18 July 2016

Mirada plc

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

Final Results for the Year Ended 31 March 2016

Mirada plc (AIM: MIRA), the leading audio-visual content interaction specialist, announces its final results for the year ended 31 March 2016.

Financial Highlights

- Revenue increased 6% to £6.02 million (2015: £5.66 million)
- Gross profit increased 7% to £5.80 million (2015: £5.42 million)
- Adjusted EBITDA* in line with previous year at £1.50 million (2015: £1.54 million)
- Operating loss of £0.36 million (2015: profit of £0.29 million)
- Placing on 24th November 2015 to raise £1.5 million (6p per share), primarily subscribed by major shareholders, board and management, to strengthen the balance sheet and working capital.
- Continued objective is to achieve positive free cash flow for the year ending 31st March 2017.

*Adjusted EBITDA (see note 6) is defined as earnings before interest, taxation, depreciation, amortisation, share-based payment charges and irrecoverable sales tax.

Operational Highlights

- Completed deployment of the Iris Inspire solution over the Izzi Telecom (Televisa Telecom) networks.
- Roll out of Cablevisión Monterrey (TVI), now part of the Televisa Group, service ahead of management expectations.
- Appointment of Gonzalo Babío (Chief Financial Officer) as Executive Director. Rafael Martín Sanz stepped down as non-executive director to pursue other business interests.
- Increased sales and marketing activities with larger international presence.

José Luis Vázquez, CEO of Mirada, commented:

"Mirada has a complete and exceptional suite of multiscreen products of which we consider our flagship Iris Inspire product to be at least as strong as any major competitor. As such, we continue to be a successful contender in the market for advanced digital television user experience propositions.

"We are currently competing for most of the major live projects in the Latin America region, and are confident that our product quality, proven expertise, and the reference provided by our major deployment with Televisa, will be key strengths in the decision-making process. Meanwhile, our partners and local representatives are building our pipeline in other regions, especially South East Asia and Eastern Europe.

"We believe we are extremely well positioned to convert this growing pipeline and this, combined with our expectation of increasing revenues as our software is rolled out across Televisa's network, gives us great confidence for the future."

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About Mirada

Mirada creates and manages products and services for digital TV operators and broadcasters. With over 15 years of experience, the Company focuses on the future of Digital TV - Multiscreen cross-platform navigation - anytime, anywhere. It offers a complete suite of end-to-end modular products for STBs, PC, smartphones and tablets, all with innovative state-of-the-art UI designs.

Mirada's products and solutions have been deployed by some of the biggest names in digital media and broadcasting including Televisa, Telefonica, Sky, Virgin Media, BBC, ITV and France Telecom. Headquartered in London, Mirada has commercial offices across Europe and Latin America and operates development centres in the UK and Spain. For more information, visit www.mirada.tv.

Chief Executive Officer's Report

Overview

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

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

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

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

Trading review

The priorities for the Company over the year were to ensure the successful deployment of our products over the global Izzi Telecom network, to support operating needs of prior deployments and to achieve new references in the market.

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

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

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

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

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

Appointments

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

During the period Newgate Communications was appointed as our new Financial PR advisor and post year-end, Allenby Capital was appointed as our new Nominated Adviser and Broker.

Financial overview

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

The Group posted a net loss for the year of £0.40 million compared to a loss of £0.18 million in the prior year, mainly as a result of increased amortisation and provisions.

Net Debt (see note 17) rose to £3.48 million (2015: £2.61 million) as a result of increased product investment, delays in the full Televisa commercial roll out and currency exchange factors. Long term interest-bearing loans and borrowings increased 32% to £1.77 million (2015: £1.35 million) and short term borrowings increased to £2.42 million (2015: £1.47 million). Trade receivables decreased from £2.19 million to £1.43 million as invoices related to the Monterrey deployment raised at the end of the previous financial year matured.

Cash at bank increased to £0.71 million from £0.21 million, with additional invoice discounting facilities of £2.28 million available and unused short-term credit lines of £0.88 million available at the end of March 2016. In November 2015, the Company completed an equity fundraising of £1.5 million (before expenses), which provided then working capital required for the final stage of the Televisa deployments and strengthened the balance sheet.

Current Trading and Outlook

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

Mirada had been fully prepared for the Televisa roll out since the deployment of the solution in Monterrey in February 2015. However, delays resulting from the integration of the Televisa five cable networks under the Izzi brand shifted the balance of the Company revenue mix for the full year towards professional services associated with additional change requests from the customer. Now we are at a new stage in our relationship with Televisa and the Board believes that we will increasingly benefit from subscriber-based license fees as our product is rolled out across their networks. In addition, Televisa will continue to require support, maintenance and additional professional services.

Meanwhile, our partners and local representatives are building the pipeline in other regions, especially South East Asia and Eastern Europe. In addition, we continue to open new reseller agreements in unexplored areas, recognising that on-the-ground representation is essential in most of our new target markets.

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

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

José-Luis Vázquez
Chief Executive Officer
15 July 2016

Business model

The Company's main activity is the provision of software for the Digital TV market. Our major customers are Digital TV platforms, mostly Pay TV service providers. We provide the technology needed to facilitate the final user's interaction with the devices they provide, including digital TV decoders (set-top boxes), tablets, smartphones and computers. Our major products are our navigational software proposition, Iris, including our Inspire user interface, and xplayer, our broadcasting synchronisation technology.

Our customers need the services of a User Interface ("UI") provider such as Mirada when creating a new Digital TV service or replacing/upgrading an existing one. The UI provider interacts with the device vendor (in the case of set-top boxes), the encryption technology vendor (Conditional Access ("CA") vendor) for the protection of content, and the customer systems (billing and provisioning systems). For the larger customers, this is usually a capital expenditure model per final subscriber or household, where the set-top box vendor represents the most significant investment, and licence fees are paid to the software providers for the use of CA licences and UI licences.

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

Strategy

The Group's strategy is to extend its presence in the Digital TV markets, focusing on those markets with higher potential growth rates, for example the Latin American, Eastern Europe and South East Asia market. The aim is to increase the number of customers being charged subscriber-based licence fees, as these revenues command higher margins and, as long as the customer's subscriber base is growing, Mirada will continue to earn licence fees even from projects which were completed several years previously.

The main key performance indicator ("KPI") used by management in assessing the success of this strategy is the growth in Mirada's licence revenues, which will be led by the progress of our recent rollouts and any potential new licence-based contract wins.

Reference deployments are very important in this market, and winning reference contracts has been and is an integral part of our strategy. The Group will need to continue investing in research and development in order to provide the required functionalities in our products to satisfy the cutting-edge demands from our customers, while maintaining a fair balance between potential growth and profitability. Our continued investment in Iris is essential in ensuring a proper implementation of this strategy.

Consolidated Income Statement

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

Loss per share	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Loss per share for the year - basic & diluted	(0.003)	(0.002)

Consolidated statement of comprehensive income

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

Consolidated statement of changes in equity

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

	Share capital	Share premium account	Foreign exchange reserve	Merger reserves	Retained earnings	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2014	**861**	**5,776**	**483**	**2,472**	**(3,529)**	**6,063**
Loss for the year	-	-	-	-	(175)	(175)
Movement in foreign exchange	-	-	(225)	-	-	(225)
Total comprehensive loss for the year	-	-	(225)	-	(175)	(400)
Share based payment	-	-	-	-	61	61
Issue of shares	280	3,220	-	-	-	3,500
Share issue costs	-	(248)	-	-	-	(248)
Balance at 31 March 2015	**1,141**	**8,748**	**258**	**2,472**	**(3,643)**	**8,976**

Consolidated statement of financial position

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

Consolidated statement of cash flows

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

Notes

1. General information

Mirada plc is a company incorporated in the United Kingdom. The address of the registered office is 68 Lombard Street, London, EC3V 9LJ. The nature of the Group's operations and its principal activities are the provision and support of products and services in the Digital TV and Broadcast markets.

2. Basis of preparation

The financial information for the year ended 31 March 2016 and the year ended 31 March 2015 contained in these preliminary results does not constitute the company's statutory accounts for those years. Statutory accounts for the year ended 31 March 2015 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 March 2016 will be delivered to the Registrar of Companies in due course and will be available from the Company's registered office at 68 Lombard Street, London, EC3V 9LJ and from the Company's website www.mirada.tv/corporate.

The auditors' reports on the accounts for 31 March 2016 and the year ended 31 March 2015 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The financial information contained in these preliminary results has been prepared using [the recognition and measurement requirements of] International Financial Reporting Standards (IFRSs) as adopted by the EU. 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 financial statements for the year ended 31 March 2015. New standards, amendments and interpretations to existing standards, which have been adopted by the Group for the year ended 31 March 2016, have not been listed since they have no material impact on the financial information.

3. Going concern policy

The directors have prepared a cash flow forecast covering a period extending beyond 12 months from the date of these financial statements. The forecast contains certain assumptions about the performance of the business. These assumptions are the directors' best estimate of the future development of the business, including consideration of cash reserves required to support working capital and its new growth initiatives. Based on this cash flow forecasts, directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 segment headed 'other' relates to corporate overheads, assets and liabilities.

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

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

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

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

There is no material inter-segment revenue.

The Group has two major customers in the Digital TV and Broadcast segment (a major customer being one that generates revenues amounting to 10% or more of total revenue) that account for £3.6 million (2015: £2.16 million) and £0.94 million (2015: £0.84 million) of the total Group revenues respectively.

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

	Digital TV - Broadcast	**Mobile**	**Other**	**Group**
	£'000	**£'000**	**£'000**	**£'000**
Additions to non-current assets	2,330	-	-	2,330
Total assets	11,108	139	4,822	16,069
Total liabilities	(5,016)	(79)	(684)	(5,779)

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

The segment assets and liabilities at 31 March 2015, presented on a revised basis, are as follows:

	Digital TV - Broadcast	**Mobile**	**Other**	**Group**
	£'000	**£'000**	**£'000**	**£'000**
Additions to non-current assets	1,887	-	1	1,888
Total assets	13,210	714	220	14,144
Total liabilities	(4,029)	(134)	(1,005)	(5,168)

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

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

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

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

Geographical disclosures:

	External revenue by location of customer		Total assets by location of assets	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
UK	609	593	5,230	3,323
Spain	540	953	10,839	10,821
Rest of Continental Europe	-	52	-	-
Latin America	4,870	4,059	-	-
	6,019	**5,657**	**16,069**	**14,144**

Revenues by Products:

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

5. Taxation

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of tax of 20%. The differences are reconciled below:

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

Deferred Taxation

The Deferred tax assets have been recognised in respect of tax losses for Mirada Connect Limited, research and development investment for Mirada Iberia S.A and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered. The Directors believe that the deferred tax assets are recoverable given the increasing profitability of Mirada Iberia S.A and Mirada Connect Limited over recent years, combined with the forecasts for future periods. However, following a prudent approach deferred tax assets have been reduced by £191,000 during FY16

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

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

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

Reconciliation of deferred tax asset and liabilities:

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

<u>Deferred taxation amounts not recognised are as follows:</u>

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

The gross value of tax losses carried forward at 31 March 2016 equals £58.0 million (2015: £57.8 million). Research and Development tax credits, useable against future profits

6. Operating profit

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

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

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

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

7. Earnings per Share

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

Adjusted EBITDA per share

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

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

The Company has 4,697,165 (2015: 5,602,238) potentially dilutive ordinary shares arising from share options issued to staff. Share options have been included in calculating the diluted earnings.

8. Share capital

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

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

Share issues

During the year the following share issues took place:

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

9. Events after the reporting date

There are no material reportable events post the balance sheet date.

10. Cautionary Statement

Mirada plc has made forward-looking statements in this press release, including statements about the market for and benefits of its products and services; financial results; product development plans; the potential benefits of business relationships with third parties and business strategies. These statements about future events are subject to risks and uncertainties that could cause Mirada plc's actual results to differ materially from those that might be inferred from the forward-looking statements, Mirada plc can make no assurance that any forward-looking statements will prove correct.