

Amino Technologies plc

Registered number: 05083390

Annual Report

for the year ended 30 November 2013

Contents

Chairman's report	2
Chief Executive Officer's report	3
Chief Financial Officer's report	5
Corporate governance report	7
Directors' remuneration report	9
Strategic report	14
Directors' report	18
Independent auditors' report - Group	21
Consolidated income statement for the year ended 30 November 2013	22
Consolidated statement of comprehensive income for the year ended 30 November 2013	24
Consolidated balance sheet as at 30 November 2013	25
Consolidated statement of cash flows for the year ended 30 November 2013	27
Consolidated statement of changes in shareholders' equity for the year ended 30 November 2013	28
Notes to the consolidated financial statements	29
Independent auditors' report – Company	56
Company balance sheet as at 30 November 2013	57
Notes to the parent company financial statements	58
Company information	62

Registered office:

Prospect House
Buckingway Business Park
Anderson Road
Swavesey
Cambridgeshire
CB24 4UQ

Amino Technologies plc

Chairman's report

For the year ended 30 November 2013

Amino has made good progress during 2013 in delivering growth in profits and cash, increasing value to its shareholders and meeting the diverse needs of its global customer base. Further improvements have been made to its product portfolio and operational performance in an industry which is adapting as consumers access entertainment content in new ways.

The Company has delivered solid like-for-like growth in operating profitability and net cash which, combined with the previously announced duties rebates, has led to record pre-tax profits and a record net cash position at the year end. This is a result of increased demand for Amino's lower specification products, the continued focus on gross margin performance, tight cost control and strong cash conversion.

After a robust first half of the financial year, revenue was adversely impacted in the second half due to a change in product mix and reduced levels of demand from a specific customer. More promisingly, the Company has further developed the Live advanced media centre during the year and concluded agreements with a new range of partners for the delivery of value added content as part of its offering.

The Company is moving into 2014 with a wider solutions-based offering. This offering is based on innovation around Amino's IP software and the global shift towards Internet Protocol as the means of delivering content and services around the home. Development of an enhanced product portfolio, to include home monitoring and control and an updated range of devices, is progressing well, with phased launches planned towards the end of the first half of the year.

This enhanced portfolio, which is anticipated to contribute to revenue from 2015, will increase Amino's addressable market and also enable differentiated offerings to its existing customer base. Underpinned by the Company's traditional market-leading software quality, operational agility, extensive global ecosystem and expert customer support, the Board believes that this improved offering will create a solid platform for future growth.

Dividend:

In line with existing dividend guidance, the Board is pleased to recommend a full year dividend of 3.45 pence per share (FY 2012: 3p per share), representing a 15% increase year-on-year. The Board also reiterates its expectation to grow this by no less than 15% for the year to November 2014.

Subject to shareholder approval at the annual general meeting to be held on 26 March 2014, the dividend will be payable on 16 April 2014, to shareholders on the register at 4 April 2014 with a corresponding ex-dividend date of 2 April 2014.

Outlook:

The Board expects to see solid progress in 2014. For the full year, the Board expects to deliver a financial performance in line with market expectations for both profitability and cash generation. It is anticipated that revenue will show a second half seasonal weighting in line with that seen in prior years. The investment in developing a broader-based solutions offering underpins the continued innovation and momentum within the business and is an important step in increasing Amino's addressable market. The Board is confident that these measures will have a positive effect on revenues from 2015.

Keith Todd, CBE
Non-Executive Chairman

Amino Technologies plc

Chief Executive Officer's report

For the year ended 30 November 2013

Current customers and markets:

Consumer viewing habits are changing rapidly. In response, operators are evolving their service offerings to deliver increasing levels of sophistication in customer experience, content availability and multiscreen capability. Anticipating this market trend, Amino has adapted its product suite to this move away from a "one size fits all" consumer offering towards a broader-based portfolio that also has the flexibility to target discrete regional market opportunities.

Emerging markets – such as Latin America and Eastern Europe – have been characterised by demand for lower specification, highly competitively priced devices. To meet this demand, in 2012 Amino launched a lower price point product pitched at key functionality and price points and it was reassuring to see a number of important contracts secured during the year in both regions. The opening up of new markets in Latin America is also encouraging, with the Company winning its first order in Argentina towards the end of 2013.

These lower specified, highly competitively priced devices will continue to be a key focus into 2014, with a view to possible upselling of more sophisticated devices in those emerging markets as they mature and develop.

Focused "win back" campaigns in the established North American market helped secure a number of new contracts, from small to medium-sized operators, where the rollout of fibre to the home in certain geographies has helped stimulate the market for IPTV services.

In Western Europe, in line with industry trends, demand slowed and the Company was particularly impacted by reduced levels of demand from a specific customer. Sales in the Russian market continued to be impacted by market consolidation.

More positively, the Company has secured an important foothold in the emerging "pure OTT" market. Here, content – often niche or targeted at specific ethnic groups – is delivered over the "open" Internet without the quality of experience and service requirements of a traditional IPTV deployment. A contract was successfully secured with Kartina TV for the delivery of Russian language content to viewers in a range of markets around the world. Likewise, this form of content delivery is also being used by operators to extend the "footprint" of their service offerings further extending this market opportunity.

Broadening Amino's addressable market

To meet changing demands in both emerging and mature markets, the Company is developing a more comprehensive solutions-based portfolio that will serve both existing customers and open up new and adjacent markets. This will enable customers to offer a wider range of revenue enhancing services in both the entertainment and wider connected home market.

Encouragingly, a key element of this portfolio – the Live advanced media centre – has already started to gain market traction ahead of wider commercial availability in the first quarter of 2014.

The broader offering will leverage the Company's deep expertise in Internet Protocol, which is now becoming the de facto global standard for home and wireless connectivity. An early indication of this is the addition of new pre-integrated "cloud-based" content layers to the Live advanced media platform, underlining the wider market move towards blended IPTV/OTT service offerings.

Operators can now launch the Live advanced Media Centre with over 360 "made for TV" apps through a partnership that Amino has secured with leading global browser company Opera. In North America, customers can also add a video-on-demand service from well-known US provider VuDu to their service, further enhancing their customer offering.

This combination of new OTT content and traditional broadcast content is closely aligned with developments within the Amino partner ecosystem. Here, considerable work has taken place to align product strategy with innovative developments in powerful new user interfaces, content security and the general industry-wide move towards ultra-high definition capabilities.

Further to this, a new home monitoring and control offering will be launched in the first half of the year in the United States. Complementary with the current product offering, existing Amino set-top boxes can be used to control and

Amino Technologies plc

Chief Executive Officer's report

For the year ended 30 November 2013

manage a portfolio of products including Wi-fi cameras, motion detectors and door sensors with alerts and live footage delivered to smartphones and tablets via a dedicated Amino app.

Underpinning this more extensive proposition will be an enhanced specialist support offering and software development tools to further embed Amino's offering within both new and existing customer bases.

Taken together, this enhanced portfolio, which is anticipated to contribute to revenue from 2015, will enable the Company to offer a wider range of products to both existing customers and adjacent markets, providing a more flexible and powerful basis on which to build compelling revenue-enhancing services around the connected home.

Operational performance:

Further steps were taken during the year to improve the Company's operational efficiency. The closure of the engineering facility in Sweden at the start of year was completed successfully and the focus of all software research and development into one site in Cambridge has further enhanced these efficiency gains.

The improvements in the time it takes to deliver product from factory to customer evidenced during the first part of the year have continued to accelerate with lead times now down to six weeks. A number of other "cost down" initiatives have been implemented, without sacrificing quality, where the Company continues to enjoy an industry-leading exceptionally low return rate for its products.

Selective recruitment has taken place into a number of key areas in software engineering and product management to enhance skills levels within the organisation. Senior appointments to the executive team have also been made during the year to strengthen product management and engineering leadership.

Our priority:

Amino is responding to changing market demands by continuing to innovate and deliver solutions that are closely aligned with its customers' needs. Broadening and deepening the Company's portfolio will lead to opportunities to deliver more services to existing customers and will open up opportunities in a wider addressable market.

Donald McGarva
Chief Executive Officer

Amino Technologies plc
Chief Financial Officer's report
For the year ended 30 November 2013

Results for the year

In line with previous guidance, revenue for the full year was £35.9m - 14% lower than that achieved in 2012 (2012: £41.7m), largely due to stronger demand for lower priced, lower specification products coupled with reduced levels of demand from a specific customer in Western Europe.

As noted at the half year, lower sales have been experienced in Western Europe, particularly in Holland and Italy:

- Dutch sales totalled £7.0m, £4.5m lower than 2012 (2012: £11.5m). This was largely due to one specific customer which took a significant end of product life order in 2012 and as a result is unlikely to require further product until 2015
- Italian sales of high specification product in 2012 totalled £1.4m. This customer has limited requirement for further products of this kind although it is anticipated that there may be a requirement for lower specification and lower priced product during 2015.

Difficulties in the Russian market that were first identified in 2011 have continued with a resulting reduction in revenue of £0.7m to £0.8m (2012: £1.5m). North American sales remain broadly in line with the prior year at £15.3m (2012: £16.0m).

Growth has continued in Eastern Europe and Latin America where the Company has won a number of tenders with its lower cost, lower functionality product designed specifically to tackle highly competitive market dynamics in these regions.

The Company's continued focus on securing higher margin business and delivering continual operational improvements has been the principal driver behind the increase in gross margin by 3.3 percentage points to 45.3% (2012: 42.0%). Such margin improvements have gone some way to mitigate the reduction in revenue with gross profits down 7% to £16.2m (2012: £17.5m).

Pre-exceptional operating expenses before amortisation and depreciation have decreased by £1.1m to £10.2m (2012: £11.3m). This is due to strong cost control together with more focus on new product development during 2013, resulting in an additional £0.8m in costs being capitalised during the year (2013: £2.9m; 2012: £2.1m).

Year-end headcount was 100 (2012: 105) and the average number of employees during the year totalled 103 (2012: 114)

EBITDA before exceptional items at £6.0m is broadly in line with the prior year (2012: £6.2m).

Amortisation and depreciation totalled £2.7m (2012: £3.4m). The launch of new products during 2011 resulted in higher amortisation during 2012, whereas 2013 has been a period of investment in new product development which resulted in the lower amortisation charge in the year.

Operating profit before exceptional items totalled £3.3m - a £0.5m improvement on the prior year (2012: £2.8m).

During the year, two exceptional items have been required. Firstly, a reorganisation cost of £0.8m which largely resulted from the closure of the Swedish research and development office, which was announced in December 2012, together with other reorganisation charges in the UK. This has improved operational efficiency by locating research and development resource to a single site in Cambridge.

Secondly, duties rebates totalling £1.7m were secured. During the period, the Company received confirmation of two rebates in respect of duties paid on previously recognised international product sales. These rebates followed claims and negotiations with the tax authorities which were successfully argued and confirmations were received during March and April 2013. There remains a slightly smaller final retrospective claim in respect of other duties paid by the Company, but at this time there can be no certainty over the timing or likelihood of such a rebate.

Balance sheet

Total equity was £24.9m at the year-end (2012: £22.4m) which is equivalent to 47.2p per share (2012: 43.1p) of which £19.5m (2012: £17.1m), or 37.0p per share (2012: 32.8p per share), is represented by net cash balances.

Amino Technologies plc
Chief Financial Officer's report
For the year ended 30 November 2013

Net current assets are £19.9m (2012: £17.6m), the principal components of which are net cash balances of £19.5m (2012: £17.1m), trade and other receivables of £5.2m (2012: £7.9m), stock of £2.5m (2012: £2.1m) and trade and other payables of £7.4m (2012: £9.6m).

- 84% of trade receivables at 30 November 2013 are insured (2012: 71%). Trade receivables over 60 days at 30 November 2013 but not provided for amounted to £0.0m (2012: £0.1m) demonstrating the Group's strong debtor management
- The reduction in trade and other payables at the year-end was largely due to lower sales volumes in the second half of the year.

The focus on growth in profits, tight cost control, and strong working capital management, has delivered further improvements in the Company's cash balance, which stood at £19.5m at year end (2012: £17.1m). This £2.4m improvement is despite total cash outflows of £2.1m in respect of dividend payments (2012: £1.0m).

At 30 November 2013, 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 £7.8m.

Equity

The issued share capital of the Group is 57.9m (2012: 57.9m) 1p ordinary shares, of which 1.9m (2012: 2.9m) are held by the Employee Benefits Trust and 2.8m are held in treasury by the Company, leaving 53.2m (2012: 54.2m) shares held external to the Group .

The Board is pleased to recommend a full year dividend of 3.45 pence per share, which constitutes a 15% increase year-on-year. In line with previous guidance, the Board expects the dividend for the year to November 2014 to grow by no less than 15%.

Subject to shareholder approval at the Company's AGM on 26 March 2014, the dividend will be payable on 16 April 2014 to shareholders on the register on 4 April 2014. The ex-dividend date is 2 April 2014.

Julia Hornby
Chief Financial Officer

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 revised 2012 UK Corporate Governance Code (“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.

Amino Technologies plc
Directors' remuneration report
For the year ended 30 November 2013

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 revised 2012 UK Corporate Governance Code.

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.

Amino Technologies plc
 Directors' remuneration report (continued)
 For the year ended 30 November 2013

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 2013						Total
	Salary and fees	Bonus	Benefits	Compensation for loss of office	Sub-total	Pension contributions	
Keith Todd	75,000	-	-	-	75,000	-	75,000
Julia Hornby	158,021	53,288	419	-	211,728	21,313	233,041
Donald McGarva	201,875	78,120	951	-	280,946	30,231	311,177
Colin Smithers	33,259	-	-	-	33,259	-	33,259
Peter Murphy ⁽²⁾	43,000	-	-	-	43,000	-	43,000
Michael Bennett	33,840	-	-	-	33,840	-	33,840
	<u>544,995</u>	<u>131,408</u>	<u>1,370</u>	<u>-</u>	<u>677,773</u>	<u>51,544</u>	<u>729,317</u>

	Year to 30 November 2012						Total
	Salary and fees	Bonus	Benefits	Compensation for loss of office	Sub-total	Pension contributions	
Keith Todd	63,750	-	-	-	63,750	-	63,750
Andrew Burke ⁽¹⁾	5,316	-	306	196,965	202,587	9,544	212,131
Julia Hornby	151,150	107,000	574	-	258,724	14,270	272,994
Donald McGarva	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
	<u>508,896</u>	<u>247,000</u>	<u>2,242</u>	<u>196,965</u>	<u>955,103</u>	<u>42,749</u>	<u>997,852</u>

⁽¹⁾ Andrew Burke resigned with effect from 12 December 2011.

⁽²⁾ In addition to the salary and fees disclosed above, Peter Murphy made a £15,750 share option gain during the year (2012: £nil).

Amino Technologies plc
 Directors' remuneration report (continued)
 For the year ended 30 November 2013

Contributions were made to the personal pension schemes of two of the directors (2012: three), 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 2013		At 30 November 2012	
	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	161,559	150,000
Andrew Burke ⁽²⁾	-	-	-	30,000
Julia Hornby	33,149	625,000	-	750,000
Donald McGarva	52,200	1,280,000	42,700	1,530,000
Peter Murphy	130,000	-	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:

Amino Technologies plc
 Directors' remuneration report (continued)
 For the year ended 30 November 2013

Director	Grant Date	Exercise Price	At 30 November 2013 Number	At 30 November 2012 Number
Keith Todd	1 January 2007	£0.50	100,000	100,000
	1 January 2007	£1.25	50,000	50,000
			<u>150,000</u>	<u>150,000</u>
Andrew Burke	22 January 2007	£0.50	-	30,000
			<u>-</u>	<u>30,000</u>
Julia Hornby	6 December 2010	£0.45 (b)	125,000	250,000
	29 February 2012	£0.48 (c)	250,000	250,000
	26 September 2012	£0.54 (d)	250,000	250,000
			<u>625,000</u>	<u>750,000</u>
Donald McGarva	29 July 2010	£0.40 (a)	250,000	500,000
	30 July 2010	£0.435	30,000	30,000
	29 February 2012	£0.48 (c)	500,000	500,000
	26 September 2012	£0.54 (d)	500,000	500,000
			<u>1,280,000</u>	<u>1,530,000</u>
Peter Murphy	24 January 2008	£0.49	-	30,000
			<u>-</u>	<u>30,000</u>
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
			<u>79,959</u>	<u>79,959</u>
Azini Capital Partners LLP	30 July 2010	£0.435	30,000	30,000
			<u>30,000</u>	<u>30,000</u>

Amino Technologies plc
Directors' remuneration report (continued)
For the year ended 30 November 2013

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 1 September 2012 and 31 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 15%.

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 89.75p and ranged between 57.0p and 106.5p during the year.

Peter Murphy
Chairman, Remuneration Committee

Amino Technologies plc

Strategic report

For the year ended 30 November 2013

The directors present their strategic report for the year ended 30 November 2013.

Strategy and Business model

Amino develops a range of products and solutions designed to help broadband network operators deliver entertainment and associated “connected home” services to the consumer. Principally, the Group focuses on IPTV - Internet Protocol Television – which is the delivery of entertainment services to the TV over broadband networks that are managed by the operator for quality of service that is equivalent to the consumer experience delivered via satellite, terrestrial or cable networks.

Underpinning this offering is a strong heritage in software development which continues to be the Group’s core activity along with the development of set-top box hardware.

Revenues continue to be derived principally from the sale of IPTV set-top boxes and associated customer support services. These sales are achieved directly through the Group’s global sales team or via distributors in certain markets, particularly in North America.

Amino operates in a highly competitive market with a number of competing regional and global manufacturers. The Group differentiates itself through the breadth of its product offering, the extensive ecosystem with which it integrates its devices and the performance, reliability and quality of its software development and set-top boxes.

Business review and future developments

The reduction in revenue in the year from £41.7m in 2012 to £35.9m in 2013 was largely due to stronger demand for lower priced, lower specification products coupled with reduced levels of demand from a specific customer in Western Europe. Further details of the performance in 2013 in the principal markets of Europe, North and Latin America can be found in the current customers and markets section of the Chief Executive’s report on page 3 and the results for the year section of the Chief Financial Officer’s report on page 5.

The regulatory environment within the telecommunications industry continues to evolve with the opening up of networks to competing operators, evidenced in Europe in the 1990s, now increasingly prevalent in regions such as Latin America. These structural changes within the industry present new opportunities for competing service operators, particularly in the delivery of “over the top” (OTT) services, whereby entertainment is delivered over the open Internet.

Amino differentiates itself in this emerging market through the provision of competitively priced lower specification devices which retain the high quality and reliability on which the Group’s brand is built.

As Internet Protocol becomes the standard for communications over fixed line, wireless and home networks, more opportunities are developing for the Group to broaden its customer offering and addressable market. This will include the addition of new devices which allow consumers to monitor and control their homes via a smartphone app. More details on this are included in the Chief Executive’s review on pages 3-4.

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 2013 the balance of cash in China equated to £28,199 (2012: £46,461).
 - 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 remaining aware of customer requirements and competitive opportunities. The Group manages market 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 Technologies plc Strategic report (continued)

For the year ended 30 November 2013

- 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 and maintains insurance to mitigate against this risk.

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. As noted in the Business Review above, revenue has reduced during the year, however, gross margin has increased by 3.2% to 45.3%. Cashflow from net working capital has increased by £0.4m to an inflow of £0.1m and the cash balance has increased by £2.4m to £19.5m. These KPIs have been addressed in more detail in the results for the year and balance sheet sections of the Chief Financial Officer's report on page 5 and 6.

Environmental matters

The Group is conscious of its responsibility as a provider of electronics equipment that it has a specific duty to minimise environmental impact. This requires the Group to be fully compliant with a range of national, regional and international guidelines on safety, EMC emissions and energy efficiency.

This extends from packaging through to the provision of devices that minimise the power consumed by consumers in the home. All product packaging is 100% recyclable – and has been designed to minimise wastage and transportation costs. Those redundant devices that are returned to the company are recycled in compliance with WEEE regulations.

The Group is an active contributor and participant in industry bodies to further improve performance and minimise power consumption of set-top box products.

Employee matters

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.

Amino Technologies plc
Strategic report (continued)
For the year ended 30 November 2013

Amino is a responsible employer, providing a pleasant and professional working environment in all locations. Compliant with all relevant human resources and health and safety regulations, the Group strives to offer competitive employment packages with opportunities for personal and professional development.

Regular staff surveys are carried out with follow-up action plans alongside an internal communications programme to provide regular updates on performance. Clear and transparent company objectives are set each year which, in turn, are reflected in team and individual objectives.

Diversity

The Group does not discriminate on the grounds of age, race, sex, sexual orientation or disability. It has a clear and transparent recruitment process and members of staff have personal development plans in place to progress their careers within the business.

The table below shows the number of persons of each sex who were directors, key management and employees of the Group.

Company Level	Number of female employees	Number of male employees	Total
Board	1	5	6
Key Management	2	10	12
Employees	22	78	100

Social, community and human rights

Social and Community

Staff are actively engaged in a range of community and educational activities. Through a matched funding initiative, Amino provides support for a range of charitable and community initiatives with regular fund-raising activities in support of a number of local and national charities.

Human rights

Through careful selection and vetting of the supply chain – and a strict code of conduct – Amino is committed to ensuring manufacturing processes are fully compliant to international and local environmental and labour regulations. The Group's principal manufacturing partner is compliant with the SA 8000 Social Accountability Standard – an internationally recognised and auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace. Regular reviews by regional teams and head office staff are carried out to ensure compliance.

By order of the board,

Julia Hornby
Company Secretary

Amino Technologies plc
Directors' report
For the year ended 30 November 2013

The directors present their report and the audited financial statements for the year ended 30 November 2013.

Proposed dividend

On 15 July 2013 the directors announced payment of an interim dividend of £0.01 per share and on 25 November 2013 the directors proposed payment of a final dividend of £1,348,681 (2012: £1,651,446). This equates to total of £0.0345 per share (2012: £0.03).

Research and development

£6,516,745 was spent on research and development in 2013 (2012: £6,826,689). Under IAS 38 "Intangible Assets" £2,918,936 of research and development expenditure was capitalised (2012: £2,081,506). 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.

Financial risk management

Details of the Group's financial risk management objectives and policies are disclosed in the Strategic report on page 15 and in note 3 to the financial statements.

Post balance sheet events

There are no post balance sheet events requiring disclosure for the year end 30 November 2013. In the prior year, the directors noted the announcement made on 3 December 2012 of the intention to close the Group's Swedish office where a small development team had been based. This was to allow research and development to be 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 have been recognised in the 2013 financial statements.

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

The Company maintains director and officers' liability insurance.

Amino Technologies plc
 Directors' report (continued)
 For the year ended 30 November 2013

Substantial shareholdings

As at 30 November 2013 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 22 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	2,604,965	4.7%
- British Coal Staff Superannuation Scheme	2,303,600	4.2%
Azini 1 LP ⁽¹⁾	7,888,916	14.3%
Kestrel Partners	6,751,471	12.3%
Milton Capital Partners	8,695,862	15.8%
Amino Communications Employee Benefits Trust	1,938,051	3.5%
Mr Ari Charles Zaphiriou-Zarifi	2,871,713	5.2%
Investec Wealth & Investment	1,827,280	3.3%
	<hr/>	
	39,963,807	<hr/> 72.5%

(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.

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 elected to prepare 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:

- 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;

Statement of directors' responsibilities (continued)

- 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

Amino Technologies plc

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 2013 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 pages 19 and 20, 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 Financial Reporting Council'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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs 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 Strategic Report and 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:

Under the Companies Act 2006 we are required 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 2013.

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
27 January 2014

Amino Technologies plc

Consolidated income statement

For the year ended 30 November 2013

		Year to 30 November 2013 £000s	Year to 30 November 2012 £000s
	Notes		
Revenue	4	35,852	41,700
Cost of sales		(19,616)	(24,160)
Gross profit		<u>16,236</u>	<u>17,540</u>
Other income	5	1,650	-
Operating expenses		(13,764)	(14,709)
Operating profit		<u>4,122</u>	<u>2,831</u>
Analysed as:			
Gross profit		16,236	17,540
Selling, general and administrative expenses		(6,592)	(6,603)
Research and development expenses		(3,598)	(4,746)
EBITDA before exceptional items		<u>6,046</u>	<u>6,191</u>
Depreciation	14	(147)	(235)
Amortisation	13	(2,586)	(3,125)
Operating profit before exceptional items		<u>3,313</u>	<u>2,831</u>
Restructuring	5	(841)	-
Operating profit after restructuring		<u>2,472</u>	<u>2,831</u>
Exceptional Income – duties refund	5	1,650	-
Operating profit		<u>4,122</u>	<u>2,831</u>
Finance expense	6	(2)	(1)
Finance income	6	112	55
Net finance income		<u>110</u>	<u>54</u>
Profit before corporation tax	7	4,232	2,885
Corporation tax charge	10	(67)	(43)
Profit for the period from continuing operations attributable to equity holders		<u>4,165</u>	<u>2,842</u>

Amino Technologies plc

Consolidated income statement

For the year ended 30 November 2013

Basic earnings per 1p ordinary share	11	7.89p	5.45p
Diluted earnings per 1p ordinary share	11	7.83p	5.40p

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

Amino Technologies plc

Consolidated statement of comprehensive income

For the year ended 30 November 2013

	Year to 30 November 2013 £000s	Year to 30 November 2012 £000s
Profit for the year	4,165	2,842
Items that will be reclassified subsequently to profit or loss:		
Foreign exchange difference arising on consolidation	56	(45)
Other comprehensive income / (expense)	56	(45)
Total comprehensive income for the financial year attributable to equity holders	4,221	2,797

Amino Technologies plc

Consolidated balance sheet as at 30 November 2013

	Notes	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Assets			
Non-current assets			
Property, plant and equipment	14	485	579
Intangible assets	13	3,812	3,478
Deferred income tax assets	21	560	644
Trade and other receivables	16	162	162
		<u>5,019</u>	<u>4,863</u>
Current assets			
Inventories	15	2,537	2,097
Trade and other receivables	16	5,248	7,936
Derivative financial instruments	17	-	5
Cash and cash equivalents	18	19,521	17,103
		<u>27,306</u>	<u>27,141</u>
Total assets		<u>32,325</u>	<u>32,004</u>
Capital and reserves attributable to equity holders of the business			
Called-up share capital	22	579	579
Share premium		126	126
Capital redemption reserve		6	6
Foreign exchange reserves		598	542
Other reserve		16,389	16,389
Retained earnings		7,224	4,803
Total equity		<u>24,922</u>	<u>22,445</u>
Liabilities			
Current liabilities			
Trade and other payables	19	7,403	9,559
Total liabilities		<u>7,403</u>	<u>9,559</u>
Total equity and liabilities		<u>32,325</u>	<u>32,004</u>

Amino Technologies plc

Consolidated balance sheet as at 30 November 2013

The financial statements on pages 22 to 55 were authorised for issue by the board of directors on 27 January 2014 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 2013

	Notes	Year to 30 November 2013 £000s	Year to 30 November 2012 £000s
Cash flows from operating activities			
Cash generated from operations	25	7,193	5,968
Corporation tax received		63	312
Net cash generated from operating activities		<u>7,256</u>	<u>6,280</u>
Cash flows from investing activities			
Purchases of intangible assets		(2,920)	(2,111)
Purchases of property, plant and equipment		(75)	(148)
Net interest received		110	54
Net cash used in investing activities		<u>(2,885)</u>	<u>(2,205)</u>
Cash flows from financing activities			
Proceeds from exercise of employee share options		309	8
Dividends paid		(2,111)	(1,043)
Net cash used in financing activities		<u>(1,802)</u>	<u>(1,035)</u>
Net increase in cash and cash equivalents		2,569	3,040
Cash and cash equivalents at beginning of year		17,103	14,124
Effects of exchange rate fluctuations on cash held		(151)	(61)
Cash and cash equivalents at end of year	18	<u>19,521</u>	<u>17,103</u>

Amino Technologies plc

Consolidated statement of changes in shareholders' equity for the year ended 30 November 2013

	Share capital £000s	Share premium £000s	Other reserve £000s	Foreign exchange reserve £000s	Capital redemption reserve £000s	Profit and loss £000s	Total £000s
Shareholders' equity at 30							
November 2011	<u>579</u>	<u>126</u>	<u>16,389</u>	<u>587</u>	<u>6</u>	<u>2,940</u>	<u>20,627</u>
Profit for the year	-	-	-	-	-	2,842	2,842
Other comprehensive income	-	-	-	(45)	-	-	(45)
Total comprehensive expense 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	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45)</u>	<u>-</u>	<u>1,863</u>	<u>1,818</u>
Shareholders' equity at 30							
November 2012	<u>579</u>	<u>126</u>	<u>16,389</u>	<u>542</u>	<u>6</u>	<u>4,803</u>	<u>22,445</u>
Profit for the year	-	-	-	-	-	4,165	4,165
Other comprehensive expense	-	-	-	56	-	-	56
Total comprehensive income for the period attributable to equity holders	-	-	-	56	-	4,165	4,221
Share option compensation charge	-	-	-	-	-	57	57
Exercise of employee share options	-	-	-	-	-	310	310
Dividends paid	-	-	-	-	-	(2,111)	(2,111)
Total transactions with owners	-	-	-	-	-	(1,744)	(1,744)
Total movement in shareholders' equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>2,421</u>	<u>2,477</u>
Shareholders' equity at 30							
November 2013	<u>579</u>	<u>126</u>	<u>16,389</u>	<u>598</u>	<u>6</u>	<u>7,224</u>	<u>24,922</u>

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

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 five 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 acquisition 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 £19.5m at the balance sheet date. Whilst current economic conditions create uncertainty the board believes it will be able to maintain adequate working capital facilities. 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 strategic report on pages 14 to 17.

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

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 2013.

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 2012.

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 2013, 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 on a straight line basis.

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 operates ("the functional currency"). The consolidated financial statements are presented in sterling, which is the Parent's functional and Group's 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.

Notes to the consolidated financial statements

For the year ended 30 November 2013

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 in operating 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 fair value through profit and loss. 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 17.

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 the shorter of three years or the licence period. Amortisation is recognised within operating expenses within the consolidated income statement.

Notes to the consolidated financial statements

For the year ended 30 November 2013

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 performs an impairment review in respect of goodwill and any intangible assets not yet ready for use and 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.

Notes to the consolidated financial statements

For the year ended 30 November 2013

2 Summary of significant accounting policies (continued)

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.

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.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than sterling are translated into sterling upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into sterling at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into sterling at the closing rate. Income and expenses have been translated into sterling at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

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.

Critical judgements in applying the Group's accounting policies

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.

Notes to the consolidated financial statements

For the year ended 30 November 2013

2 Summary of significant accounting policies (continued)

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.

Key sources of estimate uncertainty

Assessing whether inventory values have been impaired

The Group recognises an expense for the write down of inventories to net realisable value based on expected future sales of products and any additional costs expected to be incurred to completion. The carrying amount of the provision is disclosed in note 15.

Assessing whether trade receivables values have been impaired

The Group recognises an allowance for doubtful debts based on estimated irrecoverable amounts determined by reference to past default experience, an analysis of the customer's financial position and an analysis of the underlying commercial arrangements. The carrying amount of the provision is disclosed in note 16 which is in respect of customers with whom negotiations continue and recovery of the debt remains uncertain. If these amounts were recovered in full, the provision may be overstated by up to £549k.

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.

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

3 Financial risk management (continued)

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 the functional currencies of the entities in which they were held:

Year ended 30 November 2013	Dollars	Euros	SEK
	\$000s	€000s	SEK000s
Trade and other receivables denominated in foreign currency	7,016	51	-
Cash balances denominated in foreign currency	2,543	3,410	-
Trade and other payables denominated in foreign currency	(2,004)	(52)	-
Net current assets denominated in foreign currency	7,555	3,409	-
Outstanding forward contracts	-	-	-

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	6,290	1,191	3
Trade and other payables denominated in foreign currency	(6,359)	(264)	(14)
Net current assets denominated in foreign currency	9,689	1,889	(11)
Outstanding forward contracts	-	(1,250)	(6,000)

At 30 November 2013, 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 £0.2m/£0.2m (2012: £0.1m/£0.1m) higher/lower.

At 30 November 2013, if sterling had weakened/strengthened by 5% against the euro with all other variables held constant, post-tax profit for the year would have been £0.1m/£0.1m (2012: no material impact).

(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 2013 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 0.7% (2012: 0.35%).

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 except in China.

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

3 Financial risk management (continued)

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 2013 £000s	As at 30 November 2012 £000s
Financial asset carrying amounts		
Non-current assets		
- trade and other receivables	162	162
Current assets		
- trade and other receivables	4,276	6,889
- derivative financial assets held at fair value	-	5
- cash and cash equivalents	19,521	17,103
	<u>23,959</u>	<u>24,159</u>

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.

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Capital		
Total equity	24,922	22,445
Less cash and cash equivalents	19,521	17,103
	<u>5,401</u>	<u>5,342</u>
Overall financing		
Total equity	24,922	22,445
Plus borrowings	-	-
	<u>24,922</u>	<u>22,445</u>
Capital-to-overall financing ratio	1:4.6	1:4.2

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

The Group has confirmed its commitment to a progressive dividend policy recommending a £0.0345 per share for the year ended 30 November 2013 and increasing by no less than 15% for the year ended 30 November 2014. Dividend cover for the current year is 2.3 and cash dividend cover is over 9.

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

Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations and arises from trade and other payables. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows.

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 an incidental amount in respect of 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 2013	Year to 30 November 2012
	£000s	£000s
USA	13,468	15,563
Canada	1,855	388
	<hr/>	<hr/>
	15,323	15,951
Russia	838	1,460
Italy	68	1,405
Netherlands	7,035	11,510
Rest of the World	12,588	11,374
	<hr/>	<hr/>
	35,852	41,700
	<hr/>	<hr/>

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

Revenues totalling £12,808,412 are derived from two external customers, located in the USA (2012: £15,003,916). Revenues totalling £6,720,640 are derived from a single external customer, located in The Netherlands (2012: £4,134,128).

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:

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

Non-current assets by geographic area analysis

	As at 30 November 2013	As at 30 November 2012
	£000s	£000s
United Kingdom	4,452	4,178
Sweden	-	23
Rest of the World	7	18
	<u>4,459</u>	<u>4,219</u>

5 Exceptional items

The Group incurred exceptional costs of £841,282 during the year (2012 – £nil). These costs largely relate to the closure of the Group's Swedish office, as detailed below, and also include some additional reorganizational costs in the UK.

As announced in December 2012, it was decided to close the Group's Swedish office and focus all research and development in Cambridge. The process was completed to plan and the benefits are now starting to feed through in terms of team working.

During the period, the Company confirmed two rebates totalling £1,650,000 in respect of duties paid on previously recognised international product sales. These receipts followed claims and negotiations with the tax authorities which were successfully argued and settlement was agreed in April 2013. There remains a slightly smaller final retrospective claim in respect of other duties paid by the Company but at this time there can be no certainty over timing or likelihood of such a rebate.

6 Finance income

	Year to 30 November 2013	Year to 30 November 2012
	£000s	£000s
Interest payable and similar costs	(2)	(1)
Interest receivable and similar income	112	55
	<u>110</u>	<u>54</u>

Interest payable and receivable relates to the Group's bank balances.

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

7 Profit before corporation tax

Profit before corporation tax is stated after charging:

	Year to 30 November 2013 £000s	Year to 30 November 2012 £000s
Depreciation of owned property, plant and equipment	146	235
Amortisation of intangible assets	2,587	3,125
Loss on disposal of property, plant and equipment	21	6
Research and development expense (excluding amortisation)	3,598	4,746
Operating lease rentals		
- land and buildings	545	642
- plant and machinery	5	12
Auditor's remuneration:		
Audit services		
- fees payable to company auditor for the audit of the Company and consolidated financial statements	31	29
Other services		
- the auditing of the Company's subsidiaries pursuant to legislation	17	16
- other services	5	5
Movements in inventory provision	61	201
Realised loss on foreign exchange	389	35
Unrealised foreign exchange losses on forward contracts	-	37

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

8 Staff costs

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

	As at 30 November 2013	As at 30 November 2012	Year to 30 November 2013	Year to 30 November 2012
	Year end Number	Year end Number	Average Number	Average Number
Selling, general and administration	34	31	33	37
Research and development	66	74	70	77
	<u>100</u>	<u>105</u>	<u>103</u>	<u>114</u>

Their aggregate remuneration comprised:

	Year to 30 November 2013	Year to 30 November 2012
	£000s	£000s
Wages and salaries including termination benefits	6,235	7,238
Social security costs	779	936
Other pension costs (see note 28)	331	434
Expense of share-based payments	57	56
	<u>7,402</u>	<u>8,664</u>

9 Key management compensation

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

	Year to 30 November 2013	Year to 30 November 2012
	£000s	£000s
Salaries and other short term employee benefits	1,486	1,499
Termination benefits	139	225
Company contributions to personal pension schemes	48	66
Expense for share based payments	52	46
	<u>1,725</u>	<u>1,836</u>

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 2013, key management comprised 12 people (2012: 12).

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

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

10 Corporation tax charge

	Year to 30 November 2013 £000s	Year to 30 November 2012 £000s
Corporation tax credit for the year	15	60
Foreign tax incurred	(4)	(4)
Adjustment in respect of prior years	6	(72)
Total current tax (charge) / credit	<u>17</u>	<u>(16)</u>
Deferred tax	(84)	(27)
Total tax charge in income statement	<u>(67)</u>	<u>(43)</u>

The tax charge for the year differs from that calculated by applying the pro-rated standard rate of corporation tax in the UK of 23 1/3 % (2012: 24 2/3%). The differences are explained below:

	Year to 30 November 2013 £000s	Year to 30 November 2012 £000s
Profit on ordinary activities before corporation tax	<u>4,232</u>	<u>2,885</u>
At the standard rate of corporation tax in the UK	987	712
Effects of:		
Amounts not allowable for tax purposes	(131)	104
Difference on tax treatment of share options	-	(1)
Enhanced deduction for research and development expenditure	(1,061)	(1,166)
Surrender of losses for research and development tax credit	17	75
Adjustment in respect of prior years	(6)	72
Difference between capital allowances and depreciation	(77)	(79)
Unrelieved tax losses	250	299
Other temporary differences	-	(4)
Foreign tax incurred	4	4
Adjustment of deferred tax asset for changes in corporation tax rates	84	27
Tax charge	<u>67</u>	<u>43</u>

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

11 Earnings per share

	Year to 30 November 2013	Year to 30 November 2012
Profit attributable to ordinary shareholders	4,165,264	2,841,953
Profit attributable to ordinary shareholders excluding exceptional items	<u>3,356,546</u>	<u>2,841,953</u>
Weighted average number of shares (Basic)	<u>52,761,398</u>	<u>52,131,082</u>
Weighted average number of shares (Diluted)	<u>53,184,135</u>	<u>52,583,136</u>
Basic earnings per share	<u>7.89p</u>	<u>5.45p</u>
Diluted earnings per share	<u>7.83p</u>	<u>5.40p</u>
Basic earnings per share excluding exceptional items	<u>6.36p</u>	<u>5.45p</u>
Diluted earnings per share excluding exceptional items	<u>6.31p</u>	<u>5.40p</u>

The calculation of basic earnings per share is based on profit 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 2,286,797 (2012: 2,917,113) being the weighted average shares held by the EBT in the year.

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.

The profit attributable to ordinary shareholders excluding exceptional items is derived by adding back the exceptional restructuring costs of £841,282 and subtracting the exceptional duties rebate of £1,650,000 disclosed on the face of the income statement.

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

12 Dividends

Amounts recognised as distributions to equity holders in the period:

	Year to 30 November 2013	Year to 30 November 2012
Final dividend for the year ended 30 November 2012 of 3p (2011 2p) per share	1,580,097	1,042,692
Interim dividend for the year ended 30 November 2013 of 1p (2012: nil) per share	530,511	-
	<u>2,110,608</u>	<u>1,042,692</u>

On 25 November 2013, the directors proposed a final dividend of £1,348,681 for the current financial year (2012: £1,651,446). This equates to £0.0245 per share, bring the total for 2013 to £0.0345 per share (2012: £0.03).

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

13 Intangible assets

	Goodwill £000s	Intellectual Property £000s	Software licences £000s	Development costs £000s	Total £000s
Cost					
At 1 December 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
Additions	-	-	1	2,919	2,920
At 30 November 2013	4,138	291	1,960	12,496	18,885
Amortisation and impairment					
At 1 December 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
Charge for the year	-	-	49	2,537	2,586
At 30 November 2013	4,138	291	1,950	8,694	15,073
Net book amount					
At 30 November 2013	-	-	10	3,802	3,812
At 30 November 2012	-	-	58	3,420	3,478

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.

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

14 Property, plant and equipment

	Computer software and equipment £000s	Office and other equipment £000s	Leasehold improvements £000s	Total £000s
Cost				
At 1 December 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
Foreign exchange adjustment	(1)	-	-	(1)
Additions	71	1	3	75
Disposals	(161)	(17)	(64)	(242)
At 30 November 2013	1,270	308	1,090	2,668
Depreciation				
At 1 December 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
Foreign exchange adjustment	-	-	-	-
Charge for the year	76	12	59	147
Disposals	(156)	(16)	(49)	(221)
At 30 November 2013	1,152	300	731	2,183
Net book amount				
At 30 November 2013	118	8	359	485
At 30 November 2012	129	20	430	579

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

15 Inventories

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Raw materials	1,701	1,821
Finished goods	836	276
	<u>2,537</u>	<u>2,097</u>

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

	2013 £000s	2012 £000s
Charged in the year	<u>217</u>	<u>201</u>
Provision at the year end	<u>1,408</u>	<u>1,191</u>

The cost of inventories recognised as an expense and included in cost of sales amounted to £15.7m (2012: £19.3m).

16 Trade and other receivables

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Current assets:		
Trade receivables	4,753	7,024
Less: provision for impairment of receivables	(549)	(187)
Trade receivables (net)	<u>4,204</u>	<u>6,837</u>
Other receivables	74	54
Corporation tax receivable	15	60
Prepayments	955	985
	<u>5,248</u>	<u>7,936</u>
Non current assets:		
Other receivables	<u>162</u>	<u>162</u>

Other receivables comprise rent deposits.

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

16 Trade and other receivables (continued)

Credit quality of financial assets

Trade receivables that are less than three months past due are reviewed for impairment on an individual basis. The ageing analysis of trade receivables is as follows:

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Trade receivables		
Not yet due	4,215	6,853
Under 90 days and fully provided for	108	-
Under 90 days but not provided for	-	36
Over 90 days and fully provided for	395	67
Over 90 days but not provided for	35	68
	<hr/> 4,753	<hr/> 7,024

Standard credit terms vary from customer to customer largely based on territory. At the year-end £0.5m of debts were past due (2012: £0.2m). Of this £0.4m (2012: £0.1m) was greater than 60 days past due and the remainder was less than 60 days overdue. As shown above, at 30 November 2013 and 30 November 2012 trade receivables more than 90 days old but not provided for amounted to £0.0m and £0.1m respectively. Of these amounts, £nil (2012: £nil) 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 is as follows:

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
At 1 December	187	60
Provision for receivables impaired	362	127
At 30 November	<hr/> 549	<hr/> 187

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

17 Derivative financial instruments

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Fair value of open forward foreign exchange contracts held for trading – asset	-	5

These forward foreign exchange contracts are classified as “fair value through profit and loss”. 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 (2012: nil). The principal euro values of outstanding foreign exchange contracts that have not matured at the year-end were nil (2012: €1.25m). The principal Swedish Krona values of outstanding foreign exchange contracts that have not matured at the year-end were nil (2012: SEK 6m).

The weighted average contract rates for these forward foreign exchange contracts were nil (2012: €1.2371) and nil (2012: SEK 10.7811).

Forward foreign exchange contracts have contractual maturities as summarised below:

	As at 30 November 2013		As at 30 November 2012	
	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	-
SEK 000s contracts receivable	-	-	6,000	-
SEK 000s contracts payable	-	-	-	-

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

18 Cash and cash equivalents

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Cash and cash equivalents	<u>19,521</u>	<u>17,103</u>

Included within cash is £237,285 (2012: £240,026) 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".

19 Trade and other payables

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Trade payables	2,444	4,629
Social security and other taxes	197	205
Other payables	62	63
Accruals	4,175	4,468
Deferred income	525	194
	<u>7,403</u>	<u>9,559</u>

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

20 Financial assets and liabilities

Trade and other receivables, cash and cash equivalents, and trade and other payables are measured at amortised cost. Derivative financial statements 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 2013 are categorised as follows:

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Carrying value of financial assets and liabilities within the consolidated balance sheet:		
Financial assets		
Trade and other receivables due after one year	162	162
Trade and other receivables	4,276	6,889
Cash and cash equivalents	19,521	17,103
Loans and other receivables (at amortised cost)	23,959	24,154

Derivative financial instruments:

Financial assets held for trading (valued at fair value through profit and loss)	-	5
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Financial liabilities

Trade and other payables at amortised cost	6,673	9,150
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All financial liabilities at amortised cost based on contractual undiscounted payments are due for settlement within six months.

21 Deferred income tax

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

	As at 30 November 2013		As at 30 November 2012	
	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	-	295	-	425
Tax losses carried forward	451	7,426	555	8,392
Equity-settled share options	109	-	89	-
Other short term temporary differences	-	99	-	138
Deferred tax asset (see note 10)	560	7,820	644	8,955

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 PPE timing differences.

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

22 Share capital

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Allotted, called up and fully paid		
57,893,052 (2012: 57,893,052) ordinary shares of 1p each	<u>579</u>	<u>579</u>

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

23 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.

	Year to 30 November 2013 Number	Year to 30 November 2012 Number
The number of shares held by the Employee Benefit Trust is as follows: -		
Shares held by the Employee Benefit Trust:		
At start of financial period	2,913,581	2,925,091
Issued to employees	<u>(975,530)</u>	<u>(11,510)</u>
At end of financial period	<u>1,938,051</u>	<u>2,913,581</u>

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

	As at 30 November 2013 Number	As at 30 November 2012 Number
Granted: -		
Unapproved Share Option Scheme	1,243,161	3,611,572
Enterprise Management Incentive Scheme	835,962	212,340
Individual share option schemes	<u>336,997</u>	<u>961,561</u>
	<u>2,416,120</u>	<u>4,785,473</u>

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

23 Share based payments (continued)

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:

Date granted	Exercise price	As at 1				As at 30	Notes
		December 2012	Granted	Exercised	Lapsed	November 2013	
		Number	Number	Number	Number	Number	
September 2003	£0.20	543,650	-	(488,650)	-	55,000	
February 2004	£0.32	270,251	-	(227,292)	-	42,959	
February 2010	£0.38	142,331	-	(53,333)	(46,000)	42,998	(a)
July 2010	£0.40	500,000	-	-	(250,000)	250,000	(b)
July 2010	£0.44	60,000	-	-	-	60,000	
July 2011	£0.44	661,575	-	-	(661,575)	-	(d)
July 2011	£0.44	85,995	-	(4,584)	(21,248)	60,163	(a)
December 2011	£0.44	250,000	-	-	(250,000)	-	(c)
December 2010	£0.45	250,000	-	-	(125,000)	125,000	(e)
February 2012	£0.48	750,000	-	-	-	750,000	(f)
January 2008	£0.49	30,000	-	(30,000)	-	-	
January 2007	£0.50	130,000	-	(30,000)	-	100,000	
September 2012	£0.54	750,000	-	-	-	750,000	(g)
July 2008	£0.62	176,671	-	(136,671)	(40,000)	-	
October 2007	£0.62	115,000	-	(5,000)	-	110,000	
May 2004	£0.70	20,000	-	-	-	20,000	
January 2007	£1.25	50,000	-	-	-	50,000	
		<u>4,785,473</u>	<u>-</u>	<u>(975,530)</u>	<u>(1,393,823)</u>	<u>2,416,120</u>	

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 7.0p.
- (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.

Notes to the consolidated financial statements

For the year ended 30 November 2013

23 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, is equal to or exceeds 20%
- (g) The vesting conditions of these options are as follows:
- 50% shall vest if annual compound growth in the Total Shareholder Return, between 1 September 2012 and 31 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 15%.

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 £0.32 (2012: £0.28).
- The share price at date of exercise was £0.83 (2012: £0.51).

For options granted in year:

- The weighted average fair value of options granted was nil (2012: £0.11).
- The weighted average exercise price of options granted was nil (2012: £0.50).

At 30 November 2013 there were 906,239 options that had vested and were exercisable with a weighted average exercise price of £0.49 (2012: 1,582,167 exercisable options with a weighted average exercise price of £0.40). The options outstanding at the end of the year have a weighted average contractual life of 2.5 years (2012: 3.5 years).

During the year the Group recognised a total expense relating to employee share-based payments under the equity-settled share option plans of £57,355 (2012: £56,048).

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

24 Investment in own shares

Offset within the Group profit and loss reserve at 30 November 2013 is an amount of £793,320 (2012: £1,193,863) 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 (2012: £1,206,790) is offset within the Group profit and loss reserve at 30 November 2013 in relation to 2,844,857 of the Company's own shares repurchased in 2011 and held in treasury.

25 Cash generated from operations

	Year to 30 November 2013 £000s	Year to 30 November 2012 £000s
Operating profit before exceptional items	3,313	2,831
Adjustments for:		
Restructuring costs	(841)	-
Duties rebate	1,650	-
Operating profit	4,122	2,831
Amortisation charge	2,586	3,125
Depreciation charge	147	235
Loss on disposal of property, plant and equipment	21	5
Share-based payment charge	57	56
Loss on derivative financial instruments	5	37
Exchange differences	208	16
(Increase)/decrease in inventories	(440)	1,919
Decrease in trade and other receivables	2,642	2,147
(Decrease) in trade and other payables	(2,155)	(4,403)
Cash generated from operations	<u>7,193</u>	<u>5,968</u>

26 Operating lease commitments

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

	Property 2013 £000s	Plant and machinery 2013 £000s	Property 2012 £000s	Plant and machinery 2012 £000s
	Group			
No later than one year	90	1	42	1
Later than one year and no later than five years	-	10	354	5
Later than five years	2,130	-	2,296	-
	<u>2,220</u>	<u>11</u>	<u>2,692</u>	<u>6</u>

Amino Technologies plc

Notes to the consolidated financial statements

For the year ended 30 November 2013

26 Operating lease commitments (continued)

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.

27 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 2013 the Group is not aware of any such claims.

28 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 £331,162 (2012: £434,432). A payable of £21,567 is included within the taxation and social security creditor at 30 November 2013 (2012: a receivable of £6,994) in respect of the final month's contributions.

29 Capital commitments

No capital expenditure was committed to as at 30 November 2013 (2012: £nil).

30 Related party transactions

During the year the Group recorded an expense of £2,697 (2012: £6,165) for design and consultancy services from Plextek Limited. The year-end creditor was £nil (2012: £nil). Colin Smithers, a non-executive director, is a director and shareholder of Plextek Limited. The above figures exclude his director's fees which are disclosed in the remuneration report.

The Group also recorded an expense of £nil (2012: £10,000) with Magic Lantern Productions Limited. The year-end creditor was £nil (2012: £nil). Keith Todd, the Chairman, is a director of Magic Lantern Productions Limited. The figures stated above are stated exclusive of Value Added Tax.

Dividends totalling £15,776 (2012: £14,925) were paid in the year in respect of ordinary shares held by the Company's directors.

31 Post balance sheet events

There are no post balance sheet events requiring disclosure in the financial statements for the year ended 30 November 2013. In the prior year, it was disclosed that on 3 December 2012 the Group announced the intention to close its Swedish office where a small development team had been based. This was to allow research and development to be focused on a single site in Cambridge to improve the cost effectiveness and productivity of the team. The closure costs arising from this decision, comprising redundancies and lease costs, were estimated at £0.8m and have been recognised in the 2013 financial statements.

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 2013 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 pages 19 and 20, 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 Financial Reporting Council'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 2013;
- 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 Strategic Report and 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 2013.

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

27 January 2014

Amino Technologies plc

Company balance sheet
As at 30 November 2013

	Notes	30 November 2013 £000s	30 November 2012 £000s
Fixed assets			
Investments	3	<u>1,225</u>	<u>1,168</u>
Current assets			
Debtors: amounts falling due after more than one year	4	14,419	16,528
Cash at bank and in hand		<u>7</u>	<u>9</u>
Net current assets		<u>14,426</u>	<u>16,537</u>
Creditors: amounts falling due after more than one year	5	<u>(350)</u>	<u>(660)</u>
Net assets		<u>15,301</u>	<u>17,045</u>
Capital and reserves			
Called-up share capital	6	579	579
Share premium		126	126
Capital redemption reserve		6	6
Profit and loss account		14,590	16,334
Total shareholder funds	8	<u>15,301</u>	<u>17,045</u>

The financial statements were authorised for issue by the board of directors on 27 January 2014 and were signed on its behalf by:

Donald McGarva
Director

Julia Hornby
Director

Registered number: 05083390

Amino Technologies plc

Notes to the parent company financial statements

for the year ended 30 November 2013

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 Profit 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 profit after tax was £nil (2012: £nil).

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 £3,200 (2012: £3,000). This expense was met by a trading subsidiary.

Amino Technologies plc

Notes to the parent company financial statements (continued)

for the year ended 30 November 2013

3 Fixed asset investments

	Year to 30 November 2012 £000s	Year to 30 November 2012 £000s
Cost as at 1 December	1,168	1,112
Capital contributions arising from FRS20 share-based payments charge	57	56
Cost as at 30 November	<u>1,225</u>	<u>1,168</u>

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

Amino Technologies plc

Notes to the parent company financial statements (continued)

for the year ended 30 November 2013

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 2013 and 30 November 2012.

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 was to develop core software technologies and hardware platforms for the IPTV market. The company ceased trading in December 2012 and has wound down all of its activities in the year.

4 Debtors: amounts falling due after more than one year

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Amounts owed by Group undertakings	14,419	16,528

Amounts owed to the Company are unsecured and interest free.

5 Creditors: amounts due after more than one year

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Amounts owed to Group undertakings	350	660

Amino Technologies plc

Notes to the parent company financial statements (continued)

for the year ended 30 November 2013

6 Share capital

	As at 30 November 2013 £000s	As at 30 November 2012 £000s
Allotted, called up and fully paid		
57,893,052 (2012: 57,893,052) ordinary shares of 1p each	<u>579</u>	<u>579</u>

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 23 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 2011	579	126	6	17,318	18,029
Profit for the year	-	-	-	-	-
Dividend	-	-	-	(1,043)	(1,043)
Share option compensation charge	-	-	-	56	56
Movement on EBT reserves	-	-	-	3	3
At 30 November 2012	<u>579</u>	<u>126</u>	<u>6</u>	<u>16,334</u>	<u>17,045</u>
Profit for the year	-	-	-	-	-
Dividend	-	-	-	(2,110)	(2,110)
Share option compensation charge	-	-	-	57	57
Movement on EBT reserves	-	-	-	309	309
At 30 November 2013	<u>579</u>	<u>126</u>	<u>6</u>	<u>14,590</u>	<u>15,301</u>

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

Head Office	<p>Amino Technologies plc Prospect House Buckingway Business Park Anderson Road Swavesey Cambridgeshire CB24 4UQ Tel: +44-1954-234100 Fax: +44-1954-234101</p>
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