)
Loss on ordinary activities multiplied by 23% (2013: 24%)	(89)	(58)
Effect of expenses not deductible for tax purposes	52	23
Effect of non-taxable income	-	(32)
Losses carried forward	-	67
Losses Utilised	37	-
Total current tax	-	-
Origination and reversal of temporary differences	(35)	-
Recognition of previously un recognised deferred tax assets	(392)	-
Total deferred tax	(427)	-
Total tax expense	(427)	-

Deferred taxation

Deferred tax assets have been recognised in respect of all tax losses for Mirada Connect Limited, research and development investment for Fresh Interactive Technologies S.A and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered. The Directors believe that the deferred tax assets are recoverable given the increasing profitability of Fresh Interactive Technologies S.A and Mirada Connect Limited over recent years, combined with the forecasts for future periods.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown below.

Group	Asset 31 March 2014 £000	Liability 31 March 2014 £000	(Charged)/credited to profit & loss 31 March 2014 £000	Charged/credited to Equity 31 March 2014 £000
Tax credit for losses	52	-	52	-
Other tax credits	421	-	340	-
Other temporary deductible differences	35	-	35	-
Tax asset	508	-	427	-

Deferred tax asset of £11,000 as at 31 March 2013 is included within trade and other receivables.

Deferred taxation amounts not recognised are as follows:

Group	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Depreciation in excess of capital allowance	1,587	1,582
Losses	9,830	10,196
Unrecognised tax credit	1,839	1,623
	13,256	13,401

The gross value of tax losses carried forward at 31 March 2014 equals £57.6 million (2013: £58.3 million).

7. Earnings per share

	Year ended 31 March 2014 Total	Year ended 31 March 2013 Total
Profit/(loss) for year	£41,000	(£240,000)
Weighted average number of shares	65,233,761	34,612,552
Basic earnings/(loss) per share	£0.001	(£0.007)
Diluted earnings/(loss) per share	£0.001	(£0.007)

Adjusted earnings per share

Adjusted loss per share is calculated by reference to the loss from continuing activities before interest, taxation, share-based payment charges, depreciation and amortisation (see note 5).

	Year ended 31 March 2014 Total	Year ended 31 March 2013 Total
Adjusted profit after tax for year	£1,024,000	£981,000
Weighted average number of shares	65,233,761	34,612,552
Basic adjusted earnings per share	£0.016	£0.028
Diluted adjusted earnings per share	£0.014	£0.022

The Company has 5,602,555 (2013: 301,327) potentially dilutive ordinary shares arising from share options issued to staff. At 31 March 2014 the Company had no potentially dilutive ordinary shares arising from the convertible loan (2013: 9,750,000). For the comparatives for year ended 31 March 2013 these have not been included in calculating the diluted earnings per share as the effect is anti-dilutive, although they have been included in calculating the adjusted earnings per share.

8. Share capital

A breakdown of the authorised and issued share capital in place as at 31 March 2014 is as follows:

	31 March 2014 Number	31 March 2014 £000	31 March 2013 Number	31 March 2013 £000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	86,057,695	861	51,927,793	519

Share issues

During the year the following share issues took place:
- On 15 July 2013 £315,000 of the convertible loan balance was converted into 3,150,000 £0.01 ordinary shares at £0.10 per share.

- On 9 October 2013 the Company completed a placing for cash raising gross proceeds of £1,000,000 via the issue of 11,428,571 £0.01 ordinary shares at a price of £0.0875 each.

- On 19 November 2013 the Company raised £1,104,398 via the issue of 12,621,688 £0.01 ordinary shares at a price of £0.0875 each. The issue of shares consisted of a placing for cash raising gross proceeds of £1,036,531 by the issue of 11,846,066 ordinary shares, and 775,622 ordinary shares were issued to capitalise certain creditor balances totalling £67,866.53. These share based payments to creditors were measured at the market value of the services rendered.

- On 23 December 2013 £170,000 of the convertible loan balance was converted into 1,700,000 £0.01 ordinary shares at £0.10 per share. As part of this conversion, Asesoría Digital S.L., which is owned by Rafael Martín Sanz and his wife, received 900,000 shares.

- On 11 February 2014 4,229,643 £0.01 ordinary shares were issued at a price of £0.10 each via the conversion of a convertible loan balance of £390,000 and the capitalisation of interest owed on this convertible loan of £32,964.

- On 3 March 2014 the remaining convertible loan balance of £100,000 was converted into 1,000,000 £0.01 ordinary shares at £0.10 per share.

9. Notes supporting cash flow statement

Cash and cash equivalents comprise:

	31 March 2014 £000	31 March 2013 £000
Cash available on demand	30	94
Overdrafts	(180)	-
	(150)	94
Net cash (decrease)/increase in cash and cash equivalents	(244)	393
Cash and cash equivalents at beginning of year	94	(299)
Cash and cash equivalents at end of year	(150)	94

Cash and cash equivalents

Cash and cash equivalents are held in the following currencies:

	31 March 2014 £000	**31 March 2013 £000**
Sterling	4	42
Euro	26	52
Total	30	94

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

Significant non-cash transactions are as follows:

	31 March 2014 £000	**31 March 2013 £000**
Financing activities:		
Convertible loans converted into equity	975	445
Accrued convertible loan interest paid by issue of equity	33	412
Creditor balances paid by issue of equity	68	186
Total	1,076	1,043

10. Events after the reporting date

On 7 July 2014 the Company announced a proposed placing to raise £3.5 million (before expenses) by way of a placing of 28,000,000 £0.01 ordinary shares at 12.5 pence per share, subject to shareholder approval being obtained at a General Meeting held on 30 July 2014. All resolutions proposed at the General Meeting were passed and the shares were issued on 5 August 2014. Post the placing there are 114,057,695 ordinary shares of £0.01 each in issue.

11. Availability of report and accounts

Copies of the report and accounts for the year ended 31 March 2014 are being posted to shareholders and will be available on the Company’s website www.mirada.tv.