Amino Technologies plc

Registered number: 05083390

Annual Report

for the year ended 30 November 2012

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Amino Technologies plc
Chairman's report
For the year ended 30 November 2012

The Company's focus on profitable growth, cash generation and operational execution has delivered a good result this year. It is very pleasing to announce a proposed increased full year dividend of 3p for the year ended 30 November 2012.

At the start of the year, the Board made it clear that the Company's stronger, more focused product range – supported by exacting operational performance standards – would be the platform on which to build profitable growth.

The Company has delivered against this strategy, with encouraging results and significant early traction for new innovative products launched during the year. Important improvements have been made to operational performance, where lead times for product delivery have been reduced and cost reductions achieved. This has, in turn, fed through to margin growth. Cash generation has been particularly strong and the Company enters 2013 with a significantly improved cash position despite the rise in shareholder returns.

Relationships with key partners have been enhanced and in both established and emerging markets, the Company has secured a good mix of recurring, new and returning business across its product range. It was encouraging to see the positive reception to newer products continue, post period end, at CES, the major annual consumer technology show that took place in Las Vegas earlier this month. The clear acceptance seen from visitors at the show reconfirmed our view that the Company's strategy is closely aligned with customer requirements and market direction.

This performance is testimony to the new management team, which has provided a refreshed and rigorous impetus to the Company's financial and operational performance. It is also important to recognise the efforts of the wider Amino staff who have worked hard this year to deliver these good results. On behalf of the Board, I would like to thank them for their commitment.

Dividend
In line with guidance at the full year results for 2011, when the Company announced its maiden dividend, the Board now intends to introduce a progressive dividend policy. The Board is pleased to recommend a full year dividend of 3p (FY 2011: full year dividend of 2p) for the year ended 30 November 2012, a 50 per cent increase year on year, with an expectation to provide both an interim and full year dividend moving forward. Furthermore, the Board expects this dividend to grow by no less than 15 per cent per annum for each of the next two years.

Subject to shareholder approval at the annual general meeting to be held on March 27, 2013, the dividend will be payable on 15th April 2013, to shareholders on the register at 2 April 2013 with a corresponding ex-dividend date of 27 March 2013.

Outlook
Amino has performed strongly in 2012, and seen significant increases in both profit and cash flow, alongside material improvements in its operational execution. This has allowed the Company to sharply increase shareholder returns. Moving into 2013, the Company will continue to target growth which is both high margin and cash flow generative, leveraging off a simplified supply chain and more targeted product range. Whilst exercising a suitable degree of caution, the Company is well positioned to meet its expectations for the financial year ahead.

Keith Todd, CBE
Non-Executive Chairman

Chief Executive Officer's report

For the year ended 30 November 2012

At the end of my first full year as Chief Executive, I am pleased to report continued momentum in our three key areas of strategic focus. In what has been a turbulent year for the industry – with the effects of natural disasters in the prior year affecting key areas of the supply chain – it is gratifying to see that Amino has emerged as a more focused, lean and innovative business with an enhanced position in target markets.

Customers and markets:

The Company's markets are dynamic and exciting with operator and service provider requirements evolving rapidly to meet consumer demand for new kinds of entertainment experiences. What was leading edge 18 months ago – for example, in the provision of "over the top" (OTT) capability for the delivery of content over the open Internet – is now a standard feature requirement. The ability to provide multiscreen delivery of content around the home to the TV, mobile device or laptop is also shaping customers' service offerings and, in turn, product definition.

Amino's ability to innovate, particularly in OTT, has positioned the Company to capitalise on this changing landscape. Demand for products in the Company's key markets, such as North America and Western Europe, has been consistently good during the year. Repeat orders from long-term customers made a solid contribution to performance. The continued rollout of fibre-to-the-home in several addressable markets has opened up new opportunities as operators seek to capitalise on increasing bandwidth and its delivery capabilities for advanced pay TV and OTT services.

Performance in other regions has been more mixed with for example the continued consolidation in the Russian market impacting sales. However, in emerging markets such as Latin America, the Company is making good progress and continues to develop strong commercial relationships with a number of key service providers.

Encouragingly, new products launched during the year – such as the Live media gateway platform – are beginning to gain traction with a significant new contract to supply a tier one European operator announced in December 2012.

Focused "win back" campaigns have also yielded positive results – particularly in North America but also in other markets as well. The Amino "brand", with its hallmarks of software and hardware quality, innovation and reliability – and exceptionally low product return rates – is proving a key differentiator against competitors, including new market entrants. The availability of a lower specification device aligned to the demands of emerging markets has also been critical in securing significant contracts where service provision is highly cost-driven, particularly in Eastern Europe.

Products:

Amino has developed a clear and compelling portfolio, offering products that are aligned with a defined range of market price points. During the year, it was decided to focus all product development around the proven Aminet software stack which has been at the core of the Company's research and product development for over 10 years.

As well as the IPTV/OTT range, Aminet is now the key pay-TV component in the Live media gateway which was launched at IBC 2012. This cost-optimised product, which has already enjoyed early market traction with a European tier-one operator, aligns trusted Aminet pay-TV performance and the latest Intel® chipset alongside an Android-driven environment for the deployment of television-based applications and OTT services.

The Company continues to develop strong partnerships with its extensive ecosystem – particularly with Intel® - and has closely aligned its technology roadmap to ensure customers continue to benefit from market-leading products and solutions.

Operational performance:

Continuous improvement in operational performance has underpinned the Company's solid delivery against its margin improvement targets. Coupled with a focus on higher margin opportunities, the ability to consistently execute against internal lead time improvement targets and "cost down" initiatives - without compromising quality – has been a hallmark of the Company during 2012.

Strong working relationships with supply chain partners have been critical in mitigating the impact on hard disk drive (HDDs) supply caused by the natural disasters in Japan and Thailand in late 2011. The Company experienced

Chief Executive Officer's report

For the year ended 30 November 2012

minimal disruption and modest short-term price rises for HDDs settled down to normal industry levels with minimal impact on pricing and margin.

To further improve operational efficiency, the Company's technical research and development capabilities will now be focused in Cambridge with the Swedish office scheduled to close early in 2013. The Company expects to achieve productivity improvements from single site working.

Our priority:

The Company remains focused on its customers, product innovation and operational performance into 2013. Innovation is central to Amino's proposition and will continue to drive product development as the Company strives to develop and grow its addressable markets.

Donald McGarva
Chief Executive Officer

Amino Technologies plc
Chief Financial Officer's report
For the year ended 30 November 2012

Results for the year

The Company's continued focus on securing higher margin business and on delivering continual operational improvements has led to an increase in Gross profit by £3.0m to £17.5m, (2011: £14.5m).

After adjusting for the initial leading Tier 1 customer order of 50,000 units at nil margin recognised in 2011, revenue for the full year was £41.7m – or 6.1% lower than that achieved in 2011 (2011: £51.8m; Underlying 2011: £44.4m).

The underlying sales performance reflects strong sales generated during the period from customers in the Netherlands, where sales were £3.7m higher than in 2011. This strong performance was offset by lower underlying sales to our leading Tier 1 customer in Italy, which were £4.2m lower following the phasing of deliveries concentrated in 2011. Whilst, there is limited further demand for our premium product with this customer, there are ongoing discussions around the opportunity for the supply of a lower functionality product.

As identified at the end of 2011, unsettled conditions in the Russian market have continued. The structural issues identified at the end of 2011 remain unresolved and, as a consequence, this market has remained challenging. Sales in Russia were £2.0m lower than those achieved in 2011.

In Eastern Europe, however, the Company has seen some encouraging and positive progress, securing two contract wins during the period for the delivery of HD products in this region. These tenders were won as a result of the new lower cost, lower functionality product announced at the end of 2011, designed specifically to tackle highly competitive market dynamics in Eastern Europe and Latin America. As a result of this progress, the performance for the rest of the world was maintained and sales were in line with those achieved in 2011.

Reported gross margin increased by 14 percentage points from 28.0% in 2011 to 42.0% in 2012. Adjusting for the initial Italian order of 50,000 units at nil margin recognised in the prior year, gross margin has increased by 9.3 percentage points to 42.0% (H1 2011: 32.7%).

This margin improvement is due to a combination of:

- Increased migration to new IPTV product which provides better economies of scale, flexibility and more focused operational performance.
- Continued focus on supply chain including simplifying product design, focus on product cost reduction, eliminating or reducing manual processes which has led to a reduction in unit costs hence lifting the overall margin.
- Provision of £0.8m for legacy stock in 2011 which depressed the prior year margin by around 2%

The well-documented supply chain issues that affected the wider industry during 2011 have had minimal impact on Amino's performance and component costs have also remained under control. Customer lead times have been significantly reduced and improvements made to product packaging, further improving service levels and reducing costs.

Operating expenses before amortisation and depreciation have increased by £1.2m to £11.3m (2011: £10.1m) through compensation for loss of office, incentivisation of staff and a lower capitalisation rate of product development costs in 2012.

Shortly after the year end, the announcement to close the Swedish office was made. This will improve operational efficiency by locating research and development resource to a single site in Cambridge. This will result in closure costs of around £0.8m. Additional headcount will be required in Cambridge therefore this closure is not expected to generate significant cost savings.

Year-end headcount was 105 (2011: 118) and the average number of employees during the year totalled 114 (2011: 120).

EBITDA at £6.2m is £1.8m higher than the prior year (2011: £4.4m). The launch of new products during 2011 has resulted in a corresponding increase in amortisation of £0.8m during the year. In addition, in 2011, an impairment charge of £2.3m was incurred relating to the goodwill on the Swedish business acquired in 2009. The group returned to operating profit during the year, which at £2.8m is £3.4m better than the prior year (2011: loss of £0.6m).

Balance sheet

Total equity was £22.4m at the year-end (2011: £20.6m) which is equivalent to 43.1p per share (2011: 38.2p) of which £17.1m (2011: £14.1m), or 32.8p per share (2011: 26.2p per share), is represented by net cash balances.

Net current assets are £17.6m (2011: £14.6m), the principal components of which are net cash balances of £17.1m (2011: £14.1m), trade and other receivables of £7.9m (2011: £10.4m), stock of £2.1m (2011: £4.0m) and trade and other payables of £9.6m (2011: £14.0m).

- 71% of trade receivables at 30 November 2012 are insured (2011: 71%). Trade receivables over 60 days at 30 November 2012 but not provided for amounted to £0.1m (2011: £0.3m) demonstrating the Group's strong debtor management.
- The reduction in stock levels and trade and other payables at the year-end was largely due to year-end supply chain management.

The group's focus on profitable underlying revenue growth, tight cost control, and strong working capital management, has delivered further improvements in the Company's cash balance, which stood at £17.1m (2011: £14.1m). This £3.0m improvement is despite total cash outflows of £1.0m in respect of dividend payments in the first half of 2012.

At the balance sheet date, the Group had forward foreign exchange contracts to convert €1.25m into GBP at average exchange rates of €1.2371 and SEK 6.0m at SEK 10.7811 (2011: €2.0m at average conversion rate of €1.1385). £6.0m (2011: £3.1m) of net current assets is denominated in US dollars and £1.5m of assets (2011: £1.5m) in Euro.

At 30 November 2012, the Group has approximately £37m of unrecognised tax losses and other timing differences available to carry forward to set against future taxable profits. In addition, losses of £2.8m are recognised by the deferred tax asset of £0.6m. At the current taxation rates, the unrecognised deferred tax asset is £9.0m.

Equity

The issued share capital of the Group is 57.9m (2011: 57.9m) ordinary shares, of which 5.1% were held by the Employee Benefits Trust and 4.9% held in treasury by the company following the purchase of 2.8m shares during the prior year, leaving 52.2m shares held external to the group.

Julia Hornby
Chief Financial Officer

Amino Technologies plc
Corporate Governance report
For the year ended 30 November 2012

Introduction

The Listing Rules require that listed companies (but not companies traded on the Alternative Investment Market (AIM)) incorporated in the UK should state in their report and accounts whether they comply with the UK Corporate Governance Code (June 2010) ("the Code") and identify and give reasons for any area of non-compliance. The Company is listed on AIM and therefore no disclosure is required. However, a number of voluntary disclosures have been given.

The board supports the principles and aims of the Code and intends to ensure that the Group observes the provisions of the Code as it grows, as far as is practical. However, the board considers that at this stage in the Group's development the expense of full compliance with the Code is not appropriate.

Directors and board

The board comprises two executive and four non-executive directors. The board considers that three of the four non-executive directors are independent. Michael Bennett is not independent as he is a director of a company with a major shareholding in the Group. The roles of non-executive chairman, non-executive directors and chief executive are separate appointments and it is board policy that this will continue.

The non-executive directors bring their independent judgement to bear on issues of strategy, performance, appointments, resources and standards of conduct.

There is a formal schedule of matters specifically reserved for decision by the board, who meet on a monthly basis.

All directors have access to the advice and services of the Company Secretary and there is an agreed procedure for directors to take independent professional advice at the Group's expense if necessary.

Board committees

The board has established three committees; the Audit, Remuneration and Nomination Committees. They are composed solely of non-executive directors. Peter Murphy is the Chairman of all three committees.

Audit

The Audit Committee has terms of reference that set out its remit, authority and duties and its intention to meet at least three times a year with the external auditors.

Relations with shareholders

The Company's executive directors meet regularly with institutional shareholders, fund managers and analysts as part of an active investor relations programme to discuss long-term issues and obtain feedback. Private investors are encouraged to participate in the Annual General Meeting.

Internal financial control

The Group has established policies covering the key areas of internal financial control and the appropriate procedures, controls, authority levels and reporting requirements which must be applied throughout the Group.
The key procedures that have been established in respect of internal financial control are:

- internal control: the directors review the effectiveness of the Group's system of internal controls on a regular basis;

- financial reporting: there is in place a comprehensive system of financial reporting based on the annual budget approved by the board. The results for the Group are reported monthly along with an analysis of key variances, and year-end forecasts are updated on a regular basis; and

- investment appraisal: applications for significant expenditure of either a revenue or capital nature are made in a format which places emphasis on the commercial and strategic justification as well as the financial returns. All significant projects require specific board approval.

No system can provide absolute assurance against material mis-statement or loss but the Group's systems are designed to provide reasonable assurance as to the reliability of financial information, ensuring proper control over income and expenditure, assets and liabilities.

Going concern

After making enquiries and taking account of the Group's cash resources, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months and, for this reason, they continue to adopt the going concern basis in preparing the financial statements.

Introduction

As a company listed on AIM, Amino Technologies plc is not required to present a directors' remuneration report, however a number of voluntary disclosures have been made. The Company has complied with the disclosure requirements set out in the AIM Rules for Companies.

In framing its remuneration policy and the reporting of remuneration, the committee has given consideration to the UK Corporate Governance Code (June 2010).

Remuneration Committee

The Remuneration Committee, chaired by Peter Murphy and including Colin Smithers, Keith Todd and Michael Bennett, determines the Group's policy for executive remuneration and the individual remuneration packages for executive directors. In setting the Group's remuneration policy, the committee considers a number of factors including the following:

- salaries and benefits available to executive directors of comparable companies;
- the need to both attract and retain executives of appropriate calibre; and
- the continued commitment of executives to the Group's development through appropriate incentive schemes (including the award of shares and share options).

Remuneration of executive directors

Consistent with this policy, benefit packages awarded to executive directors comprise a mix of basic salary and performance-related remuneration that is designed as an incentive.

The remuneration packages comprise the following elements:

- base salary: the Remuneration Committee sets base salaries to reflect responsibilities and the skills, knowledge and experience of the individual;
- bonus scheme: the executive directors are eligible to receive a bonus dependent on both individual and Group performance as determined by the Remuneration Committee;
- equity: shares and share options; and
- car allowance, company contribution into a personal pension scheme, life assurance, private medical insurance and permanent health insurance.

The executive directors are engaged under separate contracts which require a notice period of six months given at any time by the Company or the individual.

Remuneration of non-executive directors

The fees and equity paid to the non-executive directors are determined by the board. The non-executive directors do not receive any other forms of benefits such as health cover or pension. The notice periods of the non-executive chairman and non-executive directors are three months.

Directors' detailed emoluments and compensation

(The remainder of the remuneration report is audited)

Year to 30 November 2012	Salary and fees	Bonus	Benefits	Compensation for loss of office	Sub-total	Pension contributions	Total
Keith Todd	63,750	-	-	-	63,750	-	63,750
Andrew Burke [4]	5,316	-	306	196,965	202,587	9,544	212,131
Julia Hornby [3]	151,150	107,000	574	-	258,724	14,270	272,994
Donald McGarva [2]	195,931	140,000	1,362	-	337,293	18,935	356,228
Colin Smithers	28,558	-	-	-	28,558	-	28,558
Peter Murphy	33,250	-	-	-	33,250	-	33,250
Michael Bennett	30,941	-	-	-	30,941	-	30,941
	508,896	247,000	2,242	196,965	955,103	42,749	997,852

Year to 30 November 2011	Salary and fees	Bonus	Benefits	Compensation for loss of office	Sub-total	Pension contributions	Total
Keith Todd	60,000	-	-	-	60,000	-	60,000
Andrew Burke [4]	190,250	1,000	1,138	-	192,388	18,025	210,413
Stuart Darling [1]	-	-	-	28,571	28,571	3,921	32,492
Julia Hornby [3]	119,004	1,000	966	-	120,970	8,500	129,470
Donald McGarva [2]	160,500	1,000	1,138	-	162,638	15,250	177,888
Colin Smithers	19,000	-	-	-	19,000	-	19,000
Peter Murphy	30,000	-	-	-	30,000	-	30,000
Michael Bennett	30,000	-	-	-	30,000	-	30,000
	608,754	3,000	3,242	28,571	643,567	45,696	689,263

(1) Stuart Darling resigned with effect from 8 February 2011
(2) Donald McGarva was appointed as a non-executive director on 1 April 2010. On 20 September 2010 Donald McGarva was appointed Chief Operations Officer and on 12 December 2011 he was appointed Chief Executive Officer.
(3) Julia Hornby was appointed Chief Financial Officer on 7 Feb 2011
(4) Andrew Burke resigned with effect from 12 December 2011.

Contributions were made to the personal pension schemes of 3 of the directors (2011: four), in accordance with their employment contracts.

Colin Smithers' fees are paid to Plextek Limited.

Michael Bennett's fees are paid to Azini Capital Partners LLP.

Directors and their interests in shares

The directors held the following interests in Amino Technologies plc:

	At 30 November 2012		At 30 November 2011	
	Ordinary shares of 1p each Number	Options over ordinary shares of 1p each Number	Ordinary shares of 1p each Number	Options over ordinary shares of 1p each Number
Keith Todd	161,559	150,000	157,824	150,000
Andrew Burke [(2)]	-	30,000	405,707	30,000
Julia Hornby	-	750,000	-	250,000
Donald McGarva	42,700	1,530,000	42,700	530,000
Peter Murphy	100,000	30,000	100,000	30,000
Colin Smithers [(1)]	40,000	79,959	40,000	79,959
Michael Bennett [(3)]	-	-	-	-

[(1)] held by The CIT Pension fund

[(2)] ordinary shares held in personal pension fund

[(3)] Michael Bennett holds an indirect interest in 7,888,916 ordinary shares owned by Azini 1 LP and held through Singer Nominees Limited. In addition, Michael Bennett is a member of Azini Capital Partners LLP, which holds 30,000 options.

Full details of the directors' options over ordinary shares of 1p each are detailed below:

Director	Grant Date	Exercise Price	At 30 November 2012 Number	At 30 November 2011 Number
Keith Todd	1 January 2007	£0.50	100,000	100,000
	1 January 2007	£1.25	50,000	50,000
			150,000	150,000
Andrew Burke	22 January 2007	£0.50	30,000	30,000
			30,000	30,000
Julia Hornby	6 Dec 10	£0.45 (b)	250,000	250,000
	29 Feb 12	£0.48 (c)	250,000	
	26 Sep 12	£0.54 (d)	250,000	
			750,000	250,000
Donald McGarva	29 July 2010	£0.40 (a)	500,000	500,000
	30 July 2010	£0.435	30,000	30,000
	29 Feb 2012	£0.48 (c)	500,000	
	26 Sep 2012	£0.54 (d)	500,000	
			1,530,000	530,000
Peter Murphy	24 January 2008	£0.49	30,000	30,000
			30,000	30,000
The CIT Pension fund (for Colin Smithers)	30 September 2003	£0.20	55,000	55,000
	1 February 2004	£0.32	14,959	14,959
	17 May 2004	£0.70	10,000	10,000
			79,959	79,959
Azini Capital Partners LLP	30 July 2010	£0.435	30,000	30,000
			30,000	30,000

Notes:

The vesting conditions of the above options subsisting at the balance sheet date, but not yet vested, are as follows:

(a) 50% vest when measured Total Shareholder Return (share price growth excluding adjustment for dividend payments) equals or exceeds 40% per annum in the period 29 July 2010 to 30 November 2013.
50% vest when measured Earnings per Share growth equals or exceeds 40% per annum in the period 1 December 2010 to 30 November 2013.

(b) 50% vest when measured Total Shareholder Return (share price growth excluding adjustment for dividend payments) equals or exceeds 40% per annum in the period 1 December 2010 to 30 November 2013.
50% vest when measured Earnings per Share growth equals or exceeds 40% per annum in the period 1 December 2010 to 30 November 2013.

(c) 50% vest if annual compound growth in the Total Shareholder Return, between 1 February 2012 and 28 February 2015, equals or exceeds 20%.
50% vest if the annual compound increase in Earnings per Share, between 1 December 2011 and 30 November 2014, equals or exceeds 20%.

(d) 50% vest if annual compound growth in the Total Shareholder Return, between 1st September 2012 and 31st August 2015, equals or exceeds 15% per annum.
50% vest if the annual compound increase in Earnings per Share, between 1 December 2012 and 30 November 2015, is equal to or exceeds 20%.

All other options excluding (a)-(d), as noted above, have vested in full and are exercisable until expiry, being 10 years from date of grant. All vested options held by current directors lapse six months after the date of resignation.

The market price of the Company's shares at the end of the financial year was 57.0p and ranged between 38.5p and 60.0p during the year.

Peter Murphy
Chairman, Remuneration Committee

The directors present their report and the audited financial statements for the year ended 30 November 2012.

Principal activities

Amino (www.aminocom.com) specialises in the development of IPTV/OTT software technologies and hardware platforms that enable the delivery of digital entertainment and interactivity over IP networks. The Company's set-top boxes combine high performance, innovative design and a world-leading price/performance ratio as acknowledged by industry analysts. With over 850 customers in 85 countries – and over four million devices sold – Amino's award-winning solutions are deployed by major network operators and service providers worldwide. Amino's speed-to-market, agility and leading-edge technology has secured important partnerships with global vendors, including Intel®, to deliver the rich entertainment experience consumers are demanding.

Business review and future developments

A review of the Group's performance during the financial year, research and development activities and future prospects, are contained in the Chairman's report, Chief Executive's report and Chief Financial Officer's report on pages 2 to 6.

Financial risk management

The Group is exposed to a number of risks which are detailed below. The Group has an on-going risk management programme with the objective of reducing the adverse effects on the results and financial performance of the Group. It is the responsibility of the board to ensure that these risks are reviewed and managed regularly.

- Counterparty credit risk:
  - Group cash reserves are held with counterparties whose credit rating is 'A' or better. The sole exception is in China where cash is held with local banks. At 30 November 2012 the balance of cash in China equated to £46,461 (2011: £52,647).
  - Forward contracts used for managing currency exposure are transacted with commercial banks in line with standard market practice and are not backed with cash collateral.
  - It is Group policy to insure its debtors. Where this cannot be achieved due to the territory or customer involved the Group may obtain an irrevocable letter of credit or ensure that the necessary terms are placed on the customer so that monies are prepaid in full or to an adequate level so that the maximum exposure is equal to the margin on the sale.

- Foreign exchange risk: A substantial proportion of goods purchased and sold are denominated in US dollars. The risk of exposure on the margin is kept to an acceptable level by buying or selling US dollars at prevailing rates, where deemed appropriate, to minimise any effect. The Group's foreign exchange exposure is regularly monitored.

- Liquidity and cash flow risk: The Group monitors regular cash forecasts to ensure that it has sufficient cash to meet operational needs. The Group has no borrowings and at the balance sheet date all cash reserves were instantly accessible.

Principal risks and uncertainties

The board and management of the business, and the execution of the Group's strategy, are subject to a number of risks. The key business risks affecting the Group are set out below:

- Market conditions: In the short to medium term the Group responds to competitive pricing pressure on its sales by maintaining a strong order backlog at agreed prices. At the balance sheet date this equated to 127,689 units (2011: 101,953). In the longer term the Group manages this risk by continually striving to reduce its cost base whilst enhancing the quality and functionality of its products.
- Supply chain: The Group sources its products principally from the US and China. The product includes various components which are only available on long lead times. The Group mitigates this risk through effective supplier selection and procurement practices supplemented by appropriate insurance coverage. By establishing long-term relationships with suppliers the Group seeks to mitigate the risk of fluctuating input prices.
- Recruitment: The Group's performance depends largely on its ability to recruit and retain key individuals with the right experience and skills. To ensure the Group retains the highest calibre of staff it has implemented a number of schemes linked to the Group's results that are designed to retain key individuals, including bonuses and share option schemes.
- Technology: The Group's revenue is dependent on delivering complex, viable technologies to specific markets. The Group ensures that cross-functional teams of senior employees work together and with customers to ensure the successful integration of its technologies.
- Amino IP infringement: The Group's IP may be at risk from unauthorised parties attempting to copy or obtain and use the technology. The Group continues to invest heavily in protecting its IP globally.
- Third party IP infringement: The Group's business and operations may be adversely affected by litigation arising from alleged IP infringement. The Group has implemented procedures to identify, assess, manage and report on any potential IP infringement.

Risks are formally reviewed by the board and appropriate processes are in place to monitor and mitigate them.

Key performance indicators ("KPIs")

The board monitors progress on the overall Group strategy and the individual strategic elements by reference to KPIs, specifically revenue growth, gross margin and working capital levels. These KPIs have been addressed in the Chairman's report on page 2, Chief Executive's report on page 3 and the Chief Financial Officer's report on page 5.

Proposed dividend

On 4 December 2012 the directors proposed payment of a dividend of £1,651,446 (2011: £1,042,692). This equates to £0.03 per share (2011: £0.02).

Research and development

£6,826,689 was spent on research and development in 2012 (2011: £6,751,923). Under IAS 38 "Intangible Assets" £2,081,506 of research and development expenditure was capitalised (2011: £2,636,745). The Group continues to invest in the development of its range of set-top box software and hardware platforms to further enhance its capabilities. A particular focus, across the entire product range, has been the development of enhanced OTT ("Over the Top") functionality, to enable the delivery of content from the open Internet "over the top" of traditional broadcast entertainment. In the opinion of the directors, these investments will maintain and generate significant revenues in future years.

Post balance sheet events

On 3rd December 2012 the Group announced the intention to close its Swedish office where a small development team has been based. Research and development is being focused on a single site in Cambridge to improve the cost effectiveness and productivity of the team. The closure costs comprising redundancies and lease costs estimated at £0.8m arising from this decision will be recognised in the 2013 financial statements. The research and activity will be continued by the Group.

Directors

The directors of Amino Technologies plc, who served during the whole of the year unless otherwise stated, were as follows:

Keith Todd	Non-executive Chairman
Andrew Burke	Chief Executive Officer
Julia Hornby	Chief Financial Officer and Company Secretary
Donald McGarva	Chief Executive Officer
Colin Smithers	Non-executive Director
Peter Murphy	Non-executive Director
Michael Bennett	Non-executive Director

Andrew Burke resigned as a Director, effective from 12 December 2011.
Donald McGarva was appointed Chief Executive Officer, effective from 12 December 2011.

The Company maintains director and officers' liability insurance.

Employment policies

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through both formal and informal meetings.

The employee share scheme has been running successfully since its inception on 8 June 2004 and is open to all employees.

The Group gives full and fair consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities meet the requirements of the job. In the event of any staff becoming disabled while with the Group every effort will be made to ensure that their employment by the Group continues and that appropriate adjustments are made to their work environment.

Policy and practice on payment of creditors

The Group does not follow any specific code on payment of creditors; creditors are paid in accordance with the terms of the contract agreed between the two parties. Trade creditors of the Group at 30 November 2012 were equivalent to 62 days purchases for the Group (2011: 80 days). The parent company did not have any creditors external to the Group at the balance sheet date (2011: nil).

Substantial shareholdings

As at 30 November 2012 the following shareholders had each notified the Company that they held an interest of 3%, or more, in the Company's ordinary share capital. The percentages below are calculated after excluding 2,844,857 shares held in Treasury from the 57,893,052 shares disclosed in note 21 as allotted, called and fully paid up.

	Number of ordinary shares	Percentage of issued share capital
Schroder Investment Management		
- Schroder	5,081,949	9.2%
- Mineworkers Pension Scheme	3,714,518	6.7%
- British Coal Staff Superannuation Scheme	3,673,875	6.7%
Azini 1 LP (1)	7,888,916	14.3%
Kestrel Partners	5,017,681	9.1%
BlackRock Inc	4,378,293	8.0%
Amino Communications Employee Benefits Trust	2,913,581	5.3%
Mr Ari Charles Zaphiriou-Zarifi	2,871,713	5.2%
Apollo Nominees Limited	2,711,997	4.9%
Henderson Global Investors	1,989,279	3.6%
Investec Wealth & Investment	1,851,980	3.4%
	42,093,782	76.5%

(1) Per the remuneration report Michael Bennett, a non-executive director of the Group, holds an indirect interest in 7,888,916 ordinary shares owned by Azini 1 LP and held through Singer Nominees Limited. In addition, Michael Bennett is a member of Azini Capital Partners LLP, which holds 30,000 options.

Charitable donations

The Group made charitable donations totalling £2,886 in the year (2011: £1,569).

Statement of directors' responsibilities

The directors are responsible for preparing the directors' 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 prepared the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs), and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the group and parent company for that period. In preparing these financial statements, the directors are required to:

Statement of directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRSs and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the group and parent company financial statements respectively;
- 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 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.

The directors confirm that:

- so far as each director is aware there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

By order of the board,

Julia Hornby
Company Secretary

Independent auditor's report to the members of Amino Technologies plc

We have audited the Group financial statements of Amino Technologies plc for the year ended 30 November 2012 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 17, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 30 November 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

Matters on which we are required to report by exception

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

- 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.

Other matter

We have reported separately on the parent company financial statements of Amino Technologies plc for the year ended 30 November 2012**.**

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
28 January 2013

Amino Technologies plc

Consolidated income statement

For the year ended 30 November 2012

	Notes	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Revenue	4	41,700	51,815
Cost of sales		(24,160)	(37,295)
Gross profit		17,540	14,520
Operating expenses		(14,709)	(15,146)
Operating profit / (loss)		2,831	(626)
Analysed as:			
Gross profit		17,540	14,520
Selling, general and administrative expenses		(6,603)	(6,125)
Research and development expenses		(4,746)	(4,042)
EBITDA		6,191	4,353
Depreciation	13	(235)	(379)
Amortisation	12	(3,125)	(2,321)
Impairment of intangible assets	12	-	(2,279)
Operating profit / (loss)		2,831	(626)
Finance expense	5	(1)	(8)
Finance income	5	55	15
Net finance income		54	7
Profit / (loss) before corporation tax	6	2,885	(619)
Corporation tax (charge) / credit	9	(43)	410
Profit / (loss) for the year attributable to equity holders		2,842	(209)
Basic earnings / (loss) per 1p ordinary share	10	5.45p	(0.39p)
Diluted earnings / (loss) per 1p ordinary share	10	5.40p	(0.39p)

All amounts relate to continuing activities. The accompanying notes are an integral part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 30 November 2012

	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Profit / (loss) for the year	2,842	(209)
Foreign exchange difference arising on consolidation	(45)	7
Other comprehensive (expense) / income	(45)	7
Total comprehensive income / (expense) for the financial year attributable to equity holders	2,797	(202)

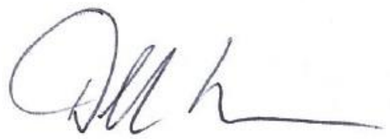
Amino Technologies plc

Consolidated balance sheet as at 30 November 2012

	Notes	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Assets			
Non-current assets			
Property, plant and equipment	13	579	672
Intangible assets	12	3,478	4,492
Deferred income tax assets	20	644	671
Trade and other receivables	15	162	168
		4,863	6,003
Current assets			
Inventories	14	2,097	4,016
Trade and other receivables	15	7,936	10,404
Derivative financial instruments	16	5	42
Cash and cash equivalents	17	17,103	14,124
		27,141	28,586
Total assets		32,004	34,589
Capital and reserves attributable to equity holders of the business			
Called-up share capital	21	579	579
Share premium		126	126
Capital redemption reserve		6	6
Foreign exchange reserves		542	587
Other reserves		16,389	16,389
Retained earnings		4,803	2,940
Total equity		22,445	20,627
Liabilities			
Current liabilities			
Trade and other payables	18	9,559	13,962
Total liabilities		9,559	13,962
Total equity and liabilities		32,004	34,589

Consolidated balance sheet as at 30 November 2012

The financial statements on pages 20 to 50 were authorised for issue by the board of directors on 28 January 2013 and were signed on its behalf by:



Donald McGarva
Director

Julia Hornby
Director

Registered number: 05083390

The accompanying notes are an integral part of these financial statements.

Amino Technologies plc

Consolidated statement of cash flows

for the year ended 30 November 2012

	Notes	Year to November 2012 £000s	Year to November 2011 £000s
Cash flows from operating activities			
Cash generated from operations	24	5,968	13,745
Corporation tax received		312	565
Net cash generated from operating activities		6,280	14,310
Cash flows from investing activities			
Purchases of intangible assets		(2,111)	(2,648)
Purchases of property, plant and equipment		(148)	(22)
Net interest received		54	7
Net cash used in investing activities		(2,205)	(2,663)
Cash flows from financing activities			
Proceeds from exercise of employee share options		8	85
Dividends paid		(1,043)	-
Purchase of own shares		-	(1,207)
Net cash used in financing activities		(1,035)	(1,122)
Net increase in cash and cash equivalents		3,040	10,525
Cash and cash equivalents at beginning of year		14,124	3,588
Effects of exchange rate fluctuations on cash held		(61)	11
Cash and cash equivalents at end of year	17	17,103	14,124

Amino Technologies plc

Consolidated statement of changes in shareholders' equity

for the year ended 30 November 2012

	Share capital £000s	Share premium £000s	Other reserves £000s	Foreign exchange reserve £000s	Capital redemption reserve £000s	Profit and loss £000s	Total £000s
Shareholders' equity at 30 November 2010	579	126	16,389	580	6	4,163	21,843
Loss for the year	-	-	-	-	-	(209)	(209)
Other comprehensive income	-	-	-	7	-	-	7
Total comprehensive expense for the period attributable to equity holders	-	-	-	7	-	(209)	(202)
Share option compensation charge	-	-	-	-	-	108	108
Exercise of employee share options	-	-	-	-	-	85	85
Purchase of own shares	-	-	-	-	-	(1,207)	(1,207)
Total transactions with owners	-	-	-	-	-	(1,014)	(1,014)
Total movement in shareholders' equity	-	-	-	7	-	(1,223)	(1,216)
Shareholders' equity at 30 November 2011	579	126	16,389	587	6	2,940	20,627
Profit for the year	-	-	-	-	-	2,842	2,842
Other comprehensive expense	-	-	-	(45)	-	-	(45)
Total comprehensive income for the period attributable to equity holders	-	-	-	(45)	-	2,842	2,797
Share option compensation charge	-	-	-	-	-	56	56
Exercise of employee share options	-	-	-	-	-	8	8
Dividends paid	-	-	-	-	-	(1,043)	(1,043)
Total transactions with owners	-	-	-	-	-	(979)	(979)
Total movement in shareholders' equity	-	-	-	(45)	-	1,863	1,818
Shareholders' equity at 30 November 2012	579	126	16,389	542	6	4,803	22,445

Notes to the consolidated financial statements

For the year ended 30 November 2012

1 General information

Amino Technologies plc ('the Company') and its subsidiaries (together 'the Group') specialise in IPTV software technologies and hardware platforms that enable delivery of digital programming and interactivity over IP networks. The Company's set-top boxes combine high performance, innovative design and a world-leading price/performance ratio as acknowledged by industry analysts.

With over 850 customers in 85 countries – and over four million devices sold – Amino's award-winning solutions are deployed by major network operators and service providers worldwide. Amino's speed-to-market, agility and leading-edge technology has secured important partnerships with global vendors, including Intel®, to deliver the rich entertainment experience consumers are demanding.

The Company is a public limited company which is listed on the Alternative Investment Market of the London Stock Exchange and is incorporated and domiciled in the United Kingdom. The address of its registered office is given on page 1.

2 Summary of significant accounting policies

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

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention basis except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair value through profit or loss, as discussed in the accounting policies below.

The Group has reported earnings before interest, tax, depreciation and amortisation (EBITDA) in the consolidated income statement. This subtotal is not required by IFRS but is considered to be consistent with the requirement to show information relevant to, and of assistance in, explaining financial performance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an acquired entity so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from that date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. For acquisitions before IFRS3 (revised) became effective costs directly attributable to the acquisition are also included. 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 excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Going concern

The Group had cash of £17.1m at the balance sheet date. Whilst current economic conditions create uncertainty the board believes it will be able to renew working capital facilities at a similar level to the extent this is considered necessary. The Group has achieved profitability, the order book remains strong and they note that significant opportunities remain within the market. The directors believe that the Group is well positioned to manage the going concern risk. The principal risks facing the business, as well as the controls in place to mitigate them, are set out in the directors' report on pages 14 to 18.

2 Summary of significant accounting policies (continued)

A working capital forecast has been presented to the board based upon sales forecasts and assumptions in relation to trading matters. Based upon this forecast the board are satisfied that the Group has adequate working capital for at least the next 12 months. The board considers it appropriate to continue to use the going concern basis of preparation for the Group's financial statements for the year ended 30 November 2012.

Adoption of new accounting standards
For the purposes of the preparation of these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 December 2011.

No new standards, amendments or interpretations to existing standards that have been published and that are mandatory for the Group's accounting periods beginning on or after 1 December 2012, or later periods, have been adopted early. The directors do not consider that the adoption of these standards and interpretations would have a material impact on the Group's financial statements.

Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the Amino Technologies plc chief operating decision maker for the use in strategic decision making and monitoring of performance. The group considers the chief operating decision maker to be the executive board.

Revenue recognition
Revenue represents the invoice value of goods sold and services provided in the period, the value of sales of licences, expert services, and support and maintenance, stated exclusive of value added tax.

- Income from the sale of products is recognised when goods are delivered in accordance with the terms and conditions of sale agreed with the customer.
- Licence revenues under non-cancellable licence agreements are recognised once the economic benefit of the licenced hardware and/or software has been transferred to the customer and no further material obligations remain outstanding.
- Expert services are invoiced in line with customer contracts and revenue is recognised on the basis of the stage of completion. The stage of completion is determined by reference to work performed.
- Income from support and maintenance is recognised over the period in which the service is provided.

Foreign currencies
(i) Functional and presentational currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operated ("the functional currency"). The consolidated financial statements are presented in sterling, which is the Group's functional and presentational currency.

(ii) Transactions and balances
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

(iii) Group companies
The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into sterling as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at the average exchange rate for the month where these approximate the exchange rate at the date of the transaction; and
- all resulting exchange differences are recognised within other comprehensive income and taken to the foreign exchange reserve.

2 Summary of significant accounting policies (continued)

Financial instruments
(i) Trade receivables
Trade receivables are recognised initially at fair value and subsequently held at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are first assessed individually for impairment, or collectively where the receivables are not individually significant. Where there is no objective evidence of impairment for an individual receivable, it is included in a group of receivables with similar credit risk characteristics and these are collectively assessed for impairment. Movements in the provision for doubtful debts are recorded in the income statement within selling, general and administrative expenses.

(ii) Trade payables
Trade payables are recognised initially at fair value and subsequently held at amortised cost. Trade payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative financial instruments and hedging activities
Derivatives are categorised as held for trading. Assets and liabilities in this category are classified as current assets or current liabilities.

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk. The Group only uses derivative contracts (i.e. forward foreign exchange currency purchases or sales) to hedge known foreign currency exposures and does not use derivative contracts for speculative purposes. Further details of derivative financial instruments are disclosed in note 16.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the income statement immediately. The Group's derivative contracts do not qualify for hedge accounting.

Property, plant and equipment
Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment in value. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected economic useful life. Depreciation is recognised within operating expenses within the consolidated income statement.

The principal annual rates used for this purpose are:

Computer software and equipment	33 1/3% per annum
Office and other equipment	25% per annum
Leasehold improvements	Period of lease

Intangible assets
(i) Research and development
All on-going research expenditure is expensed in the period in which it is incurred. When the board is sufficiently confident that all of the criteria for capitalisation are met, development costs are capitalised and amortised over the expected useful life, currently 24 months, of the respective product from the date where the board are satisfied that the development is complete; otherwise, development costs are expensed when incurred. The criteria for capitalisation of development costs are that a product is technically feasible, production and sale are intended, a market exists, expenditure can be measured reliably, and sufficient resources are available to complete the project. The extent of capitalisation is limited to that amount which, taken together with further related costs, will be recovered from the future economic benefits related to the asset

(ii) Software licences
Software licences are capitalised at cost as an intangible asset and amortised over their useful economic life on a straight line basis. For the assets held at the balance sheet date this is three years. Amortisation is recognised within operating expenses within the consolidated income statement.

2 Summary of significant accounting policies (continued)

Impairment of property, plant and equipment and intangible assets excluding goodwill
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered any impairment. If any such indication exists, the recoverable amount of the asset (being the higher of fair value less costs to sell and value in use) is estimated in order to determine the extent of any impairment. Any impairment loss is recognised as an expense in the income statement in the period in which it was identified.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is based on estimated selling price, in the ordinary course of business, less further costs expected to be incurred to completion and sale.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks. Highly liquid investments with original maturity dates of three months or less are considered to be cash equivalents.

Current and deferred tax
UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary 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 assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated at taxation 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 in other comprehensive income, in which case the deferred tax is also dealt with through the statement of comprehensive income.

Employee benefits

(i) Pension obligations
The Group operates a stakeholder pension scheme and contributes to a number of personal pension schemes on behalf of its employees. The Group provides no other post-retirement benefits to its employees. Pension costs are charged to the income statement in the period to which they relate.

(ii) Share-based compensation
The Group operates a number of equity-settled, share-based compensation plans. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of the Black-Scholes pricing model.

The Group has applied the exemption available under IFRS 2, to apply its provisions only to those options granted after 7 November 2002 which were outstanding at 1 December 2006.

In order to facilitate the exercise of share options the group maintains an Employee Benefit Trust (EBT). This is consolidated in accordance with IAS 27 and SIC 12. The costs of purchasing own shares held by the EBT are deducted from profit and loss reserves. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group's profit and loss account or statement of total recognised gains and losses. When shares are subsequently transferred to employees for less than their purchase price the difference is a realised loss recognised directly in reserves.

Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Notes to the consolidated financial statements

For the year ended 30 November 2012

2 Summary of significant accounting policies (continued)

Restructuring provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

Reserves
In addition to share capital and profit and loss reserves the Group maintains a capital redemption reserve and a foreign exchange reserve. Movements on the latter relate to foreign exchange movements on long-term intercompany balances eligible for treatment as net investment in a foreign operation in accordance with IAS 21. Other reserves resulted from the merger of Amino Technologies PLC and Amino Holdings Limited on 28 May 2004 prior to the Group's adoption of IFRS.

Critical accounting estimates and judgements
The preparation of financial information in conformity with IFRS requires the directors to make critical accounting estimates and judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses. An assessment of the impact of these estimates and judgements on the financial statements is set out below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information is available.

Fair values for employee share schemes
The establishment of fair values in respect of employee services received in exchange for share options require the exercise of judgement and estimation in respect of the life of the option, the expected dividend yield and, in particular, the expected volatility of the underlying shares. A calculated value for the latter may not accurately reflect the future share price movements given the Group's stage of development, whilst a value benchmarked against peers may not control for factors unique to either business.

Assessing whether development costs meet the criteria for capitalisation
The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgement of the point at which technical feasibility is demonstrable. Furthermore, the useful economic lives of capitalised development costs are based on management's knowledge of the life cycle of the Group's products and technology. The carrying value of development assets also depends on management's ability to demonstrate the future economic benefits they will deliver. This judgement requires assumptions about factors outside the business's control such as medium term economic conditions, technological developments and market changes.

Assessing the amount of deferred tax asset that has been recognised
The amount of the deferred tax asset included in the balance sheet of the Group is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. In estimating the amount of the deferred tax asset that may be recognised the directors make judgements, based on current budgets and forecasts, about the amount of future taxable profits and the timing of when these will be realised.

Assessing whether capitalised development costs have been impaired
The Group tests annually whether the capitalised development costs have been impaired by reference to expected future generation of cash from the relevant products incorporating the technologies developed. In estimating the cash the capitalised development costs may generate the directors make judgements, based on budgets and forecasts, about the amount of future profits from the relevant products that will be generated and the timing of when these will be realised.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's finance department under policies approved by the board of directors. These policies permit the use of financial instruments such as derivatives where appropriate but speculative transactions are not permitted.

Market Risk

(i) Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the euro. The Group is also exposed to currency risk in respect of assets and liabilities of its overseas subsidiaries.

The Group considers foreign exchange risk to be its principal risk and seeks to minimise its effects by using derivative financial instruments where appropriate. Such contracts are entered into to hedge against known foreign exchange exposures only and are not used for speculative purposes. The Group's derivative contracts do not qualify for hedge accounting and are valued (i.e. marked to market) at the balance sheet date and any resulting profits or losses are taken to the income statement.

The Group had the following current assets and liabilities denominated in currencies other than sterling:

Year ended 30 November 2012	**Dollars**	**Euros**	**SEK**
	$000s	**€000s**	**SEK000s**
Trade and other receivables denominated in foreign currency	9,758	962	-
Cash balances denominated in foreign currency	6,319	1,191	889
Trade and other payables denominated in foreign currency	(6,497)	(264)	(30)
Net current assets denominated in foreign currency	**9,580**	**1,889**	**859**
Outstanding forward contracts	-	(1,250)	(6,000)

Year ended 30 November 2011	**Dollars**	**Euros**	**SEK**
	$000s	**€000s**	**SEK000s**
Trade and other receivables denominated in foreign currency	9,038	2,726	-
Cash balances denominated in foreign currency	8,242	219	1,285
Trade and other payables denominated in foreign currency	(12,242)	(1,061)	(265)
Net current assets denominated in foreign currency	**5,038**	**1,884**	**1,020**
Outstanding forward contracts	-	(2,000)	-

At 30 November 2012, if sterling had weakened/strengthened by 5% against the US dollar with all other variables held constant, post-tax profit for the year would have been £0.1m/£0.1m (2011: £0.2m/£0.2m) higher/lower.
At 30 November 2012, if sterling had weakened/strengthened by 5% against the euro with all other variables held constant, post-tax profit for the year would not have been materially affected (2011: no material impact).

3 Financial risk management (continued)

(ii) Interest rate risk
The Group invests its funds in short and medium term bank deposits at a maximum of six months' notice. However, throughout the year-ended 30 November 2012 cash was held in investments repayable on demand. Cash at bank earns interest based on relevant LIBOR equivalents and during the year earned interest at an average rate of 0.35% (2011: 0.17%).

Credit risk
Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group spreads this risk by depositing cash across a number of banks. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

It is Group policy to insure its debtors. Where debtors are covered by insurance, the Group's exposure is limited to 10% of the value of the debt. Where insurance cannot be obtained due to the territory or customer involved, where possible, the necessary terms are placed on the customer so that monies are prepaid in full or to an adequate level so that maximum exposure is equal to the margin on the sale.

No credit limits were exceeded during the reporting period. Temporary increases in credit limits for specific contracts are subject to board review and approval.

The Group's credit risk is limited to the carrying value of financial assets recognised at the balance sheet date, summarised below:

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Financial asset carrying amounts		
Non-current assets		
- trade and other receivables	162	168
Current assets		
- trade and other receivables	7,076	8,286
- derivative financial assets held at fair value	5	42
- cash and cash equivalents	17,103	14,124
	24,346	22,620

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group has no external borrowings and therefore capital equates to the Group's total equity.

Notes to the consolidated financial statements

For the year ended 30 November 2012

3 Financial risk management (continued)

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Capital		
Total equity	22,445	20,627
Less cash and cash equivalents	17,103	14,124
	5,342	6,503
Overall financing		
Total equity	22,445	20,627
Plus borrowings	-	-
	22,445	20,627
Capital-to-overall financing ratio	1:4.2	1:3.2

The Group has indicated its commitment to a progressive dividend policy beginning a £0.02 per share for the year ended 30 November 2011 and rising to £0.03 per share for the year ended 30 November 2012. Dividend cover for the current year is 1.7 and cash dividend cover is over 10. In order to maintain or adjust the capital structure the Group may also return capital to shareholders or issue new shares.

None of the entities in the Group are subject to externally imposed capital requirements.

4 Segmental analysis

Management has determined that the Group has only one operating segment, being the development and sale of broadband network software and systems, including licensing and support services. All revenues, costs, assets and liabilities relate to this segment. The information provided to the Amino Technologies Plc chief operating decision maker is measured in a manner consistent with the measures within the financial statements. The Group considers the chief operating decision maker to be the executive board.

Amino Technologies plc is domiciled in the United Kingdom.

The geographical analysis of revenue from external customers generated by the identified operating segment is:

Geographical external customer revenue analysis	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
United Kingdom	526	963
Russia	1,460	3,518
The Netherlands	11,510	7,789
Italy	1,405	13,023
USA	15,563	14,950
Rest of the World	11,236	11,572
	41,700	51,815

For this disclosure revenue is determined by the location of the customer.

Notes to the consolidated financial statements

For the year ended 30 November 2012

4 Segmental analysis (continued)

The revenue from the provision of support and expert services is not considered significant and no separate analysis of this category of revenue has been provided.

Revenues totalling £1,405,501 are derived from a single external customer, located in Italy (2011: £13,023,373). Revenues totalling £15,003,916 are derived from two external customers, located in the USA (2011: £13,811,073). Revenues totalling £1,460,355 are derived from a single external customer, located in Russia (2011: £3,517,936). Revenues totalling £6,655,929 are derived from a single external customer, located in The Netherlands (2011: £4,331,761).

The location of non-current assets of the Group, other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising out of insurance contracts) is as follows:

Non-current assets by geographic area analysis	As at 30 November 2012 £000s	As at 30 November 2011 £000s
United Kingdom	4,178	5,224
Sweden	23	68
Rest of the World	18	39
	4,219	5,331

5 Finance income

	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Interest payable and similar costs	(1)	(8)
Interest receivable and similar income	55	15
	54	7

Notes to the consolidated financial statements

For the year ended 30 November 2012

6 Profit / (loss) before corporation tax

Profit / (loss) before corporation tax is stated after charging:

	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Depreciation of owned property, plant and equipment	235	379
Amortisation of intangible assets	3,125	2,321
Impairment charge	-	2,279
Loss on disposal of property, plant and equipment	6	69
Research and development expense prior to amortisation	4,746	4,042
Operating lease rentals		
- land and buildings	642	691
- plant and machinery	12	11
Auditor's remuneration:		
Audit services		
- fees payable to company auditor for the audit of the Company and consolidated financial statements	29	29
Other services		
- the auditing of the Company's subsidiaries pursuant to legislation	16	16
- other services	5	5
Movements in inventory provision	201	820
Realised loss on foreign exchange	(35)	562
Unrealised foreign exchange (gains)/losses on forward contracts	(37)	(66)

Notes to the consolidated financial statements

For the year ended 30 November 2012

7 Staff costs

The year end and average monthly number of employees (including executive directors) was:

	As at 30 November 2012 Year end Number	As at 30 November 2011 Year end Number	Year to 30 November 2012 Average Number	Year to 30 November 2011 Average Number
Selling, general and administration	31	38	37	38
Research and development	74	80	77	82
	105	118	114	120

	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Their aggregate remuneration comprised:		
Wages and salaries including termination benefits	7,238	6,598
Social security costs	936	1,036
Other pension costs (see note 27)	434	406
Expense of share-based payments	56	108
	8,664	8,148

8 Key management compensation

Details of aggregate key management emoluments for the year are as follows:

	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Salaries and other short term employee benefits	1,403	1,354
Termination benefits	225	29
Amounts paid to third parties for directors' services	96	49
Company contributions to personal pension schemes	66	68
Expense for share based payments	46	21
	1,836	1,521

The directors are of the opinion that the key management of the Group comprises the executive and non-executive directors of Amino Technologies plc along with the members of the executive team. These persons have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. At 30 November 2012, key management comprised 12 people (2011: 13).

Directors' emoluments are disclosed in the directors' remuneration report on pages 9 to 13.

9 Corporation tax credit

	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Corporation tax credit for the year	60	388
Foreign tax incurred	(4)	-
Adjustment in respect of prior years	(72)	22
Total current tax (charge) / credit	(16)	410
Deferred tax	(27)	-
Total tax (charge) / credit in income statement	(43)	410

The tax charge for the year differs from that calculated by applying the pro-rated standard rate of corporation tax in the UK 24 2/3 % (2011: 26 2/3%). The differences are explained below:

	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Profit / (Loss) on ordinary activities before corporation tax	2,885	(619)
At the standard rate of corporation tax in the UK	712	(165)
Effects of:		
Goodwill impairment not allowable for tax purposes	-	608
Amounts not allowable for tax purposes	104	79
Difference on tax treatment of share options	(1)	9
Enhanced deduction for research and development expenditure	(1,166)	(1,613)
Surrender of losses for research and development tax credit	75	440
Adjustment in respect of prior years	72	(22)
Difference between capital allowances and depreciation	(79)	18
Net losses utilised during the period	-	(19)
Unrelieved tax losses	299	254
Other temporary differences	(4)	1
Foreign tax incurred	4	-
Adjustment of deferred tax asset for changes in corporation tax rates	27	-
Tax charge / (credit)	43	(410)

Notes to the consolidated financial statements

For the year ended 30 November 2012

10 Earnings / (loss) per share

	Year to 30 November 2012	Year to 30 November 2011
Profit / (loss) attributable to ordinary shareholders	2,841,953	(208,850)
Profit attributable to ordinary shareholders excluding exceptional items	2,841,953	2,070,401
Weighted average number of shares (Basic)	52,131,082	53,955,749
Weighted average number of shares (Diluted)	52,583,136	54,363,806
Basic earnings / (loss) per share	5.45p	(0.39p)
Diluted earnings / (loss) per share	5.40p	(0.39p)
Basic earnings per share excluding exceptional items	5.45p	3.84p
Diluted earnings per share excluding exceptional items	5.40p	3.81p

The calculation of basic earnings per share is based on loss after taxation and the weighted average of ordinary shares of 1p each in issue during the period. The Company holds 2,844,857 of its own shares in treasury and these are excluded from the weighted average above. The basic weighted average number of shares also excludes 2,913,581 shares held by the EBT.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has only one category of dilutive potential ordinary shares; those share options where the exercise price is less than the average market price of the Company's ordinary shares during the year. There is no dilutive effect on unadjusted loss per share in respect of the year ended 30 November 2011 as the Group was loss making.

The profit attributable to ordinary shareholders excluding exceptional items disclosed for the year ended 30 November 2011 is derived by adding back the exceptional impairment of £2,279,251 disclosed on the face of the income statement.

11 Dividends

On 4 December 2012 the directors declared a dividend of £1,651,446 for the current financial year (2011: £1,042,692). This equates to £0.03 per share (2011: £0.02).

12 Intangible assets

	Goodwill £000s	Intellectual Property £000s	Software licences £000s	Development costs £000s	Total £000s
Cost					
At 1 December 2010	4,138	291	1,918	4,859	11,206
Additions	-	-	11	2,637	2,648
At 30 November 2011	4,138	291	1,929	7,496	13,854
Additions	-	-	30	2,081	2,111
At 30 November 2012	4,138	291	1,959	9,577	15,965
Amortisation and impairment					
At 1 December 2010	1,932	145	1,617	1,068	4,762
Charge for the year	-	73	187	2,061	2,321
Impairment	2,206	73	-	-	2,279
At 30 November 2011	4,138	291	1,804	3,129	9,362
Charge for the year	-	-	97	3,028	3,125
At 30 November 2012	4,138	291	1,901	6,157	12,487
Net book amount					
At 30 November 2012	**-**	**-**	**58**	**3,420**	**3,478**
At 30 November 2011	-	-	125	4,367	4,492

Development costs relate to a number of projects with varying start dates. All of these projects are being amortised evenly over their estimated life, usually two years, subject to impairment review.

Impairment tests for goodwill

Goodwill acquired in a business combination is allocated to the cash-generating units (CGUs) that are expected to benefit from that business combination.

In accordance with IAS 36, the Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. In 2011, these tests resulted in the identification of £2,206,544 of impairment for the goodwill recognised on acquisition of Amino Communications AB. This reduced the carrying amount of goodwill at 30 November 2011 to nil.

Historically the recoverable amount of the goodwill recognised on acquisition of Amino Communications AB was determined based on its contribution to the Aminet software stack and continued sales of legacy Mood products. However, continued investment in this software stack, combined with the transfer of Mood products to end of life status, highlighted the risk that these intangible assets may have become impaired during the current year. Because of these changes it was also necessary to re-assess the goodwill as a corporate asset as, with no further Mood sales forecast and the continued development of the Aminet stack, the smallest CGU to which the goodwill was attributable was the whole Group.

13 Property, plant and equipment

	Computer software and equipment £000s	Office and other equipment £000s	Leasehold improvements £000s	Total £000s
Cost				
At 1 December 2010	1,856	346	1,163	3,365
Foreign exchange adjustment	2	3	1	6
Additions	21	1	-	22
Disposals	(313)	(37)	(26)	(376)
At 30 November 2011	1,566	313	1,138	3,017
Foreign exchange adjustment	1	(1)	-	-
Additions	122	12	14	148
Disposals	(328)	-	(1)	(329)
At 30 November 2012	1,361	324	1,151	2,836
Depreciation				
At 1 December 2010	1,374	285	611	2,270
Foreign exchange adjustment	1	2	-	3
Charge for the year	283	27	69	379
Disposals	(244)	(37)	(26)	(307)
At 30 November 2011	1,414	277	654	2,345
Foreign exchange adjustment	-	-	-	-
Charge for the year	141	27	67	235
Disposals	(323)	-	-	(323)
At 30 November 2012	1,232	304	721	2,257
Net book amount				
At 30 November 2012	129	20	430	579
At 30 November 2011	152	36	484	672

14 Inventories

	As at 30 November 2012 £000s	**As at 30 November 2011 £000s**
Raw materials	1,821	2,274
Finished goods	276	1,742
	2,097	4,016

The following write-downs and obsolescence provisions were recognised in respect of inventories:

	2012 £000s	**2011 £000s**
Charged in the year	201	820
Provision at the year end	1,191	990

The cost of inventories recognised as an expense and included in cost of sales amounted to £19.3m (2011: £30.6m).

15 Trade and other receivables

	As at 30 November 2012 £000s	**As at 30 November 2011 £000s**
Current assets:		
Trade receivables	7,024	8,222
Less: provision for impairment of receivables	(187)	(60)
Trade receivables (net)	6,837	8,162
Other receivables	54	68
Corporation tax receivable	60	388
Prepayments	985	1,786
	7,936	10,404
Non current assets:		
Other receivables	162	168

Other receivables comprise rent deposits.

Notes to the consolidated financial statements

For the year ended 30 November 2012

15 Trade and other receivables (continued)

Credit quality of financial assets

Trade receivables that are less than three months past due are not considered impaired. The ageing analysis of trade receivables is as follows:

Trade receivables	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Under 90 days	6,889	7,834
Over 90 days and fully provided for	67	60
Over 90 days but not provided for	68	328
	7,024	8,222

Standard credit terms vary from customer to customer largely based on territory. At the year-end £0.2m of debts were past due (2011: £0.4m). Of this £0.1m (2011: £0.4m) was greater than 90 days past due and the remainder was less than 90 days overdue. As shown above, at 30 November 2012 and 30 November 2011 trade receivables more than 90 days old but not provided for amounted to £0.1m and £0.3m respectively. Of these amounts, £nil (2011: £0.3m) were covered by credit insurance. No further analysis has been provided here on the quality of these debts as they are not felt to pose a material threat to the Group's future results.

Movement on the Group provision for impairment of trade receivables are as follows:

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
At 1 December	60	73
Provision for receivables impaired	127	33
Receivables written off during year as uncollectible	-	(46)
At 30 November	187	60

16 Derivative financial instruments

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Fair value of open forward foreign exchange contracts held for trading – asset	5	42

These forward foreign exchange contracts do not meet the criteria under IAS 39 for hedge accounting and hence are classified as "held for trading". The Group's foreign exchange risk is explained in note 3 "Financial risk management".

The principal US dollar values of outstanding foreign exchange contracts that have not matured at the year-end were nil (2011: nil). The principal euro values of outstanding foreign exchange contracts that have not matured at the year-end were €1.25m (2011: €2.0m). The principal Swedish Kroner values of outstanding foreign exchange contracts that have not matured at the year-end were SEK 6m (2011: nil).

The weighted average contract rates for these forward foreign exchange contracts was €1.2371 (2011: €1.1385) and SEK 10.7811 (2011: nil).

Forward foreign exchange contracts have contractual maturities as summarised below:

	As at 30 November 2012		As at 30 November 2011	
	Less than 6 months	6 to 12 months	Less than 6 months	6 to 12 months
$000s contracts receivable	-	-	-	-
$000s contracts payable	-	-	-	-
€000s contracts receivable	-	-	-	-
€000s contracts payable	1,250	-	2,000	-
SEK 000s contracts receivable	6,000	-	-	-
SEK 000s contracts payable	-	-	-	-

17 Cash and cash equivalents

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Cash and cash equivalents	17,103	14,124

Included within cash is £240,026 (2011: £239,214) of funds restricted against duty payments to HM Revenue and Customs and royalty payments.

The Group's overall interest rate risk is explained in note 3 "Financial risk management".

18 Trade and other payables

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Trade payables	4,629	8,634
Social security and other taxes	205	214
Other payables	63	9
Accruals	4,468	4,871
Deferred income	194	234
	9,559	13,962

19 Financial assets and liabilities

Trade and other receivables, cash and cash equivalents, and trade and other payables are measured at amortised cost. All other financial assets and liabilities are stated at their fair value. The accounting policies applied are set out in note 2. The carrying amounts of financial assets and liabilities as at 30 November 2012 are categorised as follows:

Carrying value of financial assets and liabilities within the consolidated balance sheet:	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Financial assets		
Trade and other receivables due after one year	162	168
Trade and other receivables	7,076	8,286
Cash and cash equivalents	17,103	14,124
Loans and other receivables (at amortised cost)	24,341	22,578
Derivative financial instruments:		
Financial assets held for trading (valued at fair value through profit and loss)	5	42
Financial liabilities		
Trade and other payables		
Other liabilities (at amortised cost)	4,682	8,634

All financial liabilities at amortised cost based on contractual undiscounted payments are due for settlement within six months.

20 Deferred income tax

The Group had recognised deferred tax and had potential unrecognised deferred tax assets as follows:

	As at 30 November 2012		As at 30 November 2011	
	Amount recognised £000s	Amount unrecognised £000s	Amount recognised £000s	Amount unrecognised £000s
Tax effect of temporary differences because of:				
Differences between capital allowances and depreciation	-	425	-	553
Tax losses carried forward	555	8,392	622	9,000
Equity-settled share options	89	-	49	-
Other short term temporary differences	-	138	-	93
Deferred tax asset (see note 9)	644	8,955	671	9,646

Factors that may affect the future tax charge

The directors have recognised a deferred tax asset in respect of taxable losses based on their expectation of the Group generating taxable profits in the future, though not necessarily within the next 12 months. No deferred tax asset is recognised on a further £37m of other trading losses, temporary differences, or fixed asset timing differences.

21 Share capital

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Allotted, called up and fully paid		
57,893,052 (2011: 57,893,052) ordinary shares of 1p each	579	579

The Company holds 2,844,857 of its own shares in treasury.

22 Share based payments

On 8 June 2004, the Company established an Unapproved Scheme and Enterprise Management Incentive Scheme for employees and certain former employees of group companies, replacing those schemes operated by Amino Holdings Limited. The Company also operates individual share option schemes for certain non-executive directors.

Options granted under these schemes will mainly be satisfied out of ordinary shares of 1p each issued to an Employee Benefit Trust set up in February 2003. The Employee Benefit Trust was set up to encourage and facilitate the acquisition and holding of shares in the Company by and for the benefit of the employees and certain former employees of the Company and any other company within the Group.

The number of shares held by the Employee Benefit Trust is as follows: -	Year to 30 November 2012 Number	Year to 30 November 2011 Number
Shares held by the Employee Benefit Trust:		
At start of financial period	2,925,091	3,275,091
Issued to employees	(11,510)	(350,000)
At end of financial period	2,913,581	2,925,091

Options granted to current and former employees and non-executives and others were under the following schemes:

	As at 30 November 2012 Number	As at 30 November 2011 Number
Granted: -		
Unapproved Share Option Scheme	3,611,572	2,003,330
Enterprise Management Incentive Scheme	212,340	231,420
Individual share option schemes	961,561	991,561
	4,785,473	3,226,311

The number of options relating to current and former employees and non-executives over ordinary shares of 1p each, granted, lapsed or cancelled during the year was as follows:

22 Share based payments (continued)

Date granted	Exercise price	As at 1 December 2011 Number	Granted Number	Exercised Number	Lapsed Number	As at 30 November 2012 Number	Notes
September 2003	£0.20	548,650	-	(5,000)	-	543,650	
February 2004	£0.32	274,331	-	(4,080)	-	270,251	
February 2010	£0.38	180,664	-	(2,430)	(35,903)	142,331	(a)
July 2010	£0.40	500,000	-	-	-	500,000	(b)
July 2010	£0.44	60,000	-	-	-	60,000	
July 2011	£0.44	735,000	-	-	(73,425)	661,575	(d)
July 2011	£0.44	92,661	-	-	(6,666)	85,995	(a)
December 2011	£0.44	-	250,000	-	-	250,000	(c)
December 2010	£0.45	250,000	-	-	-	250,000	(e)
February 2012	£0.48	-	750,000	-	-	750,000	(f)
January 2008	£0.49	30,000	-	-	-	30,000	
January 2007	£0.50	130,000	-	-	-	130,000	
September 2012	£0.54	-	750,000	-	-	750,000	(g)
July 2008	£0.62	190,005	-	-	(13,334)	176,671	
October 2007	£0.62	135,000	-	-	(20,000)	115,000	
May 2004	£0.70	20,000	-	-	-	20,000	
March 2002	£0.77	30,000	-	-	(30,000)	-	
January 2007	£1.25	50,000	-	-	-	50,000	
		3,226,311	1,750,000	(11,510)	(179,328)	4,785,473	

Notes:

(a) The first 50% of the options vest on the first anniversary of grant and the remaining 50% vest over the following two year period in equal monthly amounts at the end of each successive month after the first anniversary of the date of grant provided that the option holder is an employee at the end of each relevant month.

(b) The vesting conditions of these options are as follows:
- 50% when Total Shareholder Return (share price growth excluding adjustment for dividend payments) equals or exceeds 40% per annum in the period 27 July 2010 to 30 November 2013.
- 50% when Earnings per Share growth equals or exceeds 40% per annum in the period 1 December 2010 to 30 November 2013.

(c) The vesting conditions of these options are as follows:
- 50% shall vest if annual compound growth in the Total Shareholder Return, between 1 December 2010 and 30 November 2013 equals or exceeds 40%.
- 50% shall vest if the Earnings per Share as at 30 November 2013 should equal or exceed 7.00p.

(d) The vesting conditions of these options are as follows:
- 50% when measured Total Shareholder Return (share price growth excluding adjustment for dividend payments) equals or exceeds 40% per annum in the period 01 December 2010 to 30 November 2013.
- 50% if measured Earnings per Share growth equals or exceeds 7.0p at 20 November 2013 as at 30 November 2013.

(e) The vesting conditions of these options are as follows:
- 50% when measured Total Shareholder Return (share price growth excluding adjustment for dividend payments) equals or exceeds 40% per annum in the period 01 December 2010 to 30 November 2013.
- 50% when measured Earnings per Share growth equals or exceeds 40% per annum in the period 1 December 2010 to 30 November 2013.

22 Share based payments (continued)

(f) The vesting conditions of these options are as follows:
- 50% shall vest if annual compound growth in the Total Shareholder Return, between 1 February 2012 and 28 February 2015, equals or exceeds 20%.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2011 and 30 November 2014.

(g) The vesting conditions of these options are as follows:
- 50% shall vest if annual compound growth in the Total Shareholder Return, between 1st September 2012 and 31st August 2015, equals or exceeds 15% per annum.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2012 and 30 November 2015, is equal to or exceeds 20%.

All other options excluding (a)-(g) as noted above have vested in full or lapsed.

For options exercised in year:
- The weighted average exercise price of options exercised was £0.28 (2011: £0.22).
- The share price at date of exercise was £0.51 (2011: £0.44).

For options granted in year:
- The weighted average fair value of options granted was £0.11 (2011: £0.14).
- The weighted average exercise price of options granted was £0.50 (2011: £0.44).

At 30 November 2012 there were 1,582,167 options that had vested and were exercisable with a weighted average exercise price of £0.40 (2011: 1,562,204 exercisable options with a weighted average exercise price of £0.52). The options outstanding at the end of the year have a weighted average contractual life of 3.5 years (2011: 3.6 years).

Equity-settled share option plans

Fair values were measured by use of the Black-Scholes pricing model. The inputs to the model were as follows:

Grant date	**September 2012**	**February 2012**	**December 2011**
Weighted average fair value share price at grant date £	£0.545	£0.535	£0.395
Weighted average exercise price £	£0.54	£0.48	£0.44
Expected volatility	40%	40%	40%
Expected option life	4 years	4 years	3 years
Risk-free interest rate	0.62%	0.62%	0.43%
Expected dividend yield	5%	5%	5%

Expected volatility is initially determined by calculating the historical volatility of the Group's share price over the previous three years. However, the calculated figure is also bench-marked against that disclosed by comparable AIM listed companies to ensure a representative figure. The expected life used in the model has been based on management's best estimate for the effects of exercise restrictions and behavioural considerations.

The risk-free rate was based on the gilt strip rate but this is not adjusted where the impact on the calculation would be trifling. On 10 February 2012 a maiden dividend of £0.02 per share was declared and consequently the expected dividend yield was uprated from the historic management estimate of 2% to an expected future yield of 5%.

During the year the Group recognised a total expense relating to employee share-based payments under the equity-settled share option plans of £56,048 (2011: £107,750).

23 Investment in own shares

Offset within the Group profit and loss reserve at 30 November 2012 is an amount of £1,193,863 (2011: £1,197,355) representing the cost of own shares held. These shares are held by the EBT as detailed in note 1 of the parent company accounts. A further £1,206,790 is offset within the Group profit and loss reserve at 30 November 2012 in relation to 2,844,857 of the Company's own shares repurchased in 2011 and held in treasury.

24 Cash generated from operations

	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Profit / (Loss) before corporation tax	2,885	(619)
Adjustments for:		
Amortisation charge	3,125	2,321
Depreciation charge	235	379
Impairment charge	-	2,279
Loss on disposal of property, plant and equipment	5	69
Share-based payment charge	56	108
Loss / (Gain) on derivative financial instruments	37	(66)
Finance income – net (see note 5)	(54)	(7)
Exchange differences	16	(9)
Decrease in inventories	1,919	7,946
Decrease in trade and other receivables	2,147	1,974
(Decrease) in trade and other payables	(4,403)	(630)
Cash generated from operations	5,968	13,745

25 Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Property 2012 £000s	Plant and machinery 2012 £000s	Property 2011 £000s	Plant and machinery 2011 £000s
Group				
No later than one year	42	1	8	5
Later than one year and no later than five years	354	5	526	25
Later than five years	2,296	-	2,647	-
	2,692	6	3,181	30

The Group leases offices under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases office equipment under non-cancellable operating lease agreements.

Notes to the consolidated financial statements

For the year ended 30 November 2012

26 Contingent liabilities

Amino's products incorporate third party technology, usually under licence. Inadvertent actions may expose the Group to the risk of infringing third party intellectual property rights. Potential claims can still be submitted many years after a product has been deployed. Any such claims are vigorously defended. At 30 November 2012 the Group are not aware of any such claims.

27 Pension commitments

The Group operates a defined contribution scheme for employees and also makes contributions to the private pension plans of a small number of employees.

The Group's pension charge for the year was £416,853 (2011: £406,207). A receivable of £6,994 is included within the taxation and social security creditor at 30 November 2012 (2011: a receivable of £13,722) in respect of the final month's contributions.

28 Financial commitments

At 30 November 2012 the Group, in accordance with the terms of a contractual agreement with a manufacturing partner, had a financial commitment totalling £2.5m (2011: £2.7m). The Group had £1.9m of other operating expenditure commitments (2011: £2.0m).

29 Capital commitments

No capital expenditure was committed to as at 30 November 2012 (2011: £nil).

30 Related party transactions

During the year the Group recorded an expense of £6,165 (2011: £142,242) for design and consultancy services from Plextek. The year-end creditor was £nil (2011: £8,259). Colin Smithers, a non-executive director, is a director and shareholder of Plextek. The above figures exclude his director's fees which are disclosed in the remuneration report. The Group also recorded an expense of £10,000 with Magic Lantern Productions Limited. The year-end creditor was £nil. Keith Todd, the Chairman, is a director of Magic Lantern. The figures stated above are stated exclusive of Value Added Tax.

31 Post balance sheet events

On 3rd December 2012 the Group announced the intention to close its Swedish office where a small development team has been based. Research and development is being focused on a single site in Cambridge to improve the cost effectiveness and productivity of the team. The closure costs comprising redundancies and lease costs estimated at £0.8m arising from this decision will be recognised in the 2013 financial statements. The research and activity will be continued by the Group.

Amino Technologies plc

Independent auditor's report to the members of Amino Technologies plc

We have audited the parent company financial statements of Amino Technologies plc for the year ended 30 November 2012 which comprise the parent company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 17, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the parent company's affairs as at 30 November 2012;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Other matter

We have reported separately on the group financial statements of Amino Technologies plc for the year ended 30 November 2012.

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
28 January 2013

Amino Technologies plc

Company balance sheet
As at 30 November 2012

	Notes	30 November 2012 £000s	30 November 2011 £000s
Fixed assets			
Investments	3	1,168	1,113
Current assets			
Debtors: amounts falling due after more than one year	4	16,528	17,538
Cash at bank and in hand		9	38
Net current assets		16,537	17,576
Creditors: amounts falling due after more than one year	5	(660)	(660)
Net assets		17,045	18,029
Capital and reserves			
Called-up share capital	6	579	579
Share premium		126	126
Capital redemption reserve		6	6
Profit and loss account		16,334	17,318
Total shareholder funds	8	17,045	18,029

The financial statements were authorised for issue by the board of directors on 28 January 2013 and were signed on its behalf by:

Donald McGarva
Director

Julia Hornby
Director

Registered number: 05083390

Notes to the parent company financial statements

for the year ended 30 November 2012

1 Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the significant accounting policies, which have been reviewed by the board of Directors in accordance with Financial Reporting Standard ("FRS") 18, "Accounting policies", and have been applied consistently, is set out below.

The financial statements are prepared in accordance with the historical cost convention.

Investments

Investments are stated at cost, less any provisions for impairment in value.

Employee share option schemes

The Company grants options over its equity instruments to the employees of Amino Communications Limited, Amino Communications LLC, Amino Communications AB and Amino Communications Technology Services (Shanghai) Limited. The carrying value of the investment in these subsidiaries is increased by an amount equal to the value of the share based payment charge attributable to the option holders in the respective subsidiaries.

An Employee Benefit Trust (EBT) is maintained in order to facilitate the exercise of these share options. This is aggregated into the parent company in accordance with UITF Abstract 38. The costs of purchasing own shares held by the EBT are deducted from profit and loss reserves. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Company's profit and loss account or statement of total recognised gains and losses. When shares are subsequently transferred to employees for less than their purchase price the difference is a realised loss recognised directly in reserves.

2 Loss for the year

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The parent company's loss after tax was £nil (2011: £414).

Directors' emoluments are disclosed in the Directors' remuneration report on pages 9 to 13. The Company had no employees in either year. The audit fee for the parent company was £3,000 (2011: £3,000). This expense was met by a trading subsidiary.

Notes to the parent company financial statements (continued)
for the year ended 30 November 2012

3 Fixed asset investments

	Year to 30 November 2012 £000s	Year to 30 November 2011 £000s
Cost as at 1 December	1,112	1,005
Capital contributions arising from FRS20 share-based payments charge	56	108
Cost as at 30 November	1,168	1,113

Interests in group undertakings

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of shares held by the Group
Amino Holdings Limited	England and Wales	Ordinary shares of 1p each	100%
Amino Communications Limited	England and Wales	Ordinary shares of £1 each	*100%
Amino Communications LLC	Delaware, USA	Ordinary shares of $1 each	*100%
Amino Communications Employee Benefit Trust	England and Wales	Ordinary shares of £1 each	*100%
AssetHouse Technology Limited	England and Wales	Ordinary shares of 0.005p each Preference shares of 0.005p each	100%
Amino Communications Technology Services (Shanghai) Co Limited	Republic of China	Ordinary shares of £1 each	*100%
Amino Communications AB	Sweden	Ordinary shares of SEK 100	*100%

*indirectly held

3 Fixed asset investments (continued)

All of the above subsidiaries are included within the consolidated financial statements of Amino Technologies plc for the years ended 30 November 2012 and 30 November 2011.

Amino Holdings Limited is a non-trading intermediate holding company.

The principal activity of Amino Communications Limited is to develop core software technologies and customer-premises' products for the IPTV market, and to partner with world-leading companies in content aggregation, middleware, conditional access, and head-end systems.

The principal activity of Amino Communications LLC is the distribution of products of Amino Communications Limited in North and South America.

The principal activity of Amino Communications Employee Benefit Trust is to enable a number of shares in the Company to be held by the trustees of the scheme for the benefit of the employees and former employees of the Company and its subsidiaries and their relations and dependents, to provide employees with the opportunity of acquiring shares in the Company and such other benefits (whether of a similar nature or not) as the trustees of the scheme might in their absolute discretion decide.

AssetHouse Technology Limited is dormant.

The principal activity of Amino Communications Technology Services (Shanghai) Company Limited is technical consulting, systems integration, software development services and after sales services.

The principal activity of Amino Communications AB is to develop core software technologies and hardware platforms for the IPTV market.

4 Debtors: amounts falling due after more than one year

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Amounts owed by Group undertakings	16,528	17,538

Amounts owed to the Company are unsecured and interest free.

5 Creditors: amounts due after more than one year

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Amounts owed to Group undertakings	660	660

Notes to the parent company financial statements (continued)

for the year ended 30 November 2012

6 Share capital

	As at 30 November 2012 £000s	As at 30 November 2011 £000s
Allotted, called up and fully paid		
57,893,052 (2011: 57,893,052) ordinary shares of 1p each	579	579

The company holds 2,844,857 of its own shares in treasury.

7 Share based payments

Information on share options which have been granted to directors and employees are given in note 22 to the consolidated financial statements.

8 Reconciliation of movements in shareholders' funds

	Share capital £000s	Share premium £000s	Capital redemption reserve £000s	Profit and loss £000s	Total £000s
At 30 November 2010	579	126	6	19,469	20,180
Purchase of own shares	-	-	-	(1,207)	(1,207)
Share option compensation charge	-	-	-	108	108
Movement on EBT reserves	-	-	-	(1,052)	(1,052)
At 30 November 2011	579	126	6	17,318	18,029
Loss for the year	-	-	-	-	-
Dividend	-	-	-	(1,043)	(1,043)
Share option compensation charge	-	-	-	56	56
Movement on EBT reserves	-	-	-	3	3
At 30 November 2012	579	126	6	16,334	17,045

9 Related party transactions

The company takes advantage of the exemption under FRS8 for transactions with wholly owned group companies. There were no other related party transactions during the year.

Directors	**Thomas Keith Todd CBE,** *Non-executive Chairman* **Donald McGarva,** *Chief Executive Officer* **Julia Hornby,** *Chief Financial Officer* **Peter Murphy**, *Non-executive Director* **Colin Richard Smithers**, *Non-executive Director* **Michael Bennett,** *Non-executive Director*
Registered Office	Prospect House Buckingway Business Park Anderson Road Swavesey Cambridge CB24 4UQ
Secretary	**Julia Hornby**
Nominated Adviser and Stockbroker	**finnCap Limited** 60 New Broad Street London EC2M 1JJ
Auditors	**Grant Thornton UK LLP** 101 Cambridge Science Park Milton Road Cambridge CB4 0FY
Solicitors to the Company	**Hewitsons** Shakespeare House 42 Newmarket Road Cambridge CB5 8EP
Registrars and Receiving Agents	**Capita Registrars** The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

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