ENVISION
INNOVATE
DELIVER

mirada

ANNUAL REPORT

& ACCOUNTS

2021

COMMON ACRONYMS

- BYOD - Bring Your Own Device
- CA - Conditional Access
- DTH - Direct-to-Home / Satellite transmission
- IPTV - Internet Protocol Television
- D2C - Direct to Consumer
- IPTV - Internet Protocol Television
- OS - Operating System
- OTT - Over-the-top
- R&D - Research and Development
- SaaS - Software as a Service
- SDP - Service Delivery Platform
- STB - Set-top box
- SVoD - Subscription Video on Demand
- UI - User Interface
- UX - User Experience

ABOUT MIRADA

OUR STORY

Ever since Mirada was founded in 2000 by our CEO José Luis Vázquez, we have positioned ourselves as a strategic partner for TV and video providers worldwide, equipping them with the cutting edge solutions they need to answer the growing demand for video entertainment.

OUR PEOPLE

Spread across three continents, 82% of our 170 Miradians are engineers working on product management, software development, customer support and IT operations.

Our experts include a sales force composed of local sales representatives who specialise in targeting our key markets, and a growing strategic network of specialised external resellers, thanks to whom we have greatly expanded our reach worldwide.

OUR SOLUTIONS

At Mirada, we design, develop and deliver innovative software solutions in the field of video entertainment that empower our customers to launch their own D2C digital video services.

In essence, through our technology the end user can access all of their favourite channels, series, films and more on their preferred devices, with the best user experience both at home and on the go. Our solutions are at the forefront of the growing movement in the industry to harness data to tailor content and create unique viewing experiences for individuals based on their preferences.

OUR MISSION

Our mission is to enable our customers to excel in connecting millions of people to digital video services, keeping up with viewers' evolving demands, habits and preferences to deliver the TV of tomorrow, today.

OFFICES UK | SPAIN | MEXICO **REPRESENTATIVES** SPAIN | CHILE | PHILIPPINES

OUR CUSTOMERS

Through our multipurpose products and services, we can tackle the technological needs of telco companies, pay TV operators and broadcasters, as well as the new video streaming services.

Our scalable solutions allow us to be flexible in terms of the size of our customers and we serve telco giants such as izzi Telecom in Mexico, alongside smaller tier companies such as OneComm in Bermuda or Viya in the US Virgin Islands.

Each new project involves significant investment by our customers for the delivery of both hardware and software solutions. Such high stakes make our bidding process to last usually between six and twelve months, depending on the region and the size of the prospect.

Our biggest client and most valued reference to date is izzi Telecom, part of Televisa Group (the biggest media company in the Spanish-speaking world). Since the beginning of our collaboration in 2014, izzi has continued to entrust us with new developments and product updates for their market leading pay TV service. This project has also served us as an important reference when approaching new clients.

and more

OUR PARTNERS

Mirada's technology is successfully integrated with the key players in the video industry, including tech giants such as Google and Microsoft, and premium video streaming services like Netflix, Disney+ and Amazon Prime Video. In this context, the integration means that their applications, technology or content are seamlessly included within the solution we offer.

Our ever-growing partnership strategy enables us to offer the latest components, features, and third-party services that our customers need to retain their competitive advantage.

Content providers

Technology

and more

OUR EDGE

Innovation is at the core of everything we do. We consistently exceed the needs of our customers, working hand-in-hand with our strategic technological partners to provide the best possible service. Today, we are one of the few providers able to offer our customers the very sought-after integration with all major premium content providers, including Netflix, Disney+, Amazon Prime Video and HBO.

We continue adapting our solutions to viewers worldwide, who access them to enjoy content on every device from their sofa or on the go, not only on set-top boxes, smartphones and tablets, but also on smart TVs, game consoles and more.

Our commitment to innovation has gained us the trust of industry leaders like izzi Telecom and ATN international, and we are continually working to establish long-term collaborations with both traditional players and newcomers to the TV & video sector.

OUR FUTURE

The TV and video entertainment industry is evolving quickly. Traditional pay TV operators are re-positioning themselves as super-aggregators of content providers, content providers are exploring ways to bring their own direct-to-consumer offerings to market, and viewers are becoming more and more demanding of the functionality, simplicity and convenience of the interfaces that they use. Our teams understand the market better than anyone and with our vast experience, scalable business model and a growing reputation for quality and innovation, we are ideally positioned to capitalise on the emerging opportunities.

Our vision, the scalability of our business model, unparalleled expertise and firm commitment to innovation set us on the path of continuing to reap all the opportunities the future brings.

OUR REFERENCES

The technology that powers izzi's multiscreen platform is the most advanced in the entire region.

Guillermo Salcedo
DIRECTOR OF MKT

The most beautiful, smooth and user-friendly TV interface I have ever interacted with.

Carlos Soares
PROJECT MANAGER

With Mirada, our subscribers are able to enjoy the best television experience available on the market, making the most of the TV content with advanced features, content of the most important streaming platforms and customer preferences, in one recommendation system. We are sure that Mirada's solution is the key factor to become the fourth TV platform in Spain, unifying the historic cable industry under the same brand.

Amelia Carrillo
CEO

Ever since we began our collaboration, results have greatly exceeded our expectations, helping boost our content consumption in more than 50%. The best outcome for us, apart from results, has been Mirada's partner approach towards us, their understanding of our needs and taking care of our service as their own.

Josep M. Rabés
TELEVISION SERVICES DIRECTOR

EXECUTIVE TEAM

JOSÉ L. VÁZQUEZ
CEO

Founder and Chief Executive Officer of Mirada PLC and the Chairman of Spanish Association of Interactive Technology Companies (AEDETI).

He holds a degree in Advanced Telecommunications Engineering and an MBA from IESE Business School.

GONZALO BABÍO
CFO

Prior to joining Mirada in 2015 as Chief Financial Officer, he worked as Finance Director for both The Walt Disney Co. (10 years) and Electronic Arts (10 years).

He holds an EMBA from IESE Business School, among other titles.

JOSÉ GOZALBO
CTO

José has been Chief Technology Officer of Mirada since its creation.

He holds a degree in Computer Science and he has in depth experience in Software Development and Digital TV markets.

ANTONIO RODRÍGUEZ
VP BUSINESS DEV.

He joined Mirada from Jazztel PLC, where he held the roles of Network Engineering Manager and Telco Platforms and OSS Manager.

He holds a BSc in Telecommunications Engineering and an MBA from IE Business School.

NURIA LAHUERTA
VP HR

Nuria joined Mirada in 2011 as Office Manager until finally becoming VP Human Resources and the first female to join Executive Management.

She studied History of Art at Zaragoza University and a Masters in Innovative HR Management.

ROSZANA DALATI
VP MARKETING

Roszana joined Mirada as Marketing Manager before forming part of Executive Management in 2017.

She holds a degree in International Relations and a Masters in Strategic Management of Sales & Marketing from IE Business School.

JAVIER PEÑÍN
VP SALES

His previous experience includes working at AUNA during the launch of Spain's first digital cable TV platform.

He also worked as Senior Sales Manager in Telefonica and as Global Sales Manager at ADB. He holds a BSc in Telecoms Engineering and BMD from IESE.

SANTIAGO RODRÍGUEZ
PRODUCT DIR.

Graduated in Telco Engineering from the Polytechnic University of Madrid, Santiago joined Mirada back in 2000.

He has broad R&D experience within the audiovisual industry and he is responsible for the definition of Mirada's vision and products.


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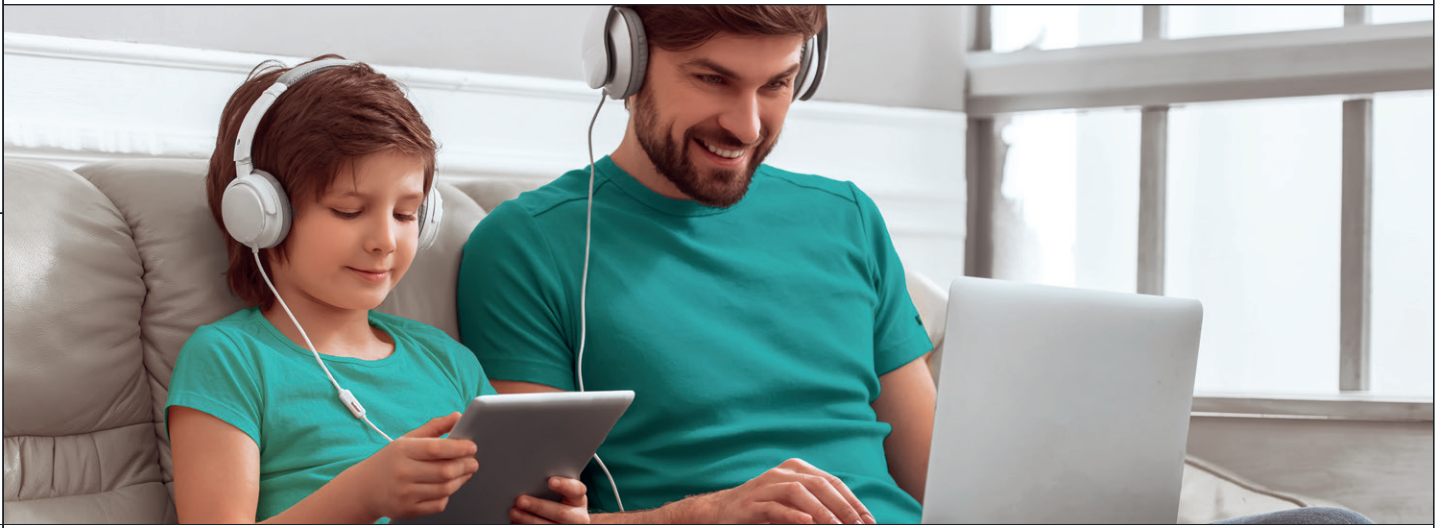
INNOVATE
EXPERIENCE
DELIVER
THE FUTURE

The Company
The Market
Review of the year
Corporate Governance
Financial Statement

WHY INVEST



LEADING SOFTWARE PROVIDER FOR TV AND VIDEO SERVICES

- Leading provider of software technology for global digital TV operators, telcos, broadcasters and video streaming services.

- Founder-led with 20+ years of experience in innovative solutions, with established relationships with all relevant industry stakeholders.

- Iris delivers a high-quality multiscreen user experience which helps our clients attract, engage, retain and grow subscribers and maximise revenues.

- Company is highly reputed for its solid delivery and reliability, both main assets for new and existing customers.

- R&D and client focus - Over 80% of the company's workforce are engineers in product, software development, IT and customer support.

- Offices in Spain, UK and Mexico and over 50 clients served on 4 continents.

SCALABLE SAAS BUSINESS MODEL

- Cloud-based delivery of our software with a subscription revenue model.

- Flexible implementation model with a choice of CAPEX and one-off licences (higher client set-up fees) or SaaS (recurring revenues per device).

- Today we have ~4m daily active devices contributing to a growing share of recurring annual revenues.

- After set-up costs SaaS contracts are typically profitable in Year 3, c.30% ROI in Year 5, and highly profitable thereafter.

- SaaS contracts usually require some up-front investment from the company, with profitability expected over a lifetime value of 3 to 5 years, with average customer stickiness of much longer period.

- Highly scalable software, infrastructure, implementation teams and revenue model.

- Continued support from shareholders.

EXPANDING MARKET OPPORTUNITY

- The global pay TV market is growing and expected to reach over 1bn users by 2025 with revenues of over $120bn.

- Lockdowns have accelerated video and entertainment consumption.

- The cable and satellite TV industry is transitioning to IP/OTT TV built around Android TV helped by the rapid deployment of broadband and 5G networks.

- The TV market is being disrupted by streaming video services such as Netflix and Amazon Prime Video who have transformed the user experience.

- This has impacted our traditional target market - incumbent telecoms operators and broadcasters in a number of ways.

- More viewers are choosing to opt-out from traditional pay TV services (cord-cutters), costing $billions a year in lost subscription cash flows

- Market disruptions have accelerated their need for digital transformation and to invest in fast-to-implement, cost-effective anywhere, anytime, any device TV solutions.

- Therefore, our target market is 350-400 potential clients globally, typically with c.0.5m subscribers each.

POSITIONED FOR PROFIT GROWTH

- Pre-pandemic track record of steady revenue growth, with increasing turnover recurrency.

- Post lockdowns operators and broadcasters need to accelerate their investments in TV and video streaming technology.

- We win based on quality, service and the ROI we deliver to our clients.

- Track-record of winning Tier 1 clients, but opportunity to also target Tier 2 and Tier 3 customers with SaaS.

- Targeting new geographies with high pay TV penetration rates, increasing popularity of multiscreen viewing and high growth in consumer spending.

- Achieved one of the largest deployments of the Android TV technology, providing excellent reference for future opportunities for this highly sought-after tech by Google.

- Major new opportunities with content providers such as Netflix, HBO, Disney+ etc. to support direct-to-consumer TV services.

- Business model highly operationally geared to growth in subscriber based SaaS revenues.

DELIVERING THE TV OF TOMORROW, TODAY

Our Iris multiscreen solution provides a next-generation video platform to deliver on-demand, catch up and live content to audiences when, where and how they want it. Iris empowers Mirada's clients with a personalised and intuitive user experience to attract, engage and retain audiences and maximise consumption-based revenues.

Friendly & engaging User Experience

All devices, same personalised interface

Integration with top content providers

Easy to use admin apps & powerful analytics

PERFECT BALANCE BETWEEN DESIGN & PERFORMANCE

THE CONTENT VIEWERS CRAVE

Why choose when we can have it all? Linear TV, on demand and all top content providers like Netflix and Disney+ in one place.

THE SCREENS VIEWERS CHOOSE

Consumer habits change, but viewers' appetite for video remains, so we adapt our solution to all devices.

THE EXPERIENCE VIEWERS DESERVE

Catch up, start-over, automated and personalised recommendations, recordings available from any device and more.

THE DATA CLIENTS TREASURE

Knowledge is power! We offer our clients valuable insights making the most of big data and machine learning.

THE TOOLS CLIENTS NEED

We make our clients' lives easier with our ecosystem of intuitive and powerful tools to enhance their platforms.

THE REVENUES CLIENTS DESIRE

With our solutions, digital TV services benefit from advanced new ways to monetise their platforms and content.

THE IRIS EXPERIENCE ON ALL PLATFORMS

OPERATOR TIER INCLUDED!

androidtv Panasonic PHILIPS SAMSUNG

SHARP LG SONY iOS

Roku XBOX fire tv AirPlay

Linux android chromecast

amazon alexa Google Assistant

UX EVOLVER

TOP INNOVATION

A highly flexible and easy to use tool that gives our clients the ability to stay on top of changing consumption habits by adapting, testing and evolving elements of their viewers' user experience.

A unique viewing experience for each user in just a few clicks.

MORE TOOLS TO ACHIEVE PERFECTION

Our ecosystem of intuitive and powerful tools covers all our clients' needs and takes their platforms to the next level.

logIQ	IRIScms	IRISams
Data intelligence platform	Task manager for editors	Assets' workflow manager

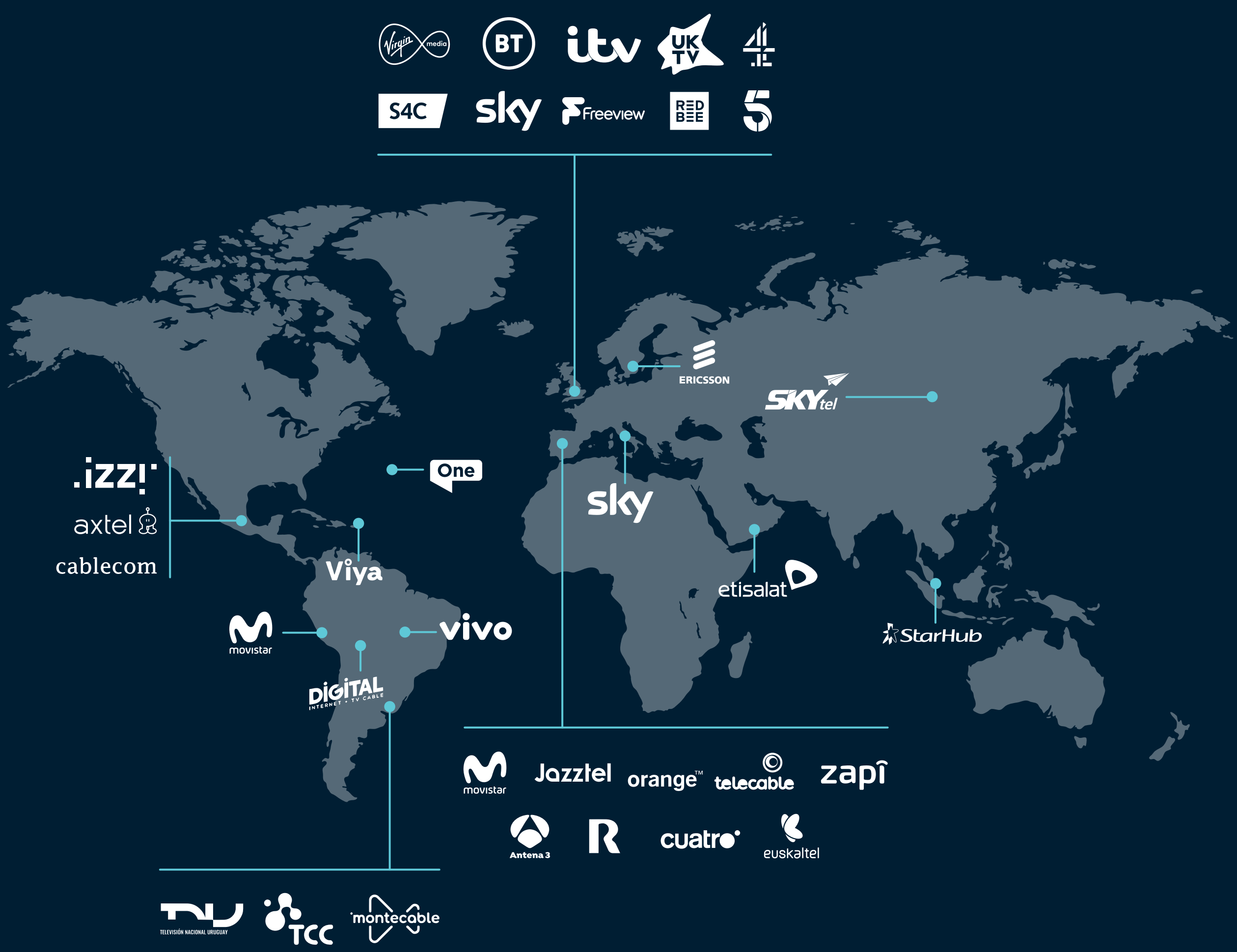
EDITORIAL SERVICES

We empower our clients with the ally they need to boost their content: a team of editorial experts bridging catalogues with the socioeconomic, cultural and political events happening in the subscribers' region.

The key to transform catalogues into opportunities.

CASE STUDIES

Mirada's solutions empower 50+ Digital TV services across 4 continents.



izzi!®

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MEXICO

FIRST LAUNCH

2014

Mirada has been izzi's long-term strategic partner and tech provider in Mexico since 2014.

Part of Televisa Group, the largest Spanish-speaking media company in the world, izzi's network reaches about 15 million households and is the second most important player in Mexican telecommunications services.

THE CHALLENGE

In 2014, Televisa Group made a strategic decision about the five different pay TV services it owned in Mexico: to create a new telecommunications company, izzi Telecom, to bring them all together and offer a new and unified cutting edge pay TV service in the country. This highly complex project called for an advanced video platform that could accommodate izzi's five existing operators, each of them with their own network and infrastructure.

THE SOLUTION

- izzi has put its trust into Mirada and relied on our Iris platform, which has demonstrated to be not only technologically more advanced than other solutions, but also delivered stability and reliability, ensuring izzi can continue offering the best quality service to their subscribers.

- After the success of the initial project, Mirada continues to work with izzi as their go-to tech partner for their TV service.

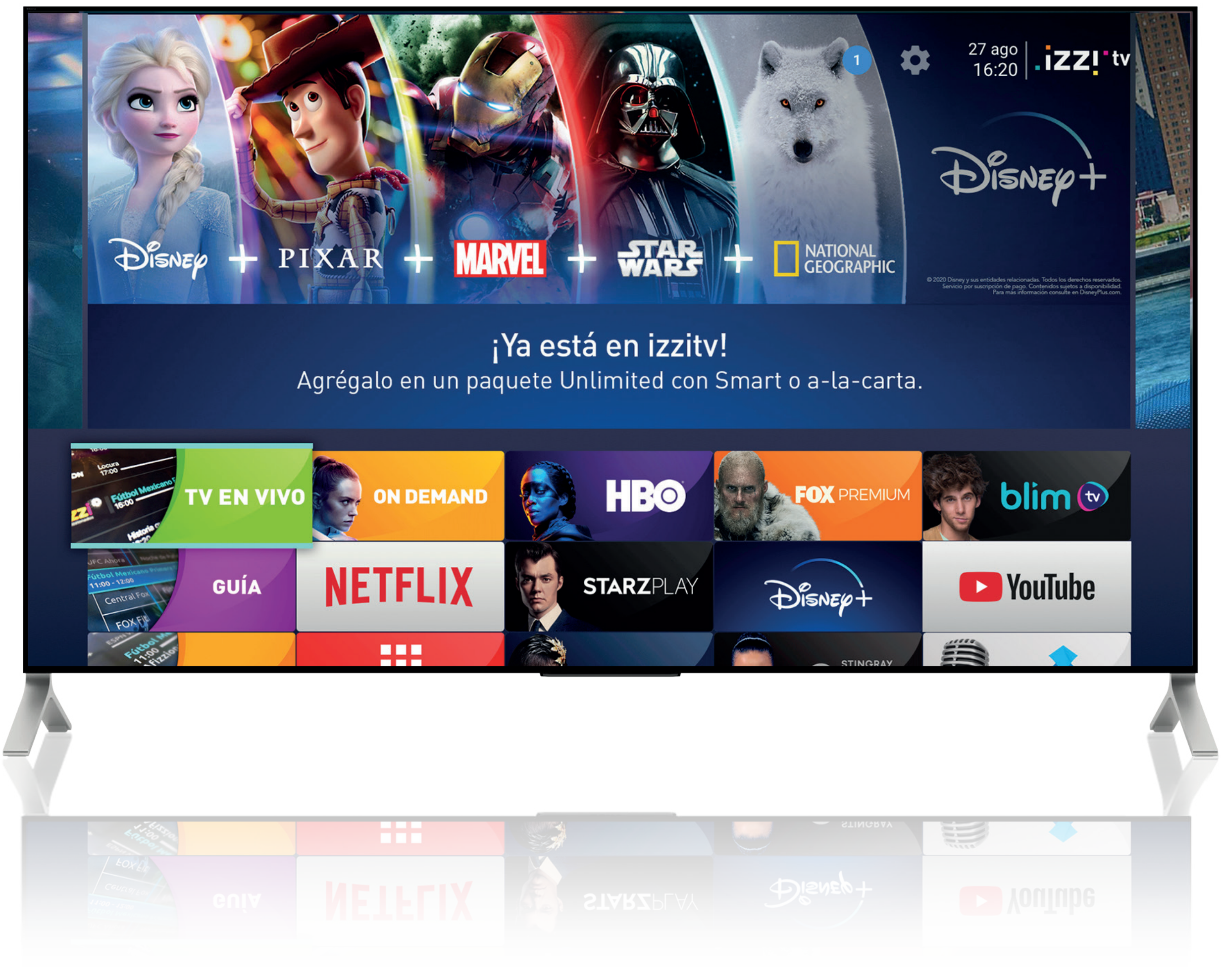
- Over the past number of years, we have continued to equip izzi's platform with updated and new tools, features and integrations with premium content providers such as Netflix and HBO, helping them stay on top of all new trends (see page 20) and hold their position as the top pay TV service in Mexico.

HIGHLIGHTS OF THE YEAR

- In Q4 2020, we began the rollout of Android TV-powered set-top boxes, enabling izzi to take full advantage of Android TV's disruption in the market. This was the biggest Android TV launch in Latin America, with circa 100k new Android TV devices per month and +800k devices by August 2021.

- Mirada's integration brought Disney+ to Mexico, reaching 3.1 million izzi households. Other video streaming services Mirada integrated for izzi include Netflix, HBO and Amazon Prime Video.

> izzi is Mirada's key Tier I stakeholder reference. They continue to trust us to provide their flagship video platform with the most advanced features to remain at the forefront of their space.



DIGITAL INTERNET + TV CABLE

BOLIVIA

FIRST LAUNCH

2019

One of the main Bolivian pay TV services, Digital TV Cable, was initially focused on OTT service. It serves as a strong reference for our commercial activities in neighbouring countries.

One

BERMUDA

FIRST LAUNCH

2019

We are carrying out a prestigious project in Bermuda for OneComm, owned by our customer ATN international, a NASDAQ-listed company with several telco operations worldwide. Their FibreWire TV service focuses on delivering the best content to a very demanding Tier 1 customer base.

SKYtel

MONGOLIA

FIRST LAUNCH

2019

This is currently our key reference in Asia. Skytel's SkyGo app (our Iris product) ranked #1 as the most popular app on Mongolian Google Play Store and Apple's AppStore. Excellent reference which showcases our capacity to deliver a premium product to lower tier customers.

Viya

US VIRGIN ISLANDS

FIRST LAUNCH

2020

Mirada successfully launched Viya TV+ in the US Virgin Islands in the middle of the pandemic. It was the second launch for ATN international, which helped strengthen our relationship with this high priority customer.

zapî

SPAIN

FIRST LAUNCH

2020

Deployed Zapi TV for a conglomerate of regional Spanish operators as a shared OTT platform with the goal of reaching 600,000 subscribers. The launch attracted the attention of several regional pay TV providers around the world with ambitions to unite their efforts under a solution similar to Zapi's and challenge the Tier 1 providers.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TV & VIDEO TECH TRENDS

Some may think TV is dying, that it belongs in the past. But the truth is that TV... is just changing.

The COVID-19 pandemic has surprised operators with an unprecedented rise in the use of their platforms. Across the globe, consumers have increasingly relied on TV and streaming services to keep up to date with the latest news, enjoy their favourite movies or series, and explore a wide variety of new services and content.

Moreover, consumers not only demand quality and affordable content, but they also want it whenever and wherever they choose.

BRING YOUR OWN DEVICE

The trend

Although the TV set remains the main device used to watch video content, new consumption habits across smartphones and tablets, both at home and on the go, have emerged. That's what the industry has called the 'Bring Your Own Device (BYOD)' phenomenon.

The opportunity

- Pay TV operators and telcos are adapting by investing in multiscreen solutions.
- When the consumer uses their own device, the operator can reduce their total spend on hardware and can reinvest in content and **technology**.

Mirada's strategy

Mirada's solution allows operators to offer their content to the end-user on almost any device available on the market: smart TVs, STBs, tablets, mobile phones, computers and game consoles, amongst others. This places Mirada in a unique position in the market.

SMART TV	SET-TOP BOXES	STREAMING DEVICES
webOS / LG; androidtv / SONY, Panasonic, SHARP; TIZEN / SAMSUNG	androidtv, Linux	androidtv, XBOX, fire tv, AirPlay, chromecast
VOICE ASSISTANT	**TABLETS & MOBILES**	**WEB CLIENTS**
amazon alexa, Google Assistant		

SVOD BOOM

The trend

Netflix, Disney+, Apple TV+, Amazon Prime Video... The number of Subscription Video on Demand (SVoD) services per person has reached 3,5 in the US at the end of 2020 (Kantar, Entertainment On Demand Panel, 2021) compared to 2,4 in 2019 (Horowitz Research, FOCUS OTT & SVOD, 2019).

With an increasing number of new competitors, the pay TV and OTT streaming markets are dynamic yet fragmented, while customer frustrations are rising.

NETFLIX Disney+ prime video HBO

The opportunity

- SVOD Revenue is expected to show an annual growth rate (CAGR 2021-2025) of 11.03%, resulting in a projected market volume of US$108,660m by 2025 (Statista, Digital Media Report Statista Digital Market Outlook, 2021).
- Historical content producers such as Disney, Paramount and Discovery are deciding to distribute their content through their own platform resulting in more demand for technological partners.
- Customer frustration has created the urgent need for consolidated content management.

Mirada's strategy

Mirada has adopted a super-aggregation strategy that enables companies providing Pay TV services to become an entertainment hub, facilitating access to multiple content providers from a single entry point.

By integrating Netflix, Disney+, Amazon Prime Video, HBO Max and 30+ other content providers into our flagship Iris product, we are able to offer operators a completely unified service experience, and the ability to charge end viewers for different content providers under a single bill.

We have one of the richest content integration sets in the industry, giving us a competitive advantage and placing us in a leading position in the market right now.

ANDROID TV

The trend

Google's Android TV is fast becoming the gold standard operating system for digital video platforms, so many operators around the world are reviewing their existing models and considering how a transition to Android TV could take their service offering to the next level.

In 2024, Android TV is expected to have 11.4% of global pay TV STB shipments outside Russia and China, up from 2.2% in 2019 (Omdia, Android TV: Pay-TV Operator Outlook Update, 2020).

The opportunity

- Users actively demand the functionality associated with Android TV STBs, so operators are having to take action.
- Android TV allows operators to give access to a wide range of Android applications while maintaining their brand identity during the whole user experience.

Mirada's strategy

Mirada has already deployed Android TV with the vast majority of its clients all around the world, establishing strong references. Our main differentiator is our ability to combine the Android TV solution with a super aggregation strategy, facilitating access to multiple content providers from a single entry point.

TARGET MARKETS

LATIN AMERICA

Opportunities

- Growing middle-class population leading to Pay TV organic growth.
- Important market for US-based content providers.

Challenges

- Political instability.

ASIA & PACIFIC

Opportunities

- Rapid growth and urbanisation of the population offer plenty of room for organic growth.
- Huge appeal amongst consumers of a TV anywhere concept means it is crucial for operators to provide a unified multiscreen experience.

Challenges

- Piracy is still common practice in some countries.
- Difficult to compete on price with local developers if money is the leading factor in the bidding process.
- Chinese manufacturers offer hardware with pre-integrated basic software.

EUROPE

Opportunities

- Diversification of Mirada's portfolio such as offering Editorial services (see page 12), allows us to attract new clients profile with more targeted needs.

Challenges

- Mature market withseveral multinational telcos with in-house technology capability.
- Strong competitive landscape with many new and consolidated TV and video service providers on the already saturated market.

MIDDLE EAST

Opportunities

- Growing demand for on-demand video services from consumers in the region.
- Demand for premium solutions in high GDP/capita countries.

Challenges

- Political instability in several countries.
- Legal requirement to have a registered office or local provider in many Gulf countries.

We help viewers enjoy the TV of tomorrow, today.

SNAPSHOT OF THE YEAR

Fit for the future.

REFINING AND OPTIMISING OUR APPROACH

Used the pandemic as an opportunity to accelerate operational investments and initiatives to position Mirada for sustainable, long-term growth.

Unparalleled dedication to product improvement and innovation, with 30% of revenues reinvested into R&D&i.

Transitioned to a new reseller sales strategy with marked increase in new commercial opportunities.

Added partnerships with Disney+ and Amazon Prime Video to sit alongside the likes of Netflix and HBO, completing the integration with all major providers and giving Mirada one of the richest offerings in the industry.

Built strongest pipeline to date on the back of progressive improvement in trading conditions seen in the second half.

HELPING OUR CUSTOMERS ACHIEVE THEIR BUSINESS OBJECTIVES

Began the biggest rollout of Android TV-powered set-top boxes in Latin America with the extension of izzi's pay TV service in the fourth quarter.

Powered the launch of ATN international-owned Viya offering 'Viya TV+ ' in the US Virgin Islands.

Powered the launch of 'Zapi', a new OTT based pay TV platform developed for PMO in Spain.

A CREDITABLE FINANCIAL PERFORMANCE

Resilient revenues underpinned by growing proportion of recurring licence fees.

→ $11.13 million (2020: $13.16 million), in line with market expectations.

Solid adjusted EBITDA delivery supported by successful management of finances through pandemic.

→ $1.75 million (2020: $2.50 million), ahead of market expectations.

Maintained efficient debt structure and supportive shareholders.

Extended Leasa Spain, S.L.U. credit facility to a total of €3.0 million, expiring November 2022.

The Company
The Market
Review of the year
Corporate Governance
Financial Statement

COVID-19 RESPONSE

While we finally begin to see the end of the COVID-19 pandemic, or at least a way to live with it thanks to vaccination efforts, experts agree that its effects will continue to be felt for some time to come.

Below, we have outlined how the market has changed over the course of the past year, and how we are continually assessing the situation and adapting how we work to enable us to continue offering the best services to our clients worldwide.

THE DIGITAL TV MARKET ON HOLD

- Demand for video entertainment has skyrocketed as a result of the lockdowns in 2020 and this trend is showing no signs of slowing down in the near future.
- Despite increased demand, the economic uncertainty brought on by the pandemic has put new investments into technology on hold.
- Cautious stakeholders have moved their projects to the second half of 2021, doubling the opportunities and potential contract wins to take advantage of.

DELIVERING THE BEST IN A CHANGING WORLD

- We quickly had to adapt to new ways of working and collaborating, ensuring that we were able to maintain our strong relationships with customers and partners despite the reduced face-to-face interaction.
- Achieved a smooth transition to remote work with no operational impact to our activity.
- Successful remote deployments for izzi, Zapi and Viya during the pandemic which were achieved through the use of cloud-based technology.

BECOMING MORE PEOPLE-ORIENTED & COMPETITIVE

- Our sector requires experienced and highly technical staff, which have traditionally been difficult to find and retain.
- We have reinforced our work culture, offering flexibility through remote-first working to all employees as a company perk, whilst continuing to offer office space for those who choose to utilise it.
- This change aims to promote a more positive work-life balance amongst our employees, which will increase engagement and result in significant cost savings in office expenses.

CEO REVIEW

PROGRESS IN A CHALLENGING YEAR AND PRIMED TO TAKE ADVANTAGE OF THE RECOVERY

While we, like many in our space, were not immune to the effects of the COVID-19 pandemic over the past year, I am proud of how our teams have responded and what we have been able to achieve as a result.

Post-period, as we progress through the new financial year, we do so with our strongest outlook to date and a genuine sense of excitement and optimism as to what can be achieved through strong references, the return of investment appetite among existing and prospective customers, increasingly favourable macrotrends, and a significantly improved product offering and commercial strategy.

> ***We enter the new financial year with our strongest outlook to date.***

FAVOURABLE MARKET TRENDS THAT SUPPORT OUR AMBITIONS

The rise of super-aggregation

In recent years, the TV market has been disrupted by over-the-top (OTT) operators such as Netflix and Amazon Prime Video who have transformed the user experience, initially impacting the business models of traditional pay TV operators with a wave of "cord-cutters", costing billions a year in lost subscription cash flows. However, those pay TV operators have not only invested in cloud TV to deliver anywhere, anytime, any device services but have responded to the increasingly fragmented and complex landscape by positioning themselves as "super-aggregators" – a model that has accelerated in the pandemic and as more content owners have launched direct-to-consumer (D2C) services.

> ***There is a need for platforms that deliver a fast, straightforward and high-quality UX experience.***

Consumers increasingly value simplicity, so there is a need for platforms to deliver a fast, straightforward and highquality user experience making content from various online video services available and searchable in one place and presenting the user with all their subscriptions under one bill. Importantly, to deliver these complex services, pay TV operators need to work with innovative software partners like Mirada that have proven capability in delivering cloud solutions.

Android TV as the new gold standard operating system

Today, Android TV has emerged as the operating system (OS) roadmap of choice for most operators. Google TV launched in 2010 and ran on several high-end, early generation

Smart TVs and streaming devices. However, it ultimately proved unpopular, largely because operators were concerned that Google was attempting to 'own' the subscriber. Google discontinued the software and replaced it with Android TV in 2014. Android TV is a far more open OS, enabling developers to build apps, viewers to access the Google Play Store and download apps such as YouTube and – most importantly – allowing operators to layer on their own user interfaces and branding. The relative ease of implementation (globally supported, large-scale platform with access to wide content) means the Android TV OS is increasingly being viewed by service providers as the OS of choice for their TV and video set-top-box software, capable of quickly delivering the premium content and multiscreen proposition that can reduce churn and increase premium subscriptions. Mirada's success and uncommon track-record in large scale Android TV deployments positions us to be a major beneficiary of this trend.

> ***Mirada's track-record in large scale Android TV deployments positions us to be a major beneficiary.***

Content providers moving into D2C TV services

One of the most exciting, emerging trends in our space is with content providers (companies like Netflix, HBO and Disney etc.) that are looking to capitalise on their substantial content libraries by offering new direct-to-consumer TV services. Our domain knowledge and software expertise mean we are just as well-positioned to support these content providers, as they look to build their apps, as we are in helping traditional operators roll-out aggregated anywhere, anytime, any device TV services. Although lead times are lengthy, we are beginning to see opportunities emerge and are confident we have the technology and resources to meet the requirements of these players.

SIGNIFICANT CUSTOMER ROLLOUTS AND GROWING REFERENCES

One of the key achievements in the period was the fourth quarter deployment of our Android TV Operator Tier offering with izzi Telecom, in close collaboration with Google, to help the Mexican telecommunications company deliver its ambitious super-aggregation strategy. The Android TV Operator Tier, so called because it allows operators to customise the look, feel and functionality of the platform, is emerging as the OS of choice for many companies who value the control it grants them over the user experience.

> *With Iris now boasting Disney+, Prime Video, Netflix, HBO and others, it's game-changing.*

Since the deployment began in October 2020, izzi's new set-top-boxes using our technology have been rolled out at a rate of almost 100,000 per month. As of 31 March 2021, there were more than 450,000 in circulation with the rate of deployment accelerating post-period (in total, izzi has 3.1 million set-top-boxes with Mirada including those running the legacy Linux system). With most new prospects being Android TV and our flagship Iris solution now boasting Disney+, Amazon Prime Video, Netflix, HBO, Fox and Blim TV integrations among others, this is a potentially game-changing reference and leaves us well-placed to win further significant business.

In September 2020, we completed our largest European launch of our Iris solution with 'Zapi', a new OTT-based pay TV platform developed by Plataforma Multimedia de Operadores (PMO), a conglomerate of local Spanish telecommunications services looking to establish Zapi as one of the leading pay TV platforms in the country. Zapi allows subscribers to watch content across devices including Android TV-powered set-top boxes. Over time, the service is expected to grow beyond 600,000 subscribers.

Elsewhere, we have continued to make encouraging progress. In August 2020, our Iris technology powered the launch of ATN international-owned 'Viya TV+' offering in the US Virgin Islands. Customer satisfaction in the first months since going live and the rate of uptake by consumers has been high. Viya is the second reference in the Caribbean, after OneComm in Bermuda which launched in 2019.

While the pandemic has impacted the pace of subscriptions for SkyTel in Mongolia and Digital TV in Bolivia, the slowdown is expected to be temporary as conditions normalise.

OPERATIONAL IMPROVEMENTS THAT STAND US IN GOOD STEAD

We successfully managed our finances through the pandemic, with an efficient debt structure and shareholder support, which leaves us well-positioned and gives us optionality as we look to return to growth.

We continue to provide greater visibility of earnings.

At the same time, we continue to grow our recurring software revenues, which provide us with greater visibility of earnings and enable us to continue to invest in the business. We expect our SaaS revenue model to grow in our sales mix as we adapt our commercial offering and as we target smaller operators where it is an economically attractive model.

Another major development in the period was the restructuring of our sales function from a direct country-based model to building a reseller channel. The early signs are encouraging, with a significant increase in the size of our pipeline. We believe this shift in strategy will have a positive, long-term impact on the scalability of our business model.

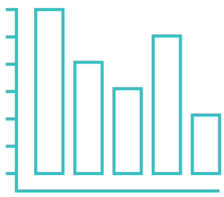
The travel restrictions also demonstrated our full capability to showcase our products and implement and upgrade our customers' infrastructure and their subscribers' set-top boxes remotely. We expect this to have a positive, longterm impact on our delivery model, margins and levels of customer satisfaction, even as travel restrictions begin to ease.

The restructuring of our sales function will have a long-term impact on the scalability of our business model.

FINANCIAL OVERVIEW

Revenue decreased to $11.13 million (2020: $13.16 million) because of the delaying effect of COVID-19 on customer and prospect investment decisions. Development revenue decreased to $5.61 million (2020: $7.98 million). Licence revenues remained strong at $3.57 million (2020: $3.77 million).

Gross profit decreased to $10.84 million (2020: $12.48 million) and operating losses increased to $2.59 million (2020: $1.36 million). Staff costs increased to $7.10 million (2020: $6.79 million), mainly due to the majority of our costs being incurred in Euros and the depreciation of the US dollar. Other administrative expenses decreased to $2.05 million (2020: $3.20 million).



Despite the temporary revenue reduction, the reduction in costs helped support an adjusted EBITDA (as defined in Note 7) of $1.70 million (2020: $2.50 million). A tax credit was recognised in the period of $0.17 million (2020: $0.31 million) from Mirada Iberia's research and innovation tax deductions. As a result, the Company recorded a net loss for continued activities of the year of $2.99 million (2020: loss of $1.11 million). The Board expects that the maturity of present contracts through increased subscriber-based licence fees, plus the addition of new customers as a result of the implementation of our sales strategy, will increase the global turnover as the mix of licence revenues increases with a limited corresponding development investment, resulting in better margins and an improved profit level.

Net Debt increased to $7.07 million (2020: $5.05 million). Long-term interest-bearing loans and borrowings increased to $5.40 million (2020: $2.40 million) and short-term borrowings and related party loans and interest decreased to $1.78 million (2020: $2.85 million) – see note 20 for further details. Trade receivables decreased from $1.99 million to $1.83 million.

Post period end, the €1.30 million credit facility granted by Leasa Spain, S.L.U., owned by Mr. Ernesto Luis Tinajero Flores, who also owns 87.21% of the voting rights of Mirada, was extended to a total of €3.0 million, expiring November 2022.

Other intangible assets have increased by $0.68 million, mainly due to the development of our custom launcher for Android TV.

The Group generated $3.15 million of cash in operating activities in the year (2020: $1.80 million), an increase mainly driven by working capital differences, and spent a further $4.17 million (2020: $4.38 million) in investing activities. The operating and investing cash flows were funded by the movement in net debt explained above. This resulted in a decrease in cash and cash equivalents of $0.07 million.

The Company has adopted the following new accounting standards with effect from 1 April 2020:

- Amendments to IAS 1 and IAS 8
- Amendments to IFRS 3 – business combinations

See Note 3 for further information on the new IFRS standards.

OUR STRONGEST OUTLOOK TO DATE AS TRADING CONDITIONS NORMALISE

Mirada's primary target market is a group of around 350-400 telecommunications and broadcast operators globally. Each year, we typically see around one in ten reach a point in their cycle where they choose to review their integrated software provider. For most of the year, however, this fell to almost zero as those operators chose to postpone their decision-making processes until there was greater clarity around the future of the pandemic. New business activity across the industry – particularly in the first half – effectively ground to a halt.

> ***See growing indications of appetite for investment from both existing and prospective customers.***

Similarly, we saw a temporary slowdown in professional services revenue from our existing customers as their immediate priorities shifted away from areas like optional functionality upgrades.

Encouragingly, as we moved through the second half of the financial year, with viewing trends being relatively predictable, we began to see growing indications of a gradual reversion to pre-pandemic levels of appetite for investment from both existing and prospective customers.

With the widespread deferral we saw during the year, we are expecting to see significant pent-up demand and considerably more new business opportunities emerge in the coming months alongside a growing pipeline of opportunities with existing customers as they look to enhance their user experiences. Lead times in our industry can be lengthy so it is difficult to forecast exactly when new deals will materialise, but the outlook is positive – particularly in Asia – and with our new reseller model now in place we are confident of a return to the commercial momentum that was building before the pandemic took hold.

The past year has been challenging in many ways, but we emerge from it a stronger business with a powerful product offering that puts us at the forefront of the latest market trends; impressive references; a leaner, more efficient sales strategy; and a growing proportion of recurring revenues. We have ambitious plans to drive the business forward in the coming months and I look forward to keeping shareholders updated.

José-Luis Vázquez
Chief Executive Officer
28th September 2021

STRATEGIC REPORT

BUSINESS MODEL

The Company's main activity is the provision of software for the Digital TV market. Our major customers are Pay TV platforms and Broadcasters willing to address final customers through a streaming platform. We provide the technology needed to facilitate the final user's interaction across many devices, including digital TV decoders (settop boxes), tablets, smartphones, computers, game consoles and smart TVs. Our flagship product is our navigational software proposition, Iris, including our Inspire user interface.

Our customers need the services of a user interface ("UI") provider such as Mirada when creating a new video service or replacing/upgrading an existing one. The UI provider interacts with i) the device vendor (in the case of set-top boxes); ii) the encryption technology vendor (Conditional Access ("CA") vendor) for the protection of content; and iii) the customers' systems (billing and provisioning systems).

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 for their video solution. Our expertise and experience are widely recognised in the industry, and we provide a value that goes beyond our actual UI proposition. Aside from the professional services related to deployment, support and maintenance, our licencing model varies depending on the size of the customer, from one-off fees per household for the product as it is, to recurrent revenues for a Software as a Service ("SaaS") model. Support & Maintenance services such as quality assurance on functionality add-ons to platforms are also provided to customers.

STRATEGY

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

Reference deployments (defined as key deployments used as a reference to attract potential customers) are very important in this market, and winning reference contracts has been and remains 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 its products to satisfy the cutting-edge demands of customers, while maintaining a fair balance between potential growth and profitability. These include costs incurred towards developing new functionality such as an increased presence in the Cloud, enhanced search, recommendation and personalisation functionalities, and integration with more content providers, chipsets and device manufacturers. Our continued investment in Iris is essential in ensuring a proper implementation of this strategy.

Development, performance and position of business

Development, performance and position of our business have been discussed in the CEO report, with key items on pages 28, 29 and 30.

Principal risks and uncertainties

The key business risks affecting the Group are set out below. All these risks are consistent and stable compared with the prior year.

DEPENDENCE ON PEOPLE

The Group recognises the value of the commitment of its key management personnel and is conscious that it must keep appropriate reward systems, both financial and motivational, in place to minimise this area of risk. Rotation of key management, considered to be the main measure of risk, is very low as there have been no changes in the key executive management team in the last six years. The Group invests a significant number of resources to identify market practices in our sector and to be up to date on human resources policies, including employment benefits, remote working and continued internal and external training for our employees.

DIGITAL TV AND BROADCAST MARKETS

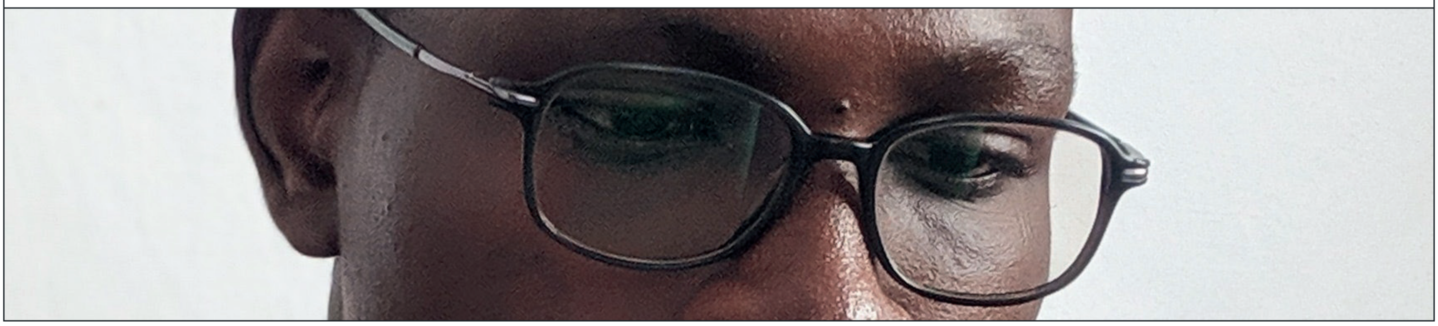
The sectors in which the Group operates may undergo rapid and unexpected changes. It is possible, therefore, that competitors will develop products that are similar to those of the Group, or its technology may become obsolete or less effective. The Group'ssuccess depends upon its ability to enhance its products and technologies and develop and introduce new products and features that meet changing customer requirements and incorporate technological advances on a timely and cost-effective basis. As a result, the Group continues to invest significantly in new product and product improvements, research and development, totalling this year circa 30% of our revenues, well above market standards. As most of our market growth is related to Subscription Video on Demand (SvoD) and OTT services, we have been able to improve our OTT product line and integrate our services with Netflix, Disney+ and Amazon Prime Video at our largest customer, izzi Telecom, paving the way for potential future integration in present and future customers.

INFORMATION TECHNOLOGY

Data security, loss or corruption of data and business continuity pose inherent risks for the Group leading to a loss of customer confidence in the Group being able to deliver their requirements. To mitigate this risk, the Group invests in, and keeps under review, formal data security and business continuity policies. The Group maintain both local and cloud-based backups and regularly review plans on how to improve data management.

INTELLECTUAL PROPERTY

There are certain markets in which there could be instances of disputes regarding intellectual property involving technology companies, including the Digital TV market. So far, no disputes have been raised and the Company does not envisage any risks to its own intellectual property. While the Group internally generates its products and software and strongly believes that it has not infringed any third-party intellectual property, management do recognise that due to the nature of the technology market there will always be a risk of other corporations potentially making claims regarding intellectual property/patent infringements.



LIQUIDITY RISK

Liquidity risk is managed through the assessment of short, medium and long term cashflow forecasts to ensure the adequacy of funding in order to meet the Group's working capital requirements. Cash and cash flow forecasts are regularly reviewed by the Executive Directors and the Group constantly monitors these to ensure, among other scenarios, that the Group is able to meet its liabilities as they fall due. Where a shortfall in funding is identified, the Company will look to meet this shortfall through a variety of funding options including but not limited to the issuing of new equity. The Company relies on the support of its shareholders and has been able to secure new equity and loan facilities during prior years from its main shareholder. This area is considered further in the report of the directors and the accounting policies under 'Going concern'.

CUSTOMER CONCENTRATION

Revenues from the main customer represent 71% of the total turnover. The Company has been reducing this level from prior years (FY20: 72%), and it has a focus on generating business with new customers. Revenue from customers outside the main client decreased by 14% to $3.15m in FY21 from $3.66m in FY20.

BREXIT

The UK's exit from the European Union (EU) created uncertainty that might impact the performance of our business.

Specific mitigation plans were implemented by Mirada in order to reduce the potential negative impact on its operational activity and Financial Statements. In particular, the Company reduced its payroll based in the UK through the divestment of Mirada Connect Ltd on 4th July 2019 and the closure of its Exeter office on 30th September 2019.

COVID-19

For most of the year ended in March 2021, potential customers chose to postpone their decision-making processes until there was greater clarity around the future of the pandemic. New business activity across the industry – particularly in the first half – effectively ground to a halt.

Encouragingly, as we moved through the financial year ending in March 2022, we began to see growing indications of a gradual reversion to pre-pandemic levels of appetite for investment from both existing and prospective customers.

SECTION 172 STATEMENT

From 1 January 2019, legislation was introduced requiring companies to include a statement pursuant to section 172 of the Companies Act 2006.

The Board recognises the importance of the Group's wider stakeholders when performing their duties under Section 172(1) of the Companies Act and their duties to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

- the likely consequences of any decision in the long term,
- the impact of his decisions in the value for shareholders,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and partners,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company

The Board considers that all their decisions are taken with the long-term in mind, understanding that these decisions need to regard the interests of the Company's shareholders, employees, its relationships with suppliers, customers, partners, the communities, and the environment in which it operates. It is the view of the Board that these requirements are addressed in the Corporate Governance Statement, which can be found on the company's website at:
www.mirada.tv/investors/corporate-governance

APPROVAL

This strategic report was approved on behalf of the Board on 28th September 2021 and signed on its behalf.

José-Luis Vázquez
Chief Executive Officer
28th September 2021

Mirada plc

Directors' Report for the year ended 31 March 2021

Review of business, future developments and key performance indicators

Reviews of the business, its results, future direction and key performance indicators are included in the Chief Executive Officer's Report and Strategic Report on pages 2 to 8.

Dividends

No dividend is declared in respect of the year (2020: $nil).

Financial risk management objectives and policies

The Group's activities expose it to several financial risks including capital risk, credit risk, foreign currency exchange risk, interest rate risk and liquidity risk. The management of financial risk is governed by the Group's policies approved by the board of directors, which provide written principles to manage these risks. See note 22 for further details on the Group's financial instruments.

Going concern

These financial statements have been prepared on the going concern basis. The Directors have reviewed the Company and Group's going concern position taking account of its current business activities, budgeted performance and the factors likely to affect its future development, which are set out in this Annual report, and include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, its exposure to credit and liquidity risks and the impact of the COVID-19 pandemic.

As at 31 March 2021, the Group had cash and cash equivalents of $0.11m (2020: $0.19m), had net current liabilities of $0.23m (2020: net current assets of $0.29m) and net assets of $7.90m (2020: $10.55m.). In the year ended 31 March 2021, the Group generated net cash from operating activities of $3.15m (2020: $1.80m), realised a loss for the year of $2.99m (2020: a profit of $0.59m).

Subsequent to the year end, the Directors are pleased to announce that the €1.30 million credit facility, granted by Leasa Spain, S.L.U. ("the Lender") on 4 June 2019, was increased up to €3.0 million and its Maturity Date was extended until 30 November 2022. In addition, the Facility has been novated from Mirada Iberia to Mirada Plc. All other terms of the Facility remain unchanged. The Lender is owned by Mr. Ernesto Luis Tinajero Flores, who also owns 87.21% of the voting rights of Mirada

The Directors have prepared detailed cash flow forecasts for the period to at least 31 December 2022. The Directors regularly review the detailed forecasts of sales, costs and cash flows. The assumptions underlying the forecasts are challenged, varied and tested to establish the likelihood of a range of possible outcomes, including reasonable cash flow sensitivities. The expected figures are carefully monitored against actual outcomes each month and variances are highlighted and discussed at Board level. From a technology point of view, the Group is also offering and developing the most advanced features in the market, providing services to a growing subscriber base in our core markets. To this end a base case cash flow forecast has been prepared which takes into account the following key assumptions:

- The continued availability of the Group's invoice discounting facility throughout the foreseeable future.
- An average revenue growth of 13% in the foreseeable future, which Directors believe, comprise of revenue that is substantially already secured undersigned contracts.
- Additional utilisations of the Facility granted by Leasa Spain, S.L.U.
- An expected receipt of US$0.3m of Research and Development tax credit in March 2022 from Spanish tax authorities.

The Directors have also considered several downside scenarios, including a scenario where all revenue growth from new customers is removed, a scenario where no further funding is obtained in the period and a reverse stress test. The purpose of the reverse stress test for the Group is to test at what point the cash facilities would be fully utilised if the assumptions in the Director's base case forecasts are altered. This reverse stress test includes both a removal of all revenue growth from new customers and a reduction of contracted revenue from existing customers for the forecast period, resulting in an overall reduction of revenue of c.20%, as well as the removal of any potential future funding and the receipt of the US$0.3m Research and Development tax credits anticipated. In the event that the performance of the Group is not in line with the projections, and more akin to one of our downside scenarios, including the worst-case scenario, action will be taken by management immediately to address any potential cash shortfall for the foreseeable future. The actions that could be taken by the Directors include both a review and restructuring of employment related costs, including the deferral of any potential bonuses due to employees. These measures alone could save at least $1.0m in operating costs and therefore cash flows. Further, the Directors could also negotiate access to other sources of finances from our lenders. Given the Director's current relationship with lenders and their recent success in negotiations with these financial institutions, whilst there are no binding agreements currently in place, negotiations are in very advanced stages for additional funding. Therefore, they Directors are confident that any additional funding required would be obtained.

Overall, the sensitised cash flow forecasts demonstrate that the Group will be able to pay its debts as they fall due for the period to at least 31 December 2022. The Directors are, therefore, satisfied that the financial statements should be prepared on the going concern basis.

See note 4 (b) to the financial statements for further information on going concern.

Directors' and officers' indemnity insurance

The Group has taken out an insurance policy to indemnify the Directors and officers of the company and its subsidiaries in respect of certain liabilities which may attach to them in their capacity as directors or officers of the Group, so far as permitted by law. This policy remained in force throughout the year and remains in place at the date of this report.

Research and Development activities

The Group continues its development program of software for the Pay TV market including the research and development of new products and enhancements to existing products. The Directors consider the investment in research and development to be fundamental to the success of the business in the future.

Corporate Governance

The Board decided to adopt the QCA Corporate Governance Code (April 2018) from 26 September 2018, and there have not been any changes since then. Details of the Company's corporate governance policies and compliance are available on the Mirada website: https://www.mirada.tv/investors/corporate-governance/.

Compliance with the Quoted Companies Alliance Corporate Governance Code

The Quoted Companies Alliance has published a corporate governance code which includes a standard of minimum best practice for AIM companies and recommendations for reporting corporate governance matters.

Chairman's Corporate Governance Statement

As a Chairman, my role is to manage the Board in the best interests of our stakeholders, to ensure that our shareholders' views are communicated to the Board and to be responsible for ensuring the Board's integrity and effectiveness. I recognise that my role also involves my responsibility over the correct implementation of the QCA Corporate Governance Code into Mirada's corporate governance practices.

The Company is managed by the Board of Directors, and it is the Board's job to ensure that the Mirada group is managed for the long-term benefit of all shareholders, with effective and efficient decision-making. Corporate governance is an important part of that job, reducing risk and adding value to our business.

In addition to each of the 10 principles listed further below, the following provides an overview of how the Company applies the QCA Corporate Governance Code, in order to support the Company's medium to long-term success.

Mirada plc

Directors' Report for the year ended 31 March 2021

The Board comprises three Executive and two independent non-Executive Directors. The Board considers, after careful review, that the non-Executive Directors bring an independent judgement to bear notwithstanding their length of service and are therefore both considered independent. The Board has decided to adopt voluntarily the practice that one third of the Directors stand for re-election on an annual basis.

I, Francis Coles, the non-Executive Chairman, am responsible for the running of the Board and corporate governance. José-Luis Vázquez, the Chief Executive, has executive responsibility for running the Group's business and implementing Group strategy. The Board meets at least four times per year and has a formal schedule of matters reserved to it. It is responsible for overall Group strategy, approval of major capital expenditure projects, approval of the annual and interim results, annual budgets and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets, their performance in relation to those budgets and their capital expenditure. The Board delegates day-to-day responsibility for managing the business to the Executive Directors and the senior management team.

The Board believes that, given its size, there is sufficient opportunity for shareholders to raise any concerns they may have with the non-Executive Chairman, the Chief Executive, the Group Finance Director and the other Directors.

Our values are based on two cornerstones: our customers and our employees. The Board believes this is vital for creating a sustainable, growing business and is a key responsibility of the Group. This culture supports the Company's objectives to grow the business through acquiring and retaining customers by attending to their needs from the very beginning of the sales process until successful delivery and during ongoing services provision and support. The Company recognises its employees as a key driver of success and considers it crucial to recruit and retain the right people with the appropriate set of skills and values. Corporate governance is an important part of that job, reducing risk and adding value to our business.

Francis Coles, Chairman

Mirada plc

Directors' Report for the year ended 31 March 2021

The QCA Corporate Governance Code sets out ten principles which should be applied. These are listed below together with a short explanation of how the Group applies each of the principles:

1. *Establish a strategy and business model which promote long-term value for shareholders:*

   The Mirada Group strategy is focused around four key areas: market, product, sales, and business model, as explained fully within the Strategic Report section of our Report and Annual Accounts.

   The Group's strategy is to extend its presence in the Digital TV markets, focusing on those with high potential growth rates, for example the Latin American, Eastern Europe and South East Asian markets. 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 completed several years previously.

   The key challenges to the business and how these are mitigated are detailed in the Strategic Report.

2. *Seek to understand and meet shareholder needs and expectations:*

   The Mirada Group encourages two-way communication with both its institutional and private investors and responds quickly to all queries received. The CEO talks regularly with the Group's major shareholders and ensures that their views are communicated fully to the Board.

   The Board recognises the AGM and the GMs as important opportunities to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following these meetings. The Group has set up a dedicated email address for all investor queries. The Board has also utilised digital technology to present virtually to current and prospective investors.

   Where voting decisions are not in line with the Company's expectations, the Board will engage with those shareholders to understand and address any issues.

3. *Take into account wider stakeholder and social responsibilities and their implications for long-term success:*

   The Mirada Group has identified the following key stakeholders and decided on implementing the following actions to cover their needs, interests and expectations:

   - Employees - company meetings, CEO letters, work council
   - Customers - corporate website, social media, international trade fairs, personal meetings, high- and low-level bilateral meetings
   - Sales Partners - internal blog, weekly industry press reviews, weekly follow-up conferences, marketing material
   - Shareholders - see above
   - Technological Partners - corporate website, social media, international trade fairs, personal meetings, high- and low-level bilateral meetings
   - Compliance advisors - periodic conference calls, advice request when applicable
   - Banks - periodic meetings

   Mirada identifies its employees as its key asset and puts a considerable amount of effort into ensuring employee satisfaction by such measures as improving work-life balance, providing fringe benefits, team building activities and many more.

4. *Embed effective risk management, considering both opportunities and threats, throughout the organisation:*

   The Board considers risk to the business at every Board meeting (at least one meeting is held per quarter) and the risk register is updated at each meeting. The Company formally reviews and documents the principal risks to the business at least annually.

   Both the Board and senior managers are responsible for reviewing and evaluating risk and the Executive Directors meet at least monthly to review ongoing trading performance, discuss budgets and forecasts and new risks associated with ongoing trading. This process allows the Board to gain assurance that the risk management and related control systems in place are effective.

5. *Maintain the board as a well-functioning, balanced team led by the chair:*

The Company is controlled by the Board of Directors. Francis Coles, the Non-executive Chairman, is responsible for the running of the Board and José Luis Vázquez, the Chief Executive, has executive responsibility for running the Group’s business and implementing Group strategy. Directors attend one Board Meeting per quarter.

A summary of Board meetings attended by current Directors in the twelve months to 31 March 2021 is set out below:

	Francis Coles	Jose Luis Vazquez	Matthew Peter Earl	Jose Francisco Gozalbo	Gonzalo Babío
04 Jun 2020					
16 Sep 2020					
28 Oct 2020					
12 Dec 2020					
24 Feb 2021					

All Directors receive regular and timely information about the Group’s operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. In addition, minutes of the meetings of the Directors are circulated to the Group Board of Directors. All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company’s expense.

The Board comprises three Executive Directors and two Non-Executive Directors. All Executives Directors work on a full-time basis and the Non-Executive Director’s service agreements set out expected time commitments. All Directors recognise that a certain time of increased activity, the preparation and attendance at meetings will increase. The Board considers that all Non- executive Directors bring an independent judgement to bear notwithstanding the varying lengths of service.

The Directors of Mirada (the "Directors”) have the following experience and skills:

Francis Coles

Non-Executive Chairman

Francis Coles has nearly 40 years of experience in corporate finance. He was a founder director of corporate finance advisory boutique New Boathouse Capital and later served as a director of AIM listed merchant bank Quayle Munro following its acquisition of New Boathouse Capital in 2007. Prior to that, Francis was a director of Baring Brothers and subsequently Santander Investment where his responsibilities included debt and equity fundraisings and merger and acquisition activities in the European and Latin American markets.

José Luis Vázquez

Chief Executive Officer

José L. Vázquez is CEO and Co-Founder of Fresh, a leading interactive TV player in the Spanish market. He holds a degree in Advanced Telecommunication Engineering (UPM) and an MBA (IESE). He has more than 15 years of experience in Telecommunication and Interactivity markets, where he is a skilled professional. He founded Fresh in year 2000 being the CTO and became the CEO of the company in 2004. José is one of the leading figures in the Hispanic Digital TV platforms markets.

Gonzalo Babío

Chief Financial Officer

Gonzalo Babío has a broad experience in media and technology sectors. His professional career includes three years working at Arthur Andersen as an auditor, ten years at Electronic Arts as Finance Director working in Madrid, Lisbon, Sao Paulo, Lyon and London, and ten years as Finance Director for The Walt Disney Company Iberia in Madrid. He has a degree in Business Administration from the Universidad de Deusto in Bilbao, an EMBA from IESE Business School in Madrid and a PED from IMD in Lausanne.

José Francisco Gozalbo Sidro

Chief Technology Officer

José joined Mirada as Chief Technology Officer in March 2008, bringing over 18 years of experience in software development companies. In this role he has been responsible for software development, quality assurance, R&D and presales departments. He has a special focus on the Latin America region and has helped to build relationships with big telecoms partners that have led to multiple deployments of Mirada's products. Prior to joining Mirada, José was Chief Technology Officer at Fresh Interactive Technologies where he managed the deployment of products and services worldwide, working with some of the key partners in the Pay TV market.

Matthew Peter Earl

Non-Executive Director

Matthew has spent over 12 years working in the financial services sector primarily in Equity Capital Markets. Matthew started his career with Royal Bank of Scotland plc as an economist before working at Investec plc. Matthew then joined Charles Stanley Securities as an equity analyst in the support services sector, until he moved to head up the business services research team at Matrix Group Limited in 2010. More recently he has become an active investor in small and medium sized businesses.

The Audit Committee and the Remuneration and Nomination Committee meet formally at least twice a year. In the year ended 31 March 2021, Francis Coles and Mathew Earl attended all meetings of the Audit, Remuneration and Nomination Committees.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities:

The Nomination Committee of the Board oversees the hiring process and makes recommendations to the Board on all new Board appointments. Where new Board appointments are considered the search for candidates is conducted, and appointments are made, on merit, against objective criteria. Whilst there is not currently a balance of genders on the Board, the Company's Directors look to appoint individuals with complementary skills and experience to fulfil the Company's strategy, regardless of gender. The Nomination Committee also considers succession planning.

The skills and experience of the Board are set out in their biographical details against principle 5 above. The Directors bring a mixture of relevant sector, public company and financial experience to the Board such that it has the capabilities to deliver the Company's strategy.

The directors keep their skillsets up to date by attending industry and qualification relevant seminars and training sessions.

The directors seek advice from their corporate advisers (including the Company's nominated adviser, lawyers and accountants) as necessary.

7. *Evaluate board performance based on clear and relevant objectives, seeking continuous improvement:*

The Board carries out an evaluation of its performance annually, taking into account the Financial reporting Council's Guidance on Board Effectiveness. The company has performed regular reviews of its Board composition, considering whether each Director has the appropriate skills for the proper performance of their duties. The Board is satisfied that each individual has the right balance of financial and market knowledge to understand the performance and prospects of the business for the proper development of the Group.

All Directors undergo a performance evaluation before being proposed for re-election to ensure that their performance is and continues to be effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role.

Appraisals are carried out each year with all Executive Directors.

All continuing Directors stand for re-election every three years.

8. *Promote a corporate culture that is based on ethical values and behaviours:*

Ethical values and behaviours are one of the key elements of Board members' appraisals. It also forms an important part of every employee's appraisal process, with a special focus on employees with direct contact with customers and vendors. Company values are also included in the welcome package that every new employee receives upon joining the Company, which is also available for everyone on the Intranet.

9. *Maintain governance structures and processes that are fit for purpose and support good decision-making by the board:*

Our corporate governance statement on structure and processes is available on our corporate website, AIM Rule 26, Corporate Governance section. Direct link available here: https://www.mirada.tv/investors/aim-rule-26/

10. *Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders:*

The Company encourages two-way communication with both its institutional and private investors and responds quickly to all queries received. The CEO talks regularly with the Group's major shareholders and ensures that their views are communicated fully to the Board.

The Board recognizes the AGM and other General Meetings as important opportunities to meet private shareholders. The Directors are available to listen to the views of shareholders informally, immediately following any General Meeting.

Directors

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

Executive directors

Mr José-Luis Vázquez	Chief Executive Officer
Mr Jose Gozalbo	
Mr Gonzalo Babío	

Non-executive directors

Mr Francis Coles	Non- Executive Chairman
Mr Matthew Earl	

Mirada plc

Directors' Report for the year ended 31 March 2021

Events since the reporting date

On 4 June 2019 Mirada Plc's subsidiary, Mirada Iberia, S.A.U. ("Mirada Iberia"), obtained a revolving credit facility for up to €1.3 million from Leasa Spain, S.L.U. (the "Lender"). The Lender is owned by Mr. Ernesto Luis Tinajero Flores, who also owns 87.21% of the voting rights of Mirada

On 27 September 2021, the Company announced the Facility was increased up to €3.0 million and its Maturity Date was extended until 30 November 2022. In addition, the Facility has been novated from Mirada Iberia to Mirada Plc. All other terms of the Facility remain unchanged and are set out in the announcement of 4 June 2019.

For most of the year ended in March 2021, potential customers chose to postpone their decision-making processes until there was greater clarity around the future of the pandemic. New business activity across the industry – particularly in the first half – effectively ground to a halt.

Encouragingly, as we moved through the financial year ending in March 2022, we began to see growing indications of a gradual reversion to pre-pandemic levels of appetite for investment from both existing and prospective customers.

Auditors

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

1. so far as the directors are aware, there is no relevant audit information of which the auditors are unaware; and

2. the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

BDO LLP resigned as auditors and PKF Littlejohn LLP were appointed in their place. PKF Littlejohn LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

José-Luis Vázquez
Chief Executive Officer
28th September 2021

Mirada plc

Audit Committee Report for the year ended 31 March 2021

I am pleased to present the report on behalf of the Audit Committee.

The Committee is responsible for challenging the quality of internal and external control and for ensuring that the financial performance of the Group is properly reported and reviewed. The Board considers that the Company is not currently of a size to warrant the need for an internal audit function although the Board has put in place internal financial procedures to ensure close internal controls.

Committee Composition

The members of the Audit Committee are myself, Francis Coles, as Chair, and Matthew P. Earl both independent non-executive directors. The Board is of the view that we have recent and relevant experience. Meetings are held on average twice a year. José Luis Vázquez (CEO), and Gonzalo Babío (Finance Director), attend by invitation. I report to the Board following an Audit Committee meeting and minutes are available to the Board.

Committee Duties

The main duties of the Committee are set out below:

- Reviewing and recommending to the Board in relation to the appointment and removal of the external auditor.
- Recommending the external auditor's remuneration and terms of engagement.
- Reviewing the independence of the external auditors, the objectivity and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements.
- Reviewing and monitoring the extent of the non-audit work undertaken by the Group's external auditor.
- Reviewing a wide range of financial matters including the annual and half year results.
- Monitoring the controls which ensure the integrity of the financial information reported to the shareholders.

In the financial year commencing on 1 April 2020, the Group applied the following new accounting standards:
- Amendments to IAS 1 and IAS 8
- Amendments to IFRS 3 - Business combinations

External auditor

BDO LLP resigned as auditors and PKF Littlejohn LLP were appointed in their place. PKF Littlejohn LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Francis Coles

Chair of the Audit Committee

Mirada plc

Nominations and Remuneration Committee Report for the year ended 31 March 2021

I am pleased to present the report on behalf of the Remuneration Committee.

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

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

The members of the Nominations and Remuneration Committees are myself, Francis Coles, as Chair, and Matthew P. Earl both independent non-executive directors. The Board is of the view that we have recent and relevant experience. Meetings are held on average twice a year. José Luis Vázquez (CEO), and Gonzalo Babío (Finance Director), attend by invitation. I report to the Board following a Nomination and Remuneration Committee meeting and minutes are available to the Board.

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

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

Directors' Remuneration

The following table summarises the remuneration receivable by the directors for the year ended 31 March 2021.

	Salary & fees	Benefits	2021 Total	2020 Total
	$000	$000	$000	$000
Executive				
José-Luis Vázquez	255	3	**258**	**291**
Jose Gozalbo Sidro	215	12	**227**	**319**
Gonzalo Babío	176	10	**186**	**210**
Non-executive				
Mathew Earl	41	-	**41**	**37**
Francis Coles	62	-	**62**	**56**
	749	25	**774**	**913**

The directors' participation in the company's share option plan is detailed in Note 25 and, as confirmed in Note 9, there were no contributions paid into a pension scheme for any director.

Francis Coles

Chair of the Nominations and Remuneration Committee

Mirada plc

Statement of directors' responsibilities

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The Directors have elected to prepare the Company financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS 101 Reduced Disclosure Framework). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Group for that year. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on the Company's website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Mirada plc

Independent Auditor's report to the Members of Mirada plc

Opinion

We have audited the financial statements of Mirada Plc (the 'company') and its subsidiaries (the 'group) for the year ended 31 March 2021 which comprise: the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated, Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International financial Reporting Standards (IFRSs) as adopted by European Union. The Financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom generally accepted accounting practice in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the five-year plan prepared by management for the period up to 2026, providing challenge to key assumptions and reviewing for reasonableness.
- A comparison of actual results for the year to past budgets to assess the forecasting ability/accuracy of management.
- Reviewing post-year end RNS announcements.
- Assessing the adequacy of going concern disclosures within the Annual Report and Accounts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the company's ability to

Independent Auditor's report to the Members of Mirada plc

continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was $193,053 (2020: $197,000) based on 1.75% (2020: 1.5%) of revenue. We based the materiality on revenue because we consider this to be the most relevant performance indicator of the Group and is a significant driver of profit or loss for the year.

The performance materiality was $125,485 (2020: $148,000). We set performance materiality at 65% of overall financial statement materiality to reflect the risk associated with the judgemental and key areas of management estimation within the financial statements

The materiality applied to the parent company financial statements was $99,500 (2020: $88,000) based on 0.833% (2020: 1%) of the gross assets as it is a holding company. The performance materiality was $77,688 (2020: $66,000). For each component in the scope of our group audit, we allocated a materiality that was less than our overall group materiality. As a group whose trade is in the process of expanding through product development and existing product revenue streams, loss before tax was considered the most appropriate benchmark to shareholders.

We agreed with those charged with governance that we would report all differences identified during the course of our audit in excess of $9,500 (2020: $10,000).

No significant changes have come to light through the audit fieldwork which has caused us to revise our materiality figure.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the Directors and considered future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. Of the 5 components of the group, a full scope audit was performed on the complete financial information of 2 components, and for the components not considered significant, we performed a limited scope review which analytical review together with substantive testing as appropriate on group audit risk areas applicable to those components based on their relative size, risks in the business and our knowledge of the entity appropriate to respond to the risk of material misstatement.

Of the 5 reporting components of the group, 1 is located in Spain and audited by PKF network firm operating under our instruction and the audit of the remaining components were performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing technology companies and publicly listed entities. The Senior Statutory Auditor interacted regularly with the component audit teams during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and parent company financial statements.

Independent Auditor's report to the Members of Mirada plc

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our scope addressed this matter**
Revenue recognition (Refer note 4d & 6)	
The group's revenue recognition policy can be found in note 4d to the financial statements. Several revenue streams exist across the group involving different timings and recognition entailing a degree of complexity as detailed in note 4d. Therefore, revenue recognition related to each deliverable requires judgement over the assessment of the separate contract deliverables. We assessed revenue recognition as a fraud risk as revenue forms the basis for certain of the Group's key performance indicators, both in external communications and for management incentives. As a result, we consider a significant risk of material misstatement to arise from the recognition of revenue throughout the year.	Our audit appoach included the followingf procedures to address this matter: - A review of the revenue recognition policy for the group in light of the requirements of IFRS 15. - Testing a sample of transactions from the revenue listing by allocating transaction price to each performance obligation and checked whether the revenue was recognised appropriately at a point in time or over time. - Testing a sample of sales invoices raised before and after year end to ensure that these were accounted for in the correct period and accrued for, or deferred, appropriately by agreeing to supporting evidence. - Testing completeness of deferred revenue and existence of accrued revenue by agreeing the sales invoices to cash receipts and ensuring that revenue was appropriately recognised during the year. - For all samples tested our testing included inspection of the contracts, proof of payments and ensuring revenue recognition as per the accounting policy. We confirmed that the appropriate trigger event i.e. performance obligation had satisfied in order to ensure that the revenue recognition criteria had been met. - We also considered the adequacy of the group's disclosures relating to revenue recognition in note 4d and 6. Based on procedures performed, we did not identify any evidence of material misstatement in the revenue recognised in the year.
Goodwill and intangible asset impairment. (Refer note 4(f), 4(g), 4(h), 4(i) & 14)	
The group has made a loss during the year and, as a result, the Directors have tested goodwill and intangibles assets, including previously capitalised	Our work in this area included:

Independent Auditor's report to the Members of Mirada plc

development costs, for impairment. There remains a degree of uncertainty around expected revenues and profits to be realised and be sufficient to ensure recoverability of the assets recognised on the statement of financial position. Determining if an impairment charge is required for Goodwill and Intangible assets involves significant judgements about the future results and cash flows of the business, including forecast growth in future revenues and operating profit margins, as well as determining an appropriate discount factor and long term growth rate. Details of these are included in note 14. We therefore focused on these areas and the judgements applied to future forecasts.	• Updating our understanding of the internal control environment in operation for the material income streams and undertaking a walk-through to ensure that the key controls within these systems have been operating in the period under audit; • Obtaining and reviewing the impairment test performed by management to ensure it is in line with the requirements of IAS 36 • Considering the appropriateness of the disclosure included in the financial statements. Based on the work performed, we are satisfied that the Goodwill and intangible asset impairment is materially correct.
Going concern assessment	
The group has made operating losses in the financial year, which indicates that there is an elevated risk associated with the group's going concern status. The financial statements explain in note 4(b) how the Directors have formed a judgement that it is appropriate to adopt the going concern basis of preparation for the group financial statements. That judgement is based on an evaluation of the inherent risks to the group's business model and how those risks might affect the group's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The group's ability to continue as a going concern has been discussed with management due to the fact that the group had made loss during the year and the financial impact of COVID-19 and its future potential impact on the markets as a whole and the group in specific. The Directors have considered the impact of loss during the year and potential impact of COVID-19 and have sensitised their forecasts accordingly. As the full economic effect of the group due to losses and the overall economic environment due to	Our audit procedures involved: - Discussing with management their assessment of the group's ability to continue as a going concern. - Critically evaluating the revenue and cost projections underlying the model with reference to market information as well as past performance of the group. - Analysing the projected cash flow and working capital assumptions; - Assessed the impact of COVID-19 on the cash-flow projections as well as the assumptions and sensitivities relating to this. - Performing analysis of changes in key assumptions including a reasonable possible (but not unrealistic) reduction in forecast revenue to understand the sensitivity in the cash flow forecasts. - A review of the directors' statement in note 4(b) of the financial statements as to whether it is appropriate to adopt the going concern basis of accounting in preparation of the financial statements.

COVID-19 are still uncertain there is a significant level of judgement involved in anticipating results. Due to the high level of judgement involved in these assessments there exists a risk, that inappropriate assumptions might be utilised in the determination of the group's ability to continue as a going concern.	

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mirada plc

Independent Auditor's report to the Members of Mirada plc

Responsibilities of directors

As explained more fully in the responsibilities of directors statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and the application of cumulative audit knowledge and experience of the sector.

- We determined the principal laws and regulations relevant to the group and the company in this regard to be those arising from

  - AIM rules;
  - Companies Act 2006;
  - General Data Protection Regulation;
  - Employment Act 2008;
  - UK Health and Safety Law;
  - Anti-Bribery Money Laundering Regulations; and
  - Qouted Companies Alliancecompliance
  - UK City Code on Takeovers and Mergers
  - Local laws and regulations in UK, Spain and Mexico where the Group operates; and
  - Local tax and employment law where each member of the Group operates

  There was regular interaction with the component auditors during all stages of the audit, including procedures designed to identify non-compliance with laws and regulations, including fraud.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group or the company with those laws and regulations. These procedures included, but were not limited to:

  - review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations;
  - discussion with management regarding potential non-compliance; and
  - review of minutes of meetings of those charged with governance and RNS

Independent Auditor's report to the Members of Mirada plc

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias was identified in relation to the going concern of the group and the company and as noted above, we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28 September 2021

PKF Littlejohn LLP is a limited liability partnership registered in England and Wales (with registered number OC342572).

Mirada plc
Consolidated Statement of Comprehensive Income for the year ended 31 March 2021

Company number 03609752	Note	2021	2020
		$000	$000
Revenue	6	11.134	13.157
Cost of sales		(297)	(676)
Gross profit		**10.837**	**12.481**
Depreciation	15,16	(378)	(360)
Amortisation	14	(3.909)	(3.499)
Staff costs	9	(7.095)	(6.790)
Other administrative expenses		(2.047)	(3.196)
Total administrative expenses		**(13.429)**	**(13.845)**
Operating loss	8	**(2.592)**	**(1.364)**
Gain on disposal of Mirada Connect	2,7	-	1.699
Non operating profit		**-**	**1.699**
Finance income	10	70	65
Finance expense	11	(222)	(177)
Foreign currency translation differences		(419)	52
Profit/(loss) before taxation		**(3.163)**	**275**
Taxation	12	171	313
Profit/(loss) for year		**(2.992)**	**588**
Other comprehensive income for the period			
Amounts that will or may be reclassified to the profit or loss			
Forex on translation of foreign operations		338	2.888
Total comprehensive profit/(loss) for the period		**(2.654)**	**3.476**

Earning/(loss) per share		**Year ended 31 March**	**Restated 31 March 2020**
		$	**$**
Earning/(loss) per share for the year - basic & diluted	13	(0,336)	0,066

The notes on pages 31 to 73 form part of these financial statements

Mirada plc
Consolidated Statement of Financial Position as at 31 March 2021

Company number 03609752	Note	2021	2020
		$000	$000
Goodwill	14	5.435	5.098
Other Intangible assets	14	7.314	6.631
Right of use assets	15	343	482
Property, plant and equipment	16	223	228
Other Receivables	17	354	486
Non-current assets		**13.669**	**12.925**
Trade & other receivables	17	4.856	6.966
Cash and cash equivalents	27	107	185
Current assets		**4.963**	**7.151**
Total assets		**18.632**	**20.076**
Loans and borrowings	19	(1.774)	(2.820)
Related parties loans and interests	19	(3)	(7)
Trade and other payables	18	(2.234)	(2.019)
Deferred income	18	(973)	(1.785)
Lease liabilities	15	(204)	(229)
Current liabilities		**(5.188)**	**(6.860)**
Net current (liabilities)/assets		**(225)**	**291**
Total assets less current liabilities		**13.444**	**13.216**
Related parties loans	20	(586)	(1.210)
Interest bearing loans and borrowings	20	(4.815)	(1.195)
Lease liabilities	15	(145)	(259)
Non-current liabilities		**(5.546)**	**(2.664)**
Total liabilities		**(10.734)**	**(9.524)**
Net assets		**7.898**	**10.552**
Issued share capital and reserves attributable to equity holders of the company			
Share capital	23	12.015	12.015
Share premium	24	-	-
Merger reserve		4.863	4.863
Foreign exchange reserves		13.761	13.423
Accumulated loss		(22.741)	(19.749)
Equity		**7.898**	**10.552**

These financial statements were approved and authorised for issue on 28 September 2021
Signed on behalf of the Board of Directors

José-Luis Vázquez
Chief Executive Officer

The notes on pages 31 to 73 form part of these financial statements

Mirada plc
Consolidated Statement of changes in equity
for the year ended 31 March 2021

Company number 03609752	Share capital	Share premium	Foreign exchange reserve	Merger reserves	Accumulated losses	Total
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Balance at 1 April 2020	**12.015**	**-**	**13.423**	**4.863**	**(19.749)**	**10.552**
Profit/(loss) for year	-	-	-	-	(2.992)	(2.992)
Other comprehensive income						
Movement in foreign exchange	-	-	338	-	-	338
Total comprehensive income for the year	-	-	338	-	(2.992)	(2.654)
Balance at 31 March 2021	**12.015**	**-**	**13.761**	**4.863**	**(22.741)**	**7.898**

Company number 03609752	Share capital	Share premium	Foreign exchange reserve	Merger reserves	Accumulated losses	Total
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Balance at 1 April 2019	**12.015**	**15.995**	**10.535**	**4.863**	**(33.426)**	**9.982**
Profit/(loss) for year	-	-	-	-	588	588
Other comprehensive income						
Movement in foreign exchange	-	-	2.888	-	-	2.888
Total comprehensive income for the year	-	-	2.888	-	588	3.476
Transactions with owners						
Share premium cancelation	-	(15.995)	-	-	13.089	(2.906)
Balance at 31 March 2020	**12.015**	**-**	**13.423**	**4.863**	**(19.749)**	**10.552**

The notes on pages 31 to 73 form part of these financial statements

Mirada plc
Notes to the consolidated financial statements
at 31 March 2021

Company number 03609752	Note	2021	2020
		$000	$000
Cash flows from operating activities			
(Loss)/profit after tax		(2.992)	588
Adjustments for:			
Depreciation of property, plant and equipment	15,16	378	360
Amortisation of intangible assets	14	3.909	3.499
Finance income		(70)	(65)
Finance expense		222	177
Foreign currency translation differences		419	(52)
Taxation		(171)	(313)
Gain on disposal of Mirada Connect		-	(1.699)
Operating cash flows before movements in working capital		**1.695**	**2.495**
Decrease/(increase) in trade and other receivables		1.375	(2.011)
(Decrease)/increase in trade and other payables		(74)	1.065
Interest paid		(13)	(14)
Taxation received		162	265
Net cash used in operating activities		**3.145**	**1.800**
Cash flows from investing activities			
Interest and similar income received	10	70	65
Purchases of property, plant and equipment	16	(53)	(126)
Purchases of other intangible assets	14	(4.185)	(4.319)
Cash proceeds from sale of Mirada Connect	2	-	2.605
Net cash used in investing activities		**(4.168)**	**(1.775)**
Cash flows from financing activities			
Net payment to settle derivative		-	-
Interest and similar expenses paid	11	(209)	(163)
Payment of principal on lease liabilities	27	(301)	(242)
Loans received	27	3.264	1.958
Related parties loans received	27	-	1.210
Repayment of loans	27	(956)	(2.824)
Repayment of related parties	27	(704)	-
Net cash from/(used in) financing activities		**1.094**	**(61)**
Net decrease in cash and cash equivalents		**71**	**(36)**
Cash and cash equivalents at the beginning of the period	27	185	117
Exchange losses on cash and cash equivalents		(149)	104
Cash and cash equivalents at the end of the year	27	**107**	**185**

The notes on pages 31 to 73 form part of these financial statements

1. General information

Mirada plc is a company incorporated in the United Kingdom. The address of the registered office is 3rd Floor Chancery House, St Nicholas Way Sutton, Surrey SM1 1JB. 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. Change in consolidation scope

Main changes for the year ended as at 31 March 2021:

On 5 July 2019, the Group announced the sale of the wholly owned subsidiary Mirada Connect Ltd. to PayByPhone UK Limited (subsidiary of Volkswagen Financial Services, AG), for a consideration of $2.61 million (£2.12 million). As a result, last year the Group recognised a gain of $1.70 million as shown in the Consolidated Income Statement for the year ended 31 March 2020. As a consequence, of said disposal, the results of Mirada Connect Ltd are included as part of the consolidation scope from 1 April 2019 to the effective date of disposal. For the purpose of IFRS 5, this was not a discontinued operation.

3. Changes in accounting policies

a. Adoption of new and revised standards effective from 1 April 2020

Amendments to IAS 1 and IAS 8

Definition of materiality or with relative importance. This amendment clarifies the definition of materiality or relative importance and how it should be applied by introduction in the definition of guides that until now have been addressed in other parts of the IFRS Standards; improving the explanations that accompany the definition and ensuring that the definition of materiality or with relative importance is consistent throughout all IFRS Standards. The Group will consider the new definition of materiality and do not foresee significant impact in the preparation of the consolidated financial statement.

Amendments to IFRS 3 – Business combinations

At the date of authorisation for issue of these consolidated financial statements, the amendments to IFRS 3 - Business combinations have been approved by the International Accounting Standards Board (IASB).
Amendments to IFRS 3 - Business combinations. IFRS 3 is amended to limit and clarify the definition of a business, and to enable a simplified evaluation of whether a set of activities and assets acquired is a group of assets instead of a business.

COVID-19-Related Rent Concessions (Amendments to IFRS 16)

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) The reduction is lease payments affects only payments originally due on or before 30 June 2021; and
(c) There are no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

Adoption of the above standards did not have a material impact on the consolidated financial statements

3. Changes in accounting policies

b. New Standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

Mirada Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2021. The amendments provide relief to Group in respect of certain loans whose contractual terms are affected by interest benchmark reform.
The Group has not early adopted any of the above standards and the directors are assessing the impact on future financial statements. There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group

4. Significant accounting policies

a. Basis of accounting

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No.1606/2002 as it applies in the European Union.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, assets held for sale measured at fair value less costs to sell; and defined benefit pension plans for which the plan assets are measured at fair value.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units, unless otherwise stated.

4. Significant accounting policies (continued)

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

b. Going concern

These financial statements have been prepared on the going concern basis. The Directors have reviewed the Company and Group's going concern position taking account of its current business activities, budgeted performance and the factors likely to affect its future development, which are set out in this Annual report, and include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, its exposure to credit and liquidity risks and the impact of the COVID-19 pandemic.

As at 31 March 2021, the Group had cash and cash equivalents of $0.11m (2020: $0.19m), had net current liabilities of $0.23m (2020: net current assets of $0.29m) and net assets of $7.90m (2020: $10.55m.). In the year ended 31 March 2021, the Group generated net cash from operating activities of $3.15m (2020: $1.80m), realised a loss for the year of $2.99m (2020: a profit of $0.59m). During the year, the Group had secured the following funding for the business:

- €1.6m of new loans obtained between April 2020 and June 2020 from banks with 80% of these loans guaranteed by the Spanish government under the COVID-19 relief scheme.
- An extension to the term of its €1.30 million credit facility has been granted by Leasa Spain, S.L.U. The term of the Facility has been extended by 12 months and now expires on 30 November 2022.

The Directors have prepared detailed cash flow forecasts for the period to at least 30 September 2022 and extended it for further 4 years. The Directors regularly review the detailed forecasts of sales, costs and cash flows. The assumptions underlying the forecasts are challenged, varied and tested to establish the likelihood of a range of possible outcomes, including reasonable cash flow sensitivities. The expected figures are carefully monitored against actual outcomes each month and variances are highlighted and discussed at Board level. However, the uncertain impact of COVID-19 has increased risks and uncertainty into this year's review. The Group has seen limited impact of COVID-19 on the operational capability of the business. From a technology point of view, the Group is also offering and developing the most advanced features in the market, providing services to a growing subscriber base in our core markets. To this end a base case cash flow forecast has been prepared which takes into account the following key assumptions:

- The continued availability of the Group's invoice discounting facility throughout the foreseeable future.
- An average revenue growth of 13% in the foreseeable future, which Directors believe, comprise of revenue that is substantially already secured under-signed contracts.
- Additional net funding of US$1.4m from lenders
- An expected receipt of US$0.3m of Research and Development tax credit in March 2021 from Spanish tax authorities.

4. Significant accounting policies (continued)

b. Going concern (continued)

The Directors have also considered a number of downside scenarios, including a scenario where all revenue growth from new customers is removed, a scenario where no further funding is obtained in the period and a reverse stress test. The purpose of the reverse stress test for the Group is to test at what point the cash facilities would be fully utilised if the assumptions in the Director's base case forecasts are altered. This reverse stress test includes both a removal of all revenue growth from new customers and a reduction of contracted revenue from existing customers for the forecast period, resulting in an overall reduction of revenue of c.20%, as well as the removal of any potential future funding and the receipt of the US$0.3m Research and Development tax credits anticipated. In the event that the performance of the Group is not in line with the projections, and more akin to one of our downside scenarios, including the worst case scenario, action will be taken by management immediately to address any potential cash shortfall for the foreseeable future. The actions that could be taken by the Directors include both a review and restructuring of employment related costs, including the deferral of any potential bonuses due to employees. These measures alone could save at least $1.0m in operating costs and therefore cash flows. Further, the Directors could also negotiate access to other sources of finances from our lenders. Given the Director's current relationship with lenders and their recent success in negotiations with these financial institutions, whilst there are no binding agreements currently in place, negotiations are in very advanced stages for additional funding. Therefore, they Directors are confident that any additional funding required would be obtained.

Whilst the cash flow forecasts prepared have been sensitised to consider a number of downside scenarios, including the reverse stress test, the Directors are pleased to note that the post year end performance of the Group has exceeded the original forecast for April and May 2021. Therefore demonstrating that the Group has not suffered negatively from the impact of COVID-19 and is in a strong place to meet the base case forecasts.

Overall, the sensitised cash flow forecasts demonstrate that the Group will be able to pay its debts as they fall due for the period to at least 31 December 2021. The Directors are, therefore, satisfied that the financial statements should be prepared on the going concern basis.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of Mirada plc and its subsidiaries as at 31 March 2021. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits and losses resulting from intragroup transactions that are recognised in assets, are eliminated in full. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Mirada plc owns the majority of the shareholdings and has operational control over all its subsidiaries.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

4. Significant accounting policies (continued)

c. Basis of consolidation (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Mirada plc has used the exemption grated under s408 of the Companies Act 2006 that allows for the non-disclosure of the Income Statement of the parent company. The after-tax loss attributable to Mirada plc for the year ended 31 March 2021 was $1.220 million (2020: an after-tax profit of $1.121 million).

d. Revenue recognition

Interactive service revenues are divided into 5 types: professional services fees, the sale of licences, SaaS, support & maintenance services and self-billing revenues.

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

   Since the Group has determinate the works incurred are specific to the customer and cannot be used on alternative contracts and Mirada has right to payment for all incurred works, the revenue is recognised over the time.

2) Sale of licence: Revenue from licences are earned from two specific and separate streams.

   i) Where the revenue relates to the sale of a one-off licence, the licence element of the sale is recognised as income when the following conditions have been satisfied:
      - The software has been provided to the customer in a form that enables the customer to utilise it;
      - The ongoing obligations of the Group to the customer are minimal; and
      - The amount payable by the customer is determinable and there is a reasonable expectation of payment.

   The performance obligation included in this type of contract is to provide initially licence and key to access.

4. Significant accounting policies (continued)

d. Revenue recognition (continued)

ii) Contract licence fees payable by customers are dependent upon the number of end user subscribers signing up to the customer's digital television service, purchased Set Top Boxes or active devices. Licences cover the right of use of the software in the initial conditions without any right to modify it. None of the contracts have an end or termination date. Typically, once you sign a contract, you keep using the software for many years.

For this type of contract, revenues are recognised by multiplying the individual licence fee by the net increase in the customer's subscriber base, purchased Set Top Boxes or active devices.

The Group promises to grant a licence that provides a customer with a right to use and obtain substantially all the benefits from the licence. As a consequence of this, the recognition of the revenue is at a point in time at which the licence is granted.

3) SaaS: Some of the licence software are under Software as a Service model (SaaS). Under this model, lower integration set up fees than in other agreements are offset by recurrent monthly licence fee revenues. Revenue for SaaS arrangements are recognised over the period of the arrangement to reflect the ongoing service provision. This is on the basis that the Group's performance under these services does not create an asset with an alternative use to the Group and that the Group has an enforceable right to payment for performance completed to date.

4) Support & Maintenance services. Revenue is measured on a straight-line basis over the length of the contract i.e. as and when the service is being provided. Length of service is pre-defined in the contract and there are no performance obligations after the contract term is complete.

5) Transaction revenues: These are earned through a revenue-share agreement between Mirada Connect Ltd and the customers for the cashless parking services which are presented in the Mobile segment. The Group are informed by the customer of the amount of revenue to invoice and the revenues are recognised at a point in time in the period these parking services happen. Mirada Connect Ltd was sold in July 2019 to PaybyPhone Ltd, a subsidiary of the Volkswagen Group.

Where agreements involve multiple obligations, the entire fee from such arrangements is allocated to each of the individual obligations based on each obligation's fair value. The revenue in respect of each element is recognised in accordance with the above policies.

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

e. Business combinations

Acquisitions of businesses are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued or to be issued, by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

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

4. Significant accounting policies (continued)

f. Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the acquired business at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

g. Other intangible assets

Intangible assets acquired as part of a business combination are initially recognised at their fair value and subsequently amortised on a straight-line basis over their useful economic lives. Intangible assets that meet the recognition criteria of IAS 38, "Intangible Assets" are capitalised and carried at cost less amortisation and any impairment losses. Intangible assets comprise of completed technology, acquired software, capitalised development costs and goodwill.

Amortisation of other intangible assets is calculated over the following periods on a straight-line basis:

Completed technology	- over a useful life of 4 years
Deferred development costs	- over a useful life of 3 to 4 years

The amortisation is charged to administrative expenses in the consolidated income statement. Completed technology relates to software and other technology related intangible assets acquired by the Group from a third party. Deferred development costs are internally-generated intangible assets arising from work completed by the Group's product development team.

h. Internally-generated intangible assets – research and development expenditure

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

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

If a development project has been abandoned, then any unamortised balance is immediately written off to the income statement. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. The amortisation is charged to administrative expenses in the consolidated statement of comprehensive income.

4. Significant accounting policies (continued)

i. Impairment of non-current assets excluding deferred tax assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the impairment of intangible assets line in the consolidated statement of comprehensive income as an expense immediately.

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

Goodwill impairments are not reversed.

j. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on current prices, of each asset evenly over its expected useful life, as follows:

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

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial period end.

k. Right-of-use assets and Lease liabilities

On 1 April 2019, the Group adopted IFRS 16, on Leases. The Group opted to use the modified retrospective approach on transition which involves applying the standard retroactively with the cumulative effect from the date of first application, without restating the information presented as at 31 March 2019 under the aforementioned standards.

At the start of a contract, the Group evaluates whether it contains a lease. A contract is or contains a lease if it grants the right to control the use of the asset identified for a period of time in exchange for a consideration. The length of time during which the Group uses an asset includes consecutive and non-consecutive periods of time. The Group only re-assesses the conditions when a contract is amended.

In contracts with one or more lease and non-lease components, the Group deems all components as one sole lease component.

4. Significant accounting policies (continued)

k. Right-of-use assets and Lease liabilities (continued)

The Group has also chosen to not recognise in the balance sheet the lease liabilities and the right-of-use asset corresponding to short term lease agreements (leases for one year or less) and leases for low value assets ($5 thousand or less). For this type of contracts, the Group recognises straight-line payments during the lease term.

Lessee accounting

At the commencement of the lease term, the Group recognises a right-of-use asset and lease liability. The right-of-use asset is composed of the amount of the lease liability, any payment for the lease made on or prior to the starting date, less any incentives received, the initial direct costs incurred and an estimate of the costs for decommissioning or restoration to be incurred, as indicated in the accounting policy provisions.

The Group measures the lease liability as the present value of the lease payments which are outstanding at the commencement date. The Group discounts lease payments at the appropriate incremental interest rate, unless the implicit interest rate of the lessor may be determined reliably.

The pending lease payments are comprised of fixed payments, less any incentive to be collected, the variable payments that depend on an index or rate, initially appraised by the index or rate applicable on the starting date, the amounts expected to be paid for residual value guarantees, the price of exercising the purchase option whose exercise is reasonably certain and any compensation payments for contract termination, providing the term of the lease reflects the termination option.

The Group measures the right-of-use assets at cost, less depreciation and accrued impairment losses, adjusted by any re-estimate of the lease liability.

If the contract transfers ownership of the asset to the Group at the end of the lease term or if the right-of-use asset includes the price of the purchase option, the depreciation criteria indicated in Note 4.j are applied from the lease commencement date until the end of the useful life of the asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date until the date of the useful life of the right or the end of the lease term, whichever is the earlier.

The Group applies the criteria for impairment of non-current assets set out in Note 4.i to right-of-use assets.
The Group measures the lease liability increasing it by the interest accrued, decreasing it by the payments made and re-assessing the carrying amount due to any amendments to the lease or to reflect any reviews of the in-substance fixed lease payments.

The Group records any variable payments that were not included in the initial valuation of the liability in the Consolidated Income Statement for the period in which the events resulting in payment were produced.
The Group records any re-assessments of the liability as an adjustment to the right-of-use asset, until it is reduced to zero, and subsequently in the Consolidated Income Statement.

The Group re-assesses the lease liability discounting the lease payments at an updated rate, if any change is made to the lease term or any change in the expectation of the purchase option is being exercised on the underlying asset.

The Group re-assesses the lease liability if there is any change in the amounts expected to be paid for a residual value guarantee or any change in the index or rate used for determining payments, including any change for reflecting changes in market rents once these have been reviewed.

The Group recognises an amendment to the lease as a separate lease if it increases the scope of the lease by adding one or more rights of use and the amount of consideration for the lease increases by an amount consistent with the individual price for the increased scope and any adjustment to the individual price to reflect the specific circumstances of the contract.

If the amendment does not result in a separate lease, on the amendment date the Group assigns the consideration to the amended contract as indicated above, it re-determines the term of the lease and re-estimates the value of the liability discounting the revised payments at the revised interest rate. The Group writes down the carrying amount of the right-of-use asset to reflect the partial or total end of the lease in any amendments that reduce the scope of the lease and it records the profit or loss in income. For all other amendments, the Group adjusts the carrying amount of the right-of-use asset.

4. Significant accounting policies (continued)

k. *Financial instruments*

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

Financial assets

Classification

The Group classifies its financial assets in the following categories: at amortised cost including trade receivables and other financial assets at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets. During this process the probability of non-payment of a trade receivable balance is assessed and multiplied by an expected amount of credit loss as a result of the likely credit default. The group has set up a matrix using the age a debtor is overdue and any likely events as a criteria to determine the default probability. This uses 5 categories ranging from 0% to 90% probability.

The Group only have assets that are categorised as amortised cost and the application of ECL has not had a material impact to the impairment provision. As a conclusion, the impact of the IFRS 9 on the Group was immaterial.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12 month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The provision for expected credit losses against receivables from related parties were not material and no charge is made in the current and last year.

Cash and cash equivalents

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

4. Significant accounting policies (continued)

l. Financial instruments (continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

Incremental external costs directly attributable to the issue of new shares (other than in connection with a business combination) are recorded in equity as a deduction, net of tax, to the share premium reserve.

Bank Borrowings

Interest-bearing bank loans are initially recorded at fair value less direct issue costs. Finance charges are accounted for on an accruals basis in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Invoice discounting

The Group has an invoice discounting facility secured on the trade debtors as specified in Note 17. Liabilities under this arrangement are shown in borrowings.

Trade payables

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

m. Employee share incentive plans

The Group issues equity-settled share-based payments to certain employees (including directors). These payments are measured at fair value at the date of grant by use of the Black-Scholes pricing model. This fair value cost of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of any non market-based vesting conditions. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. A corresponding credit is recorded in equity in the retained earnings.

n. Leases

The group leases property and equipment. Rental contacts are typically made for fixed periods but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

4. Significant accounting policies (continued)

n. Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any incentives receivable;
- variable lease payments that are based on an index rate, initially measured using the index or rate as at the commencement date;
- the amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases held by the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjust to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Mirada Plc, which does not have recent third-party financing; and
- make adjustments specific to the lease, for example term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principle and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the least term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets compromise IT equipment and small items of office furniture.

4. Significant accounting policies (continued)

o. Taxation

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

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

If the Group considers it is likely that the tax authority will accept an uncertain tax treatment, the Group will establish the taxable gain (loss), the tax bases, unused tax losses, unused tax credits or the tax rates consistent with the tax treatment used or intended to be used in its income tax returns.

If the Group considers it unlikely that the tax authority will accept an uncertain tax treatment, the Group will reflect the effect of the uncertainty to establish the taxable gain (loss), the tax bases, unused tax losses or credits or the corresponding tax rates. The Group will reflect the effect of the uncertainty for each uncertain tax treatment by using the most likely amount or the expected value of the probability weighted amounts.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

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

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

p. Research and development tax credit

Companies within the group may be entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R&D tax credits). The group accounts for such allowances as tax credits and recognise them when it is probable that the benefit will flow to the group and that benefit can be reliably measured. R&D tax credits reduce current tax expense and, to the extent the amounts due in respect of them are not settled by the balance sheet date, reduce current tax payable.

q. Retirement benefit costs

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

4. Significant accounting policies (continued)

q. Retirement benefit costs

Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

r. Foreign exchange

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

On translation of balances into the functional currency of the entity in which they are held, exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Exchange differences arising on translating the opening statement of financial position and the current year income statements are classified as equity and transferred to the Group's foreign exchange reserve. Such translation differences are recognised as income or an expense in the period in which the operations is disposed of.

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

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in notes 3 and 4, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

a. Key judgements

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements.

- ***Presenting financial information in USD***

The reporting currency is US Dollar due to the growing exposure to the US Dollar, as all major contracts and most of the new potential deals for the Group are denominated in this currency. The board therefore believes that USD financial reporting provides the best presentation of the group's financial position, funding and treasury functions, financial performance and its cash flows. Coupled with the evolution of the business, the group's shareholder base is now largely comprised of investors to whom financial reporting in GBP is of limited relevance. Internally, the board also bases its performance evaluation and many investment decisions on USD financial information.

5. Critical accounting judgements and key sources of estimation uncertainty (continued)

b. Key sources of estimation uncertainty (continued)

- ***Capitalised development costs***

Any internally generated intangible asset arising from the Group's development projects are recognised only once all the conditions set out in the accounting policy Internally Generated Intangible Assets (refer to Note 3.h) are met. The amortisation period of capitalised development costs is determined by reference to the expected flow of revenues from the product based on historical experience. Furthermore, the Group reviews, at the end of each financial year, the capitalised development costs for each product for indications of any loss of value compared to net book value at that time. This review is based on expected future contribution less the total expected costs.
The Group capitalises spend on development of new software and the delivery of innovative software. Management exercises judgement in establishing both the technical feasibility of completing an intangible asset which can be sold, and the degree of certainty that a market exists for the asset, or its output, based on feedback from existing and potential customers, for the generation of future economic benefits. In addition, amortisation rates are based on estimates of the useful economic lives and residual values of the assets involved.

- ***Impairment of goodwill and intangibles***

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating unit. This includes the directors' best estimate on the likelihood of current deals in negotiation not yet concluded. Consequently, the outcome of negotiations may vary materially from management expectation. See Note 14 for more details.

6. Revenue from contracts with customers

Year to 31 March 2021	Professional Services	Transactions	Licenses	Support & Maintenance	Total
	$000	$000	$000	$000	$000
Mexico	4.239	-	2.032	1.713	7.984
Europe	827	-	556	228	1.611
Other Americas	393	-	977	-	1.370
Asia	147	-	-	22	169
	5.606	-	3.565	1.963	11.134
Revenue recognised over a period	5.243	-	3.450	1.916	10.609
Revenue recognised at a point in time	363	-	115	47	525
	5.606	-	3.565	1.963	11.134

Year to 31 March 2020	Professional Services	Transactions	Licenses	Support & Maintenance	Total
	$000	$000	$000	$000	$000
Mexico	5.642	-	2.945	1.101	9.688
Europe	627	193	10	109	939
Other Americas	1.046	-	569	-	1.615
Asia	668	-	247	-	915
	7.983	193	3.771	1.210	13.157
Revenue recognised over a period	7.923	-	-	1.210	9.133
Revenue recognised at a point in time	60	193	3.771	-	4.024
	7.983	193	3.771	1.210	13.157

Licenses revenue are including both contract licenses and SaaS revenue.

Contract balances

The following table provides information about contract assets (included as accrued income) and contract liabilities (included as deferred income) from contracts with customers:

	31 March 2021	31 March 2020
	$000	$000
Contract assets (accrued income)	1.561	3.478
Contract liabilities (deferred income)	973	1.785
	2.534	5.263

6. Revenue from contracts with customers (continued)

The movement in the contract assets and liabilities during the year is set out below:

	Contract assets	
	31 March 2021	**31 March 2020**
	$'000	**$'000**
At 1 April	3.478	1.891
Transfers in the period from contract assets to trade receivables	(3.478)	(1.891)
Excess of revenue recognised over cash (or rights to cash) recognised during the period	1.561	3.478
At 31 March	1.561	3.478

	Contract liabilities	
	31 March 2021	**31 March 2020**
	$'000	**$'000**
At 1 April	1.785	1.019
Amounts included in contract liabilities recognised as revenue in the period	(1.785)	(1.019)
Cash received in advance of performance and not recognised as revenue during the period	973	1.785
At 31 March	973	1.785

Contract assets ('accrued income') and contract liabilities ('deferred income') are included within 'Trade and other receivables' and 'deferred income' respectively on the face of the Statement of Financial Position. They arise from the Group's revenue contracts, where work has been performed in advance of invoicing customers, and where revenue is received in advance of work performed. Cumulatively, payments received from customers at each balance sheet date do not necessarily equate to the amount of revenue recognised on the contracts.

7. 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 Digital TV & Broadcast. The products and services provided by each of these divisions are described in the Strategic Report. The segment headed other relates to corporate overheads, assets and liabilities.

7. Segmental reporting (continued)

Reportable segments (continued)

Segmental results for the year ended 31 March 2021 are as follows:

March 2021

		Digital TV & Broadcast	Mobile	Other	Group
	£'000	**$000**	**$000**	**$000**	**$000**
Revenue		11.134	-	-	11.134
Segmental profit/(loss) (Adjusted EBITDA, see note 8)		2.439	-	(744)	1.695
Finance income		-	-	70	70
Finance expense		-	-	(222)	(222)
Depreciation		(378)	-	-	(378)
Amortisation		(3.909)	-	-	(3.909)
Foreign currency translation differences		(419)	-	-	(419)
Profit / (Loss) before taxation		**(2.267)**	**-**	**(896)**	**(3.163)**

$0.744 million (2020: $0.087 million) disclosed as "Other" comprises employment, legal, accounting and other central administrative costs incurred at a Mirada Plc level.

On July 2019 Mirada Connect Ltd, which represented the mobile segment, was sold to PaybyPhone Ltd, a subsidiary of the Volkswagen Group.

The segmental results for the year ended 31 March 2020 are as follows:

March 2020

	Digital TV & Broadcast	Mobile	Other	Group
	$000	**$000**	**$000**	**$000**
Revenue	12.963	194	-	13.157
Segmental profit/(loss) (Adjusted EBITDA, see note 8)	2.392	16	87	2.495
Gain on disposal of Mirada Connect	-	1.699	-	1.699
Finance income	-	-	65	65
Finance expense	-	-	(177)	(177)
Depreciation	(358)	(2)	-	(360)
Amortisation	(3.499)	-	-	(3.499)
Foreign currency translation differences	-	-	52	52
Profit / (Loss) before taxation	**(1.465)**	**1.713**	**27**	**275**

There is no material inter-segment revenue.

The Group has a major customer in the Digital TV and Broadcast segment that generates revenues amounting to 10% or more of total revenue that account for $7.9 million of $11.03m total revenue. This is approximately 72% of all revenue (2020: $9.5 million, out of $13.16m) of the total Group revenues.

7. Segmental reporting (continued)

Reportable segments (continued)

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

	Assets 2021 $000	Liabilities 2021 $000	Assets 2020 $000	Liabilities 2020 $000
Digital TV - Broadcast & Mobile	12.847	10.449	14.488	9.328
Other:				
Goodwill	5.435	-	5.098	-
Other financial assets & liabilities	350	286	490	196
Total other	5.785	286	5.588	196
Total Group assets and liabilities	**18.632**	**10.734**	**20.076**	**9.524**

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

On July 2019 Mirada Connect Ltd, which represented the mobile segment, was sold to PaybyPhone Ltd, a subsidiary of the Volkswagen Group.

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

7. Segmental reporting (continued)

Reportable segments (continued)

Geographical disclosures

	External revenue by location of customer		Total assets by location of assets	
	2021	**2020**	**2021**	**2020**
	$000			**$000**
Mexico	7.984	9.688	14	34
Europe	1.611	939	18.618	20.042
Other Americas	1.370	1.615	-	-
Asia	169	915	-	-
	11.134	**13.157**	**18.632**	**20.076**

Revenues by Products:

	Digital TV & Broadcast 2021	Mobile 2021	Digital TV & Broadcast 2020	Mobile 2020
	$000			**$000**
Professional Services	5.606	-	7.983	-
Transactions	-	-		193
Licenses	3.565	-	3.771	-
Support & Maintenance	1.963	-	1.210	-
	11.134	**-**	**12.964**	**193**

8. Expenses by nature

This has been arrived at after charging:

	2021	2020
	$000	**$000**
Depreciation of owned assets (notes 15 and 16)	378	360
Amortisation of intangible assets (note 14)	3.909	3.499
Operating lease charges	253	339

Total R&D expenditure capitalised as intangible assets amounts to $4.12m (2020: $4.35m).

The total lease expense not subject to IFRS 16 for short-term as well as low-value leases amounts to $0.253 (2020: $0.339) (refer to Note 15).

8. Expenses by nature (continued)

Analysis of auditors' remuneration is as follows:

	2021 $000	2020 $000
Fees payable to the company's auditor for the audit of the company's annual accounts	60	65
Audit of the account of subsidiaries	30	25

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

	2021 $000	2020 $000
Operating loss	(2.592)	(1.364)
Depreciation	378	360
Amortisation	3.909	3.499
Operating profit before interest, taxation, depreciation, amortisation, impairment (EBITDA)	1.695	2.495
Share-based payment charge	-	-
Adjusted EBITDA	1.695	2.495

9. Staff costs and employee information

	Group 2021 $000	Group 2020 $000
Staff costs (including directors) comprise:		
Wages and salaries	8.950	9.037
Social security costs	2.228	2.066
Other pension costs	41	41
Staff costs	11.219	11.144

Contained within staff costs are amounts capitalised as intangible assets totalling $4.124 million (2020: $4.354 million), with $7.095 million (2020: $6.790 million) charged to administrative expenses.

The Group operates a defined contribution pension scheme for certain employees. No directors are members of this scheme in both the current year and the previous year.

9. Staff costs and employee information (continued)

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

	2021	2020
By activity		
Office and management	11	12
Platform and development	150	152
Sales and marIeting	11	9
	172	173

The average number of persons, including executive directors, employed by the Company and the Group during the year was 9 (2020: 9) within the office and management team.

Directors and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the company listed on page 19, the Director of Business Development and the Sales Director.

	2021 $000	2020 $000
Salaries and fees	1.077	1.325
Social Security costs	72	67
Defined contribution pension cost	-	-
Other benefits	46	46
Amounts paid to third parties in respect of directors' services	-	-
	1.196	1.438

Directors remuneration

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

	2021 $000	2020 $000
Executive directors		
Aggregate emoluments	671	820
Non-Executive directors		
Aggregate emoluments	103	93
	774	913

9. Staff costs and employee information (continued)

The directors' remuneration is disclosed in the Nominations and Remuneration Report on page 18.

Emoluments payable to the highest paid director are as follows:

	2021 $000	2020 $000
Aggregate emoluments	258	319

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

10. Finance income

	2021 $000	2020 $000
Interest received on bank deposits	70	65
	70	65

11. Finance expense

Finance expenses exclude all fees directly incurred to facilitate borrowing. These include professional fees paid to bank arrangement fees and fees to secure required guarantees.

	2021 $000	2020 $000
Bank interest payable	131	122
Interest on loans from related parties	78	41
Interests on lease liabilities	13	14
	222	177

12. Taxation

	2021 $'000	2020 $'000
Analysis of tax credit for the year		
Current tax		
UK tax for the current financial year	-	(1)
Foreign tax on income for the year	(171)	(312)
Total current tax (credit)	(171)	(313)
Deferred tax		
Origination and reversal of temporary	-	-
Adjustment in respect of prior periods	-	-
Total deferred tax (credit)	-	-
Total tax (credit) for the year	(171)	(313)

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of tax of 19% (2020-19%). The differences are reconciled below:

	2021 $000	2020 $000
Profit/(loss) before taxation	(3.163)	275
Loss on ordinary activities multiplied by 19% (2020: 19%)	(601)	52
Effect of expenses not deductible for tax purposes	-	-
Losses carried forward/(utilised)	601	(52)
Witholding Taxes	186	112
Total current tax	186	112
Origination and reversal of temporary differences	-	-
Subtotal	186	112
Tax benefit from research and development expenditure	(466)	(486)
Total tax expense		
Foreign exchange	109	61
Total tax credit	(171)	(313)

Rate used by the Group to calculate income tax is based on UK tax latest rates.

12. Taxation (continued)

Deferred Taxation

Deferred taxation amounts not recognised are as follows:

	Group 2021 $000	Group 2020 $000
Losses	17.429	16.828
Research & Development Tax Credits, Useable against future profits	3.027	2.722
Balance at the end of the year	20.456	19.550

The gross value of tax losses carried forward at 31 March 2021 equals $79.3 million (2020: $78.6 million).

13. Earnings per share

	Year ended 31 March 2021 Total	Restated 31 March 2020 Total
(Earnings)/profit for year	$(2.992.569)	$588.607
Weighted average number of shares	8.908.435	8.908.435
Basic earnings per share	$(0,336)	$0,066
Diluted earnings per share	$(0,336)	$0,066

After the cancellation of share premium approved by the General Meeting on 10 September 2019, the Company has 41,483 (2020: 41,483) potentially dilutive ordinary shares arising from share options issued to staff. However, in 2021 and 2020 the (loss)/profit attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options would have the effect of reducing the earning per ordinary share and is therefore anti-dilutive.

14. Intangible assets

	Deferred development costs	Completed Technology	Total Intangible assets	Goodwill
	$000	$000	$000	$000
Cost				
At 1 April 2019	25.037	1.761	26.798	38.849
Additions	4.314	5	4.319	-
Disposal	-	-		(688)
Foreign exchange	(369)	(69)	(438)	(1.690)
At 31 March 2020	28.982	1.697	30.679	36.471
At 1 April 2020	28.982	1.697	30.679	36.471
Additions	4.153	32	4.185	-
Disposal	-	-	-	-
Foreign exchange	2.001	160	2.161	3.681
At 31 March 2021	35.136	1.889	37.025	40.152
Accumulated amortisation and impairment				
At 1 April 2019	19.279	1.664	20.943	32.925
Provided during the year	3.455	44	3.499	-
Foreign exchange	(328)	(66)	(394)	(1.552)
At 31 March 2020	22.406	1.642	24.048	31.373
At 1 April 2020	22.406	1.642	24.048	31.373
Provided during the year	3.892	17	3.909	-
Foreign exchange	1.600	154	1.754	3.344
At 31 March 2021	27.898	1.813	29.711	34.717
Net book value				
At 31 March 2021	7.238	76	7.314	5.435
At 31 March 2020	6.576	55	6.631	5.098
At 31 March 2019	5.758	97	5.855	5.924

The key assumptions for the value in use calculations are those regarding the discount rate applied, and the forecast sales growth in a five-year budget period approved by management. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The cash flow forecast has been prepared with revenue being forecast per customer based on historical performance of the business.

14. Intangible assets (continued)

There is 1 CGUs that has been assessed for impairment, being Digital TV – Broadcast. The sales growth forecasts are based on current contracts and management's estimate of revenues relating to opportunities that are currently being pursued. CGUs defined is: "Digital TV – Broadcast" which refers to the provision of software for the Digital TV market. Major customers are Digital TV platforms, mostly Pay TV service providers and the Group provide the technology needed to facilitate the final user's interaction with the devices they provide. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast post-tax cash flows for the CGU is 10% (2020: 10%). A 2% increase/decrease to the discount rate does not result in an impairment. A 10% decrease in the five years cash flow and terminal value forecast for both CGUs does not result in an impairment. A perpetual rate of 2% (2020: 2%) has been used in the impairment assessment. Even without perpetual rate, no impairment is required. If WACC had increased to 87%, the CGU would have impaired.

During the current and last financial periods, no impairment has been recognised. The split of goodwill by CGU is as follows:

	Group 2021 $000	Group 2020 $000
Digital TV - Broadcast	5.435	5.098
	5.435	5.098

15. Right-of-use assets and lease liabilities

The breakdown of changes in right-of-use assets for the year ended as at 31 March 2021 is as follows:

	Short term leasehold improvements $000
Cost	
Balance at 1 April 2020	**731**
Additions	130
Foreign exchange	47
Balance at 31 March 2021	**908**
Amortisation	
Balance at 1 April 2020	**(249)**
Provided during the year	(305)
Foreign exchange	(11)
Balance at 31 March 2021	**(565)**
Balance at 31 March 2020	**482**
Balance at 31 March 2021	**343**

Of the total amount of rights-of-use assets at 31 March 2020, $0.188 m correspond to buildings and $0.156 m to vehicles (2020: $0.301 m and $0.181 m respectively).

15. Right-of-use assets and lease liabilities (continued)

Regarding to the lease contracts, the Group has a dispersed portfolio. The average duration of property lease contracts is 2 years, and 3 years for vehicles.

The right-of-use has been defined according to the duration of the contract in force for each asset.

The breakdown of changes in lease liabilities for the year ending at 31 March 2021 is as follows:

	$000
Balance at 31 March 2020	**488**
Additions	130
Payments of lease liabilities	(314)
Finance expense (Note 11)	13
Foreign exchange	32
Balance at 31 March 2021	**349**

The analysis of the contractual maturity date of the lease liabilities, including the current interest, is as follows:

			2021 $000			
	Currency	Interest Rate	Less than one year	1 to 3 years	More than 3 years	Total
Lease liabilities	EUR	3%	204	99	46	349
			204	99	46	349

			2020 $000			
	Currency	Interest Rate	Less than one year	1 to 3 years	More than 3 years	Total
Lease liabilities	EUR	2,96%	229	216	43	488
			229	216	43	488

15. Right-of-use assets and lease liabilities (continued)

The average incremental discount rates for the main countries affected by this standard, used for calculating the current value of the rights of use and lease liabilities recognised at the date of first-time application of IFRS 16 were as follows:

	Average rate	Average rate
	Between 1 and 3 years	**More than 3 years**
Spain	3%	3%

The Group has chosen to not recognise in the balance sheet the lease liabilities and the right-of-use asset corresponding to short term lease agreements and leases for low value assets. Those exceptions have been recorded entirely under the heading of operating leases. The total lease expense not subject to IFRS 16 for short-term as well as low-value leases amounts to $0.253 m (2020: $0.339 m).

16. Property, plant and equipment

	Office and computer equipment $000	Short term leasehold improvements $000	Total $000
Cost			
At 1 April 2019	1.187	136	1.323
Additions	126	-	126
Disposals	(30)	(9)	(39)
Foreign exchange	(36)	(6)	(42)
At 31 March 2020	1.247	121	1.368
At 1 April 2020	1.247	121	1.368
Additions	53	-	53
Disposals	-	-	-
Foreign exchange	56	-	56
At 31 March 2021	1.356	121	1.477
Depreciation			
At 1 April 2019	1.013	88	1.101
Provided during the year	67	44	111
Disposals	(24)	(6)	(30)
Foreign exchange	(35)	(7)	(42)
At 31 March 2020	1.021	119	1.140
At 1 April 2020	1.021	119	1.140
Provided during the year	73	-	73
Disposals	-	-	-
Foreign exchange	41	-	41
At 31 March 2021	1.135	119	1.254
Net book value			
At 31 March 2021	221	2	223
At 31 March 2020	226	2	228

17. Trade & other receivables

	Group 2021 $000	Group 2020 $000
Trade receivables	1.826	1.987
Other receivables	919	1.025
R&D tax credit	405	327
Contract assets	1.561	3.478
Prepayments	145	149
	4.856	6.966
Non current R&D tax credit	354	486
	354	486

As of 31 March 2021, the Group has a short-term receivable with the Spanish Tax Agency amounting to $0.405m (2020: $0.327m) regarding the FY20 deductions for technological innovation.

Furthermore, there is a long-term receivable of $0.354m (2020: $0.486m) related to the estimation of the deduction for technological innovation generated in FY21.

Trade receivables

Trade receivables net of allowances are held in the following currencies:

	2021 $000	2020 $000
Sterling	66	402
US Dollars	1.489	1.487
Euro	271	98
Total	1.826	1.987

The fair values of trade and other receivables are the same as book values as credit risk has been addressed as part of impairment provisioning and, due to the short terms nature of the amounts receivable, they are not subject to other ongoing fluctuations in market rates.

Before accepting any new customer, the Group uses a credit approval process to assess the potential customer's credit quality and defines credit limits by customer.

17. Trade & other receivables (continued)

Movement in allowance for doubtful debts:

	2021 $000	2020 $000
Balance at beginning of year	-	-
Utilised in year	-	-
Balance at the end of the year	-	-

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

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

18. Trade & other payables

The fair values of trade and other payables are the same as book values as due to the short terms nature of the amounts payable, they are not subject to other ongoing fluctuations in market rates.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 41 days (2020: 46 days).

	2021 $000	2020 $000
Trade payables	238	342
Other payables	1.219	880
Other taxation and social security taxes	392	536
Accruals	385	261
Contract liabilities	973	1.785
	3.207	3.804

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

	Group 2021 $000	Group 2020 $000
Up to 3 months	615	1.080
3 to 6 months	100	86
6 to 12 months	1.126	317
	1.841	1.483

19. Loans and borrowings

	2021 $000	2020 $000
Advances Drawn on invoice discounting facilities	1.204	1.081
Bank loans	178	1.502
Other Loans	392	237
Related parties loans	3	7
	1.777	2.827
The borrowings are repayable as follows:		
Up to 3 months	1.320	2.132
3 to 6 months	141	140
6 to 12 months	316	555
On demand or within one year	1.777	2.827

At 31 March 2021, the Group had $0.53 million in available credit lines not used (2020: $0.53 million) and $1,064 million in available invoice discounting facilities not used (2020: $1.064 million), with a 3% interest rate in average (2020: 3%).

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

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

On 4 June 2019, the Company announced that the subsidiary Mirada Iberia, S.A.U., had entered into a new revolving credit facility for up to €1.3 million (the "Facility"). The proceeds from the Facility are to be used alongside Mirada's existing debt financing facilities for general working capital purposes and capex of the Company, including the implementation of customer contracts announced and in prospect.

The total amount withdrawn at 31 March 2021 was €0.5 million (2020: €1.1 million)

Further, during the year, the Group had secured the following funding for the business:

- €1.6m of new loans obtained between April 2020 and June 2020 from banks with 80% of these loans guaranteed by the Spanish government under the COVID-19 relief scheme.
- An extension to the term of its €1.30 million credit facility has been granted by Leasa Spain, S.L.U. The term of the Facility has been extended by 12 months and now expires on 30 November 2022.

Directors estimate the fair value of the Group's borrowing to be consistent with its carrying value. There is no material difference between the value of the gross undiscounted cash flows and carrying amounts in the statement of financial position.

20. Non-current liabilities

	2021 $000	2020 $000
Interest bearing loans and borrowings:		
Bank loans	3.767	228
Other loans	1.048	967
Related parties loans	586	1.210
	5.401	2.405

20. Non-current liabilities (continued)

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

Capital risks have been analysed in the Director's report (page 9).

Net Debt

Net Debt is calculated based on short term loans, long terms loans and cash and cash equivalents:

	2021 $000	2020 $000
Loans and borrowings - Current	1.777	2.827
Loans and borrowings - Non Current	5.401	2.405
Cash	(107)	(185)
Net Debt	7.071	5.047

20. Non-current liabilities (continued)

Borrowings, including interest, are repayable as follows:

	2021 $000	2020 $000
Credit lines		
Between one and two years	1.725	-
	1.725	-
Bank loans		
On demand or within one year	237	661
Between one and two years	496	171
Between two and five years	1.439	87
More than 5 years	199	-
	2.371	919
Other loans		
On demand or within one year	393	1.103
Between one and two years	218	345
Between two and five years	764	470
More than 5 years	69	156
	1.444	2.074
Related parties loans		
On demand or within one year	35	7
Between one and two years	586	1.210
	621	1.217
Advances drawn on invoice discounting		
On demand or within one year	1.204	1.081
	1.204	1.081
Total borrowings		
On demand or within one year	1.869	2.851
Between one and two years	3.025	1.726
Between two and five years	2.203	557
More than 5 years	268	156
	7.365	5.290

21. Retirement benefit schemes

The Group operates defined contribution pension schemes. The pension charge for the period represents contributions payable by the Group to the schemes and amounted to $40,827 (2020: $40,769).

At 31 March 2021, contributions amounting to $9,690 (2020: $7,655) were payable and included in other payables.

22. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 19 and 20, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity and Note 23.

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Categories of financial instruments

	2021	2020
	$000	$000
Financial assets		
Amortised cost:		
- Trade and other receivables, excluding prepayments	4.711	6.490
- Cash and cash equivalents	107	185
	4.818	6.675
Financial liabilities		
Amortised cost:		
- Trade and other payables*	1.841	1.483
- Loans and borrowings due within one year	1.777	2.827
- Interest bearing loans and borrowings due after one year	5.401	2.405
	9.019	6.715

* Excluding other taxation, social security and contract liabilities.

Financial risk management objectives

The Group monitors and manages the risks relating to the financial instruments held. These risks are discussed in further detail below.

Market risk

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

Foreign currency risk management

The Group has undertaken certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The majority of cash at bank is held in Sterling and Euro accounts. There are also trade balances in these currencies. The Group is increasingly signing more sales contracts in US dollars and is currently investigating ways of reducing the risk on any potential future fluctuations in the US dollar exchange rate. Any foreign exchange gains or losses on trading activities are recognised in the consolidated income statement.

22. Financial instruments (continued)

The company is aware that the UK's decision to leave the European Union may affect the intercompany trading between the different subsidiaries. We will adapt our internal policies accordingly if required. In the short term, exchange rates are likely to increase the GBP denominated revenues, as the primary cash inflows for the Group are based in US dollars. Brexit has not been considered to be as a principal risk due to the non-EU focussed customer base.

The carrying amounts of the Group's material foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2021	2020	2021	2020
	$000	$000	$000	$000
US Dollar denominated assets and liabilities	-	-	1.490	1.487
Euro denominated assets and liabilities	10.090	8.813	4.839	6.649

Entities from United Kingdom have no balances denominated in Euro/USD.

Foreign currency sensitivity analysis

In fiscal years 2020 and 2021, the Company has used US Dollar as presentational currency. The following table details the Group's sensitivity to a 20% increase and decrease in USD against the Euro and to a 20% increase and decrease in USD against Sterling. The sensitivity analysis includes Euro and Sterling denominated monetary items and adjusts their translation at the period end for a 20% change in the Euro/USD rate and for a 20% change in the Sterling/USD rate at March 31, 2020 and March 31, 2021. A positive number below indicates an increase in profit and other equity where US Dollar strengthens against the relevant currency. For a weakening of US Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative. The sensitivities below are based on the exchange rates at the balance sheet used to convert the asset or liability to US Dollar.

	Profit and loss impact	
	2021	2020
	$000	$000
Euro	(1.313)	(541)
Sterling	(731)	(314)

Interest rate risk management

At 31 March 2021, the Group was exposed to interest rate risk as the interest payable on some of the Group's loans and borrowings are linked to Euribor. The Group's loans and borrowings where interest payable is linked to Euribor include bank loans and development loans totalling $51,157. The remaining bank loans totalling $3,539,919 pay fixed rates of interest.

Neither interest rate swaps contracts nor forward interest rate contracts are used to hedge any risks arising.

If interest rates changed by 1% (100 basis points) the profit and loss impact would not be material to the Group's results.

22. Financial instruments (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group faces exposure to credit risk on its trade receivables and cash equivalents. The Group has some exposure to credit risk from credit sales. It is the Group's policy to assess the credit risk of new customers before entering into contracts. Historically, as Mirada's customers are mainly broadcasters and medium/large telecommunication companies, bad debts across the Group have been low.

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

Please refer to Note 17 for further details on trade receivables, including analyses of bad debts, ageing and profile by currency.

The Group believes the credit risk on liquid funds, being cash and cash equivalents, to be limited because the counterparties are banks with high-credit ratings assigned by international credit-rating agencies. The table below shows the balance of counterparties at the reporting date in excess of 10% of the overall balance, together with the Standard and Poor's credit rating symbols.

	2021	2021	2020	2020
Counterparty	**% of overall cash & cash equivalents**	**Carrying amount**	**% of overall cash & cash equivalents**	**Carrying amount**
		$000		**$000**
Santander	4,4%	5	1,5%	3
La Caixa	0,7%	1	0,0%	-
BBVA	44,0%	47	51,5%	95
Barclays	17,9%	19	28,9%	53
Bankinter	1,6%	2	0,4%	1
Bankia	0,2%	0	6,6%	12
Sabadell	18,6%	20	3,3%	6
Banamex	9,8%	10	6,4%	12

Liquidity risk management

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As part of this monitoring the Group ensures that the financial liabilities due to be paid can be met by existing cash and cash equivalents, forecasted receipts from customers and borrowing facilities.

Tables showing the maturity profile of the Group's financial liabilities are included in Notes 18, 19 and 20.

23. Share capital

A breakdown of the authorised and issued share capital in place as at 31 March 2021 and 2020 is as follows:

	2021 Number	2021 $000	2020 Number	2020 $000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	8.908.435	12.015	8.908.435	12.015

On 28 November 2017, the Company announced it had entered into agreements for the provision to the Company of unsecured one-year loan facilities of up to an aggregate amount of $2.4 million. The facility had certain conditional subscription rights in respect of new ordinary shares of 1p each in the capital of the Company. The facility was provided by Kaptungs Limited, Kronck Business S.A. and Minles Corporation Inc. This facility was converted into share capital as announced on 29 August 2018, through the issue of 151,785,713 ordinary shares.

On 7 March 2018, the Company announced it had entered into a secured one-year loan facility for up to $4.2 million. This facility was provided by Kaptungs Limited. This facility was converted into capital as announced on 4 October 2018 through the issue of 300 million ordinary shares.

On 5 October 2018, the Company announced it had raised £3 million before expenses, by way of a subscription of 300 million new Ordinary Shares at 1p per share by a substantial shareholder of the Company, Kaptungs Limited.

Kaptungs Limited is an investment company which is beneficially owned by Mr. Ernesto Luis Tinajero Flores and has a total beneficial interest of 776,879,163 Ordinary Shares in Mirada, which represents 87.21 per cent of the voting rights in the Company.

24. Reserves

Share premium

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

On 21 January 2020, the Group announced the completion of the Share Premium account cancelation amounting to $16 millions (£10 millions). The Share Premium reduction was performed in order to create a new reserve against which the Group have performed credit its profit and loss account included as part of the heading “other reserves”.

As at 31 March 2019, the amount credited to the Company's balance sheet as paid up share capital was £8,908,435. Accordingly, the proportion of the Company's accumulated losses to the aggregate of its share capital, share premium and other reserves was approximately 65.7%. In accordance with EU Regulation 651/2014 the Company's overseas subsidiary, Mirada Iberia SAU, would currently be restricted from obtaining certain types of additional publicly funded research and development loans that are available in Spain from the Centre for the Development of Industrial Technology on advantageous commercial terms, unless the accumulated losses of the Company are less than 50% of the aggregate of its total share capital, share premium and other reserves. Therefore, by cancelling the Company's share premium account and crediting such amount to the Company's balance sheet Mirada Iberia SAU should then be able to improve its position to access such publicly funded loans, should it be required, as its accumulated losses will then be less than 50% of its share capital and other reserves.

The Share Premium Account cancellation has not affected the voting or dividend rights of shareholders and will not affect the number of Ordinary Shares in issue or the nominal value per Ordinary Share.

24. Reserves (continued)

Other Reserves - Foreign exchange reserve

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

Other Reserves- Merger reserve

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

25. Share based payments

Equity settled share option scheme

On 20 December 2013 the Company granted a total of 5,301,238 share options to certain employees and directors through approved and unapproved share option schemes. The exercise price for these options is £0.10. The exercise of these options is not subject to any performance criterion and they vest in three equal instalments on 1 January 2015, 1 February 2015 and 1 March 2016. If the options remain unexercised after a period of ten years from the date of grant the options expire. The options are forfeited if the employee leaves before the options vest.

The directors granted options under this scheme are as follows:

	No. of share options
José Gozalbo Sidro	938.728
José Luis Vázquez	631.464
Francis Coles	185.888

In prior periods the Company has granted share options to employees and directors through approved and unapproved share option schemes. The exercise of options for all options granted during the 12 months ended 31 March 2008 is subject to a performance criterion being satisfied. The exercise of options granted prior to 1 January 2007 is not subject to any performance criterion. If the options remain unexercised after a period of ten years from the date of grant, the options expire. The options are forfeited if the employee leaves before the options vest.

Equity settled share option scheme (continued)

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

Details of the share options outstanding during the period for options issued since 22 June 2007 are as follows:

25. Share based payments (continued)

Counterparty	2021 Number of share options	2021 Weighted average exercise price (£)	2020 Number of share options	2020 Weighted average exercise price (£)
Outstanding at the beginning of period	41.483	0,10	4.697.166	0,10
Lapsed during period	-	0,10	(548.850)	0,10
100-1 Share consolidation	-	-	41.483	-
Outstanding at the end of the period	41.483	0,10	41.483	0,10
Exercisable at the end of the period	41.483	0,10	41.483	0,10

The General Meeting held on 10 September 2019 approved a 100 to 1 share consolidation. The total outstanding share options at 31 March 2021 was 41,483 (41,483 at 31 March 2020). Therefore, as of 31 March 2021, the Company may issue up to 41,483 additional ordinary shares arising in connection with existing share options granted to staff, management and directors.

The options outstanding at 31 March 2021 and at 31 March 2020 had an exercise price of £0.10.

The options outstanding at 31 March 2021 had a weighted average remaining contractual life of 0.4 years (2020: 1.4 years).

For the year ended 31 March 2021, the Group has recognised a total expense of nil (2020: nil) related to equity-settled share-based payment transactions.

The estimated fair values for determining this charge were calculated using the Black-Scholes option pricing model. This produces a fair value for each grant of options made and the fair value is then charged over the vesting period, which is three years.

26. Operating lease arrangements

On 1 April 2019, the Group adopted IFRS 16 on Leases (refer to Note 3.a). The Group has chosen to not recognise in the balance sheet the lease liabilities and the right-of-use asset corresponding to short term lease agreements and leases for low value assets.

The total lease expense not subject to IFRS 16 for short-term as well as low-value leases amounts to $0.253 million.

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

	2021 $000	2020 $000
Within one year	129	157
In second to fifth years inclusive	64	94
	193	251

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

27. Notes supporting cash flow statement

Cash and cash equivalents comprise:

	2021 $000	2020 $000
Cash available on demand	107	185
Net cash increase/(decrease) in cash and cash equivalents	(78)	68
Cash and cash equivalents at beginning of year	185	117
Cash and cash equivalents at end of year	107	185

Cash and cash equivalents

Cash and cash equivalents are held in the following currencies:

	2021 $000	2020 $000
Sterling	19	53
Mexican Peso	11	12
Euro	77	120
Total	107	185

Reconciliation of liabilities from financing activities:

	2020 $000	Cash outflows	Cash inflows	Non-cash changes		2021 $000
				Other non-cash movement	Foreign exchange movement	
Bank loans	1.730	(703)	2.804	-	114	3.944
Other loans	1.204	(252)	409	-	80	1.440
Related party loans	1.217	(704)		(4)	80	589
Advances drawn on invoice discounting	1.081		52	-	71	1.204
Payment of principal on lease liabilities	(242)	(301)	-	-	-	(543)
Interests on lease liabilities	(14)	(13)	-	-	-	(27)
Total liabilities from financing activities	4.976	(1.973)	3.265	(4)	345	6.607

28. Related party transactions

At 31 March 2021, the amount owed by Mirada Iberia to Mirada Mexico equals €2,445.43. The operations volume for FY21 has been €276,189.50 as a supplier.

At 31 March 2021, the amount owed by Mirada Plc to Mirada Iberia equals €2,145,197.80. The operations volume for FY21 has been €201,868.91 as a supplier and €586,251.50 as a customer.

29. Events after the reporting date

On 4 June 2019 Mirada Plc's subsidiary, Mirada Iberia, S.A.U. ("Mirada Iberia"), obtained a revolving credit facility for up to €1.3 million from Leasa Spain, S.L.U. (the "Lender"). The Lender is owned by Mr. Ernesto Luis Tinajero Flores, who also owns 87.21% of the voting rights of Mirada

On 27 September 2021, the Company announced the Facility was increased up to €3.0 million and its Maturity Date was extended until 30 November 2022. In addition, the Facility has been novated from Mirada Iberia to Mirada Plc. All other terms of the Facility remain unchanged and are set out in the announcement of 4 June 2019.

For most of the year ended in March 2021, potential customers chose to postpone their decision-making processes until there was greater clarity around the future of the pandemic. New business activity across the industry – particularly in the first half – effectively ground to a halt.

Encouragingly, as we moved through the financial year ending in March 2022, we began to see growing indications of a gradual reversion to pre-pandemic levels of appetite for investment from both existing and prospective customers.

Mirada plc

Chief Executive Officer's Report for the year ended 31 March 2021

		2021	2020
Company number 03609752	**Note**	**$000**	**$000**
Investments	iv	11.602	10.430
Non-current assets		**11.602**	**10.430**
Trade and other receivables	v	331	437
Cash and cash equivalents		19	53
Current assets		**350**	**490**
Total assets		**11.952**	**10.920**
Trade and other payables	vi	(2.970)	(1.744)
Current liabilities		**(2.970)**	**(1.744)**
Net current liabilities		**(2.620)**	**(1.254)**
Total assets less current liabilities		**8.982**	**9.176**
Interest bearing loans and borrowings		(69)	-
Non current liabilities		**(69)**	**-**
Total liabilities		**(3.039)**	**(1.744)**
Net assets		**8.913**	**9.176**
Issued share capital and reserves attributable to equity holders of the company			
Share capital	ix	12.015	12.015
Share premium		-	-
Other reserves		1.805	848
Accumulated losses		(4.907)	(3.687)
Equity		**8.913**	**9.176**

As permitted by section 408 of the Companies Act 2006, the Parent company's statement of Comprehensive Income has not been included in these financial statements. The loss for the financial year for the parent company was $1,219,540 (2020 - profit of $1,120,787).

These financial statements were approved and authorised for issue on 28 September 2021.

Signed on behalf of the Board of Directors

José-Luis Vázquez
Chief Executive Officer

The notes on pages 76 to 82 form part of these financial statements.

Mirada plc
Company Statement of changes in equity
for the year ended 31 March 2021

	Share capital	Share premium	Foreign exchange reserves	Accumulated losses	Total
	$000	$000	$000	$000	$000
Balance at 1 April 2020	**12.015**	**-**	**848**	**(3.687)**	**9.176**
Profit for the year	-	-	-	(1.220)	(1.220)
Other comprehensive income					
Movement in foreign exchange reserve	-	-	957	-	957
Total comprehensive profit for the year	-	-	957	(1.220)	(263)
Balance at 31 March 2021	**12.015**	**-**	**1.805**	**(4.907)**	**8.913**

	Share capital	Share premium	Foreign exchange reserves	Accumulated losses	Total
	$000	$000	$000	$000	$000
Balance at 1 April 2019	**12.015**	**15.995**	**(1.630)**	**(17.897)**	**8.483**
Profit for the year	-	-	-	1.121	1.121
Other comprehensive income					
Movement in foreign exchange reserve	-	-	2.478	-	2.478
Total comprehensive profit for the year	-	-	2.478	1.121	3.598
Transactions with owners					
Share premium cancelation	-	(15.995)	-	13.089	(2.906)
Balance at 31 March 2020	**12.015**	**-**	**848**	**(3.687)**	**9.176**

The notes on pages 76 to 82 form part of these financial statements

Mirada plc
Notes to the Company Financial Statements (continued)
for the year ended 31 March 2021

i. General information and basis of preparation

Mirada plc is a company incorporated in the United Kingdom. The address of the registered office is 3rd Floor Chancery House, St Nicholas Way Sutton, Surrey SM1 1JB. 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.

The financial statements are presented in US Dollars which is the presentational currency of the Company.

ii. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

As disclosed in Note 4 from the consolidated financial statement, Directors have prepared a cash flow forecast covering a period extending beyond 12 months from the date of these financial statements. Different scenarios have been considered including worse possible cases. 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.

Basis of accounting

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Principal accounting policies for the company are consistent of those for the group company which are disclosed in Note 4 of the group accounts, page 33. Further polices considered in the company financial statements are listed below.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of certain disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Mirada plc. These financial statements do not include certain disclosures in respect of:

- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

ii. Summary of significant accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Right-of-use assets and Lease liabilities (policy applicable as from 1 April 2019)

At the start of a contract, the Company evaluates whether it contains a lease. A contract is or contains a lease if it grants the right to control the use of the asset identified for a period of time in exchange for a consideration. The length of time during which the Company uses an asset includes consecutive and non-consecutive periods of time. The Company only re-assesses the conditions when a contract is amended.

In contracts containing one or more components which are lease-related and non-lease related, the Company assigns the consideration set in the contract for each lease component according to the sales price of each individual lease-related component, and the aggregate individual price of the non-lease related components.

In contracts with one or more lease and non-lease components, the Company deems all components as one sole lease component.

The Company has also chosen to not recognise in the balance sheet the lease liabilities and the right-of-use asset corresponding to short term lease agreements (leases for one year or less) and leases for low value assets ($5 thousand or less). For this type of contracts, the Group recognises straight-line payments during the lease term.

Lessee accounting

At the commencement of the lease term, the Company recognises a right-of-use asset and lease liability. The right-of-use asset is composed of the amount of the lease liability, any payment for the lease made on or prior to the starting date, less any incentives received, the initial direct costs incurred and an estimate of the costs for decommissioning or restoration to be incurred, as indicated in the accounting policy provisions.

The Company measures the lease liability as the present value of the lease payments which are outstanding at the commencement date. The Company discounts lease payments at the appropriate incremental interest rate, unless the implicit interest rate of the lessor may be determined reliably.

The pending lease payments are comprised of fixed payments, less any incentive to be collected, the variable payments that depend on an index or rate, initially appraised by the index or rate applicable on the starting date, the amounts expected to be paid for residual value guarantees, the price of exercising the purchase option whose exercise is reasonably certain and any compensation payments for contract termination, providing the term of the lease reflects the termination option.

The Company measures the right-of-use assets at cost, less depreciation and accrued impairment losses, adjusted by any re-estimate of the lease liability.

If the contract transfers ownership of the asset to the Company at the end of the lease term or if the right-of-use asset includes the price of the purchase option, the depreciation criteria indicated in Note 4.j are applied from the lease commencement date until the end of the useful life of the asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date until the date of the useful life of the right or the end of the lease term, whichever is the earlier.

The Company applies the criteria for impairment of non-current assets set out in note 4.i to right-of-use assets.

The Company measures the lease liability increasing it by the interest accrued, decreasing it by the payments made and re-assessing the carrying amount due to any amendments to the lease or to reflect any reviews of the in-substance fixed lease payments.

The Company records any variable payments that were not included in the initial valuation of the liability in the Consolidated Income Statement for the period in which the events resulting in payment were produced.

The Company records any re-assessments of the liability as an adjustment to the right-of-use asset, until it is reduced to zero, and subsequently in the Consolidated Income Statement.

ii. Summary of significant accounting policies (continued)

Lessee accounting (continued)

The Company re-assesses the lease liability discounting the lease payments at an updated rate, if any change is made to the lease term or any change in the expectation of the purchase option is being exercised on the underlying asset.

The Company re-assesses the lease liability if there is any change in the amounts expected to be paid for a residual value guarantee or any change in the index or rate used for determining payments, including any change for reflecting changes in market rents once these have been reviewed.

The Company recognises an amendment to the lease as a separate lease if it increases the scope of the lease by adding one or more rights of use and the amount of consideration for the lease increases by an amount consistent with the individual price for the increased scope and any adjustment to the individual price to reflect the specific circumstances of the contract.

If the amendment does not result in a separate lease, on the amendment date the Company assigns the consideration to the amended contract as indicated above, it re-determines the term of the lease and re-estimates the value of the liability discounting the revised payments at the revised interest rate. The Company writes down the carrying amount of the right-of-use asset to reflect the partial or total end of the lease in any amendments that reduce the scope of the lease and it records the profit or loss in income. For all other amendments, the Company adjusts the carrying amount of the right-of-use asset.

Taxation

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

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

If the Group considers it is likely that the tax authority will accept an uncertain tax treatment, the Group will establish the taxable gain (loss), the tax bases, unused tax losses, unused tax credits or the tax rates consistent with the tax treatment used or intended to be used in its income tax returns.

If the Group considers it unlikely that the tax authority will accept an uncertain tax treatment, the Group will reflect the effect of the uncertainty to establish the taxable gain (loss), the tax bases, unused tax losses or credits or the corresponding tax rates. The Group will reflect the effect of the uncertainty for each uncertain tax treatment by using the most likely amount or the expected value of the probability weighted amounts.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

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

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

iii. Key judgements and estimates

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

a. Impairment of Investments in subsidiaries

Determining whether Investments in subsidiaries are impaired requires an estimation of the value in use of these subsidiaries. The value in use calculation requires the management to estimate the future cashflows expected from the cash generating unit and an appropriate discount rate in order to calculate the present value of the future cashflows. Management has evaluated the recoverable amount of those investments based on such estimates. The carrying amounts of these investments at the end of the reporting period are stated in Note (iv) of the Company financial statements.

iv. Investments

Company

	$000
Cost	
At 1 April 2020	18.230
Foreign exchange	4.517
At 31 March 2021	22.747
Amounts provided	
At 1 April 2020	7.800
Foreign exchange	3.345
At 31 March 2021	11.145
Net book value	
At 31 March 2021	11.602
At 31 March 2020	10.430

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

Name of company	Holding	% Voting rights	Country of incorporation	Registered address	Nature of business
Digital Interactive Television Group Limited	Ordinary shares	100%	UK	68 Lombard Street London EC3V 9LJ	Dissolved on 27th April 2021
Digital Impact (UK) Limited*	Ordinary shares	100%	UK	68 Lombard Street London EC3V 9LJ	Dissolved on 27th April 2021
Mirada Iberia, S.A.	Ordinary shares	100%	Spain	Avda. de las Águilas 2B 28044 Madrid	Interactive TV services
Mirada Mexico, S.A.*	Ordinary shares	100%	Mexico	Montes Urales 505-2º 11000 México DF	Interactive TV services

* Held indirectly in Mirada Iberia S.A.

v. Trade and other receivables

	2021 $000	2020 $000
Trade receivables	66	402
Amounts owed by group undertakings	237	-
Other receivables	2	9
Prepayments	26	26
	331	437

vi. Trade and other payables

	2021 $000	2020 $000
Trade payables	16	69
Amount owed to group undertakings	2.753	1.548
Other payables	10	5
Other taxation and social security taxes	28	14
Accruals	137	96
Contract liabilities	26	12
	2.970	1.744

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

	$000	$000
Up to 3 months	1.281	903
3 to 6 months	34	761
6 to 12 months	1.600	54
	2.915	1.718

vii. Operating lease arrangements

	2021 $000	2020 $000
Within one year	6	24
	6	24

viii. Share capital

A breakdown of the authorised and issued share capital in place as at 31 March 2021 and 2020 is as follows:

	2021 Number	2021 $000	2020 Number	2020 $000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	8.908.435	12.015	890.843.408	12.015

On 28 November 2017, the Company announced it had entered into agreements for the provision to the Company of unsecured one-year loan facilities of up to an aggregate amount of $2.4 million. The facility had certain conditional subscription rights in respect of new ordinary shares of 1p each in the capital of the Company. The facility was provided by Kaptungs Limited, Kronck Business S.A. and Minles Corporation Inc. This facility was converted into share capital as announced on 29 August 2018, through the issue of 151,785,713 ordinary shares.

On 7 March 2018, the Company announced it had entered into a secured one-year loan facility for up to $4.2 million. This facility was provided by Kaptungs Limited. This facility was converted into capital as announced on 4 October 2018 through the issue of 300 million ordinary shares.

On 5 October 2018, the Company announced it had raised £3 million before expenses, by way of a subscription of 300 million new Ordinary Shares at 1p per share by a substantial shareholder of the Company, Kaptungs Limited.

Kaptungs Limited is an investment company which is beneficially owned by Mr. Ernesto Luis Tinajero Flores and has a total beneficial interest of 776,879,163 Ordinary Shares in Mirada, which represents 87.21 per cent of the voting rights in the Company.

ix. Events after the reporting date

See Note 29 of the Group financial statements.

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