amino

CONNECTING PEOPLE TO THE ENTERTAINMENT EXPERIENCE THEY LOVE

Amino Technologies plc
Annual Report and Accounts 2011

ABOUT
AMINO TECHNOLOGIES

Amino Communications is an IPTV and hybrid/OTT innovator – bringing new entertainment products and solutions to a global market. With over 850 customers in 85 countries – and over four million devices sold – Amino's award-winning solutions are deployed by major network operators and service providers worldwide. Amino's speed-to-market, agility and leading-edge technology has secured important partnerships with global vendors, including Intel®, to deliver the rich entertainment experience consumers are demanding. Amino Communications is a wholly owned subsidiary of Amino Technologies plc and listed on the London Stock Exchange Alternative Investment Market (AIM: symbol AMO). It is headquartered near Cambridge, in the UK, with offices in China and Sweden.

HIGHLIGHTS

FINANCIAL **PERFORMANCE**

- Revenue up 18% to £51.8m (2010: £44.0m)
- Gross profit up 16% to £14.5m (2010: £12.5m)
- Adjusted gross margin six percentage points higher at 34.5% (2010: 28.5%)
- Gross margin before adjustments 28.0% (2010: 28.5%)
- EBITDA increased by £3.8m to £4.4m (2010: £0.6m)
- Operating profit before goodwill impairment £1.7m (2010: loss of £0.9m)
- Year-end cash significantly strengthened at £14.1m (2010: £3.6m)
- Proposed maiden dividend of 2p, reflecting the board's confidence in the future and strong cash generation

OPERATIONAL **PROGRESS**

- Strong focus on operational management and robust supply chain maintained
  - Improved supply chain delivering reduced costs and reduced customer lead times
  - More accurate forecasting eliminating the need for spot buying
- Delivered on our commitment to simplify the Amino product range
  - Streamlined technology platform supported by strong industry partnerships
  - Clearer, more scalable go-to-market proposition
  - Entire product range is now OTT enhanced
- Continued delivery of these products to customers across multiple markets
  - Much improved performance in the United States and ongoing good momentum in Western Europe
  - Adapting to structural change in the Russian market
  - Latin America represents a growing opportunity

TURNOVER
£51.8m
(2010: £44.0m)

GROSS PROFIT
£14.5m
(2010: £12.5m)

EBITDA*
£4.4m
(2010: £0.6m)

NET ASSETS
£20.6m
(2010: £21.8m)

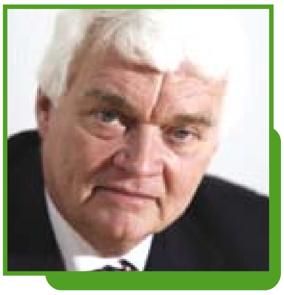
GROSS MARGIN**
34.5%
(2010: 28.5%)

OPERATING PROFIT
£1.7m
(2010: loss of £0.9m)

* Earnings before interest, taxation, depreciation and amortisation

** Adjusted

CHAIRMAN'S **REPORT**



HIGHLIGHTS:

- DELIVERING GROWTH ACROSS ALL KEY FINANCIAL METRICS
- DELIVERING A STRONGER, SIMPLIFIED PRODUCT RANGE
- DELIVERING CONSISTENT PRODUCT QUALITY AND SUPPLY DURING A YEAR OF INDUSTRY DISRUPTION
- CONSISTENT EXECUTION THE FOCUS FOR 2012

DELIVERING ON OUR COMMITMENTS

Amino has made good progress this year. The Company has delivered growth across all key financial metrics in what has been a challenging year for the technology industry as a whole. This improved financial performance has been driven by progress in two important areas.

The first area is product. Last year the board made a clear commitment to simplify and strengthen Amino's product range. This involved reducing the complexity of the Company's technology platform; broadening and deepening the industry partnerships that make the delivery of its product possible; and making Amino's entire product set more scalable so that it can meet the needs of more customers, more quickly than before. I am pleased to say that each of these objectives has been achieved and the Company is benefiting in a number of important markets from a growing customer acceptance of this stronger, simplified product range.

The second area is operational performance. Last year the Company focused hard on improving Amino's management of its supply chain. Improvements were necessary to help reduce manufacturing costs, simplify component supply and secure competitive forward pricing. These improvements have taken place, enabling the Company to deliver consistent quality and supply of product in a year where natural disasters in Japan and Thailand have placed enormous pressure on component availability for the entire electronics industry.

The combined result of these efforts is clear in the numbers reported today. Amino has seen encouraging year-on-year growth in revenue in addition to improvements in profitability and margin. The Company's performance in North America is greatly improved and in Western Europe good progress has continued to be made. Also, today, Amino has a significantly improved cash position. I would like to thank every employee across the Amino business, each of whom has worked hard to make the changes that have contributed to this improved financial performance.

CHANGES TO OUR TEAM

During the year, the Company's Chief Executive Officer Andrew Burke left Amino to pursue other interests. Amino's Chief Operating Officer, Donald McGarva was immediately appointed as the CEO having demonstrated his skills in implementing the supply chain improvements that contributed to the Company's progress this year and having considered the leadership qualities Don demonstrated at DHL. On behalf of the board I would like to thank Andrew once again for his efforts and his commitment to Amino's development. My board colleagues and I look forward to working with Donald as he uses his operational and leadership strengths to lead the business through the next phase of profitable growth.

DIVIDEND

After careful consideration, the board is recommending a proposed maiden dividend of 2p, reflecting the board's confidence in the future and its strong cash generation. If approved at the Company's AGM, the final dividend will be paid on 4th May 2012 to shareholders on the register on 10th April 2012 with a corresponding ex dividend date of 4th April 2012. Going forward the board intends to maintain a progressive dividend policy.

"...THE BOARD IS RECOMMENDING A PROPOSED MAIDEN DIVIDEND OF 2p, REFLECTING THE BOARD'S CONFIDENCE IN THE FUTURE AND ITS STRONG CASH GENERATION..."

LOOKING AHEAD

Amino enters 2012 in a stronger financial position. Focused, consistent execution has brought the Company to this position and this will remain the leadership team's focus in the year ahead. The team will continue to drive forward Amino's stronger, simpler product range and ensure that the Company continues to operate as efficiently and effectively as it can. By adhering to this plan, supported by our healthy order book of 102k units the Company enters a new year in a good position. I believe that Amino can continue to deliver further financial improvements this year and over the longer term.

KEITH TODD CBE
Non-executive Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

HIGHLIGHTS:

- PRODUCT RANGE CLOSELY ALIGNED TO CHANGING MARKET DEMAND
- ENTIRE PRODUCT RANGE NOW OTT ENHANCED
- LEADERSHIP IN OTT MAINTAINED THROUGH WORLD FIRST INNOVATION
- SHARP FOCUS ON SUPPLY CHAIN MANAGEMENT MAINTAINED

CHIEF EXECUTIVE'S STATEMENT

This is my first results statement as Amino Chief Executive. I am pleased to report on a good year for the Company in which financial growth and operational strength have gone hand in hand.

BUILDING ON OUR THREE CORE STRENGTHS

Three core strengths have underpinned the progress Amino has made this year; its customers and markets, its product, and its improved operational performance. Much has been done to reinforce these strengths this year and each one provides opportunities for further growth in the year ahead:

CUSTOMERS AND MARKETS

The markets in which Amino operates are dynamic and Amino has aligned itself closely to changing customer and technical demands. PayTV operators (IPTV, cable and satellite) are now enhancing their current offerings with OTT-delivered online services, building incremental revenue streams and customer loyalty. The strong synergy between IPTV and OTT, and Amino's deep expertise and reputation for quality in IPTV, means that the Company is well positioned to address this growing market opportunity, selling solutions to both its traditional IPTV customers, cable and satellite operators, and to new OTT-only players. Forecasted growth for the IPTV market is encouraging - with the IPTV market forecast to grow by more than 50% over the next five years according to Ovum (2012).

Specific geographies have their own differing requirements and Amino has worked hard this year to develop effective strategies for each of them.

The most pleasing progress this year has come from North America. Here Amino has continued to build on the strong platform it has in the region securing new customers thanks to its new range of enhanced products. Close working relationships with ecosystem and channel partners have proved decisive here in enabling the Company to gain market share. Progress has also been made in Western Europe, where it secured an important contract during the year to provide IPTV set-top boxes to Vodafone Netherlands.

During the year, Telecom Italia successfully launched the Cubovision set-top device which is based on Amino's OTT technology platform. The Company secured a number of follow-on orders and continues to provide technical support for the continuing deployment.

Regulatory change in Latin America presents a fresh opportunity for network operators and service providers to deploy both IPTV and OTT services. Amino is working closely with partners in targeting emerging markets in this region to become the supplier of choice for operators as they roll out their services.

Amino's product quality and reliability - and overall highly competitive total cost of ownership - has been critical in securing a strong sales pipeline. However, regions like Latin America - and increasingly Eastern Europe and the Russian market - require a new approach, particularly to product functionality and pricing. The Company has quickly responded by introducing a competitively priced and specified device to address these larger scale opportunities without compromising the Company's strong brand.

PRODUCT

Amino continues to build on its market leadership for products that can deliver a wide range of services - adding new OTT capabilities to its IPTV product range and continuing to innovate around the Intel®-powered Freedom media centre portfolio. After the year end, at

"AMINO'S PRODUCT QUALITY AND RELIABILITY - AND OVERALL HIGHLY COMPETITIVE TOTAL COST OF OWNERSHIP - HAS BEEN CRITICAL IN SECURING A STRONG SALES PIPELINE."

the major Consumer Electronics Show in January 2012, Amino further cemented its leading position in OTT innovation with the launch of the world's first media gateway to be driven by the latest Intel chipset.

OPERATIONAL PERFORMANCE

The benefits of operational improvements begun in the first half of the year have continued to feed through the business in the second half. The strong team put in place during 2010 has made significant progress in reducing complexity in terms of the components used in the manufacturing process with resulting bill of material cost savings and production efficiencies feeding through to margin enhancements. Improved forecasting with suppliers has effectively eliminated component "spot buying," further reducing Amino's lead times and enhancing its ability to bring products to market quickly.

This sharp focus on supply chain management has also benefitted the Company through what has been a turbulent year for the electronics component industry. The twin effects of the Japanese earthquake and Thailand flooding later in the year severely disrupted availability of a number of critical components required across a broad range of electrical goods. The strong relationships forged with suppliers have mitigated these challenging industry-wide conditions with supply secured throughout the year.

There remains a specific medium-term challenge for the supply of hard disk drives (HDDs) which are a key component for the Company's PVR device range which accounts for approximately a third of forecasted FY 2012 sales. However, since the trading update at the close of the year, further supplies have been secured at a competitive though higher than usual price point. This will enable the Company to maintain supply throughout the first half of 2012.

OUR PRIORITY

As our Chairman has made clear, the priority for Amino in the next twelve months remains the same: execution. The Company's strategy is the right one for the business. The task for the team is to make sure that it builds upon the progress made this year in improving operations, delivery and offering to generate further profitable growth in the months and years ahead.

DONALD MCGARVA
Chief Executive Officer

CHIEF FINANCIAL **OFFICER'S REPORT**

HIGHLIGHTS:

- REVENUE 18% HIGHER THAN PREVIOUS YEAR
- EBITDA INCREASES BY £3.8m TO £4.4m (2010: £0.6m)
- GROSS MARGIN INCREASED SIX PERCENTAGE POINTS TO 34.5% (2010: 28.5%)
- STRONG NET CASH AT £14.1m (2010: £3.6m)

RESULTS FOR THE YEAR

Revenue is 18% higher at £51.8m, despite shipments being 3% lower than 2010 at 601K, and the continued focus on margin improvement and cost control have led to an increase in EBITDA of £3.8m to £4.4m (2010: £0.6m). Revenue reflected the initial 50k and £7.4m revenue order from Telecom Italia at nil margin.

In addition:

- Structural changes in the Russian telecoms market led to a sales stagnation, impacting revenue by £5.4m.
- Within the Rest of the World, revenue reduced by £5.9m, largely due to competitive price pressure within Eastern European markets. This challenge was identified during the second half of 2011 and Amino has responded by developing a competitively priced and specified product for large scale opportunities which will be launched in Q2 2012.
- The doubling of USA revenue to £14.9m. Existing customers have transitioned easily to the new product range and new accounts have been won in competitive tenders.
- Italian sales were strong, driven by three subsequent orders from Telecom Italia which contributed an additional £5.6m revenue

Gross profit increased by £2.0m to £14.5m, (2010 £12.5m), with Gross margin at 28.0% (2010: 28.5%).

After adjusting for the first order to Telecom Italia and £0.8m provision on legacy stock of which £0.4m was incurred in the first half, gross margins increased by six percentage points to 34.5% (2010: 28.5%). This margin improvement culminates from a combination of:

- Increased migration to new IPTV product which provides better economies of scale, flexibility and more focused operational performance
- Focus on supply chain including simplifying product design, focus on product cost reduction, eliminating or reducing manual processes which has led to a reduction in unit costs hence impacting the overall margin
- Increased North American business at higher than average margins
- Lower Eastern European business which contributes lower than average margins

It is expected that margins will continue to come under pressure as Amino scales its business coupled with the launch of the new product for high volume, price sensitive markets. However, continued focus on operational improvements and supply chain management will help to mitigate some of this pressure.

Tight cost control continued during the year and the group managed to contain operating costs to £10.2m similar to last year (2010: £10.2m excluding exceptional costs).

- Sales, General and Administrative expenses increased by £0.8m to £6.1m (2010: £5.3m excluding exceptional costs) largely reflecting increased investment in operational headcount and product marketing costs.
- Research and Development costs reduced by £0.8m to £4.0m (2010: £4.8m) largely reflecting set up costs for the Telecom Italia contract in 2010. The Group has continued to invest heavily in its product portfolio with

> **"THE DOUBLING OF USA REVENUE TO £14.9M. EXISTING CUSTOMERS HAVE TRANSITIONED EASILY TO THE NEW PRODUCT RANGE AND NEW ACCOUNTS HAVE BEEN WON IN COMPETITIVE TENDERS."**

capitalised costs totalling £2.6m in the year (2010: £2.5m)

- Year end headcount was 118 (2010: 126) and the average number of employees during the year totalled 120 (2010: 125)

Amortisation has increased by £1.3m reflecting amortisation on both new IPTV and OTT products which were launched during the year.

Exceptional items total £2.3m (2010: £1.8m):

- During the year, as part of the operational review and simplification of the product base, Mood products were transferred to end of life status. As a result the executive and board have reviewed the carrying value of the investments made in Tilgin, the Group's Swedish operation, and have decided that, whilst the Swedish development team is an integral part of Amino's new and enlarged product development team, the end life status of the Mood products has resulted in a one off impairment charge of £2.3m. Tilgin goodwill is now fully impaired and there is no further acquired goodwill on the Company's balance sheet.

- In 2010, the Group's first OTT product was developed. A loss of £1.7m was incurred on this product through the need to spot buy components to meet manufacturing deadlines and other costs required to meet contractual obligations. The contract was delivered in 2011, however was treated as an onerous contract and as such the loss was provided for in 2010.

Corporation tax receivable of £0.4m (2010: £0.5m) largely reflects research and development tax credits.

BALANCE SHEET

Total equity was £20.6m at the year-end (2010: £21.8m) which is equivalent to 38.2p per share (2010: 38.7p) of which £14.1m (2010: £3.6m) or 26.2p per share (2010: 6.4p per share) is represented by net cash balances.

Net current assets are £14.6m (2010: £13.5m), the principal components of which are net cash balances of £14.1m (2010: £3.6m), trade and other receivables of £10.4m (2010: £12.5m), stock of £4.0m (2010: £12.0m) and trade and other payables of £14.0m (2010: £14.6m).

- 71% of trade receivables at 30 November 2011 are insured (2010: 47%). Trade receivables over 60 days at 30 November 2 011 but not provided for amounted to £0.3m (2010: £1.2m) demonstrating the Group's strong debtor management.

- The reduction in stock levels at the year-end was largely due to the sale of the inventory required to fulfil the first order for Telecom Italia together with a provision of £0.8m for legacy stock.

- The reduction in trade receivables and trade and other payables is largely due to strong working capital management together with a particularly high volume of sales in the last month of the prior year.

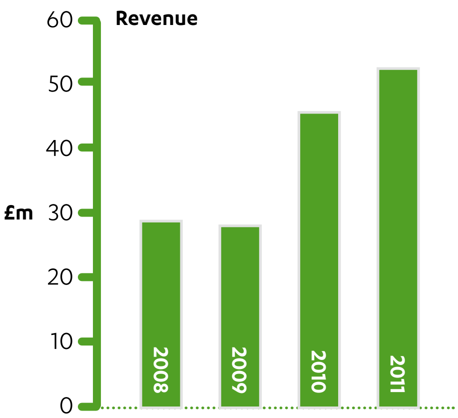
Net cash at £14.1m (2010: £3.6m) reflects strong working capital management including the conversion of 2010 year-end stock into cash. At the balance sheet date, the Group had forward foreign exchange contracts to convert €2m into GBP at average exchange rates of €1.1385 (2010: £11.1m at average conversion rates of \$1.58 and €1.19). £3.2m (2010: £2.6m) of net current assets is denominated in US dollars and £1.6m of assets (2010: £2.4m) in Euro.

At 30 November 2011, the Group has approximately £36m of unrecognised tax losses available to carry forward to set against future taxable profits. In addition, losses of £2.7m are recognised by the deferred tax asset of £0.7m. At the current taxation rates, the unrecognised deferred tax asset is £9.0m.

EQUITY

The issued share capital of the Group is 57.9m (2010: 57.9m) ordinary shares, of which 5.1% were held by the Employee Benefits Trust and 4.9% held in treasury by the company following the purchase of 2.8m shares during the year at a value of £1.2m. The number of subsisting options at the year-end, granted primarily to current and former employees, was 3.2m (2010: 6.4m) at an average exercise price of £0.47 per share (2010: £0.51).

JULIA HORNBY
Chief Financial Officer



BOARD OF **DIRECTORS**

KEITH TODD, CBE
Non-executive Chairman and Director

Keith joined Amino in January 2007. He is also executive Chairman of FFastFill PLC; a software and services company focused on the capital markets and non-executive Chairman of Magic Lantern, a new media company supplying the broadband market.

Keith served as non-executive Chairman of the UK Broadband Stakeholder Group for three years from February 2002. The Group included the key stakeholders, both from the public sector and industry and is focused on identifying actions that will accelerate the adoption of broadband services in the UK. He was also non-executive Chairman of Easynet PLC, a broadband services company, until January 2006 when it was sold to B Sky B and of E C Soft which was sold to Cyber Inc. in January 2003. He was previously Chief Executive of ICL PLC from 1996 to 2000 (now Fujitsu Services). He held a number of other senior executive positions in ICL and GEC Marconi defence businesses.

DONALD MCGARVA
Chief Executive Officer

Donald joined Amino as a non-executive director in April 2010, becoming Chief Operating Officer in September of the same year and subsequently Chief Executive Officer in December 2011. Previously, he was Senior Vice President, Asia Pacific, for DHL Supply Chain, the world's leading logistics company. He has spent the majority of his career in Asia and the US, holding a variety of senior positions in technology, manufacturing, services, supply chain, procurement and logistics with Fujitsu, BG Group and Celestica. He is an engineering graduate from the University of Strathclyde and commenced his career in manufacturing and logistics in the UK with ICL. He is also a member of the Chartered Institute of Purchasing and Supply Chain (MCIPS).

JULIA HORNBY
Chief Financial Officer

Julia joined Amino as Finance Director in December 2010 and was appointed to the Amino board as Chief Financial Officer in February 2011. An experienced chartered accountant with over 15 years' experience in both private equity backed businesses and listed companies, Julia was previously Chief Financial Officer at CSC Media Group, one of the UK's largest independent broadcasters, and joins Amino from Smartsense Services Limited where she worked in a consultancy capacity. Her other previous roles include Group Financial Controller at Lastminute.com, during the period when the company enjoyed exceptional growth. She was also Interim Group Financial Controller at Mowlem plc, and Group Chief Financial Officer at TV Travel Group.

BOARD OF **DIRECTORS**

COLIN SMITHERS, BSc, Ph.D, C Eng, FIEE, FIoD, LTCL
Non-executive Director

Colin joined Amino in March 2002. After completing PhD studies in wireless communications at the University of Surrey and being involved in its nascent microsatellite organisation he joined PA Technology in 1985. In 1989 Colin co-founded and is managing director of Plextek Limited, one of the largest independent electronics design consultancies in Europe. Plextek is particularly known for its Blighter electronic scanning radar and for delivering over 5m stolen vehicle tracking devices to TRACKER network UK and US based LoJack. In 2009 Colin led Plextek to win Queens Awards for Enterprise for both Export Achievement and Innovation. Colin also serves on the boards of Pneumacare Ltd and Redtail Telematics Ltd.

PETER MURPHY
Non-executive Director

Peter began his career at Price Waterhouse, where he qualified as a Chartered Accountant. His experience includes strategic planning, finance and business operations. He has held a variety of senior board positions in the software, manufacturing and consumer goods industries. Most recently he was Finance and Operations Director for the Lionhead Group of companies where he organised the sale of the business to Microsoft and prior to that he was a founder Director, CFO and Business Operations Director of Camelot Group PLC, The National Lottery operator.

MICHAEL BENNETT
Non-executive Director

Michael is Managing Partner of Azini Capital Partners LLP (www.azini.com), a fund management firm specialising in the acquisition of significant shareholdings in private and public technology companies. Michael has been a technology investor for 10 years prior to which he worked as a consultant for McKinsey and Co, and in a number of account management roles for BT. He has an MBA with High Distinction from Harvard Business School and a first class degree in Electronic Engineering from Southampton University. He has previously been a director of ProStrakan Group plc, DMATEK Limited and Ridgeway Systems and Software Inc. amongst others.

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Julia Hornby

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CORPORATE GOVERNANCE REPORT

For the year ended 30 November 2011

Introduction

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

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

Directors and board

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

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

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

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

Board committees

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

Audit

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

Relations with shareholders

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

Internal financial control

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

The key procedures that have been established in respect of internal financial control are:

- Internal control: the directors review the effectiveness of the Group's system of internal controls on a regular basis;
- Financial reporting: there is in place a comprehensive system of financial reporting based on the annual budget approved by the board. The results for the Group are reported monthly along with an analysis of key variances, and year-end forecasts are updated on a regular basis; and
- Investment appraisal: applications for significant expenditure of either a revenue or capital nature are made in a format which places emphasis on the commercial and strategic justification as well as the financial returns. All significant projects require specific board approval.

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

Going concern

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

DIRECTORS' REMUNERATION REPORT

For the year ended 30 November 2011

Introduction

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

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

Remuneration Committee

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

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

Remuneration of executive directors

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

The remuneration packages comprise the following elements:

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

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

Remuneration of non-executive directors

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

Directors' detailed emoluments and compensation

(The remainder of the remuneration report is audited)

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

DIRECTORS' REMUNERATION REPORT

For the year ended 30 November 2011 (CONTINUED)

Directors' detailed emoluments and compensation (continued)

	Year to 30 November 2010						
	Salary and fees	Bonus	Benefits	Compensation for loss of office	Sub-total	Pension contributions	Total
Keith Todd	54,000	-	-	-	54,000	-	54,000
Andrew Burke [4]	167,500	1,000	770	-	169,270	17,497	186,767
Stuart Darling [1]	113,627	1,000	700	77,659	192,986	20,664	213,650
Donald McGarva [2]	55,158	20,000	58	-	75,216	3,307	78,523
Colin Smithers	17,258	-	-	-	17,258	-	17,258
Peter Murphy	27,000	-	-	-	27,000	-	27,000
Michael Bennett	27,000	-	-	-	27,000	-	27,000
	461,543	22,000	1,528	77,659	562,730	41,468	604,198

(1) Stuart Darling resigned with effect from 8 February 2011

(2) Donald McGarva was appointed as a non-executive director on 1 April 2010. On 20 September 2010 Donald McGarva was appointed Chief Operations Officer and on 12 December 2011 he was appointed Chief Executive Officer.

(3) Julia Hornby was appointed Chief Financial Officer on 7 Feb 2011

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

Contributions were made to the personal pension schemes of four of the directors (2010: 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 2011		At 30 November 2010	
	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	157,824	150,000	157,824	250,000
Andrew Burke [2]	405,707	30,000	365,922	2,928,153
Stuart Darling [2]	-	-	50,000	440,000
Julia Hornby	-	250,000	-	-
Donald McGarva	42,700	530,000	42,700	530,000
Peter Murphy	100,000	30,000	100,000	30,000
Colin Smithers [1]	40,000	79,959	40,000	109,959
Michael Bennett [3]	-	-	-	-

(1) held by The CIT Pension fund

(2) ordinary shares held in personal pension fund

(3) Michael Bennett holds a non-beneficial interest in 7,888,916 ordinary shares, and 30,000 options, held by Azini 1 LP the controlling party of Evolution Securities Nominees Limited, a principal shareholder of which he is a director.

Directors and their interests in shares (continued)

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

Director	Date	Exercise Price	**At 30 November 2011 Number**	At 30 November 2010* Number
Keith Todd	1 January 2007	£0.50	**100,000**	100,000
	1 January 2007	£1.25	**50,000**	50,000
	1 July 2008	£0.62	-	100,000
			150,000	250,000
Andrew Burke	22 January 2007	£0.50	**30,000**	30,000
	9 June 2008	£0.00	-	1,738,892
	9 June 2008	£1.50	-	1,159,261
			30,000	2,928,153
Stuart Darling	19 September 2003	£0.20	-	290,000
	1 February 2004	£0.20	-	37,497
	1 February 2004	£0.32	-	22,503
	1 July 2008	£0.62	-	90,000
			-	440,000
Julia Hornby	6 Dec 10	£0.45 (d)	**250,000**	-
			250,000	-
Donald McGarva	30 June 2010	£0.435 (a)	**30,000**	30,000
	29 July 2010	£0.40 (b)	**500,000**	500,000
			530,000	530,000
Peter Murphy	24 January 2008	£0.49	**30,000**	30,000
			30,000	30,000
The CIT Pension fund (for Colin Smithers)	30 September 2003	£0.20	**55,000**	55,000
	1 February 2004	£0.32	**14,959**	14,959
	17 May 2004	£0.70	**10,000**	10,000
	1 July 2008	£0.62	-	30,000
			79,959	109,959
Azini 1 LP	30 July 2010	£0.435 (c)	**30,000**	30,000
			30,000	30,000

* or date of appointment if later

Notes:

All share option movements in the above table resulted from options lapsing due to vesting conditions not being met with the exception of those options held by Stuart Darling and which had an exercise price of £0.20 and £0.32. These were exercised in two tranches on 29 July 2011 and 6 September 2011. The gain arising was £72,800. The vesting conditions of the above options subsisting at the balance sheet date, but not yet vested, are as follows:

(a) These options vest in two equal instalments; 15,000 on 30 June 2011 and 15,000 on 30 June 2012.

(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 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.

(c) These options vest in two equal instalments; 15,000 on 30 July 2011 and 15,000 on 30 July 2012. Michael Bennett is a director of Azini Capital Partners LLP.

(d) 50% 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% when measured Earnings per Share growth equals or exceeds 40% per annum in the period 1 December 2010 to 30 November 2013.

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 40.0p and ranged between 37.5p and 51.4p during the year.

Peter Murphy
Chairman
Remuneration Committee

DIRECTORS' REPORT

For the year ended 30 November 2011

The directors present their report and the audited financial statements for the year ended 30 November 2011.

Principal activities

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

Business review and future developments

A review of the Group's performance during the financial year, research and development activities and future prospects, are contained in the Chairman's report, Chief Executive's report and Chief Financial Officer's report on pages 3 to 8.

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.

- Credit risk: 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; and
- 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 allowed its borrowing facility to lapse in year due to the strength of its cash position. At the balance sheet date all cash reserves were instantly accessible.
- 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 2011 the balance of cash in China equated to £52,647 (2010: £131,861). There were no other significant concentrations of counterparty risk at the balance sheet date. 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.
- Price risk: The Group seeks to mitigate the risk of fluctuating input prices by establishing long-term relationships with suppliers. The resilience of these relationships has been demonstrated by the Group's ability to respond to the impact of the recent floods in Thailand on Hard Disk Drive (HDD) supplies. In the short to medium term the Group responds to competitive pricing pressure on its sales by maintaining a strong order backlog at agreed prices. At the balance sheet date this equated to 101,953 units (2010: 158,319). In the longer term the Group manages this price risk by continually striving to reduce its cost base whilst enhancing the quality and functionality of its products. Further details regarding the Board's strategy in respect of these risks are contained in the Chairman's report, Chief Executive's report and Chief Financial Officer's report on pages 3 to 8.

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:

- Financial (see above and in note 3) ;
- 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;
- Recruitment: The Group's performance depends largely on its ability to recruit and retain key individuals with the right experience and skills. To ensure the Group retains the highest calibre of staff it has implemented a number of schemes linked to the Group's results that are designed to retain key individuals, including bonuses and share option schemes;
- Technology: The Group's revenue is dependent on delivering complex, viable technologies to specific markets. The Group ensures that cross-functional teams of senior employees work together and with customers to ensure the successful integration of its technologies;
- Amino IP infringement: The Group's IP may be at risk from unauthorised parties attempting to copy or obtain and use the technology. The Group continues to invest heavily in protecting its IP globally; and
- Third party IP infringement: The Group's business and operations may be adversely affected by litigation arising from alleged IP infringement. The Group has implemented procedures to identify, assess, manage and report on any potential IP infringement.

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

Key performance indicators ("KPIs")

The board monitors progress on the overall Group strategy and the individual strategic elements by reference to KPIs, specifically revenue growth, gross margin and working capital levels. These KPIs have been addressed in the Chairman's report on page 3, Chief Executive's report on page 5 and the Chief Financial Officer's report on page 7.

Proposed dividend

On 10 February 2012 the directors proposed payment of a dividend of £1,100,964 (2010: £nil). This equates to £0.02 per share (2010: nil).

Research and development

£6,751,923 was spent on research and development in 2011 (2010: £6,974,017). Under IAS 38 "Intangible Assets" £2,636,745 of research and development expenditure was capitalised (2010: £2,449,132).

The Group continues to invest in the development of its range of set-top box software and hardware platforms to further enhance its capabilities. A particular focus, across the entire product range, has been the development of enhanced OTT ("Over the Top") functionality, to enable the delivery of content from the open Internet "over the top" of traditional broadcast entertainment. In the opinion of the directors, these investments will maintain and generate significant revenues in future years.

Post balance sheet events

There were no significant post balance sheet events.

Directors

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

Keith Todd	Non-executive Chairman
Andrew Burke	Chief Executive Officer
Stuart Darling	Chief Financial Officer and Company Secretary
Julia Hornby (appointed 7 February 2011)	Chief Financial Officer and Company Secretary
Donald McGarva (appointed 1 April 2010)	Chief Operating Officer (appointed Chief Executive Officer 12 December 2011)
Colin Smithers	Non-executive Director
Peter Murphy	Non-executive Director
Michael Bennett	Non-executive Director

Stuart Darling resigned as a director, effective from 8 February 2011.

Andrew Burke retired as a director by rotation and, being eligible, was re-appointed at the Annual General Meeting on 30 March 2011. He resigned as a director, effective from 12 December 2011.

Donald McGarva and Julia Hornby were both appointed as directors by the Board after the previous Annual General Meeting and so, pursuant to the Company's Articles of Association, were re-appointed at the Annual General Meeting on 30 March 2011.

Donald McGarva was appointed Chief Executive Officer, effective from 12 December 2011.

The Company maintains director and officers liability insurance.

Employment policies

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

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

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

Policy and practice on payment of creditors

The Group does not follow any specific code on payment of creditors; creditors are paid in accordance with the terms of the contract agreed between the two parties. Trade creditors of the Group at 30 November 2011 were equivalent to 80 days purchases for the Group (2010: 82 days). The parent company did not have any creditors external to the Group at the balance sheet date (2010: nil).

Substantial shareholdings

As at 30 November 2011, 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 2,844,852 shares held in Treasury from the 57,893,052 shares disclosed in note 22 as allotted, called and fully paid up.

DIRECTORS' REPORT
For the year ended 30 November 2011 (CONTINUED)

Substantial shareholdings (continued)

	Number of ordinary shares	Percentage of issued share capital
Azini Capital Partners LLP [(1)]	7,888,916	14.3%
BlackRock Inc	5,514,154	10.0%
Schroder Investment Management	5,081,949	9.2%
Pershing Nominees Ltd	3,910,070	7.1%
Mineworkers Pension Scheme & British Coal Staff Superannuation Scheme	3,714,518	6.8%
British Coal Superannuation Scheme (Chase GIS) Nominees Ltd	3,673,875	6.7%
Kestrel Opportunities	3,106,432	5.6%
Amino Communications Employee Benefits Trust	2,925,091	5.3%
Mr Ari Charles Zaphiriou-Zarifi	2,871,713	5.2%
Herald Investment Management	2,435,000	4.4%
HSBC Global Custody Nominee UK	1,650,000	3.0%
	42,771,718	77.6%

[(1)] Michael Bennett, a non-executive director of the Group, holds a non-beneficial interest in 7,888,916 ordinary shares held by Azini Capital partners LLP as detailed in the remuneration report.

Political and charitable donations

The Group made charitable donations to charities totalling £1,569 in the year (2010: £310).

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs), and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group and parent company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether FRSs and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

- There is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

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

By order of the board,

Julia Hornby
Company Secretary

INDEPENDENT AUDITORS' 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 2011 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 shareholders' 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 auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the Group financial statements:

- Give a true and fair view of the state of the Group's affairs as at 30 November 2011 and of its loss for the year then ended;
- Have been properly prepared in accordance with IFRS as adopted by the European Union; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the parent Company financial statements of Amino Technologies plc for the year ended 30 November 2011.

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
13 February 2012

CONSOLIDATED INCOME STATEMENT

For the year ended 30 November 2011

	Notes	**Year to 30 November 2011 £**	Year to 30 November 2010 £
Revenue	4	**51,815,105**	43,975,603
Cost of sales		**(37,295,490)**	(31,448,784)
Gross profit		**14,519,615**	12,526,819
Selling, general and administrative expenses		**(6,124,354)**	(7,081,042)
Research and development expenses		**(4,042,471)**	(4,855,457)
EBITDA		**4,352,790**	590,320
Depreciation	14	**(379,103)**	(457,508)
Amortisation	13	**(2,320,596)**	(1,028,255)
Impairment of goodwill	13	**(2,279,251)**	-
Operating loss		**(626,160)**	(895,443)
Analysed as:			
Operating profit before restructuring, impairment and onerous contracts		**1,653,091**	882,217
Restructuring costs	5	**-**	(101,667)
Impairment costs	5	**(2,279,251)**	-
Loss on first OTT contract	5	**-**	(1,675,993)
Operating loss		**(626,160)**	(895,443)
Finance expense	6	**(8,227)**	-
Finance income	6	**15,344**	13,182
Net finance income	6	**7,117**	13,182
Loss before corporation tax	7	**(619,043)**	(882,261)
Corporation tax credit	10	**410,193**	536,392
Loss for the year attributable to equity holders		**(208,850)**	(345,869)
Basic loss per 1p ordinary share	11	**(0.39p)**	(0.61p)
Diluted loss per 1p ordinary share	11	**(0.39p)**	(0.61p)
Basic earnings per 1p ordinary share (excluding exceptional items)	11	**3.84p**	2.54p
Diluted earnings per 1p ordinary share (excluding exceptional items)	11	**3.81p**	2.52p

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 November 2011

	Year to 30 November 2011 £	Year to 30 November 2010 £
Loss for the year	**(208,850)**	(345,869)
Foreign exchange difference arising on consolidation	**7,277**	85,998
Other comprehensive income	**7,277**	85,998
Total comprehensive expense for the financial year	**(201,573)**	(259,871)

CONSOLIDATED BALANCE SHEET

As at 30 November 2011

	Notes	As at 30 November 2011 £	As at 30 November 2010 £
Assets			
Non-current assets			
Property, plant and equipment	14	**672,091**	1,094,020
Intangible assets	13	**4,491,555**	6,442,979
Deferred income tax assets	21	**671,149**	671,149
Trade and other receivables	16	**168,150**	172,964
		6,002,945	8,381,112
Current assets			
Inventories	15	**4,016,521**	11,962,412
Trade and other receivables	16	**10,404,119**	12,528,263
Derivative financial instruments	17	**42,243**	-
Cash and cash equivalents	18	**14,124,274**	3,587,687
		28,587,157	28,078,362
Total assets		**34,590,102**	36,459,474
Capital and reserves attributable to equity holders of the business			
Called-up share capital	22	**578,930**	578,930
Share premium		**126,375**	126,375
Capital redemption reserve		**6,200**	6,200
Foreign exchange reserves		**587,379**	580,102
Other reserves		**16,388,755**	16,388,755
Retained earnings		**2,940,400**	4,163,382
Total equity		**20,628,039**	21,843,744
Liabilities			
Current liabilities			
Trade and other payables	19	**13,962,063**	14,592,381
Derivative financial instruments	17	-	23,349
Total liabilities		**13,962,063**	14,615,730
Total equity and liabilities		**34,590,102**	36,459,474

The financial statements on pages 19 to 48 were authorised for issue by the board of directors on 13 February 2012 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 November 2011

	Notes	**Year to 30 November 2011 £**	Year to 30 November 2010 £
Cash flows from operating activities			
Cash generated from / (used in) operations	25	**13,744,763**	(3,567,180)
Corporation tax received		**565,081**	944,743
Net cash generated from / (used in) operating activities		**14,309,844**	(2,622,437)
Cash flows from investing activities			
Purchases of intangible fixed assets		**(2,648,423)**	(2,518,914)
Purchases of property, plant and equipment		**(22,438)**	(358,024)
Net interest received		**7,117**	11,192
Net cash used in investing activities		**(2,663,744)**	(2,865,746)
Cash flows from financing activities			
Proceeds from exercise of employee share options		**84,908**	4,000
Purchase of own shares		**(1,206,790)**	-
Net cash (used) in / generated from financing activities		**(1,121,882)**	4,000
Net increase / (decrease) in cash and cash equivalents		**10,524,218**	(5,484,183)
Cash and cash equivalents at beginning of year		**3,587,687**	9,047,378
Effects of exchange rate fluctuations on cash held		**12,369**	24,492
Cash and cash equivalents at end of year	18	**14,124,274**	3,587,687

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 30 November 2011

	Share capital £	Share premium £	Other reserves £	Foreign exchange reserve £	Capital redemption reserve £	Profit and loss £	Total £
Shareholders' equity at 30 November 2009	578,930	126,375	16,388,755	494,104	6,200	4,348,000	21,942,364
Total comprehensive income for the period attributable to equity holders	-	-	-	85,998	-	(345,869)	(259,871)
Share option compensation charge	-	-	-	-	-	157,251	157,251
Exercise of employee share options	-	-	-	-	-	4,000	4,000
Total transactions with owners	-	-	-	-	-	161,251	161,251
Total movement in shareholders' equity	-	-	-	85,998	-	(184,618)	(98,620)
Shareholders' equity at 30 November 2010	578,930	126,375	16,388,755	580,102	6,200	4,163,382	21,843,744
Total comprehensive income for the period attributable to equity holders	-	-	-	7,277	-	(208,850)	(201,573)
Share option compensation charge	-	-	-	-	-	107,750	107,750
Exercise of employee share options	-	-	-	-	-	84,908	84,908
Purchase of own shares	-	-	-	-	-	(1,206,790)	(1,206,790)
Total transactions with owners	-	-	-	-	-	(1,014,132)	(1,014,132)
Total movement in shareholders' equity	-	-	-	7,277	-	(1,222,982)	(1,215,705)
Shareholders' equity at 30 November 2011	578,930	126,375	16,388,755	587,379	6,200	2,940,400	20,628,039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2011

1 General information

Amino Technologies plc ('the Company') and its subsidiaries (together 'the Group') specialise in IPTV software technologies and hardware platforms that enable delivery of digital programming and interactivity over IP networks.

The Company's set-top boxes combine high performance, innovative design and a world-leading price/performance ratio as acknowledged by industry analysts.

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

The Company is a public limited company which is listed on the Alternative Investment Market of the London Stock Exchange and is incorporated and domiciled in the United Kingdom. The address of its registered office is given on page 10.

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.

IAS 1 Presentation of Financial Statements (Revised 2007) requires presentation of a comparative balance sheet as at the beginning of the first comparative period, in some circumstances. Management considers that this is not necessary this year because the 2009 balance sheet is the same as that previously published.

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

Basis of consolidation

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

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

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

The Group has taken the exemption not to apply IFRS 3, "Business Combinations", retrospectively to business combinations that took place before 1 December 2006.

Going concern

The Group had cash of £14.1m at the balance sheet date. Due to the high level of cash balances held the board allowed borrowing facilities of £2.0m to lapse on 28 February 2011. Whilst current economic conditions create uncertainty the board believes it will be able to renew working capital facilities at a similar level to the extent this is considered necessary. The Group has returned to underlying profitability before impairment charges, the order book remains strong and they note that significant opportunities remain within the market. The directors believe that the Group is well positioned to manage the going concern risk. The principal risks facing the business, as well as the controls in place to mitigate them, are set out in the directors' report on page 15-17.

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 and is able to meet its financial covenant. 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 2011.

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 2010.

2 Summary of significant accounting policies (continued)

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 2011, 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 board.

Revenue recognition

Revenue represents the invoice value of goods sold and services provided in the period, the value of sales of licences, royalties arising from the resulting sale of licensed products, 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. Income from development and integration work required with product sales is recognised on completion of the relevant project.
- 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.
- Income from support and maintenance is recognised over the period in which the service is provided.
- 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 surveys of work performed.

Foreign currencies

(i) Functional and presentational currency

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

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

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. 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.

(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.

Financial instruments

(i) Trade receivables

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

(ii) Trade payables

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

Derivative financial instruments and hedging activities

Derivatives are categorised as held for trading. Assets and liabilities in this category are classified as current assets or current liabilities.

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2011 (CONTINUED)

2 Summary of significant accounting policies (continued)

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 sales, general and administrative 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) Goodwill

Goodwill arising on acquisition represents the excess of the fair value of the consideration given over the fair value of the net assets acquired.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Goodwill is allocated to cash generating units for the purpose of impairment testing. When testing for impairment, recoverable amounts for all of the Group's cash generating units are measured at their value in use by discounting the future expected cash flows from the assets in the cash generating units. These calculations use cash flow projections based on five year management approved forecasts and are discounted at the Group's pre-tax weighted average cost of capital. If the total net present value is in excess of the book value of the cash generating unit then no impairment is made to the goodwill.

Any impairment is recognised in selling, general and administrative expenses in the income statement in the period in which it was identified unless separate disclosure is deemed necessary by virtue of its size or nature. Please refer to note 13 for details on how impairment reviews are performed.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Software licences

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

(iii) Intellectual property

Intellectual property acquired through business combinations is capitalised at fair value on acquisition and is amortised over its useful economic life on a straight line basis. Amortisation is recognised within research and development expenses within the consolidated income statement.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered any impairment. If any such indication exists, the recoverable amount of the asset (being the higher of fair values 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.

2 Summary of significant accounting policies (continued)

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 substantially 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 other 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. Further disclosures regarding the accounting treatment of the EBT are given in note 1 of the parent company accounts.

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 November 2011 (CONTINUED)

2 Summary of significant accounting policies (continued)

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.

Estimated impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see note 13).

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 volatility of the underlying shares and the expected dividend yield.

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.

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

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

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

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

Market risk

(i) Foreign exchange risk

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

The Group considers foreign exchange risk to be its principal risk and seeks to minimise its effects by using derivative financial instruments where appropriate. Such contracts are entered into to hedge against known foreign exchange exposures only and are not used for speculative purposes.

The Group's derivative contracts do not qualify for hedge accounting and are valued (i.e. marked to market) at the balance sheet date and any resulting profits or losses are taken to the income statement.

3 Financial risk management (continued)

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

Year ended 30 November 2011	Dollars $	Euros €
Trade and other receivables denominated in foreign currency	9,037,875	2,726,356
Cash balances denominated in foreign currency	8,242,012	218,858
Trade and other payables denominated in foreign currency	(12,242,366)	(1,060,525)
Net current assets denominated in foreign currency	**5,037,521**	**1,884,689**
Outstanding forward contracts	-	(2,000,000)

Year ended 30 November 2010	Dollars $	Euros €
Trade and other receivables denominated in foreign currency	12,969,647	2,539,292
Cash balances denominated in foreign currency	3,764,367	463,410
Trade and other payables denominated in foreign currency	(12,751,269)	(166,461)
Net current assets denominated in foreign currency	**3,982,745**	**2,836,241**
Outstanding forward contracts	(1,834,250)	14,660,500

At 30 November 2011, 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 (2010: £0.2m/£0.2m) higher/lower.

At 30 November 2011, if sterling had weakened/strengthened by 5% against the euro with all other variables held constant, post-tax profit for the year would not have been materially affected (2010: £0.5m/£0.5m lower/higher).

(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 2011 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 0.17% (2010: 0.76%). During the year the Group allowed its overdraft facility, which had a limit of £2,000,000, to lapse due to the strength of its cash position. Interest on funds drawn against this facility would have accrued interest at a rate of 2.5% over the bank's base rate, which has been an average of 0.5%.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group spreads this risk by depositing cash across a number of banks. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. It is Group policy to insure its debtors. Where debtors are covered by insurance, the Group's exposure is limited to 10% of the value of the debt. Where insurance cannot be obtained due to the territory or customer involved, where possible, the necessary terms are placed on the customer so that monies are prepaid in full or to an adequate level so that maximum exposure is equal to the margin on the sale. No credit limits were exceeded during the reporting period. Temporary increases in credit limits for specific contracts are subject to board review and approval. The Group's credit risk is limited to the carrying value of financial assets recognised at the balance sheet date, summarised below:

	As at 30 November 2011 £	As at 30 November 2010 £
Financial asset carrying amounts		
Non-current assets		
- trade and other receivables	**168,150**	172,964
Current assets		
- trade and other receivables	**10,404,119**	12,528,263
- derivative financial assets held at fair value	**42,243**	-
- cash and cash equivalents	**14,124,274**	3,587,687
	24,738,786	16,288,914

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 November 2011 (CONTINUED)

3 Financial risk management (continued)

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.

In order to maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, return capital to shareholders or issue new shares.

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

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

Geographical external customer revenue analysis	**Year to 30 November 2011 £**	Year to 30 November 2010 £
United Kingdom	**962,928**	1,857,175
Russia	**3,517,936**	8,935,091
Netherlands	**7,789,014**	8,190,765
Italy	**13,023,373**	27,205
USA	**14,949,715**	7,514,817
Rest of the World	**11,572,139**	17,450,550
	51,815,105	43,975,603

For this disclosure revenue is determined by the location of the customer. The revenue from the provision of support and expert services is not considered significant and no separate analysis of category of revenue has been provided. The location of non-current assets of the Group, other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising out of insurance contracts) is as follows:

Non-current assets by geographic area analysis	**As at 30 November 2011 £**	As at 30 November 2010 £
United Kingdom	**5,224,471**	5,174,013
Sweden	**68,067**	2,469,454
Rest of the World	**39,263**	66,496
	5,331,801	7,709,963

Revenues totalling £13,023,373 are derived from a single external customer, located in Italy (2010: £27,205).
Revenues totalling £13,811,073 are derived from two customers, located in the USA (2010: £6,695,428)
Revenues totalling £3,517,936 are derived from a single external customer, located in Russia (2010: £8,935,091).
Revenues totalling £4,331,761 are derived from a single external customer, located in the Netherlands (2010: £6,017,058).

5 Exceptional items

	Year to 30 November 2011 £	Year to 30 November 2010 £
Restructuring costs (included within selling, general and administrative expenses)	**-**	101,667
Impairment costs	**2,279,251**	-
Loss on first OTT contract	**-**	1,675,993
	2,279,251	1,777,660

Starting in 2009 the Group implemented three tranches of restructuring. The first tranche was to streamline the sales and administrative functions of Amino Communications AB on acquisition. The second and third tranches related to additional redundancy costs to realign the Group's cost base. The restructuring costs in the year ended 30 November 2010 related to the final stage and constituted redundancy costs associated with restructuring of the Executive and key management.

Impairment costs in the year to 30 November 2011 of £2,279,251 relate to the write down of goodwill to its recoverable amount. Please refer to note 13 for further details.

During the year ended 30 November 2010 the Group's first OTT product was developed. No revenue was recognised during that year. Due to the need to spot-buy on the market to meet manufacturing deadlines, adverse exchange fluctuations and other costs incurred to meet contractual obligations, a loss was incurred on the contract. The majority of costs were incurred at 30 November 2010 and, to the extent that further costs were expected, they were provided for. All revenue relating to the contract had been recognised by 30 November 2011 and the provision recorded in the prior period unwound.

6 Finance income

	Year to 30 November 2011 £	Year to 30 November 2010 £
Interest payable and similar costs	**(8,227)**	-
Interest receivable and similar income	**15,344**	13,182
	7,117	13,182

7 Loss before corporation tax

Loss before corporation tax is stated after charging:

	Year to 30 November 2011 £	Year to 30 November 2010 £
Depreciation of owned property, plant and equipment	**379,103**	457,508
Amortisation of intangible fixed assets	**2,320,596**	1,028,255
Impairment charge	**2,279,251**	-
Loss on disposal of property, plant and equipment	**68,601**	3,382
Research and development (net of capitalisation and amortisation)	**4,042,471**	4,454,355
Operating lease rentals		
- land and buildings	**690,538**	630,772
- plant and machinery	**10,801**	2,976
Auditors' remuneration:		
Audit services		
- fees payable to Company auditor for the audit of the Company and consolidated financial statements	**29,100**	21,806
Other services		
- the auditing of the Company's subsidiaries pursuant to legislation	**15,900**	23,194
- other services	**5,028**	5,000
Movements in inventory provision	**820,012**	(204,196)
Realised loss on foreign exchange	**561,781**	823,128
Unrealised foreign exchange (gains)/losses on forward contracts	**(65,592)**	71,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2011 (CONTINUED)

8 Staff costs

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

	As at 30 November 2011 Year end number	As at 30 November 2010 Year end number	**Year to 30 November 2011 Average number**	Year to 30 November 2010 Average number
Selling, general and administration	**38**	63	**38**	60
Research and development	**80**	63	**82**	65
	118	126	**120**	125

	Year to 30 November 2011 £	Year to 30 November 2010 £
Their aggregate remuneration comprised:		
Wages and salaries including termination benefits	**6,239,254**	6,067,662
Social security costs	**995,588**	894,955
Other pension costs (see note 28)	**406,207**	390,778
Expense of share-based payments	**107,750**	157,251
	7,748,799	7,510,646

9 Key management compensation

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

	Year to 30 November 2011 £	Year to 30 November 2010 £
Salaries and other short term employee benefits	**1,354,149**	1,117,914
Termination benefits	**28,571**	101,667
Amounts paid to third parties for directors' services	**49,000**	44,258
Company contributions to personal pension schemes	**67,747**	80,730
Expense for share based payments	**20,579**	86,200
	1,520,046	1,430,769

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 2011, key management comprised 13 people (2010: 11).

Directors' emoluments are disclosed in the directors' remuneration report on page 12.

10 Corporation tax credit

	Year to 30 November 2011 £	Year to 30 November 2010 £
Corporation tax credit for the year	**387,931**	544,118
Adjustment in respect of prior years	**22,262**	(7,726)
Total current tax credit	**410,193**	536,392
Deferred tax	**-**	-
Total tax credit in income statement	**410,193**	536,392

The tax credit for the year is higher than that calculated by applying the pro-rated standard rate of corporation tax in the UK 26 2/3 % (2010: 28%). The differences are explained below:

	Year to 30 November 2011 £	Year to 30 November 2010 £
Loss on ordinary activities before corporation tax	**(619,043)**	(882,261)
At the standard rate of corporation tax in the UK	**(165,078)**	(247,033)
Effects of:		
Goodwill impairment not allowable for tax purposes	**607,777**	-
Amounts not allowable for tax purposes	**79,293**	114,202
Difference on tax treatment of share options	**8,920**	-
Enhanced deduction for research and development expenditure	**(1,612,814)**	(848,483)
Surrender of losses for research and development tax credit	**439,541**	514,795
Adjustment in respect of prior years	**(22,262)**	7,726
Difference between capital allowances and depreciation	**17,607**	(115,228)
Net losses utilised during the period	**(18,145)**	(28,101)
Unrelieved tax losses	**254,142**	519,882
Other temporary differences	**826**	(454,152)
Tax credit	**(410,193)**	(536,392)

11 Loss per share

	Year to 30 November 2011 £	Year to 30 November 2010 £
Loss attributable to ordinary shareholders	**(208,850)**	(345,869)
Profit attributable to ordinary shareholders excluding exceptional items	**2,070,401**	1,431,791
Weighted average number of shares (Basic)	**53,955,749**	56,420,652
Weighted average number of shares (Diluted)	**54,363,806**	56,880,604
Basic loss per share	**(0.39p)**	(0.61p)
Diluted loss per share	**(0.39p)**	(0.61p)
Basic profit per share excluding exceptional items	**3.84p**	2.54p
Diluted profit per share excluding exceptional items	**3.81p**	2.52p

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2011 (CONTINUED)

11 Loss per share (continued)

The calculation of basic earnings per share is based on loss after taxation and the weighted average of ordinary shares of 1p each in issue during the period. During the year the company repurchased 2,844,852 of its own shares. These are held in treasury and excluded from the weighted average above. The basic weighted average number of shares also excludes 2,925,091 shares held by EBT.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has only one category of dilutive potential ordinary shares; those share options where the exercise price is less than the average market price of the Company's ordinary shares during the year. There is no dilutive effect on unadjusted loss per share in respect of the year ended 30 November 2011 as the Group was loss making. The profit attributable to ordinary shareholders excluding exceptional items is derived by adding back the exceptional items disclosed in note 5 to the loss attributable to ordinary shareholders.

12 Dividends

On 10 February 2012 the directors declared a dividend of £1,100,964 for the current financial year (2010: nil). This equates to £0.02 per share (2010: nil).

13 Intangible assets

	Goodwill £	Intellectual property £	Software licences £	Development costs £	Total £
Cost					
At 1 December 2009	4,138,627	290,831	1,847,987	2,409,795	8,687,240
Additions	-	-	69,782	2,449,132	2,518,914
At 30 November 2010	4,138,627	290,831	1,917,769	4,858,927	11,206,154
Additions	-	-	11,678	2,636,745	2,648,423
At 30 November 2011	4,138,627	290,831	1,929,447	7,495,672	13,854,577
Amortisation and impairment					
At 1 December 2009	1,932,083	72,708	1,336,782	393,347	3,734,920
Charge for the year	-	72,708	280,638	674,909	1,028,255
At 30 November 2010	1,932,083	145,416	1,617,420	1,068,256	4,763,175
Charge for the year	-	72,708	186,991	2,060,897	2,320,596
Impairment	2,206,544	72,707	-	-	2,279,251
At 30 November 2011	4,138,627	290,831	1,804,411	3,129,153	9,363,022
Net book amount					
At 30 November 2011	**-**	**-**	**125,036**	**4,366,519**	**4,491,555**
At 30 November 2010	2,206,544	145,415	300,349	3,790,671	6,442,979

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

Impairment tests for goodwill

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

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

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

13 Intangible assets (continued)

Whilst the stated accounting policy is to assess value in use by reference to cash flow projections derived from five year management forecasts the technology under-pinning the products, which would generate the forecast cash flows, is deemed to have a useful economic life of only two years. Therefore, in line with the group policy for amortising development assets, the value of the goodwill was assessed against forecast cash flows for the next two years.

These cashflows were discounted at the Group's pre-tax weighted average cost of capital of 10%.This cost of capital was validated by comparison to similar businesses as a calculated cost of capital was not deemed representative for a debt-free business with no dividend history.

Using this methodology the goodwill was calculated to have a carrying amount in excess of its recoverable value. It was therefore fully impaired as any excess of recoverable value over carrying amount was immaterial.

Following this impairment associated assets were also reviewed for impairment. This led to the full impairment of an intellectual property asset separately capitalised on acquisition of Amino Communications AB in respect of specific technologies acquired. Applying the assumptions detailed above the asset was subject to an impairment of £72,707 in addition to its annual amortisation of £72,708 reducing the net book value to zero.

Separate calculations were performed to demonstrate that all of the development assets were being carried at appropriate values based on the assumptions detailed above. It was noted that the key assumptions in all value in use calculations are revenue and profitability, based on historical performance and expectations about future performance.

14 Property, plant and equipment

	Computer software and equipment £	**Office and other equipment £**	**Leasehold improvements £**	**Total £**
Cost				
At 1 December 2009	1,717,283	328,534	1,142,299	3,188,116
Foreign exchange adjustment	9,296	6,742	3,614	19,652
Additions	299,891	40,975	17,158	358,024
Disposals	(170,660)	(30,670)	-	(201,330)
At 30 November 2010	1,855,810	345,581	1,163,071	3,364,462
Foreign exchange adjustment	2,394	3,154	588	6,136
Additions	21,263	1,175	-	22,438
Disposals	(313,002)	(36,993)	(25,531)	(375,526)
At 30 November 2011	**1,566,465**	**312,917**	**1,138,128**	**3,017,510**
Depreciation				
At 1 December 2009	1,198,192	258,095	539,190	1,995,477
Foreign exchange adjustment	5,141	4,405	1,532	11,078
Charge for the year	337,781	48,951	70,776	457,508
Disposals	(167,335)	(26,286)	-	(193,621)
At 30 November 2010	1,373,779	285,165	611,498	2,270,442
Foreign exchange adjustment	1,027	1,530	241	2,798
Charge for the year	282,727	26,880	69,496	379,103
Disposals	(244,400)	(36,993)	(25,531)	(306,924)
At 30 November 2011	**1,413,133**	**276,582**	**655,704**	**2,345,419**
Net book amount				
At 30 November 2011	**153,332**	**36,335**	**482,424**	**672,091**
At 30 November 2010	482,031	60,416	551,573	1,094,020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2011 (CONTINUED)

15 Inventories

	As at 30 November 2011 £	As at 30 November 2010 £
Raw materials	**2,274,212**	2,565,589
Finished goods	**1,742,309**	9,396,823
	4,016,521	11,962,412

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

	2011 £	2010 £
Charged / utilised in the year	**820,012**	(204,196)
Provision at the year end	**989,890**	169,878

The cost of inventories recognised as an expense and included in cost of sales amounted to £30.64m (2010: £24.47m).

16 Trade and other receivables

	As at 30 November 2011 £	As at 30 November 2010 £
Current assets:		
Trade receivables	**8,221,700**	10,765,549
Less: provision for impairment of receivables	**(60,000)**	(73,503)
Trade receivables (net)	**8,161,700**	10,692,046
Other receivables	**68,088**	101,385
Corporation tax receivable	**387,931**	542,819
Prepayments	**1,786,400**	1,192,013
	10,404,119	12,528,263
Non current assets:		
Other receivables	**168,150**	172,964

Other receivables comprise rent deposits.

Credit quality of financial assets

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

Trade receivables	**As at 30 November 2011 £**	As at 30 November 2010 £
Under 60 days	**7,834,185**	9,494,686
Over 60 days and fully provided for	**60,000**	73,503
Over 60 days but not provided for	**327,515**	1,197,360
	8,221,700	10,765,549

Standard credit terms vary from customer to customer largely based on territory. At the year-end £0.39m of debts were past due (2010: £1.92m). Of this £0.39m (2010: £1.27m) was greater than 60 days past due and the remainder was less than 60 days overdue. As shown above, at 30 November 2011 and 30 November 2010 trade receivables more than two months old but not provided for amounted to £327,515 and £1,197,360 respectively. Of these amounts, £326,581 (2010: £985,312) 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.

16 Trade and other receivables (continued)

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

	As at 30 November 2011 £	As at 30 November 2010 £
At 1 December	**73,503**	73,215
Provision for receivables impaired	**32,632**	288
Receivables written off during year as uncollectible	**(46,135)**	-
At 30 November	**60,000**	73,503

The Group's overall foreign exchange risk is explained in note 3 "Financial risk management".

17 Derivative financial instruments

	As at 30 November 2011 £	As at 30 November 2010 £
Fair value of open forward foreign exchange contracts held for trading – asset / (liability)	**42,243**	(23,349)

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

The principal US dollar values of outstanding foreign exchange contracts that have not matured at the year-end were nil (2010: $5.6m receivable and $7.4m payable). The principal euro values of outstanding foreign exchange contracts that have not matured at the year-end were €2.0m payable (2010: €15.4m receivable and €0.8m payable). The weighted average contract rates for these forward foreign exchange contracts was €1.1385 (2010: $1.58 and €1.19).

	As at 30 November 2011		As at 30 November 2010	
	Less than 6 months	**6 to 12 months**	Less than 6 months	6 to 12 months
$ contracts receivable	-	-	5,597,500	-
$ contracts payable	-	-	7,431,750	-
€ contracts receivable	-	-	15,417,500	-
€ contracts payable	**2,000,000**	-	757,000	-

18 Cash and cash equivalents

	As at 30 November 2011 £	As at 30 November 2010 £
Cash and cash equivalents	**14,124,274**	3,587,687

Included within cash is £239,214 (2010: £238,230) 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 2011 £	As at 30 November 2010 £
Trade payables	**8,635,585**	9,529,014
Social security and other taxes	**213,572**	375,498
Other payables	**8,706**	10,233
Accruals	**4,870,672**	4,229,287
Deferred income	**233,528**	448,349
	13,962,063	14,592,381

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2011 (CONTINUED)

20 Financial assets and liabilities

Trade and other receivables, cash and cash equivalents, loans and trade and other payables are measured at amortised cost. All other financial assets and liabilities are stated at their fair value. The accounting policies applied are set out in note 2.The carrying amounts of financial assets and liabilities as at 30 November 2011 are categorised as follows:

Carrying value of financial assets and liabilities within the consolidated balance sheet:	As at 30 November 2011 £	As at 30 November 2010 £
Non current assets		
Trade and other receivables	**168,150**	172,964
Non-current receivables (at amortised cost)	**168,150**	172,964
Current assets		
Trade and other receivables	**10,016,188**	11,985,444
Cash and cash equivalents	**14,124,274**	3,587,687
Cash and receivables (at amortised cost)	**24,140,462**	15,573,131
Derivative financial instruments:		
Financial assets held for trading (valued at fair value)	**42,243**	-
	24,182,705	15,573,131
Current liabilities		
Trade and other payables	**13,748,491**	14,216,883
Financial liabilities (at amortised cost)	**13,748,491**	14,216,883
Derivative financial instruments:		
Financial liabilities held for trading (valued at fair value)	**-**	23,349
	13,748,491	14,240,232

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

Financial assets and liabilities are measured at fair value in the balance sheet in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted market prices included within level 1 that are observable for an asset or liability, either directly (ie as prices) or indirectly (ie derived from prices), and
- Level 3 – input for the asset or liability that are not based on observable market date (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The derivative financial instruments held at the balance sheet fall within level 2 hierarchy for both years ended 30 November 2011 and 30 November 2010.

21 Deferred income tax

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

	As at 30 November 2011		As at 30 November 2010	
	Amount recognised £	**Amount unrecognised £**	Amount recognised £	Amount unrecognised £
Tax effect of temporary differences because of:				
Differences between capital allowances and depreciation	**-**	**552,691**	-	468,643
Tax losses carried forward	**621,826**	**8,999,682**	560,000	8,834,241
Equity-settled share options	**49,323**	**-**	111,149	140,888
Other short term temporary differences	**-**	**92,994**	-	45,991
Deferred tax asset	**671,149**	**9,645,367**	671,149	9,489,763

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 £36m of other trading losses, temporary differences or fixed asset timing differences.

22 Share capital

	As at 30 November 2011 £	As at 30 November 2010 £
Authorised		
100,000,000 (2010: 100,000,000) ordinary shares of 1p each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
57,893,052 (2010: 57,893,052) ordinary shares of 1p each	**578,930**	578,930

During the year the Company re-purchased 2,844,852 of its own shares to be held 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.

The number of shares held by the Employee Benefit Trust is as follows: -	**Year to 30 November 2011 Number**	Year to 30 November 2010 Number
Shares held by the Employee Benefit Trust:		
At start of financial period	**3,275,091**	3,295,091
Issued to employees	**(350,000)**	(20,000)
At end of financial period	**2,925,091**	3,275,091

	As at 30 November 2011 Number	As at 30 November 2010 Number
The number of subsisting options are as follows:		
Current and former employees and non-executive directors	**3,226,311**	6,280,037
Other options granted	**-**	118,812
	3,226,311	6,398,849

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2011 (CONTINUED)

23 Share based payments (continued)

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

	As at 30 November 2011 Number	As at 30 November 2010 Number
Granted: -		
- Unapproved Share Option Scheme	**2,003,330**	4,709,559
- Enterprise Management Incentive Scheme	**231,420**	448,917
- Individual share option schemes	**991,561**	1,240,373
	3,226,311	6,398,849

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 December 2010 Number	Granted Number	Exercised Number	Lapsed Number	**As at 30 November 2011 Number**	Notes
June 2008	£0.00	1,738,892	-	-	1,738,892	**-**	
September 2003	£0.20	838,650	-	290,000	-	**548,650**	
February 2004	£0.32	334,331	-	60,000	-	**274,331**	
February 2010	£0.38	219,997	-	-	39,333	**180,664**	(a)
July 2010	£0.40	500,000	-	-	-	**500,000**	(b)
July 2010	£0.44	60,000	-	-	-	**60,000**	(c)
July 2011	£0.44	-	735,000	-	-	**735,000**	(d)
July 2011	£0.44	-	97,661	-	5,000	**92,661**	(a)
December 2010	£0.45	-	250,000	-	-	**250,000**	(e)
January 2008	£0.49	30,000	-	-	-	**30,000**	
January 2007	£0.50	130,000	-	-	-	**130,000**	
June 2008	£0.62	100,000	-	-	100,000	**-**	
July 2008	£0.62	633,841	-	-	633,841	**-**	
July 2008	£0.62	200,065	-	-	10,060	**190,005**	(a)
October 2007	£0.62	235,000	-	-	100,000	**135,000**	
May 2004	£0.70	20,000	-	-	-	**20,000**	
March 2002	£0.77	30,000	-	-	-	**30,000**	
January 2007	£1.25	50,000	-	-	-	**50,000**	
June 2008	£1.50	1,159,261	-	-	1,159,261	**-**	
		6,280,037	**1,082,661**	**350,000**	**3,786,387**	**3,226,311**	

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.

23 Share based payments (continued)

(c) Vest in equal tranches on first and second anniversaries from date of grant.

(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.

(f) Vest in equal tranches on first, second and third anniversaries from date of grant.

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

The weighted average fair value of options granted in the year was £0.14 (2010: £0.13). The weighted average exercise price was £0.44 (2010: £0.32).

At 30 November 2011 there were 1,562,204 options that had vested and were exercisable with a weighted average exercise price of £0.52 (2010: 1,868,046 exercisable options with a weighted average exercise price of £0.39). The options outstanding at the end of the year have a weighted average contractual life of 3.6 years (2010: 3.0 years).

Other options in issue
In addition to those options granted to current and former employees and non-executive directors, 118,812 options were granted to KBC Peel Hunt on 27 July 2000 in consideration for services to the Group in connection with a placing of ordinary shares. These options could be exercised at a price of £2.02 per share for a period of seven years commencing from 9 June 2004, the date of the Company's admission to AIM. These options lapsed on 10 June 2011.

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

Grant date	July 2011	July 2010	February 2010	July 2008	June 2008
Weighted average fair value share price at grant date £	0.44	0.30	0.32	0.62	0.55
Weighted average exercise price £	0.44	0.44	0.38	0.62	0.55
Expected volatility	40%	40%	40%	40%	40%
Expected option life	4 years	$3^{2/3}$ to 4 years	2.5 years	1 to 3 years	1 to 4 years
Risk-free interest rate	2.5%	2.5%	2.5%	5.3%	5.3%
Expected dividend yield	2%	2%	2%	2%	2%

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

The risk-free rate was based on the gilt strip rate but this is not adjusted where the impact on the calculation would be trifling. At the balance sheet date, Amino did not have a history of paying dividends and so, based on management's belief that it would be reasonable to assume a dividend yield of 2% per annum, the same expected dividend yield was used as in prior years. On 10 February 2012 a maiden dividend of £0.02p per share was declared.

During the year the Group recognised a total expense relating to employee share-based payments under the equity-settled share option plans of £107,750 (2010: £157,251).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2011 (CONTINUED)

24 Investment in own shares

Offset within the Group profit and loss reserve at 30 November 2011 is an amount of £1,197,355 (2010: £1,797,779) representing the cost of own shares held. These shares are held by the EBT as detailed in note 1 of the parent company accounts. A further £1,206,790 is offset within the Group profit and loss reserve at 30 November 2011 as during the year the Company repurchased 2,844,852 of its own shares to be held in treasury.

25 Cash generated from operations

	Year to 30 November 2011 £	Year to 30 November 2010 £
Loss before corporation tax	**(619,043)**	(882,261)
Adjustments for:		
Amortisation charge	**2,320,596**	1,028,255
Depreciation charge	**379,103**	457,508
Impairment charge (see note 13)	**2,279,251**	-
Loss on disposal of property, plant and equipment	**68,601**	3,382
Share-based payment charge	**107,750**	157,251
(Gain) / loss on derivative financial instruments	**(65,592)**	71,504
Finance income – net (see note 6)	**(7,117)**	(11,192)
Exchange differences	**(8,429)**	44,757
Decrease / (increase) in inventories	**7,945,891**	(8,271,155)
Decrease / (increase) in trade and other receivables	**1,974,070**	(2,691,040)
(Decrease) in provisions	**-**	(372,163)
(Decrease) / increase in trade and other payables	**(630,318)**	6,897,974
Cash generated from / (used in) operations	**13,744,763**	(3,567,180)

26 Operating lease commitments

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

Group	**Property 2011 £**	**Plant and machinery 2011 £**	Property 2010 £	Plant and machinery 2010 £
No later than one year	**7,520**	**5,142**	63,189	-
Later than one year and no later than five years	**525,651**	**25,238**	653,274	16,599
Later than five years	**2,646,750**	**-**	3,159,000	-
	3,179,921	**30,380**	3,875,463	16,599

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 2011 the Group are 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 £406,207 (2010: £390,778). A receivable of £13,722 is included within the taxation and social security creditor at 30 November 2011 (2010: a receivable of £13,667) in respect of the final month's contributions.

29 Financial commitments
At 30 November 2011 the Group, in accordance with the terms of a contractual agreement with a manufacturing partner, had a financial commitment totalling £2.7m (2010: £4.6m). The Group had also committed to £1.7m (2010: £0.7m) in respect of silicon chips under non-cancellable orders and £0.3m of operating expenditure commitments (2010: nil).

30 Capital commitments
No capital expenditure was committed to as at 30 November 2011 (2010: £nil).

31 Related party transactions
During the year the Group recorded an expense of £142,242 (2010: £3,000) for design and consultancy services from Plextek. The year-end creditor was £8,259 (2010: nil). Dr Colin Smithers, a non-executive director, is a director and shareholder of Plextek. The above figures exclude Dr Smithers' director's fees which are disclosed in the remuneration report. The figures stated above are stated exclusive of value added tax.

INDEPENDENT AUDITORS' 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 2011 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 auditors
As explained more fully in the directors' responsibilities statement set out on page 17, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

Opinion on financial statements
In our opinion the parent company financial statements:

- Give a true and fair view of the state of the parent company's affairs as at 30 November 2011;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Other matter
We have reported separately on the Group financial statements of Amino Technologies plc for the year ended 30 November 2011.

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
13 February 2012

COMPANY BALANCE SHEET

As at 30 November 2011

	Notes	**30 November 2011 £**	30 November 2010 £
Fixed assets			
Investments	3	1,113,528	1,005,778
Current assets			
Debtors: amounts falling due after more than one year	4	17,538,350	19,835,242
Cash at bank and in hand		37,854	90
Net current assets		17,576,204	19,835,332
Creditors: amounts falling due after more than one year	5	(660,477)	(660,477)
Net assets		18,029,255	20,180,633
Capital and reserves			
Called-up share capital	6	578,930	578,930
Share premium		126,375	126,375
Capital redemption reserve		6,200	6,200
Retained earnings		17,317,750	19,469,128
Total shareholder funds	8	18,029,255	20,180,633

The financial statements were authorised for issue by the board of directors on 13 February 2012 and were signed on its behalf by:

Donald McGarva
Director

Julia Hornby
Director

Registered number: 05083390

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2011

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.

Deferred tax

Provision is made for deferred taxation, using full provision accounting when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future in accordance with FRS 19, "Deferred taxation". Deferred tax assets and liabilities are not discounted.

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 38. The costs of purchasing own shares held by the EBT are deducted from profit and loss reserves. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Company's profit and loss account or statement of total recognised gains and losses. When shares are subsequently transferred to employees for less than their purchase price the difference is a realised loss recognised directly in reserves.

2 Loss for the year

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The parent company's loss after tax was £414 (2010: nil).

Directors emoluments are disclosed in the director's remuneration report on page 12. The Company has no employees in either year. The audit fee for the parent company was £3,000 (2010: £3,000). This expense was met by a trading subsidiary.

3 Fixed asset investments

	Year to 30 November 2011 £	Year to 30 November 2010 £
Cost at 1 December	**1,005,778**	848,527
Capital contributions arising from FRS20 share-based payments charge	**107,750**	157,251
Cost at 30 November	**1,113,528**	1,005,778

3 Fixed asset investments (continued)

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 L.L.C.	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

All of the above subsidiaries are included within the consolidated financial statements of Amino Technologies plc for the years ended 30 November 2011 and 30 November 2010.

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 L.L.C. 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.

The principal activity of AssetHouse Technology Limited during the year was the development and sale of Digital Proposition Management software and related services.

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

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

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2011 (CONTINUED)

4 Debtors: amounts falling due after more than one year

	As at 30 November 2011 £	As at 30 November 2010 £
Amounts owed by Group undertakings	**17,538,350**	19,835,242

Amounts owed to the Company are unsecured and interest free. The Company has formally confirmed that it will provide continuing financial support to its subsidiary undertaking, Amino Communications Limited, for a period of not less than two years from the date of approval of these financial statements.

5 Creditors: amounts due after more than one year

	As at 30 November 2011 £	As at 30 November 2010 £
Amounts owed to Group undertakings	**660,477**	660,477

6 Share capital

	As at 30 November 2011 £	As at 30 November 2010 £
Authorised		
100,000,000 (2010: 100,000,000) ordinary shares of 1p each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
57,893,052 (2010: 57,893,052) ordinary shares of 1p each	**578,930**	578,930

During the year the company repurchased 2,844,852 of its own shares to be held 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 £	Share premium £	Capital redemption reserve £	Profit and loss £	Total £
At 30 November 2009	578,930	126,375	6,200	19,307,877	20,019,382
Exercise of employee share options	-	-	-	4,000	4,000
Share option compensation charge	-	-	-	157,251	157,251
At 30 November 2010	578,930	126,375	6,200	19,469,128	20,180,633
Loss for the year	-	-	-	(414)	(414)
Purchase of own shares	-	-	-	(1,206,790)	(1,206,790)
Share option compensation charge	-	-	-	107,750	107,750
Movement on EBT reserves	-	-	-	(1,051,924)	(1,051,924)
At 30 November 2011	578,930	126,375	6,200	17,317,750	18,029,255

9 Related party transactions

There were no related party transactions during the year.

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