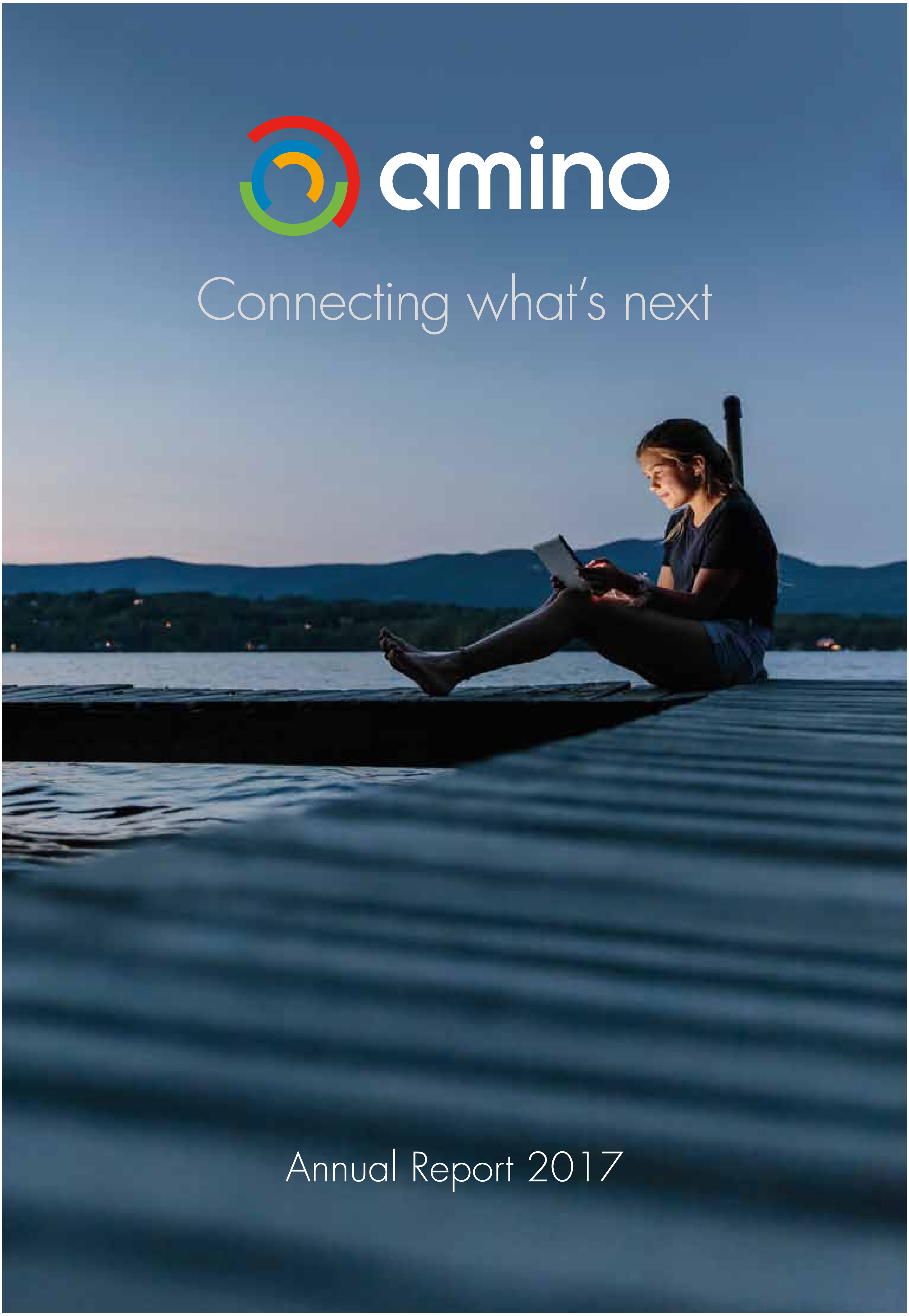

amino

Connecting what's next

Annual Report 2017

ABOUT AMINO

Amino Techologies PLC is a global leader in innovative Internet Protocol (IP) solutions that enable service providers to connect with consumers. As pioneers in IPTV, and with over nine million devices sold worldwide, Amino has a proven track record of working with many hundreds of pay-TV service providers in more than 100 countries over the last 20 years. The Group prides itself in providing award-winning solutions that enable the delivery of innovative services to enrich the lives of connected consumers. In recent years, Amino has broadened its addressable markets to include both the IPTV and cable TV markets and developed a strong portfolio based around its core software and hardware capabilities.

Amino Technologies PLC is listed on the London Stock Exchange Alternative Investment Market (AIM: symbol AMO), with headquarters in Cambridge, United Kingdom, and global offices in California, Finland, Hong Kong and Portugal.
More information: www.aminocom.com

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Company information - Registered office:
Prospect House, Buckingway Business Park, Anderson Road, Swavesey, Cambridgeshire, CB24 4UQ

FINANCIAL HIGHLIGHTS

Revenue at **£75.3m** in line with previous year

Adjusted[1] operating profit up **9% TO £11.1m**

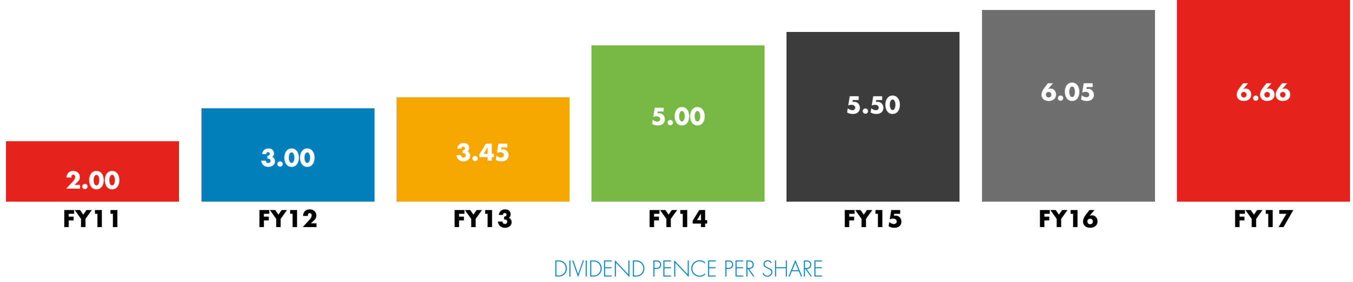
Statutory profit before tax up **231% TO £9.6m**

Net cash of **£13m** at 30 November 2017 after paying dividend of £4.4m

Recommended increase in full year dividend to **6.66p** per share, up by 10% year on year in line with Company's stated progressive dividend policy

(1) Adjusted operating profit is a non-GAAP measure and excludes amortisation of acquired intangibles, other operating income, exceptional items and share-based payment charges

SIXTH CONSECUTIVE YEAR OF DIVIDEND INCREASE



OPERATIONAL HIGHLIGHTS

- Continued growth in North America
- Traction with software and new product lines
  - Customer demand growing for service assurance and legacy transition software
  - Multi-year contract with tier one European operator signed
  - First Amino "end-to-end" service delivery deployment launched
  - Market-leading product and solutions for key Android TV operator trend
- New board appointments add technical and market expertise, and strength in depth
- Two new contract wins post period end
- Strong 2018 sales pipeline

OUR BUSINESS AT A GLANCE

WHAT WE DO

Traditionally, television has been delivered to the home using Broadcast, Cable and Satellite technology. Increasingly however, television is being delivered and consumed over the internet both in the home and on the move via mobile devices. Amino's products and solutions help operators deliver this service.

Our offering supports both Internet Protocol Television ("IPTV") and Over The Top ("OTT") Television. IPTV is the delivery of TV over operator managed devices and broadband networks. OTT is the delivery of TV over any network or device.

Amino's IPTV and OTT products and solutions are delivered by its 150-strong software development team and our software capabilities are integral to the performance of our range of hardware devices.

THE AVERAGE HEADCOUNT BY MAJOR DEPARTMENT OF THE GROUP, INCLUDING CONTRACTORS, IS SET OUT BELOW:

DEPARTMENT	2017	2016
Selling, general and administrative	68	74
Research and development	159	180
Total	**227**	**254**

OUR BUSINESS AT A GLANCE

OUR DYNAMIC MARKETS

Today's pay-TV consumer demands are rapidly changing. No longer is simple broadcast TV sufficient. Instead, consumers demand a far more personalised service – where content is delivered to any device at any time, anywhere. This content can be a mix of live, on demand, subscription-based video from the likes of Netflix, or social media content. In addition, the increasing amount of content available is driving demand for personalised recommendations, a highly visual user experience and voice-controlled search. This is what we call a TV 2.0 experience.

Our markets are global with significant customer numbers in North America, Latin America, Asia and across Europe, where we work with a range of national, regional and locally-focused operators.

STRATEGY AND BUSINESS MODEL

Our strategy is focused on enabling pay-TV operators to deliver this TV 2.0 experience with our portfolio designed to meet the dynamic markets they operate in. We work both directly with operators and through distribution channels, principally in North America.

Revenues are derived from the sale of set-top box devices which include a perpetual licence for the core software operating system and from software and services sold independently of any devices. Margins on the devices depend on volume, the region and the scale of a customer's operations. Increasingly, through the provision of software solutions from our wider portfolio, we see opportunities to drive recurring revenue growth.

OUR BUSINESS AT A GLANCE

WHAT WE OFFER

VIEW managed TV devices

A full range of 4K Ultra High Definition (UHD) and HD devices targeted at both the traditional IPTV and cable TV market where operators are transitioning to either full IP-based or hybrid cable/IP service delivery. In addition, we offer a range of devices and solutions based on the Android TV operating system. This is proving increasingly attractive to operators with its readily available modern user experience and access to new content streams – including subscription on demand services (SVOD) such as Netflix – and applications via the Android global development community.

TRANSFORM stacks and applications

This is a range of software stacks and applications designed to help operators deliver new TV experiences that consumers are now demanding. It includes:

Enable: The software that is at the core of our devices. It also helps operators launch new TV services on existing legacy infrastructure, including devices from other manufacturers, and deliver fresh and modern user TV 2.0 experiences.

The Company has extensive experience delivering this process with leading national and regional operators, including Cincinnati Bell in North America, PCCW in Hong Kong and GTD in Chile.

This transformational capability – effectively "upcycling" legacy devices - is now a key part of our proposition. We have in place a range of software tools, a clear methodology, skilled teams and a successful track record in delivering these complex projects.

Android TV: As well as providing Android devices, we have also developed software solutions to provide operators with a range of enhanced capabilities to deliver "operator class" Android TV services.

In addition, the Company has developed a range of Android TV capabilities to support operators transitioning to this emerging pay TV operating system.

MOVE video delivery platform

This is our multiscreen video delivery platform and is designed to enable operators to deliver entertainment services to the TV, mobile and tablet devices. The ability to offer "TV everywhere" is strategically important for operators to drive new revenue streams and retain customers in an increasingly competitive market.

Move also allows Amino to offer a complete end-to-end solution – taking entertainment content into the platform and managing its delivery to View devices in the home and mobile devices on the move.

ENGAGE service assurance

A set of software-based tools to help operators improve quality of service and the return on investment in their network infrastructure. Module-based, Engage helps operators analyse and manage network performance and resolve faults – saving costly engineer home visits.

Customers utilise a range of elements from this toolkit in their service delivery models. Increasingly, we see operators taking both View devices and Engage service assurance.

OUR BUSINESS AT A GLANCE

VIEW

IP and hybrid devices - for 4K UHD and Android TV

"A full range of devices – targeted at the traditional IPTV and cable TV market where operators are transitioning to IP-based delivery."

TRANSFORM

Enable Legacy transformation and operator class Android TV

"A range of software stacks and applications designed to help operators deliver new TV experiences consumers are now demanding."

MOVE

Multiscreen service delivery for TV, mobile and tablet

"Move allows us to offer a complete end-to-end solution – taking entertainment content… and managing its delivery to View devices."

ENGAGE

Service delivery quality assurance and management

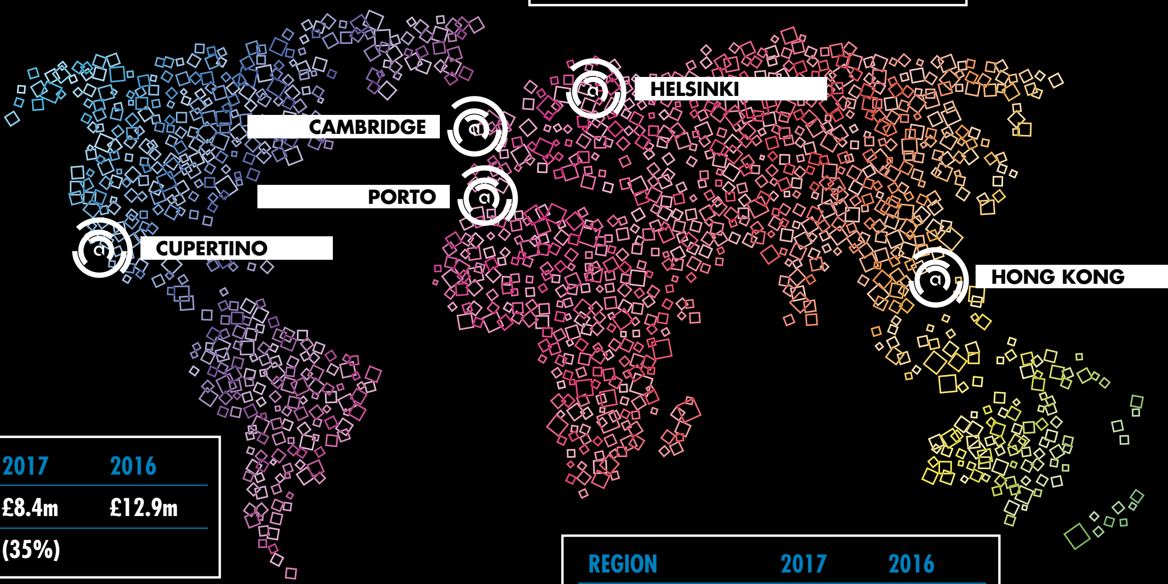
"Engage helps operators analyse and manage network performance and resolve faults – saving costly engineer home visits."

OUR BUSINESS AT A GLANCE

REVENUE BY REGION

REGION	2017	2016
North America	£47.4m	£38.9m
Growth	22%	

REGION	2017	2016
Europe	£18.1m	£22.5m
Growth	(20%)	



REGION	2017	2016
Latin America	£8.4m	£12.9m
Growth	(35%)	

REGION	2017	2016
Rest of World	£1.4m	£0.9m
Growth	67%	

KEY: REGIONAL OFFICES

STRATEGIC REPORT

CHAIRMAN'S REPORT

Keith Todd, CBE
Non-executive Chairman

HIGHLIGHTS:

- Sixth successive year of dividend increase since 2011
- Core operational strength mitigates industry cost increases
- Strong momentum and pipeline to take into 2018

The Company has delivered a typically solid performance during 2017. As previously announced, first half performance was excellent with lower revenues in the second half as expected. The Company finished the year with strong momentum and important new contract wins and a strong pipeline to take into 2018.

Revenue for the year at £75.3m was broadly the same as the previous year (FY 2016: £75.2m). Profitability was in line with market expectations, with adjusted operating profit[1] of £11.1m representing a 9% increase over the prior year (FY 2016: £10.2m). Operating profit was 228% higher at £9.5m (FY 2016: £2.9m) as there were minimal acquisition related costs in the year. The Company's ability to generate cash remains strong with the year-end cash position ahead of market expectations at £13.0m (30 November 2016: £6.2m).

At its core, Amino develops software. This is integrated with our device hardware and an extensive partner ecosystem to enable operators to deliver high quality and secure IP-based pay-TV services. Our strategic aim is to capitalise on this core expertise and, via our 150-strong development team, create a wider portfolio of software solutions to both existing and new markets. The objective is to create new recurring revenue streams while deepening customer relationships in conjunction with device sales. We see good opportunities for growth in the medium term as market disruption requires incumbent operators to innovate and as cable operators migrate to IP based services.

This year, we have seen further evidence that this strategy is the right one for our business. Though device sales have driven the bulk of our revenues, we now see increasing traction for other key elements of our offering – including our Move video delivery platform, Engage service assurance solution and Enable virtual set-top box software. The roll out of our Android TV solution – a rapidly emerging key industry trend during the year – will strengthen our position in this growing market into 2018.

During the year, our core operational management strength has again proved invaluable in largely mitigating industry-wide component cost increases. This clear focus on cost control within the supply chain – and the strong relationships we have with key component providers - is critical in maintaining our competitiveness and margin position.

The progress we have made this year is testimony to our teams around the world who continue to innovate and deliver high quality solutions to our global customer base. On behalf of the Board, I would like to thank them for their hard work and commitment.

There have also been a number of changes to the Board structure during the year and post-period end. In October 2017, long-serving non-executive director Michael Bennett stepped down from the Board, on whose behalf I would like to thank for his immense contribution during his tenure of almost eight years. Most recently, in February 2018, two new non-executives were appointed, both of whom will bring highly relevant technology expertise and insight to the Board. Steve McKay, formerly Amino's global sales director and CEO of Entone Inc, joins the Board to take on a strategic project role. We also welcome Michael Clegg, who has a wealth of senior executive experience in our market and the wider technology space, and who has previously worked with Amino in both a management and a consulting role.

DIVIDEND

The Board is pleased to recommend the continuation of its progressive dividend policy with a full year dividend of 6.66 pence per share, an increase of 10% on 2016. This is the sixth successive year of dividend increase since 2011 and underlines the Board's commitment to shareholder value. The Board also intends to increase the dividend by no less than 10% in 2018.

REPORTING CURRENCY

The Board is currently undertaking a review of the Group's reporting currency and the currency in which dividends are paid. Since the revenues, profits and cash flows of the business are primarily generated in US dollars, changing the reporting currency and dividend to US dollars may allow for greater transparency of the underlying performance of the Group and reduce the impact of movements in foreign exchange rates. This review will be completed during H1 2018 and the Board will update shareholders in due course.

OUTLOOK

Amino has made a promising start to 2018 and has a solid order book and sales pipeline visibility to the end of the year, with a return to our normal seasonality in terms of a stronger second half financial performance. With this positive momentum and clear portfolio and positioning, the Board expects the Company to deliver sustainable profitable growth in the coming year.

Notes (1) Adjusted operating profit is a non-GAAP measure and is defined in the Chief Financial Officer's review below

CHIEF EXECUTIVE OFFICER'S REPORT

Donald McGarva
Chief Executive Officer

HIGHLIGHTS:

- Strengthened portfolio gaining traction
- Market-leading Android TV proposition
- Positioned for key growth opportunities

GROWING THE AMINO PROPOSITION IN LINE WITH EVOLVING CUSTOMER NEEDS

We operate in an industry undergoing constantly evolving change as pay-TV operators face critical technology and strategic choices in shaping their future direction. Disruptive market entrants have rapidly re-shaped the market, challenging incumbent operators to respond with enhanced and competitive multiscreen offerings.

Amino has aligned itself closely with this dynamic market with a clear go-to-market strategy built around our Move video delivery platform, our View IPTV devices, our Transform software capabilities, and our Engage service assurance solution.

STRENGTHENING OUR MOVE VIDEO DELIVERY PLATFORM

Built on the Booxmedia platform acquired in 2015, we continue to strengthen the capabilities of our Move video delivery platform to support multiscreen, both inside and out of the home. Early in 2017 we transitioned a major Finnish operator from our mobile only service to our multiscreen Android-based TV service. The project was the first of its kind globally and exemplifies the complex nature of software-based projects we are now undertaking for customers.

In the second half of the year, we completed another project to enable Dutch operator DELTA to deliver a similar service which was launched post period end in early 2018. This marked our first ever "end-to-end" service deployment with our Move platform managing the entire process from content ingestion through to delivery to multiple mobile devices including Amino 4K UHD devices in the home.

FURTHER DEVELOPING OUR RANGE OF OUR VIEW IPTV DEVICES

We have continued to develop our range of devices to provide advanced functionality – including 4K UHD capabilities. During the year we successfully launched our Kamai and Aria 7 range of 4K UHD devices. Two significant contracts for these devices were secured during the second half of the year – in Europe and North America – highlighting continued strong demand from operators for these advanced TV devices. These contracts delivered revenue in 2017 and added to our backlog for 2018.

Traditionally, Amino TV devices have been developed on a Linux operating system. However, there is also now growing traction for Android TV based devices. We have taken a leadership position with our Kamai and Amigo 7 dual mode devices that allow operators to move between the traditional Linux and new Android operating systems as they launch new services. We also launched a new standalone Android TV device during the year and have developed our own "operator class" Android TV solution which includes all of the features required by operators to deliver a fully managed IPTV service in today's TV 2.0 world.

BUILDING OUR "TRANSFORMATION" SOFTWARE CAPABILITIES

We have continued to build on our core software capabilities, not only to support our device development roadmap but also as a standalone solution under the Enable brand. Marketed as a standalone solution during the year, Enable has attracted strong industry interest and won multiple industry awards at IBC, a major industry event held in Amsterdam in September 2017. At its core, Enable allows operators to upcycle legacy devices to deliver advanced pay-TV user experiences, thereby saving the significant cost of replacing them.

During 2017, we secured a major contract with leading Chilean operator GTD to transform and upgrade an installed base of devices using Enable. This is the third contract of this kind we have delivered and builds on our previous Enable contracts delivered to PCCW in Hong Kong and Cincinnati Bell in North America.

PROVIDING OPERATORS WITH THE TOOLS TO MANAGE THEIR IPTV SERVICE EFFICIENTLY

Developed in-house, our Engage service assurance solution provides operators with a range of software tools to manage devices installed in customers' homes. We have seen growing traction for this solution in the year with nine new contracts secured – increasingly as a value-added sale alongside devices. We initially sold to operators in North America but have recently added two new major European and Latin American operators in the second half of the year. Although modest in revenues at this stage in its development, this demonstrates our abilities to translate software innovation into a recurring revenue model and aids customer retention.

We now have a portfolio fully aligned with market dynamics to take into 2018 with the transformational capabilities of our Enable software offering in addressing operators' legacy operations at its core. Our limited exposure to the Internet of Things ("IoT") market, via the Fusion home monitoring solution, has been reviewed and further development paused in what has proved to be a challenging marketplace for network operators.

CURRENT CUSTOMERS AND MARKETS

In 2017 Amino continued to grow in its largest market, North America, where revenue grew by 22%. Sales through distributors to smaller tier two and three operators were strong with a good uptake of our new 4K UHD devices. There has also been consistently solid demand for more traditional HD devices, largely due to their excellent performance and reliability.

Growing consumer demand for 4K TVs – and the availability of ultra-high definition content – is driving operator demand for our IPTV devices. The growing sophistication of major tier one operator offerings is also re-shaping demand with consumers now expecting a mix of linear and on-demand content delivery.

In addition, the migration of cable TV networks to IP-based TV services, often over new fibre infrastructure, has opened up a new market where we have a highly relevant product offering and capabilities. During the year, we secured a contract from US regional operator, Muscatine Power and Water, as a direct result of this migration.

Latin America remains a significant market opportunity with new operators coming to market selecting IPTV. During the year we secured a contract with Chilean operator GTD, for a mix of devices and Enable software for legacy device transformation. Post period end, we secured a significant new contract from Bolivian state-owned operator Entel for devices in conjunction with the Engage service assurance solution that was deployed in the year. This again highlighted our ability to bring together our hardware and software offerings into a compelling package.

Market conditions in Europe were challenging in the first half of the year, with market consolidation and a change in ownership of a key customer impacting timing of orders. It is pleasing to report that orders have now restarted and a long-term multi-year contract with this customer in the Netherlands to include 4K UHD devices. In addition, we secured an important initial order of devices with Deutsche Glasfaser, the largest provider of fibre-to-the-home (FTTH) networks in Germany, which is rolling out its own IPTV service and providing a "white label" service to other operators.

While contributions from our sales activities in the Middle East and Asia Pacific remain small at this stage, we are stepping up our marketing to target a number of opportunities in both operator and enterprise markets.

OPERATIONAL STRUCTURE

As highlighted in the Chairman's review, there have been a number of changes to the Board and also the executive team. With our former Global Sales Director stepping up to the Board, David Perez takes over the sales leadership role. David has a proven track record in managing and driving global sales teams in the telecoms industry with Reliance Globalcom (now Global Cloud Xchange), where he served as Senior Vice President for North America. Most recently, he was CEO at Intamac Systems, a leading IoT SaaS provider. Joachim Bergman also joined Amino in September 2017 as Senior Vice President of Cloud Services, taking responsibility for Amino's Move platform. Joachim has more than 20 years' experience in the telecoms and media sector, principally at Ericsson where he held a variety of senior roles in video service delivery for major operators.

FUTURE GROWTH OPPORTUNITIES

We see three clear growth opportunities in Amino in the medium to long term.

First, "upcycling" – leveraging an operator's existing assets, including their installed base of TV devices, to deliver new content and consumer experiences to the home. New market entrants, such as Netflix and Amazon, are re-shaping the way TV is consumed and experienced and operators need to deliver competing services if they are to retain and attract customers. In Amino Move, Enable and Android TV we already have in place the software tools and skillset to help them do this and a proven track record of successful project delivery with sizable pay TV operators.

Second, the emergence of Android TV as a credible service delivery choice for pay-TV operators has been a key trend in 2017. The ability to provide a rich user experience – with value added content – and new features like personalisation, content recommendation and voice control is a compelling proposition with industry analysts predicting strong operator take up in the year ahead. We are at the forefront of Android TV developments, with the launch of both standalone devices and dual mode Android/Linux devices during the year. In addition, we have developed our "operator class" Android TV solution which includes key features required to deliver a fully managed IPTV service.

Third, the substantial global cable TV market is moving to IP-based service delivery to ensure they have the capacity and capability to provide the latest TV experiences. Major operators are already making the transition, but we see a sizeable opportunity amongst tier-2 and 3 service providers where we believe our skills are highly relevant. Initial traction in North America with local and regional operators has been achieved and we will be actively marketing our capabilities in this key sector in the coming months.

The Board continues to review opportunities to further strengthen in Amino's offering and geographical coverage through new product development and value adding acquisitions. The Group is well positioned to make further progress in 2018 and continues to trade in line with expectations with good cash generation.

CHIEF FINANCIAL OFFICER'S REPORT

Mark Carlisle
Chief Financial Officer

HIGHLIGHTS:

- Increased gross margins and profit growth
- Continued solid cash generation
- Strong balance sheet with net cash of £13m

Revenue for the year was £75.3m (FY 2016: £75.2m). Adjusted operating profit (as defined below) was £11.1m (FY 2016: £10.2m), representing a 9% increase from the previous year. Operating profit was 228% higher at £9.5m (FY 2016: £2.9m) as there were minimal acquisition related costs in the year. In line with its progressive dividend policy, the Board has recommended a full year dividend of 6.655 pence per share, a 10% increase over the prior year. The Group has a strong balance sheet with net cash of £13.0m (30 November 2016: £6.2m) and is debt free.

REVENUE

We set out below revenue by type on an 'as reported' and 'constant currency' basis (with 2017 revenue translated using 2016 average exchange rates). In 2017 approximately 95% (FY 2016: 95%) of the Group's revenue and cost of sales were transacted in US Dollars. Excluding the impact of foreign exchange revenue decreased by 7% as a result of a change in product mix.

AS REPORTED in £m	**2017**	**2016**	**Growth**
Recurring	3.3	2.4	38%
One-off	2.8	5.7	(51%)
Software and services	6.1	8.1	(25%)
Devices	69.2	67.1	3%
Revenue	**75.3**	**75.2**	**-%**

CONSTANT CURRENCY in £m	**2017**	**2016**	**Growth**
Recurring	3.1	2.4	29%
One-off	2.6	5.7	(54%)
Software and services	5.7	8.1	(30%)
Devices	64.2	67.1	(4%)
Revenue	**69.9**	**75.2**	**(7%)**

The Group sells its software integrated with its devices as well as on a standalone basis. In 2017 and 2016 the Group sold all its View devices pre-installed with the Group's Enable or Aminet software. Software and services sold on a standalone basis in 2017 and 2016 comprised the Group's proprietary:

- **Enable virtual STB software installed on third party devices;**
- **Engage service assurance software platform;**
- **Support and maintenance ("Entourage") and**
- **Move multiscreen video service delivery platform.**

As expected, revenue from software and services decreased by 30% as one-off revenue from a large contract delivered in the prior year did not repeat. However, in 2017 software and services revenue from recurring software and support contracts increased by 38% to £3.3m (FY 2016 £2.4m). On a constant currency basis this represents annual growth of 29%.

The Group's revenues are globally distributed as follows:

AS REPORTED in £m	**2017**	**2016**	**Growth**
North America	47.4	38.9	22%
Latin America	8.4	12.9	(35%)
Europe	18.1	22.5	(20%)
Rest of World	1.4	0.9	56%
Revenue	**75.3**	**75.2**	**0%**

In North America, revenue growth of 22% over 2016 was driven by a strong performance by our distribution channel to tier 3 and 4 telecoms operators. In Latin America, sales to our largest customer in the region decreased significantly as they continued to use up inventory purchased in the previous financial year. In Europe, the year on year decrease primarily resulted from the change of ownership of a key customer impacting the timing of orders. However, this was partially offset by significant growth from a key customer in southern Europe.

Amino continues to sell its products directly to tier 2 customers and to tier 3 and 4 customers via distributors. The Group has three customers each having more than 10% of total Group revenue, of which two are distributors.

GROSS PROFIT

Excluding the impact of a one-off £1.8m credit in respect of royalty costs recognised in prior years which have been substantially renegotiated, adjusted gross profit increased by 4% to £33.5m (FY 2016: £32.3m). Adjusted gross margin increased to 44.5% (FY 2016: 42.9%) despite increases in memory prices, which we expect to continue into H1 2018, due to a good operational performance and product mix.

Including the impact of the one off £1.8m credit described above gross profit increased by 9% to £35.3m (FY 2016: £32.3m).

OPERATING EXPENSES

AS REPORTED in £m	2017	2016	Growth
R&D	5.6	5.8	(3%)
SG&A	12.5	13.0	(4%)
Share-based payment charge	0.8	0.3	167%
Exceptional items	0.3	4.8	(94%)
Depreciation and amortisation	6.5	5.5	18%
Operating expenses	**25.7**	**29.4**	**(13%)**

The Group continues to invest in research and in the development of new products and spent £10.0m on R&D activities (FY 2016: £9.5m) of which £4.4m was capitalised (2016: £3.7m).

Similar to the prior year, the Group's R&D and SG&A costs were denominated 44% in US and HK Dollars, 45% in British Pounds and 11% in Euros.

EXCEPTIONAL ITEMS

Exceptional items within cost of sales comprised a one off £1.8m credit in respect of royalty costs recognised in prior years which have subsequently been renegotiated.

Exceptional items included within operating expenses in 2017 comprised:

- £0.8m contingent post-acquisition remuneration in respect of the Entone acquisition; and
- £0.5m net credit of deferred contingent consideration in respect of the Booxmedia acquisition not becoming payable and redundancy costs.

DEPRECIATION AND AMORTISATION

Excluding amortisation of intangibles recognised on acquisition, depreciation and amortisation increased to £4.3m (FY 2016: £3.3m). Amortisation of intangibles recognised on acquisition was £2.2m (FY 2016: £2.2m).

OPERATING PROFIT

Adjusted operating profit excluding share-based payment charges, exceptional items and amortisation of intangibles recognised on acquisition was £11.1m (FY 2016: £10.2m). Operating profit increased by 228% to £9.5m (FY 2016: £2.9m) as there were minimal acquisition related costs in the year.

Adjusted operating profit is a non-GAAP company specific measure which is considered to be a key performance indicator for the financial performance of the Group. A reconciliation of adjusted operating profit to operating profit is set out as follows:.

AS REPORTED in £m	2017	2016
Adjusted operating profit	11.1	10.2
Share-based payment charge	(0.8)	(0.3)
Exceptional items	1.4	(4.8)
Amortisation of acquired intangibles	(2.2)	(2.2)
Operating Profit	**9.5**	**2.9**

TAXATION

The tax credit of £1.5m comprises:

- a £0.3m current tax charge relating to current year profits;
- a £1.3m exceptional current tax credit relating to the partial release of a tax provision held to cover prior year exposures identified on the acquisition of Entone, Inc.; and
- a £0.5m credit relating to the unwind of the deferred tax liability recognised in respect of the amortisation of intangible assets recognised on acquisition.

Profit after tax was £11.1m (FY 2016: £2.7m).

EARNINGS PER SHARE

After adjusting for exceptional items, share-based payment charges and amortisation of intangibles recognised on acquisition, basic earnings per share increased by 12% to 15.27 pence (FY 2016: 13.64 pence). Basic earnings per share was 15.49 pence (FY 2016: 3.81 pence).

CASH FLOW

Adjusted cash flow from operations was £16.9m (FY 2016: £15.8m) and represented 110% of adjusted EBITDA (FY 2016: 117%). Exceptional cash flows in 2017 totalled £1.2m paid in respect of Entone deferred consideration treated as remuneration. Including these exceptional cash out-flows cash generated from operations was £15.8m (FY 2016: £12.5m).

During the year the Group spent £0.2m (FY 2016: £0.7m) on capital expenditure in respect of fixed assets, and capitalised £4.5m of research and development costs and software licenses. The Group paid £0.4m deferred consideration in respect of the Booxmedia acquisition and paid dividends of £4.4m in the year.

FINANCIAL POSITION

The cash balance at 30 November 2017 was £13.0m (30 November 2016: £6.2m). The Group also has a £15.0m multicurrency working capital loan facility which runs to August 2020 and was undrawn at the year end.

At 30 November 2017 the Group had equity of £54.6m (30 November 2016: £45.9m) and net current assets of £10.7m (30 November 2016: £1.9m). 70% of trade receivables were insured (30 November 2016: 39%) and debtor days were 26 days (30 November 2016: 42 days).

DIVIDEND

The Board has recommended a full year dividend of 6.55 pence per share, a 10% increase over the prior year. The Board also intends to continue the Company's dividend policy of no less than 10% growth per annum for the year ending 30 November 2018. Subject to shareholder approval at the annual general meeting on 27 March 2018, the dividend will be payable on 27 April 2018, to shareholders on the register on 6 April 2018, with a corresponding ex-dividend date of 5 April 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties that could have a material impact on the Group's long-term performance. Risks are formally reviewed by the board and appropriate processes are in place to implement and monitor mitigating controls. The key risks to which the Group is exposed are set out below:

Risks	Background	Mitigating controls
Market conditions may adversely affect the Group's margins.	In the short to medium term the Group responds to competitive pricing pressure on its sales by remaining aware of customer requirements and competitive opportunities. If the Group reduced sales prices to secure sales opportunities, to the extent that the cost base could not also be reduced, gross margins would be reduced.	The Group continually monitors and takes active steps to minimise its cost base whilst enhancing the quality and functionality of its products.
The Group operates internationally and is therefore exposed to fluctuations in foreign exchange rates.	In the year ended 30 November 2017, 95% of the Group's revenue and cost of sales were denominated in US Dollars. In addition, the Group has overseas office locations resulting in approximately 50% of its operating costs being paid for in a foreign currency.	The Group continually monitors its exposure to foreign currency exchange rates and where appropriate, forward foreign currency transactions are entered into to mitigate this risk.
Delays within the supply chain of the Group's products may delay sales to customers and adversely impact the Group's revenue in any given reporting period.	The Group sources its products principally from manufacturers in the US and China. Some components may become subject to long lead times and supply constraints may lead to fluctuating prices.	The Group has rigorous supplier selection and procurement practices supplemented by appropriate insurance coverage. By establishing long-term relationships with suppliers, the Group seeks to mitigate the risk of fluctuating input prices. In order to be able to respond to short term customer demand, the Group ensures that it has access to enough working capital so it can hold sufficient levels of inventory.
The Group's revenue is dependent on delivering complex, viable technologies to specific markets.	If the Group does not deliver and successfully integrate these technologies, it may not meet customer expectations and therefore adversely affect sales revenues.	The Group ensures that cross-functional teams of senior employees work together and with customers to ensure the successful integration of its technologies.

Risks	Background	Mitigating controls
If the Group fails to recruit and retain individuals with the appropriate skills and experience its performance may suffer.	For the Group to deliver on its strategic objectives it will need to recruit and retain 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. The Group invests significant resources in the effective recruitment and workplace development of all its people.
Infringement of the Group's Intellectual Property ("IP") may adversely affect its competitiveness in the market place.	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.
The Group may incur unexpected material charges as a result of unintentional infringement of third party IP.	The Group's business and operations may be adversely affected by litigation arising from alleged IP infringement.	The Group has established procedures to identify, assess, manage and report on any potential IP infringement and maintains insurance to mitigate against this risk.
The impact on the Group of the United Kingdom leaving the European Union is currently uncertain.	On 23 June 2016, a referendum was held in the United Kingdom (the "UK") to decide whether the UK should leave or remain in the European Union (the "EU"). The result of that referendum was that 52% of voters voted for the UK to leave the EU. The British Government commenced negotiations in 2017 to leave the EU. However, at the time of signing these accounts little progress has been made and the impact on the Group of the UK leaving the European Union is therefore uncertain.	The Group continues to monitor the progress of the British Government's negotiations for the UK to leave the EU.

BOARD OF DIRECTORS

Keith Todd, CBE
Non-executive Chairman and Director

Keith joined Amino in January 2007 as Chairman. He is also executive Chairman and CEO of KRM22 Ltd, a software and services company focused on the capital markets, and non-executive Chairman of Magic Lantern, a new media company. Keith served as Executive Chairman of FFastFill plc and Ion Agency Trading from 2002 to 2017, as well as non-executive Chairman of the UK Broadband Stakeholder Group for three years from February 2002. The Group included 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 BSkyB 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, the global market leader in the logistics industry. He is an internationally-minded Executive who has spent the majority of his career in Asia and the US, holding a variety of senior management positions in high growth technology, outsourcing and services companies including Fujitsu, BG Group and Celestica. He is an engineering graduate from the University of Strathclyde in Glasgow and commenced his career in the UK with ICL. He is also a member of the Chartered Institute of Purchasing and Supply Chain (MCIPS).

Mark Carlisle
Chief Financial Officer

Mark joined Amino in August 2016 and has significant experience in the leadership of public company finance teams. Prior to joining Amino, Mark was Chief Financial Officer at Crossrider Plc where he formed a key part of the team which successfully raised $75 million as part of its IPO on AIM in September 2014. Prior to this, he served as Chief Financial Officer of FFastFill plc, a provider of technology solutions to the financial derivatives trading industry. In addition, Mark has ten years of audit experience, gained within the Technology Media and Telecommunications practice of Deloitte, where he served from 2000 to 2010.

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, including Finance and Operations Director for the Lionhead Group of companies and prior to this role he was a founder Director, CFO and Business Operations Director of Camelot Group PLC, The National Lottery operator.

ADVISORS

NOMINATED ADVISOR AND STOCKBROKER

FinnCap Limited,
60 New Broad Street,
London, EC2M 1JJ

Canaccord Genuity Limited,
(Financial advisor and joint broker)
88 Wood Street, London, EC2V 7QR

AUDITORS

Grant Thornton LLP,
101 Cambridge Science Park,
Milton Road, Cambridge,
Cowley Road,
Cambridgeshire, CB4 OFY

SOLICITORS TO THE COMPANY

Hewitsons,
Shakespeare House,
42 Newmarket Road,
Cambridge, C5 8EP

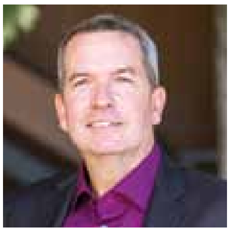
BOARD OF DIRECTORS

Karen Bach,
Non-Executive Director

Karen is an entrepreneur and non-executive with strong international technology and transactional expertise. Currently, she is Chief Operating Officer of KRM22, a risk management business in capital markets. In 2012, Karen founded and was Chief Executive Officer of KalliKids and grew it to encompass 1,400 business customers and 180,000 consumers. Prior to this, she was Chief Financial Officer at growing technology businesses IX Europe Plc, ACS Plc and Kewill Plc. At the start of her career, Karen gained international experience in finance with blue chip multi-nationals including EDS France, MCI WorldCom, General Motors and Ernst & Young. Karen is also non-executive of IXcellerate, a Russian datacentre business, and of Escape Hunt Plc, an entertainment business based on an "escape rooms" concept. She was also a trustee of the eLearning Foundation, which supports technology in education, and non-executive of Belvoir Lettings Plc.

Michael Clegg,
Non-Executive Director

Michael joined Amino as a non-executive director in February 2018. Previously, he was employed by Amino during 2016 as EVP Cloud Solutions and Services completing merger and acquisition integration following the Company's purchase of Entone Inc and Booxmedia. Currently, he is Chief Operating Officer for Morro Systems, a provider of cloud storage-as-a-service based in Silicon Valley. A successful operating executive, Michael has secured market leadership in product categories covering cloud SaaS, fixed and mobile broadband products, video and the Internet of Things (IOT). Michael is also an advisor to startups in the mobile SIM and home networking space. Before that he was SVP and GM for Netgear's Service Provider business unit with a global customer base across mobile, cable, telco and home monitoring. Previously he held executive director roles in companies pioneering and commercialising broadband internet.



Steve McKay
Non-Executive Director

Steve joined Amino as a non-executive director in February 2018, after serving as the Company's President of Sales since 2015. His career has been focused on Internet Media for nearly 20 years and prior to its sale to Amino in 2015, Steve led Entone to become a leading provider of IPTV and connected home solutions, supporting hundreds of service providers with sales in more than 30 countries. Prior to Entone, Steve was CEO of Ion Global, a pan-Asian systems integrator. Steve received his MBA with distinction from the Kellogg Graduate School of Management at Northwestern University and has a B.S. in Electrical Engineering from the University of Notre Dame.

REGISTRARS AND RECEIVING AGENTS

Link Asset Services,
The Registry, 34 Beckenham Road
Beckenham,
Kent, BR3 4TU

REGISTERED OFFICE

Prospect House,
Buckingway Business Park,
Anderson Road, Swavesey,
Cambridge, CB24 4UQ

COMPANY SECRETARY

Stephanie Lord

CORPORATE GOVERNANCE REPORT

For the year ended 30 November 2017

Introduction

The Board supports the principles and aims of the revised 2016 UK Corporate Governance Code ("the Code") but considers that at this stage in the Group's development full compliance with the Code is not practicable. As the Group is listed on the Alternative Investment Market (AIM) it is not required to comply with the Code and it does not comply. The corporate governance policies and procedures of the Group are set out below.

Role and composition of the Board

The Board is responsible for the overall strategy and leadership of the Group. The Board is also responsible for ensuring that the business has the necessary resources in place to meet its objectives. The Board provides leadership and a control framework which includes a continual risk assessment and management of the principal risks and uncertainties which are set out on pages 12 to 13.

The Board is supplied with monthly financial and non-financial information in a timely manner to enable it to discharge its duties. The Board has a formal schedule of matters specifically reserved for decision by the Board and meets for scheduled Board meetings 11 times per year, pus ad hoc meetings as required. The Board also meets with management at two strategy days per year. In addition, the Board reviews and approves all trading updates and results announcements. The Group has established whistleblowing procedures under which employees can raise concerns in confidence about possible improprieties in matters of financial reporting or other areas.

The Board is comprised of two executive and five non-executive directors, as set out on pages 14 to 15.

Division of responsibilities

There is clear division of responsibility between the running of the Board and executive responsibility for running the Company's business. The Chairman, Keith Todd is responsible for the leadership of the Board and setting the Board's agenda. The Chief Executive, Donald McGarva is responsible for running the Company's business.

During the year to 30 November 2017, the executive directors comprised the Chief Executive, Donald McGarva and the Chief Financial Officer, Mark Carlisle.

During the year to 30 November 2017, the independent non-executive directors comprised the Chairman, Keith Todd as well as Peter Murphy and Karen Bach. Michael Bennett was also a non-executive director up to his resignation on 4th October 2017 but was not considered to be independent as he was also a director of a company with a major shareholding in the Group. The non-executive directors normally do not have any day-to-day involvement in the running of the business but are responsible for scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance. All directors are able to allocate sufficient time to the Company to discharge their responsibilities as directors.

On 5 February 2018 Steve McKay was appointed to the Board as a non-executive director. He is not considered to be independent as he held a senior management position since joining the Group in August 2015. In addition, he continues to provide strategic leadership services to the Group under a consulting arrangement and participates in the Company's share option scheme.

On 5 February 2018 Michael Clegg was appointed to the Board as a non-executive director. He is not considered to be independent as he held a senior management position in the Group from August 2015 to December 2016.

All directors have access to the advice and services of the Company Secretary, are covered by directors and officers insurance and may take independent professional advice at the Group's expense.

The number of formal meetings of the Board during the year ended 30 November 2017 is summarised below:

Director	Number of meetings during appointment	Number of meetings attended
Keith Todd	11 Board, 2 Audit Committee, 1 Remuneration Committee	11, 2, 1
Donald McGarva	11 Board, 2 Audit Committee, 1 Remuneration Committee	11, 2, 1
Peter Murphy	11 Board, 2 Audit Committee, 1 Remuneration Committee	11, 2, 1
Michael Bennett (Resigned 4 October 2017)	11 Board, 2 Audit Committee, 1 Remuneration Committee	11, 2, 1
Karen Bach	11 Board, 2 Audit Committee, 1 Remuneration Committee	11, 2, 1
Mark Carlisle	11 Board, 2 Audit Committee, 1 Remuneration Committee	11, 2, 1

Board committees
The Group has an audit committee, a nominations committee, and a remuneration committee, each consisting of three non-executive directors. Each committee has written terms of reference which are reviewed on an annual basis and updated as required. These will be available for review at the end of the Annual General Meeting for 2018 and are available for review in the Investor Relations section of the Group's website. The Board and its committees are considered to have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively.

Remuneration committee
The remuneration committee is comprised of Peter Murphy (chair of the committee), Keith Todd and Karen Bach. During the year to 30 November 2017 Michael Bennett was also a member of the committee up to his resignation on 4 October 2017. The committee determines the Group's policy for executive remuneration and the individual remuneration packages for executive directors. The remuneration committee also considers grants of options under the Company's share option schemes. The policy of the remuneration committee is to grant share options to employees as part of a remuneration package to motivate them to contribute to the growth of the Group over the medium to long-term. The Chief Executive Officer may, at the remuneration committee's invitation, attend meetings, except where his own remuneration is discussed. The remuneration committee met once during the past financial year. The remuneration committee report, which includes details of directors' remuneration, pension entitlements and directors' interests, together with information on service contracts, is set out on pages 18 to 20.

Audit committee
The audit committee is comprised of Peter Murphy (chair of the committee), Keith Todd and Karen Bach. Peter Murphy has recent and relevant financial experience by virtue of his senior finance roles. In addition, other committee members all have experience of corporate financial matters and Karen Bach has a professional accountancy qualification. During the year to 30 November 2017 Michael Bennett was also a member of the committee up to his resignation on 4th October 2017. The audit committee meets at least twice a year and at other times as agreed between the members of the committee. Executive Directors and the Group's auditors may be invited to attend all or part of any meetings. The committee also meets with the Group's external auditors without the presence of the executive directors.

In advance of the audit of the Group's Annual Report and Financial Statements, the audit committee reviewed the plan as presented by the Group's external auditor, Grant Thornton UK LLP. The plan set out the proposed scope of work, audit approach, materiality and identified areas of audit risk. The audit committee also reviewed the Annual Report and Financial Statements along with the audit findings report presented by Grant Thornton UK LLP. The Audit Committee monitors the independence of the Group's external auditor. During the year Grant Thornton UK LLP did not provide the Group with any non-audit services. The audit committee will keep under review, in consultation with major shareholders, the decision as to whether to conduct a tender in respect of the audit in line with the recommendations of the Financial Reporting Council. The audit committee met 2 times during the past financial year, which included discussions with the external auditor without the executive directors present.

Nominations committee
The nominations committee is comprised of Keith Todd (chair of the committee), Peter Murphy and Karen Bach. The nomination committee meets when appropriate and considers the composition of the Board, retirements and appointments of additional and replacement Directors and makes appropriate recommendations to the Board. The objective of the committee is to review the composition of the Board and to plan for its progressive refreshing, regarding balance and structure. The committee is responsible for reviewing the structure of the Board as well as evaluating the balance of skills, knowledge, experience and diversity of the Board;

Relations with shareholders
The Company's executive directors meet at least twice a year with institutional shareholders, fund managers and analysts as part of an active investor relations programme to discuss the Group's performance and strategy 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 misstatement 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 2017

Introduction

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

In framing its remuneration policy and the reporting of remuneration, the committee has given consideration to the revised 2016 UK Corporate Governance Code.

Remuneration Committee

The Remuneration Committee, chaired by Peter Murphy and including Karen Bach and Keith Todd, 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;
- retention bonus: the executive directors are eligible to receive a retention bonus awarded during the year under the terms of a long term incentive scheme 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

	Year to 30 November 2017							
	Salary and fees	Bonus	Cash LTIP	Benefits	Compensation for loss of office	Sub-total	Pension contributions	Total
Keith Todd [1]	75,625	-	-	-	-	75,625	-	75,625
Mark Carlisle	211,667	46,363	-	2,115	-	260,145	20,167	280,312
Donald McGarva	294,896	-	75,000	1,800	-	371,696	32,193 [5]	403,889
Peter Murphy	43,417	-	-	-	-	43,417	-	43,417
Karen Bach	33,375	-	-	-	-	33,375	-	33,375
Michael Bennett [2]	27,894	-	-	-	-	27,894	-	27,894
	686,874	**46,363**	**75,000**	**3,915**	**-**	**812,152**	**52,360**	**864,512**

DIRECTORS' REMUNERATION REPORT

For the year ended 30 November 2017 (CONTINUED)

Directors' detailed emoluments and compensation (continued)

	Year to 30 November 2016							
	Salary and fees	Bonus	Cash LTIP	Benefits	Compensation for loss of office	Sub-total	Pension contributions	Total
Keith Todd	75,000	-	-	-	-	75,000	-	75,000
Mark Carlisle	61,756	50,000	-	513	-	112,269	5,615	117,884
Julia Hubbard [(3)]	67,092	-	-	881	349,463	417,436	16,107	433,543
Donald McGarva [(4)]	277,170	278,023	206,250	1,150	-	762,593	34,827 [(5)]	797,420
Colin Smithers	19,250	-	-	-	-	19,250	-	19,250
Peter Murphy	43,000	-	-	-	-	43,000	-	43,000
Karen Bach	24,750	-	-	-	-	24,750	-	24,750
Michael Bennett	33,045	-	-	-	-	33,045	-	33,045
	601,063	328,023	206,250	2,544	349,463	1,487,343	56,549	1,543,892

[(1)] In addition to the salary and fees disclosed above, Keith Todd made a £33,500 share option gain during the year (FY 2016: £nil)

[(2)] In addition to the salary and fees disclosed above, Michael Bennett made a £42,150 share option gain during the year (FY 2016: £nil)

[(3)] In addition to the salary and fees disclosed above, Julia Hubbard made a £nil share option gain during the year (FY 2016: £68,750).

[(4)] In addition to the salary and fees disclosed above, Donald McGarva made a £nil share option gain during the year (FY 2016: £137,500)

[(5)] Includes pension entitlement elected to be paid as salary of £32,193 (2016: £25,565).

Contributions were made to the personal pension schemes of one of the directors (FY 2016: three), in accordance with their employment contracts.

The highest paid director was Donald McGarva (FY 2016: Donald McGarva).

Michael Bennett's fees were 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 2017		At 30 November 2016	
	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	516,665	120,424	466,665	170,424
Donald McGarva	467,633	300,000	442,648	300,000
Mark Carlisle	-	-	-	-
Peter Murphy	175,000	-	175,000	-
Karen Bach	-	-	-	-

DIRECTORS' REMUNERATION REPORT

For the year ended 30 November 2017 (CONTINUED)

Directors and their interests in shares (continued)

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

Director	Grant date	Exercise price	**At 30 November 2017 Number**	At 30 November 2016 Number
Keith Todd	01 January 2007	£1.25	-	50,000
	19 May 2014	£0.89	120,424	120,424
			120,424	170,424
Donald McGarva	15 July 2014	£0.935	300,000	300,000
			300,000	550,000

Notes:

All options 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.

Long Term Incentive Plan ("LTIP")

This LTIP was introduced in August 2016 to provide an effective mechanism for senior executives to participate in the Company's equity, aligning their interests with those of shareholders.

The LTIP was implemented via a subscription for shares in a subsidiary, Amino Holdings Limited ("AHL"). The shares are 'growth' shares which are linked to the market capitalisation of Amino Technologies plc. Shareholders of the AHL growth shares are entitled to a maximum pool of 8% of the growth in value of the market capitalisation of Amino Technologies plc over the hurdle rate, where the hurdle rate is set as a premium of 30% to market capitalisation in the 90 days prior to the award of the shares which was £1.24063.

The directors participating in the scheme at the date of this report and their respective entitlement to the growth in value of market capitalisation of Amino Technologies plc above the hurdle rate are as follows:

- Donald McGarva 2.0%
- Mark Carlisle 1.2%

There are specific trigger points governing when the participants can exercise their options and how the fair value of the awards have been calculated which are set out in note 23 to the financial statements.

The market price of the Company's shares at the end of the financial year was 189p and ranged between 172p and 220p during the year.

Peter Murphy
Chairman
Remuneration Committee

DIRECTORS' REPORT

For the year ended 30 November 2017

The directors present their Annual Report on the affairs of the Group, together with the financial statements and independent auditor's report for the year ended 30 November 2017. The corporate governance statement set out on pages 16 to 17 forms part of this report.

The Company's full name is Amino Technologies plc, company number 05083390. Amino Technologies plc is a public listed company, listed on the Alternative Investment Market ('AIM') of the London Stock Exchange and domiciled in the United Kingdom. The address of its registered office is given on page 15.

Principal activity

The principal activity of the Group is the provision of IP enabled TV and other devices and cloud TV services. A detailed overview of the Group's activities is set out on pages 2 to 6.

Review of business and future developments

Details of the Group's performance during the year under review and expected future developments are set out in the strategic report on pages 2 to 15 including a description of the principal risks and uncertainties facing the Group on pages 12 to 13.

Proposed dividend

On 11 July 2017 the Board announced payment of an interim dividend of 1.530 pence per share. The Board has proposed a final dividend of £3,745,308 (2016: £3,327,527). This equates to a total of 6.55 pence per share (2016: 6.05 pence).

Research and development

£10.0m was spent on research and development in 2017 (2016: £9.5m). Under IAS 38 "Intangible Assets" £4.4m of development expenditure was capitalised (2016: £3.6m). The Group continues to invest in the development of its range of IPTV software and hardware platforms to further enhance its capabilities. In the opinion of the directors, these investments will maintain and generate significant revenues in future years.

Financial risk management

Details of the Group's financial risk management objectives and policies are set out in note 3 to the financial statements.

Post balance sheet events

There are no post balance sheet events requiring disclosure for the year end 30 November 2017.

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 and Director
Donald McGarva	Chief Executive Officer
Mark Carlisle	Chief Financial Officer
Peter Murphy	Non-executive Director
Michael Bennett	Non-executive Director - Resigned 4 October 2017
Karen Bach	Non-executive Director

Director's indemnities

The directors have been granted an indemnity from the Company to the extent permitted by law in respect of liabilities incurred as a result of their office which remains in force at the date of this report. The Company maintains director and officers' liability insurance.

Re-election of Directors

The Articles of Association require that at each Annual General Meeting one third of the directors (excluding any director who has been appointed by the Board since the previous Annual General Meeting) or, if their number is not an integral multiple of 3, the number nearest to one third but not exceeding one third shall retire from office.

Appointment of a Director

The Articles of Association require that any director appointed by the Board shall, unless appointed at such meeting, hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment.

Substantial shareholdings

As at 23 January 2018 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 2,253,123 shares held in Treasury from the 74,872,391 shares disclosed in note 23 as allotted, called and fully paid up.

DIRECTORS' REPORT

For the year ended 30 November 2017 (CONTINUED)

	Number of ordinary shares	Percentage of issued share capital
Miton Asset Management	**11,673,447**	**16.1%**
Kestrel Partners	**10,775,012**	**14.8%**
Investec Wealth & Investment	**8,941,994**	**12.3%**
Downing	**3,395,022**	**4.7%**
Close Brothers Asset Management	**3,037,197**	**4.2%**
Mr Ari Charles Zaphiriou-Zarifi	**2,821,713**	**3.9%**
Hargreave Hale Investment Managers	**2,618,000**	**3.6%**
Amino Communications Employee Benefits Trust	**38,644**	**0.1%**
	45,590,904	**59.7%**

Environmental matters

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

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

Employee matters

Employment policies

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

The employee share scheme has been running successfully since its inception on 8 June 2004 and is open to all employees. The Group also offers a SAYE scheme to our UK employees.

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

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

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

Diversity

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

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

Company Level	Number of female employees	Number of male employees	Total
Board	1	4	5
Key Management including Board	2	9	11
Employees including Key Management	39	163	202

Social, community and human rights

Social and community

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

Human rights

Since 2013, Amino has had a Supplier Code which incorporates the 10 principles of the UN Global Compact. New direct suppliers of materials and manufacturing services are asked to sign a declaration confirming that their operations are in conformance with the code. Our experience of customer requirements is that these are generally in-line with, or based on, the principles of the UN Global Compact – we are therefore usually able to respond positively to any customer-driven policies for ethical sourcing.

Conflict minerals compliance is not currently part of our Supplier Code. However, we have raised the matter with our key direct materials suppliers, and have obtained assurances that those suppliers are committed to ensuring that materials and components sourced are free of conflict minerals.

Statement of directors' responsibilities

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

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

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

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

The directors confirm that:

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

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

Auditors

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

The directors' report was approved by the Board of directors on 5 February 2018.

On behalf of the Board,

Mark Carlisle
Director
5 February 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Amino Technologies plc

Our opinion on the financial statements is unmodified

We have audited the financial statements of Amino Technologies plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 November 2017 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Company Balance Sheet, Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 November 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

- Overall Group materiality: £482,000, which represents 5% of the Group's profit before taxation, exceptional items and incentivised remuneration;
- We performed full scope audit procedures at Amino Technologies plc, Amino Holdings Limited, Amino Communications Limited, Amino Technologies US LLC and Amino Technologies (HK) Limited and targeted audit procedures at Amino Communications LLC and Booxmedia Oy and analytical procedures were performed for all other components; and
- Key audit matters were identified as
  - o the risk of improper recognition of revenue due to fraud;
  - o the capitalisation of intangible development costs may not be appropriate; and
  - o impairment of the carrying value of capitalised development costs.

Key audit matters

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

Key Audit Matter – Group	**How the matter was addressed in the audit – Group**
<u>The risk of improper recognition of revenue due to fraud</u> Under International Standard on Auditing (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue due to fraud. The Group has recognised revenues of £75.3m (2016: £75.2m) in the year, which is comprised of sale of products, license agreements, development services, and support and maintenance. The nature of the Group's revenue involves the processing of numerous transactions, with each stream possessing different revenue recognition criteria. As the Group's revenue is material to the financial statements, comprises various streams and is subject to different recognition policies, the presumed risk of improper recognition of revenue due to fraud has been identified as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: ■ the testing of revenue recognition policies for consistency and compliance with relevant accounting standards; ■ analytical procedures over revenue disaggregated by customer, product, location and month (month by month analysis of current year against prior year revenue) to identify and analyse key movements and significant transactions which have occurred in the year; ■ obtaining explanations and corroborating evidence for key movements and significant transactions identified; ■ testing of revenue streams by selecting a sample of sales transactions throughout the year and agreeing to signed contracts or shipping documentation to ensure occurrence; and ■ the testing of material revenue transactions recorded near the end of the year to supporting despatch information to confirm appropriate recognition in the year. The Group's accounting policy on revenue recognition is shown in note 2 to the financial statements and related disclosures are included in note 4.

INDEPENDENT AUDITOR'S REPORT

To the members of Amino Technologies plc (CONTINUED)

Key Audit Matter – Group	How the matter was addressed in the audit – Group
	Key observations Our testing did not identify any material misstatements in the revenue recognised during the year in accordance with stated accounting policies.
Capitalisation of intangible development costs may not be appropriate Under IAS 38 'Intangible Assets', development costs must be capitalised if the recognition criteria are met, including determining whether the project provides a future economic benefit to the Group. This presents a risk that development costs are incorrectly capitalised. During the year, the Group has capitalised £4.5m (2016: £3.6m) in development costs in relation to various projects. The capitalisation of these costs is subject to specific recognition criteria, as set forth in IAS 38, which includes the judgements and assumptions involved in determining whether the projects will provide future economic benefit to the Group and be financially viable. This leads to a risk that these criteria may not be met. Further, also due to the materiality of the balance, the capitalisation of intangible development costs has been identified as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: ■ reviewing product development activities alongside the qualifying nature of the projects to ensure that capitalisation is in accordance with the appropriate criteria under IAS 38; and ■ detailed substantive testing of additions in the year, through both third party costs and capitalised labour costs, including tracing to supporting documentation. The Group's accounting policy on intangible assets is shown in note 2 to the financial statements and related disclosures are included in note 13. Key observations Our testing did not identify any material misstatements in the capitalisation of intangible development costs in accordance with IAS 38.
Impairment of the carrying value of capitalised development costs There is a risk, due to the degree of uncertainty involved in forecasting and discounting future cash dlows associated with development projects, that development assets may be impaired. The net book value of capitalised development costs at the year end amounted to £4.9m (2016: £4.3m) after amortisation charged on capitalised development costs of £3.9m (2016: £2.9m). These costs are amortised by the company to ensure the capitalised cost reflects the anticipated benefit of the development project to the Group over time. In accordance with IAS 36 'Impairment of Assets', an annual impairment review is required to be performed by management to determine whether the carrying value of these assets is appropriate. The impairment review is based on identifiable assets for which future revenues and gross margins can be assigned to calculate a value in use based on a discounted cash flow model. Management's assessment of the potential impairment of the Group's development costs incorporates key assumptions over the timing and extent of future revenues, gross margin and the discount rate used. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, we therefore identified the impairment of the carrying value of capitalised development costs as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: ■ assessing the amortisation policy applied against capitalised development costs for consistency with prior year and reasonableness; ■ comparing projects against which amounts are capitalised to the net present value calculations based on future income generation the technology will realise; ■ testing the accuracy of management's estimates by comparing the 2017 budgeted sales and gross profit to the results achieved for the year; ■ performing sensitivity analyses of expected revenue for 2018 onwards for reasonableness; ■ discussing and corroborating the ongoing viability of projects with relevant Group personnel; and ■ assessing management's review of possible impairment of intangible assets and challenge the basis of key assumptions used;

Key Audit Matter – Group	How the matter was addressed in the audit – Group
	The Group's accounting policy on intangible assets is shown in note 2 to the financial statements and related disclosures are included in note 13. Key observations Our testing did not identify any material misstatement in the carrying value of the capitalised development costs and any reasons for impairment of intangible assets or additional factors to consider that would impact the carrying value of intangible assets recognised within the financial statements and we found no material errors in calculations.

We did not identify any Key Audit Matters relating to the audit of the financial statements of the parent company.

Our application of materiality

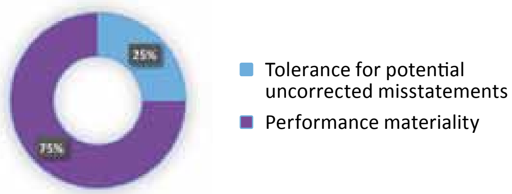
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

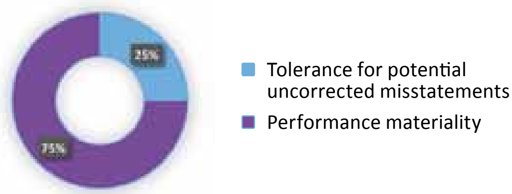
Materiality measure	Group	Parent
Financial statements as a whole	£482,000, which is 5% of the Group's profit before taxes, exceptional items and inventivised remuneration. This benchmark is considered the most appropriate because the Group is a commercially focused organisation with profit-driven KPIs for the directors and stakeholders. Materiality for the current year is lower than the level that we determined for the year ended 30 November 2016.	Determined at the planning stage to be £72,000, which is 1% of expected total assets, excluding amounts receivable from Group undertakings. This benchmark is considered the most appropriate because the parent entity does not generate revenues or profits and holds investments in subsidiaries. Materiality for the current year is consistent with the level determined for the year ended 30 November 2016 using the same basis.
Performance materiality used to drive the extent of our testing	75% of financial statement materiality.	75% of financial statement materiality.
Specific materiality	We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions of £1,000 due to the inherent sensitivity of these transactions and related disclosures.	We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions of £1,000 due to the inherent sensitivity of these transactions and related disclosures.
Communication of misstatements to the audit committee	£24,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£4,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality - Group



Overall materiality - Parent



INDEPENDENT AUDITOR'S REPORT

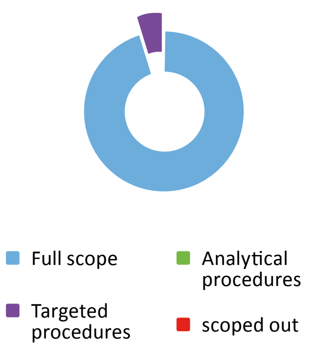
To the members of Amino Technologies plc (CONTINUED)

An overview of the scope of our audit

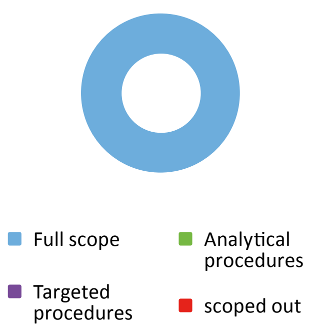
Our audit approach was a risk-based approach founded on a thorough understanding of the Group's business, its environment and risk profile and in particular included:

- evaluation by the Group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality. Significance was determined as a percentage of the Group's total assets, revenues and profit before taxation;
- full scope audit procedures performed at Amino Technologies plc, Amino Holdings Limited, Amino Communications Limited, Amino Technologies US LLC, and Amino Technologies (HK) Limited, targeted audit procedures performed at Amino Communications LLC and Booxmedia Oy, and analytical procedures performed at all other components;
- component auditors were used to complete audit procedures for Amino Technologies (HK) Limited and Booxmedia Oy. The Group audit team sent instructions to the component auditors as to the required procedures to be completed over the significant areas for group purposes within each component. The Group audit team reviewed the underlying audit working papers for these significant areas;
- the total percentage coverage of full-scope and targeted procedures over the Group's revenue was 100%;
- the total percentage coverage of full scope and targeted procedures over the Group's total assets was 99%; and
- our audit approach in the current year is consistent with the audit approach adopted for the year ended 30 November 2016 being substantive in nature.

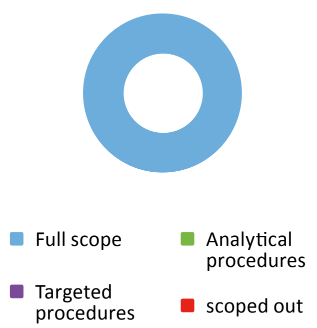
The Revenue Cycle may Include Fraudulent Transactions



Capitalisation of Intangible Development Costs may not be Appropriate



Carrying Value of Capitalised Development Costs may not be Appropriate



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 2 to 23, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Jeremy Read
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
5 February 2018

CONSOLIDATED INCOME STATEMENT

For the year ended 30 November 2017

	Notes	**Year to 30 November 2017 £000s**	Year to 30 November 2016 £000s
Revenue	4	**75,303**	75,178
Cost of sales		**(40,024)**	(42,890)
Gross profit		**35,279**	32,288
Operating expenses		**(25,735)**	(29,433)
Operating profit		**9,544**	2,855
Adjusted operating profit		**11,101**	10,226
Share-based payment charge	23	**(780)**	(297)
Exceptional items	5	**1,472**	(4,825)
Amortisation of acquired intangible assets	13	**(2,249)**	(2,249)
Operating profit		**9,544**	2,855
Finance expense	6	**(3)**	(10)
Finance income	6	**76**	6
Net finance income /(expense)		**73**	(4)
Profit before tax	7	**9,617**	2,851
Tax credit/(charge)	10	**1,513**	(170)
Profit for the year from continuing operations attributable to equity holders		**11,130**	2,681
Basic earnings per 1p ordinary share	11	**15.49p**	3.81p
Diluted earnings per 1p ordinary share	11	**15.17p**	3.77p

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 2017

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Profit for the year	**11,130**	2,681
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange gain/(loss) arising on consolidation	**173**	(327)
Other comprehensive income /(expense)	**173**	(327)
Total comprehensive income for the financial year attributable to equity holders	**11,303**	2,354

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2017

	Notes	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Assets			
Non-current assets			
Property, plant and equipment	14	**592**	757
Intangible assets	13	**45,286**	46,950
Deferred income tax assets	21	**560**	560
Trade and other receivables	16	**305**	384
		46,743	48,651
Current assets			
Inventories	15	**3,198**	5,569
Trade and other receivables	16	**11,205**	14,301
Corporation tax receivable	16	**165**	-
Cash and cash equivalents	17	**12,977**	6,218
		27,545	26,088
Total assets		**74,288**	74,739
Capital and reserves attributable to equity holders of the business			
Called-up share capital	22	**749**	747
Share premium		**20,854**	20,510
Capital redemption reserve		**6**	6
Foreign exchange reserves		**664**	491
Merger reserve		**16,389**	16,389
Retained earnings		**15,896**	7,712
Total equity		**54,558**	45,855
Liabilities			
Current liabilities			
Trade and other payables	18	**16,793**	23,665
Corporation tax payable	18	**19**	524
		16,812	24,189
Non-current liabilities			
Trade and other payables	18	**-**	628
Provisions	19	**1,534**	2,233
Deferred tax liabilities	21	**1,384**	1,834
		2,918	4,695
Total liabilities		**19,730**	28,884
Total equity and liabilities		**74,288**	74,739

The financial statements on pages 30 to 59 were approved and authorised for issue by the Board of directors on 5 February 2018 and were signed on its behalf by:

Donald McGarva
Director

Mark Carlisle
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 2017

	Notes	**Year to 30 November 2017 £000s**	Year to 30 November 2016 £000s
Cash flows from operating activities			
Cash generated from operations	25	**15,758**	12,481
Corporation tax (paid)/received		**(540)**	97
Net cash generated from operating activities		**15,218**	12,578
Cash flows from investing activities			
Purchases of intangible assets	13	**(4,509)**	(3,715)
Purchases of property, plant and equipment	14	**(203)**	(681)
Net interest (received)/ paid	6	**73**	(4)
Acquisition of subsidiaries		**(396)**	(360)
Net cash used in investing activities		**(5,035)**	(4,760)
Cash flows from financing activities			
Proceeds from exercise of employee share options	12	**346**	225
Dividends paid		**(4,438)**	(3,964)
Repayment of borrowings		**-**	(1,000)
New bank loans raised		**-**	1,000
Net cash used in financing activities		**(4,092)**	(3,739)
Net increase in cash and cash equivalents		**6,091**	4,079
Cash and cash equivalents at beginning of year		**6,218**	2,094
Effects of exchange rate fluctuations on cash held		**668**	45
Cash and cash equivalents at end of year	17	**12,977**	6,218

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2017

	Share capital £000s	Share premium £000s	Merger reserve £000s	Equity reserve £000s	Foreign exchange reserve £000s	Capital redemption reserve £000s	Profit and loss £000s	Total £000s
Shareholders' equity at 30 November 2015	744	20,193	16,389	665	818	6	6,235	**45,050**
Profit for the year	-	-	-	-	-	-	2,681	**2,681**
Other comprehensive income	-	-	-	-	(327)	-	-	**(327)**
Total comprehensive income for the year attributable to equity holders	-	-	-	-	(327)	-	2,681	**2,354**
Share based payment charge	-	-	-	-	-	-	297	**297**
Exercise of employee share options	-	-	-	-	-	-	225	**225**
Issue of share capital	3	317	-	-	-	-	-	**320**
Equity to be issued	-	-	-	(665)	-	-	-	**(665)**
Treasury shares used	-	-	-	-	-	-	2,238	**2,238**
Dividends paid	-	-	-	-	-	-	(3,964)	**(3,964)**
Total transactions with owners	3	317	-	(665)	-	-	(1,204)	**(1,549)**
Total movement in shareholders' equity	3	317	-	(665)	(327)	-	1,477	**805**
Shareholders' equity at 30 November 2016	747	20,510	16,389	-	491	6	7,712	**45,855**
Profit for the year	-	-	-	-	-	-	11,130	**11,130**
Other comprehensive expense	-	-	-	-	173	-	-	**173**
Total comprehensive income for the year attributable to equity holders	-	-	-	-	173	-	11,130	**11,303**
Share based payment charge	-	-	-	-	-	-	780	**780**
Exercise of employee share options	-	-	-	-	-	-	346	**346**
Issue of share capital	2	344	-	-	-	-	-	**346**
Treasury shares used	-	-	-	-	-	-	366	**366**
Dividends paid	-	-	-	-	-	-	(4,438)	**(4,438)**
Total transactions with owners	2	344	-	-	-	-	(2,946)	**(2,600)**
Total movement in shareholders' equity	2	344	-	-	173	-	8,184	**8,703**
Shareholders' equity at 30 November 2017	**749**	**20,854**	**16,389**	**-**	**664**	**6**	**15,896**	**54,558**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017

1 General information and basis of preparation

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 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 England and Wales. The address of its registered office is given on page 15.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations (collectively IFRS) as adopted by the EU 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 that are measured at fair value through profit or loss, as discussed in the accounting policies below.

The financial statements are presented in £000s except where stated.

Going concern

The Group had cash of £13.0m at the statement of financial position ("SOFP") date and an unused £15m multicurrency working capital facility which reduces to £12.5m and £10m on 21 July 2018 and 2019 respectively and expires on 21 July 2020. The Group is profitable and has a solid order book and sales pipeline. As such the directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Adoption of new and revised 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 2016.

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 2016, 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.

New standards and interpretations currently in issue but not effective, based on EU mandatory effective dates are:

Standard	Description	Effective date	Expected impact
IFRS 9	Financial Instruments	1 January 2018	No material effect
IFRS 15	Revenue from Contracts with Customers	1 January 2018	See below
IFRS 16	Leases	1 January 2019	See below

As per note 4 Segmental analysis on page 41, c.92% of the Group's revenues in 2017 were derived from the sale of devices incorporating integrated Amino software and associated accessories. This revenue has been recognised on delivery and is not expected to change after the implementation of IFRS 15 on the basis that there are no ongoing performance obligations. Of the remaining 8% of revenue disclosed as software and services, the majority relates to professional services as well as software and support contracts which will continue to be recognised over the performance period. Additional disclosures to those in this report will be required to satisfy the requirements of IFRS 15, including but not limited to:

- disaggregation of revenue into categories which depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors;
- opening and closing contract balances for receivables contract assets and contract liabilities; and
- an explanation of how the timing of satisfaction of the performance obligations relates to typical timing of payment.

On implementation of IFRS 16, the Group will recognise a right of use asset and corresponding liability in respect of its current lease obligations. As set out in note 26, the Group has future aggregate minimum lease payments under non-cancellable operating leases at 30 November 2017 of £1,702,000 which would need to be fair valued and recognised as a liability on the SOFP. In 2017 the charge recognised in the consolidated income statement relating to operating leases was £890,000 (2016: £965,000) and was disclosed within operating expenses. Under IFRS 16, this charge would be reversed and a depreciation charge for the right of use asset would be recognised as well as an interest charge on the liability.

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 consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). The Company beneficially owns 100% of the voting rights in all of its subsidiaries. Control is achieved where the Company has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

2 Summary of significant accounting policies (continued)

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

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. For acquisitions after IFRS3 (revised) became effective costs directly attributable to the acquisition are expensed; for acquisitions before IFRS3 (revised) became effective costs directly attributable to the acquisition are also included. Consideration where payment is contingent on future employment is excluded from the acquisition accounting and is recognised as a post-acquisition expense charged to the consolidated income statement.

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 consolidated income statement.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies.

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 chief operating decision maker comprises the executive board.

Revenue recognition

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

- income from the sale of products is recognised when goods are delivered in accordance with the terms and conditions of sale agreed with the customer, including the incoterms.
- 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.
- development services are invoiced in line with customer contracts and revenue is recognised on the basis of the stage of completion. The stage of completion is determined by reference to work performed.
- income from support and maintenance is recognised over the period in which the service is provided on a straight line basis.

Foreign currencies

(i) Functional and presentational currency

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

(ii) Transactions and balances

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

(iii) Group companies

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

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

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

On consolidation, assets and liabilities have been translated into sterling at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into sterling at the closing rate.

Financial instruments

(i) Financial assets

The Group's classification of financial assets is determined by management at initial recognition, and is dependent upon the purpose for which the financial assets were acquired. The Group's financial assets have been classified as loans and receivables and comprise trade receivables, and cash and cash equivalents. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. A financial asset is recognised when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

An impairment provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. This assessment is made at each reporting date. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

A financial asset is de-recognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for de-recognition. A financial asset that is transferred qualifies for de-recognition if the Group transfers substantially all the risks and rewards of ownership of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

2 Summary of significant accounting policies (continued)

(ii) Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group's financial liabilities comprise trade and other payables, accruals and contingent consideration.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated as FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

A financial liability is derecognised only when the obligation is discharged, cancelled or expires.

Derivative financial instruments and hedging activities

Derivative financial instruments are categorised as fair value through profit and loss. Assets and liabilities in this category are classified as current assets or current liabilities.

The Group may enter into forward foreign exchange contracts to manage its exposure to foreign exchange rate risk. The Group may only use forward foreign exchange currency purchases or sales to hedge known foreign currency exposures and does not use forward foreign exchange contracts for speculative purposes.

Forward foreign exchange contracts are initially recognised at fair value at the date the forward foreign exchange contract is entered into and are subsequently re-measured to their fair value at each SOFP date. The resulting gain or loss is recognised in the consolidated income statement immediately. The Group's forward foreign exchange contracts are not designated for hedge accounting.

Property, plant and equipment

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

The principal annual rates used for this purpose are:

Computer equipment	$33^{1/3}$% per annum
Office and other equipment	25% per annum
Leasehold improvements	Period of lease

Intangible assets

(i) Research and development – internally generated

All on-going research expenditure is expensed in the year in which it is incurred. When the criteria for capitalisation are met, development costs are capitalised as an internally generated asset. Internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives, which is two years. Amortisation commences when the asset is available for use.

Development costs are capitalised when the following criteria are met: 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. Development costs are capitalised up to the amount which, taken together with further related costs, will be recovered from the future economic benefits related to the asset. No interest costs are capitalised.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(ii) Acquired platforms

Acquired software and hardware platforms are considered a separate class of asset as they are field-proven and expected to generate future economic benefits for a longer period of time than internally generated developments. Acquired platform intangible assets are amortised on a straight-line basis over their estimated useful lives, which is five years.

(iii) Software licences

Software licences are capitalised at cost. Software licence intangible assets are amortised on a straight-line basis over their estimated useful lives which is the shorter of three years or the licence period. Amortisation of intangible assets is recognised within operating expenses within the consolidated income statement. The principal annual rates used for this purpose are:

Acquired software/hardware platforms	20% per annum
Customer relationships	12.5 - 20% per annum
Trade names	20% per annum
Software licenses	$33^{1/3}$ %per annum

Customer relationships and trade names were capitalised as part of fair value adjustments relating to acquisitions in prior years.

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

At each SOFP date, the Group performs an impairment review in respect of any property, plant and equipment and intangible assets excluding goodwill and reviews the carrying amounts to determine whether there is any indication that those assets have suffered any impairment. If any such indication exists, the recoverable amount of the asset (being the higher of fair value less costs to sell and value in use) is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In determining a value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash generating unit that have not already been included in the estimate of future cash flows.

2 Summary of significant accounting policies (continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately.

Impairment of goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable net assets acquired and is capitalised.

At each balance sheet date, and during the year if any events or changes in circumstances indicate potential impairment, the Group performs an impairment review in respect of goodwill to determine whether there is any indication that it has suffered any impairment. Any impairment loss is recognised as an expense in the consolidated income statement in the year in which it was identified to the extent that the carrying value exceeds the recoverable amount.

The recoverable amount is the higher of the fair value and the value in use in the Group. In determining a value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash generating unit that have not already been included in the estimate of future cash flows.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill is allocated to those cash-generating units that are expected to benefit from the synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Impairment losses recognised in respect of goodwill are not reversed in subsequent periods.

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 from inception are considered to be cash equivalents.

Current and deferred tax

UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the year end.

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 and laws that are expected to apply in the period when the liability is settled or the asset is realised, provided that the rates are substantively enacted at the year end. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with through the statement of comprehensive income or statement of changes in equity.

Employee benefits

(i) Pension obligations

The Group operates a number of 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 consolidated income statement in the year 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 (including where the Company has an option to settle in cash or equity) 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 option pricing model or a binomial option valuation model as appropriate depending on the terms of the options.

In order to facilitate the exercise of share options the Group maintains an Employee Benefit Trust (EBT). This is consolidated in accordance with IFRS 10. The costs of purchasing own shares held by the EBT are deducted from profit and loss reserves. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group's income statement or statement of comprehensive income. When shares are subsequently transferred to employees for less than their purchase price the difference is a realised loss recognised directly in reserves.

Leases

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

Restructuring provisions

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

Reserves

- Share capital – comprises the nominal value of ordinary shares classified as equity.
- Share premium reserve – comprises the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

2 Summary of significant accounting policies (continued)

- Merger reserve – resulted from the merger of Amino Technologies plc and Amino Holdings Limited on 28 May 2004, prior to the Group's adoption of IFRS.
- Equity reserve – comprises the fair value of shares to be issued under deferred consideration arrangements; the reserve has been cleared as at 30 November 2016 because the Company will issue from Treasury shares to fulfill its obligations.
- Foreign exchange reserve – comprises the foreign exchange differences arising on consolidation.
- Capital redemption reserve - comprises the repurchase and cancellation of own shares on 15 April 2008.
- Profit and loss – comprises all current and prior period retained profits and losses.

Exceptional and other items

The Group identifies and reports material, non-recurring and incremental costs and income as exceptional items separately from underlying operating expenses and income. Exceptional and other costs may include: release of deferred contingent consideration no longer payable, release of royalty costs recognised in prior years, restructuring costs (as defined in IAS 37 Provisions, Contingent Liabilities and Contingent Assets), legal and professional advisors fees in respect of acquisition costs, contingent post acquisition remuneration payable relating to the acquisition of Entone, Inc., contractor and travel fees relating to post acquisition integration activities and accelerated amortisation incurred as a result of the rationalisation of the product development roadmap post acquisition. In addition, additions to the provision for uncertain tax positions, or release thereof may also be considered exceptional. Exceptional income comprises material amounts outside the course of normal trading activities.

Investment in own shares

The Group offsets the cost of own shares held, including following a share buyback, as a debit within the profit and loss reserve. These shares are held at cost and are typically used to satisfy share awards at which point, the cost is credited to the profit and loss reserve.

Critical accounting estimates and judgements

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

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

Critical judgements in applying the Group's accounting policies

Fair values for employee share schemes

The establishment of fair values in respect of employee services received in exchange for share options require the exercise of judgement and estimation in respect of the life of the option, the expected dividend yield and, in particular, the expected volatility of the underlying shares. A calculated value for the latter may not accurately reflect the future share price movements given the Group's stage of development, whilst a value benchmarked against peers may not control for factors unique to either business. Details are contained in note 23.

Assessing whether development costs meet the criteria for capitalisation and whether they have been impaired

The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgement of the point at which technical feasibility is demonstrable. Furthermore, the useful economic lives of capitalised development costs are based on management's knowledge of the life cycle of the Group's products and technology. The carrying value of development assets also depends on management's ability to demonstrate the future economic benefits they will deliver. This judgement requires assumptions about factors outside the business's control such as medium term economic conditions, technological developments and market changes. Details are contained in note 13.

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. Details are contained in note 13.

Assessing the amount of deferred tax asset that has been recognised

The amount of the deferred tax asset included in the SOFP 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. There is uncertainty regarding the Group's ability to use tax losses driven primarily by the availability of enhanced R&D deductions and deductions for share schemes. Details are contained in note 21.

Key sources of estimate uncertainty

Assessing whether inventory values have been impaired

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

Assessing whether trade receivables values have been impaired

The Group recognises an allowance for doubtful debts based on estimated irrecoverable amounts determined by reference to past default experience, an analysis of the customer's financial position and an analysis of the underlying commercial arrangements. The carrying amount of the provision is disclosed in note 16 which is in respect of customers with whom negotiations continue and recovery of the debt remains uncertain. If these amounts were recovered in full, the provision may be overstated by up to £173k (2016: £223k).

2 Summary of significant accounting policies (continued)

Uncertain tax positions

The Group is subject to taxation in several jurisdictions and significant judgement is required in calculating the consolidated tax position. There are transactions for which the ultimate tax determination is uncertain and for which the Group makes provisions based on an assessment of internal estimates and appropriate advice. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined. It is possible that the ultimate resolution of these matters could result in tax charges that are materially higher or lower than the amount provided. The carrying value of the Group's tax provision is disclosed in note 19.

Warranty provision

The Group recognises a provision for future warranty expenses based on past experience of returns rates and specific product quality issues identified by management. The carrying amount of the provision is disclosed in note 19.

Royalties

The Group uses certain standards-based technologies which may be subject to third-party licenses. Where the ownership, validity and value of such licenses has not been clearly established, the Group makes estimates for license costs which may subsequently be negotiated at a different rate once the rights and value of the IP have been established.

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 forward foreign exchange contracts 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, the HK Dollar and the Euro.

The Group considers foreign exchange risk to be its principal financial risk and may seek to minimise its effects by using forward foreign exchange contracts where appropriate. Such contracts would be entered into to hedge against known foreign exchange exposures only and are not used for speculative purposes. Forward foreign exchange contracts are not designated 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 consolidated income statement.

During 2017 and 2016, the Group did not enter into any forward foreign exchange contracts.

The Group had the following current assets and liabilities denominated in currencies other the functional currencies of the entities in which they were held:

As at 30 November 2017		**Dollars $000s**	**Euros €000s**	**HKD $000s**
Trade and other receivables denominated in foreign currency		4,824	517	-
Cash balances denominated in foreign currency		9,613	50	-
Trade and other payables denominated in foreign currency		(6,976)	(47)	(45)
Net current assets denominated in foreign currency		**7,461**	**520**	**(45)**
Outstanding forward contracts	-	-	-	-

As at 30 November 2016	Dollars $000s	Euros €000s	HKD $000s
Trade and other receivables denominated in foreign currency	5,928	77	-
Cash balances denominated in foreign currency	4,787	118	-
Trade and other payables denominated in foreign currency	(6,863)	(21)	(368)
Net current assets denominated in foreign currency	**3,852**	**174**	**(368)**
Outstanding forward contracts	-	-	-

At 30 November 2017, if sterling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the retranslation of the year end foreign currency balances would have increased/decreased post-tax profit for the year by £0.3m/£0.3m (2016: £0.2m/£0.2m).

At 30 November 2017, if sterling had weakened/strengthened by 5% against the euro with all other variables held constant, the retranslation of the year end foreign currency balances would have increased/decreased post-tax profit for the year by £0.0m/£0.0m (2016: £0.0m/£0.0m).

These values have been calculated by re-translating balances denominated in currencies at an exchange rate 5% higher/lower than that used in preparing the financial statements and comparing this with the actual balances consolidated.

(ii) Interest rate risk

Throughout the year-ended 30 November 2017 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 0.75% (2016: 0.15%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

3 Financial risk management (continued)

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, forward foreign exchange contracts 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 it is deemed appropriate. 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 SOFP date, summarised below:

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Financial asset carrying amounts		
Non-current assets		
- trade and other receivables	**305**	384
Current assets		
- trade and other receivables	**10,140**	12,804
- cash and cash equivalents	**12,977**	6,218
	23,422	19,406

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 an external multicurrency loan facility of £15 million which reduces to £12.5m and £10m on 21 July 2018 and 2019 respectively and expires on 21 July 2020. At 30 November 2017 the value of external borrowings was £nil (2016: £nil) and therefore capital equates to the Group's total equity.

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Capital		
Total equity	**54,224**	45,855
Less cash and cash equivalents	**(12,977)**	(6,218)
	41,247	39,637
Overall financing		
Total equity	**54,224**	45,855
Plus borrowings	**-**	-
	54,224	45,855
Capital-to-overall financing ratio	**1:1.3**	1:1.2

The Group has confirmed its commitment to a progressive dividend policy recommending 6.655 pence per share for the year ended 30 November 2017 and increasing by no less than 10% per annum up to and including the year ended 30 November 2018. Dividend cover for the current year is 2.3 and cash dividend cover is 2.9 times.

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

Liquidity risk

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

4 Segmental analysis

Based on the management reporting system 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 chief operating decision maker is the executive Board. Amino Technologies plc is domiciled in the United Kingdom. The geographical analysis of revenue from external customers generated by the identified operating segment is:

Geographical external customer revenue analysis	**Year to 30 November 2017 £000s**	Year to 30 November 2016 £000s
USA	**46,043**	38,252
Canada	**1,342**	697
Subtotal North America	**47,385**	38,949
Costa Rica	**772**	4,429
Chile	**3,639**	2,809
Rest of LATAM	**3,949**	5,645
Subtotal Latin America	**8,360**	12,883
Netherlands	**6,475**	13,641
Rest of Europe	**11,631**	8,858
Subtotal Europe	**18,106**	22,499
Rest of the World	**1,452**	847
	75,303	75,178

For this disclosure revenue is determined by the location of the customer. A summary of the Group's significant customers (defined as representing more than 10% of revenue recognised in the year) is as follows:

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
USA 1	**17,310**	9,032
USA 2	**11,483**	9,748
USA 3	**15,157**	16,181
Netherlands 1	**3,752**	8,187

Revenue can be split into:	**Year to 30 November 2017 £000s**	Year to 30 November 2016 £000s
Devices incorporating integrated Amino software and associated accessories	**69,152**	67,036
Software and services	**6,151**	8,142
	75,303	75,178

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 2017 £000s**	As at 30 November 2016 £000s
United Kingdom	**44,528**	46,403
Rest of the World	**1,655**	1,687
	46,183	48,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

5 Exceptional items

Exceptional items within operating costs and cost of sales comprise:

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Credit relating to royalty costs recognised in prior years and subsequently renegotiated	**(1,800)**	-
Subtotal cost of sales	**(1,800)**	-
Expensed contingent post-acquisition remuneration in respect of the acquisition of Entone, Inc.	**828**	3,600
Post acquisition integration costs	**-**	443
Release of deferred contingent consideration (conditions not met)	**(628)**	-
Redundancy and associated costs	**128**	782
Subtotal operating expenses	**328**	4,825
	(1,472)	4,825

In addition, an exceptional tax credit of £1,263,000 has been recognised in the year relating to the partial release of a tax provision held to cover prior year uncertain tax positions identified on the acquisition of Entone, Inc. (2016: £nil) due to a reassessment undertaken by management.

6 Net finance income/(expense)

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Interest payable and similar costs	**(3)**	(10)
Interest receivable and similar income	**76**	6
	73	(4)

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

7 Profit before tax

Profit before tax is stated after charging/(crediting):

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Depreciation of owned property, plant and equipment	**330**	495
Amortisation of intangible assets		
- other assets	**3,923**	2,751
- acquired intangible assets	**2,249**	2,249
Loss on disposal of property, plant and equipment	**-**	13
Research and development expense (excluding amortisation)	**5,583**	5,896
Operating lease rentals		
- land and buildings	**867**	942
- plant and machinery	**23**	23
Auditor's remuneration:		
Audit services		
- fees payable to Company auditor for the audit of the Company and consolidated financial statements	**36**	30
Other services		
- the auditing of the Company's subsidiaries pursuant to legislation	**58**	61
- Audit related assurance services	**9**	9
Movements in inventory provision	**276**	46
Realised (gain)/loss on foreign exchange	**618**	(123)

8 Staff costs

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

	As at 30 November 2017 Year end number	As at 30 November 2016 Year end number	**Year to 30 November 2017 Average number**	Year to 30 November 2016 Average number
Selling, general and administration	**54**	56	**57**	57
Research and development	**148**	134	**140**	152
	202	190	**197**	209

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Their aggregate remuneration comprised:		
Wages and salaries including termination benefits	**12,720**	12,176
Social security costs	**718**	774
Other pension costs (see note 28)	**863**	856
Expense of share-based payments (see note 23)	**780**	297
	15,081	14,103

9 Key management and directors compensation

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

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Salaries and other short term employee benefits	**2,061**	2,787
Termination benefits	**60**	419
Social security costs	**178**	149
Company contributions to personal pension schemes	**80**	74
Expense for share based payments	**528**	175
	2,907	3,604

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 2017, key management comprised 11 people (2016: 13).

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Salaries and other short term employee benefits	**812**	1,163
Termination benefits	**-**	349
Company contributions to personal pension schemes	**52**	31
	864	1,544

In addition to the salary and fees disclosed above, directors made share option gains during the year totalling £42,150 (2016: £206,250).

The highest paid director was Donald McGarva:

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Salaries and other short term employee benefits	**372**	788
Company contributions to personal pension schemes	**32**	9
	404	797

In addition to the salary and fees disclosed above, the highest paid director made a share option gain during the year of £nil (2016: £137,500). The pension entitlement was elected to be paid as salary

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For the year ended 30 November 2017 (CONTINUED)

10 Tax credit/(charge)

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Corporation tax (charge)/credit for the year	**(494)**	(161)
Foreign tax charge	**247**	(447)
Adjustment in respect of prior years	**47**	(12)
Credit relating to uncertain tax positions (see note 19)	**1,263**	-
Total current tax credit/(charge)	**1,063**	(620)
Deferred tax (origination and reversal of temporary differences)	**450**	450
Total tax credit/(charge) in consolidated income statement	**1,513**	(170)

The tax charge for the year differs from that calculated by applying the pro-rated standard rate of corporation tax in the UK of 19.33% (2016: 20%). The differences are explained below:

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Profit on ordinary activities before corporation tax	**9,617**	2,851
At the standard rate of corporation tax in the UK	**1,859**	570
Effects of:		
Amounts not allowable for tax purposes	**19**	136
Enhanced deduction for research and development expenditure	**(721)**	(597)
Adjustment in respect of prior years	**(47)**	12
Unrelieved tax losses	**(431)**	(59)
Net losses utilised during the year	**-**	(191)
Other permanent differences relating to exercise of share options	**(53)**	(47)
Foreign tax charges	**(247)**	459
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(28)**	(79)
Credit relating to uncertain tax positions (see note 19)	**(1,263)**	-
Unrecognised deferred tax asset movement (see note 21)	**(601)**	(34)
Total tax (credit)/charge	**(1,513)**	170

Included within unrelieved tax losses are permanent differences for the tax effect on exceptional items that initially arose from fair value adjustments.

11 Earnings per share

	Year to 30 November 2017	Year to 30 November 2016
Profit attributable to ordinary shareholders	£11,129,817	£2,680,941
Profit attributable to ordinary shareholders excluding other operating income exceptional items, share-based payments and amortisation of acquired intangibles and associated taxation	£10,973,816	£9,602,524
Weighted average number of shares (Basic)	71,851,262	70,401,918
Weighted average number of shares (Diluted)	73,350,612	71,131,763
Basic earnings per share	15.49p	3.81p
Diluted earnings per share	15.17p	3.77p
Adjusted basic earnings per share	15.27p	13.64p
Adjusted diluted earnings per share	14.96p	13.50p

The calculation of basic earnings per share is based on profit after taxation and the weighted average of ordinary shares of 1p each in issue during the year. The Company holds 2,253,123 (2016: 3,090,418) of its own shares in treasury and these are excluded from the weighted average above. The basic weighted average number of shares also excludes 140,433 (2016: 380,673) being the weighted average shares held by the EBT in the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

11 Earnings per share (continued)

The Group has only one category of dilutive potential ordinary shares; those share options where the exercise price is less than the average market price of the Company's ordinary shares during the year. The profit attributable to ordinary shareholders excluding exceptional items is derived by adding back exceptional items, share-based payment charges and amortisation of acquired intangibles of £293,828 (2016: £7,371,412) and subtracting the tax effect thereon £449,829 (2016: £449,829) disclosed on the face of the consolidated income statement.

12 Dividends

Amounts recognised as distributions to equity holders in the period:	**Year to 30 November 2017 £**	Year to 30 November 2016 £
Final dividend for the year ended 30 November 2016 of 4.659p (2015: 4.235p) per share	**3,337,398**	2,971,290
Interim dividend for the year ended 30 November 2017 of 1.530p (2016: 1.391p) per share	**1,100,844**	992,739
	4,438,242	3,964,029

The Board of directors has proposed a final dividend of £3,745,308 for the current financial year (2016: £3,327,527). This equates to 5.125 pence per share, bringing the total for 2017 to 6.655 pence per share (2016: 6.050 pence). The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

13 Intangible assets

	Goodwill £000s	Customer relationships £000s	Trade name £000s	Intellectual property £000s	Software licences £000s	Development costs £000s	Aquired platform £000s	Total £000s
Cost								
At 1 December 2015	34,338	6,370	1,058	291	2,094	12,920	6,058	63,129
Additions	1,883	-	-	-	81	3,634	-	5,598
Reclassified from PPE	-	-	-	-	130	-	-	130
Disposals	-	-	-	-	(134)	-	-	(134)
Foreign exchange adjustment	-	-	-	-	28	-	-	28
At 30 November 2016	36,221	6,370	1,058	291	2,199	16,554	6,058	68,751
Additions	-	-	-	-	70	4,439	-	4,509
Disposals	-	-	-	-	(609)	-	-	(609)
Foreign exchange adjustment	-	-	-	-	(2)	-	-	(2)
At 30 November 2017	**36,221**	**6,370**	**1,058**	**291**	**1,658**	**20,993**	**6,058**	**72,649**
Amortisation								
At 1 December 2015	4,138	267	72	291	2,000	9,569	450	16,787
Charge for the year	-	826	211	-	66	2,685	1,212	5,000
Reclassified from PPE	-	-	-	-	121	-	-	121
Eliminated on disposals	-	-	-	-	(134)	-	-	(134)
Foreign exchange adjustment	-	-	-	-	27	-	-	27
At 30 November 2016	4,138	1,093	283	291	2,080	12,254	1,662	21,801
Charge for the year	-	826	211	-	71	3,852	1,212	6,172
Eliminated on disposals	-	-	-	-	(609)	-	-	(609)
Foreign exchange adjustment	-	-	-	-	(1)	-	-	(1)
At 30 November 2017	**4,138**	**1,919**	**494**	**291**	**1,541**	**16,106**	**2,874**	**27,363**
Net book amount								
At 30 November 2017	**32,083**	**4,451**	**564**	**-**	**117**	**4,887**	**3,184**	**45,286**
At 30 November 2016	32,083	5,277	775	-	119	4,300	4,396	46,950

Development costs relate to a number of projects with varying start dates. All of these projects are being amortised evenly over their estimated useful life, usually two years for internally generated additions and five years for platforms acquired, subject to impairment review.

The carrying value of goodwill is allocated to the following cash-generating units (CGUs):

CGU	**As at 30 November 2017 £000s**	As at 30 November 2016 £000s
Booxmedia Oy	**4,641**	4,641
Amino Technologies (US) LLC (formerly Entone Inc.)	**27,442**	27,442
	32,083	32,083

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

13 Intangible assets (continued)

Management has considered each CGU separately when determining appropriate assumptions. The recoverable amounts for the CGUs given above were determined based on value-in-use calculations, at a level where there are largely independent cash flows. Management prepares a cash flow forecast, based initially on the detailed 2018 operating budgets which are then extended for a further three years plus a terminal value, then applies a pre-tax discount rate in order to calculate the present value of such cash flows, which represents the recoverable amount. The discount rate used in the calculations was 14.7% for all CGUs, being equivalent to the Group's estimated weighted average cost of capital.

The principal assumptions used in the forecast have been increasing market penetration to create annual revenue growth and estimated cost reductions due to synergies across the enlarged group. Growth rates used were as follows:

CGU	Assumed annual revenue growth rate	Assumed annual operating profit growth rate	Assumed terminal growth rate
Booxmedia Oy	35 - 50%	0 - 21%	2%
Entone Inc.	6%	0 - 3%	2%

The annual growth rates are based on management's view of customer and product development opportunities, for Booxmedia Oy this takes into account growth from new customers on the platform. A long-term growth rate into perpetuity has been limited to 2% for both CGUs being the estimated long term potential of the markets in which they operate. Based on the impairment review performed, management have not identified any indications of impairment and are not currently aware of any reasons that would create an impairment charge.

14 Property, plant and equipment

	Computer equipment £000s	Office and other equipment £000s	Leasehold improvements £000s	Total £000s
Cost				
At 1 December 2015	2,531	265	1,121	3,917
Foreign exchange adjustment	160	58	15	233
Additions	86	154	441	681
Reclassified to Intangible assets	(130)	-	-	(130)
Disposals	(516)	(225)	(74)	(815)
At 30 November 2016	2,131	252	1,503	3,886
Foreign exchange adjustment	(31)	(20)	(34)	(85)
Additions	171	19	13	203
Disposals	(1,067)	(103)	(885)	(2,055)
At 30 November 2017	**1,204**	**148**	**597**	**1,949**
Depreciation				
At 1 December 2015	2,214	262	888	3,364
Foreign exchange adjustment	123	55	15	193
Charge for the year	206	24	265	495
Reclassified to Intangible assets	(121)	-	-	(121)
Disposals	(505)	(223)	(74)	(802)
At 30 November 2016	1,917	118	1,094	3,129
Foreign exchange adjustment	(26)	(14)	(7)	(47)
Charge for the year	140	50	140	330
Disposals	(1,067)	(103)	(885)	(2,055)
At 30 November 2017	**964**	**51**	**342**	**1,357**
Net book amount				
At 30 November 2017	**240**	**97**	**255**	**592**
At 30 November 2016	214	134	409	757

15 Inventories

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Raw materials	**1,554**	2,295
Finished goods	**1,644**	3,274
	3,198	5,569

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

	2017 £000s	2016 £000s
Provision at 1 December	**635**	681
Provision for inventory	**175**	301
Credited to the consolidated income statement for items sold/utilised	**(429)**	(122)
Inventory written off as scrap	**(10)**	(225)
Foreign exchange translation gains and losses	**(12)**	-
Provision at 30 November	**359**	635

The cost of inventories recognised as an expense and included in cost of sales amounted to £36.6m (2016: £35.6m).

16 Trade and other receivables

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Current assets:		
Trade receivables	**10,114**	12,959
Less: provision for impairment of receivables	**(173)**	(223)
Trade receivables (net)	**9,941**	12,736
Other receivables	**199**	68
Corporation tax receivable	**165**	-
Prepayments and accrued income	**1,065**	1,497
	11,370	14,301
Non-current assets:		
Other receivables	**305**	384

Other receivables comprise rent deposits.

Credit quality of financial assets

Trade receivables that are more than three months past due are reviewed for impairment on an individual basis including consideration of previous payment history and the ongoing relationship with the customer. The ageing analysis of trade receivables that were past due but not impaired is as follows:

Trade receivables	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Neither past due nor impaired	**9,134**	11,890
Under 90 days overdue but not provided for	**807**	846
	9,941	12,736

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

16 Trade and other receivables (continued)

Standard credit terms vary from customer to customer largely based on territory. At the year end £1.0m of debts were past due (2016: £1.1m). As shown above, at 30 November 2017 and 30 November 2016 trade receivables more than 90 days old but not provided for amounted to £nil and £nil respectively. No further analysis has been provided here on the quality of these debts as they are unlikely to have a material adverse impact on the Group's future results.

Movement on the Group provision for impairment of trade receivables is as follows:	**As at 30 November 2017 £000s**	As at 30 November 2016 £000s
At 1 December	**223**	111
Provision for receivables impaired	**158**	129
Receivables written off during year as uncollectible	**-**	(35)
Amounts recovered during the year	**(194)**	-
Foreign exchange translation gains and losses	**(14)**	18
At 30 November	**173**	223

17 Cash and cash equivalents

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Cash and cash equivalents	**12,977**	6,218

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

18 Trade and other payables

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Current liabilities:		
Trade payables	**6,005**	7,549
Social security and other taxes	**576**	605
Other payables	**104**	121
Accruals	**9,754**	12,823
Deferred income	**354**	1,244
Deferred and contingent consideration	**-**	1,323
Subtotal	**16,793**	23,665
Tax payable	**19**	524
	16,812	24,189
Non-current liabilities:		
Contingent consideration	**-**	628
	-	628

In respect of the acquisition of Booxmedia Oy, contingent consideration of £396,000 was paid during the year; the remaining balance of £628,000 was credited to the consolidated income statement (presented within exceptional items in the income statement) as conditions were not met.

The final deferred consideration cash payment in respect of the acquisition of Entone Inc. (accounted for as remuneration) of £1,155,000 (US$1,500,000) was paid on 11 August 2017.

19 Provisions

	At 30 November 2017			At 30 November 2016		
	Uncertain tax £000s	**Warranty £000s**	**Total £000s**	Uncertain tax £000s	Warranty £000s	Total £000s
At 1 December	**2,233**	**-**	**2,233**	1,869	-	1,869
Reclassified from accruals	**-**	**457**	**457**	-	-	-
(Credited)/charged in the year	**(1,263)**	**250**	**(1,013)**	(25)	-	(25)
Foreign exchange adjustment	**(142)**	**(1)**	**(143)**	389	-	389
At 30 November	**828**	**706**	**1,534**	2,233	-	2,233

Provisions comprise amounts reserved against uncertain corporation tax positions and potential warranty costs.

The Group provides a two year warranty on its products and makes a provision for future warranty expenditure based on past experience of return rates and specific product quality issues. The provision is expected to be utilised or reversed within the next two years.

An uncertain tax provision has been recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. These uncertainties relate to the application of OECD transfer pricing principles within the Group's subsidiaries.

It is possible that the ultimate resolution of these matters could result in tax or warranty charges that are materially higher or lower than the amount provided.

20 Financial assets and liabilities

Trade and other receivables, cash and cash equivalents, and trade and other payables are measured at amortised cost. Forward foreign exchange contracts (where applicable) and contingent consideration 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 2017 are categorised as follows:

Carrying value of financial assets and liabilities within the consolidated balance sheet:	**As at 30 November 2017 £000s**	As at 30 November 2016 £000s
Financial assets		
Trade and other receivables due after one year	**305**	384
Trade and other receivables	**10,140**	12,804
Cash and cash equivalents	**12,977**	6,218
Loans and other receivables (at amortised cost)	**23,422**	19,406
Financial liabilities		
Trade and other payables at amortised cost	**6,109**	7,670
Accruals	**9,754**	12,823
Subtotal financial liabilities at amortised cost		
Contingent consideration at fair value through profit and loss ('FVTPL')	**-**	1,256
Subtotal financial liabilities at FVTPL	**15,863**	21,749
Total financial liabilities	**15,863**	21,749

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

21 Deferred income tax

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

	As at 30 November 2017		As at 30 November 2016	
	Amount recognised £000s	**Amount unrecognised £000s**	Amount recognised £000s	Amount unrecognised £000s
Tax effect of temporary differences because of:				
Differences between capital allowances and depreciation	**-**	**33**	-	40
Tax losses carried forward	**381**	**1,615**	404	2,195
Equity-settled share options	**179**	**-**	156	-
Other short term temporary differences	**-**	**108**	-	79
Deferred tax asset (see note 10)	**560**	**1,756**	560	2,314

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

21 Deferred income tax (continued)

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 £9m of other trading losses, temporary differences, or PPE timing differences (2016: £13m). During the year, the Group used £0.6m tax losses, as can be seen from the movement in unrecognised tax losses above, and created a further deferred tax asset based on the Directors' estimate described above.

The Group also had recognised deferred tax liabilities as follows:

	As at 30 November 2017		As at 30 November 2016	
	Amount recognised £000s	**Amount unrecognised £000s**	Amount recognised £000s	Amount unrecognised £000s
Tax effect of temporary differences because of:				
Acquisition of subsidiary	**1,384**	**-**	1,834	-
Deferred tax liability	**1,384**	**-**	1,834	-

22 Share capital

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Allotted, called up and fully paid		
74,872,391 (2016: 74,692,224) Ordinary shares of 1p each	**749**	747

During the year the Company issued 180,167 (2016: 284,481) new shares. The Company holds 2,253,123 (2016: 3,090,418) of its own shares in Treasury.

23 Share based payments

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

Options granted under these schemes will be satisfied out of ordinary shares of 1p each issued to an Employee Benefit Trust set up in February 2003 or through shares held in Treasury by the Company. 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 2017 Number	Year to 30 November 2016 Number
At 1 December	**222,655**	641,987
Issued to employees in the year	**(184,011)**	(419,332)
At 30 November	**38,644**	222,655

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

	As at 30 November 2017 Number	As at 30 November 2016 Number
Granted:		
- Unapproved Share Option Scheme	**4,859,198**	4,832,787
- Individual share option schemes	**120,424**	200,424
	4,979,622	5,033,211

23 Share based payments (continued)

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

Date granted	Exercise price	As at 1 December 2016 Number	Granted Number	Exercised Number	Lapsed Number	**As at 30 November 2017 Number**	Notes
January 2007	£1.25	50,000	-	(50,000)	-	**-**	
January 2007	£1.25	50,000	-	(50,000)	-	**-**	
July 2010	£0.44	30,000	-	(30,000)	-	**-**	
May 2014	£0.89	120,424	-	-	-	**120,424**	
May 2014	£0.89	433,661	-	(184,011)	-	**249,650**	
July 2014	£0.94	442,451	-	-	-	**442,451**	
October 2015	£1.32	475,000	-	-	(45,000)	**430,000**	(a)
July 2016	£1.12	340,000	-	-	(30,000)	**310,000**	(b)
November 2016	£1.59	2,856,500	-	-	(18,568)	**2,837,932**	(c)
November 2016	£1.605	270,175	-	-	(1,010)	**269,165**	(d)
May 2017	£2.09	-	20,000	-	-	**20,000**	(e)
October 2017	£1.93	-	300,000	-	-	**300,000**	(f)
		5,033,211	**320,000**	**(264,011)**	**(109,578)**	**4,979,622**	

Notes:

(a) Only 60,000 of these options are subject to the following performance criteria, the balance will vest three years after the date of grant:
- 50% shall vest if annual compound growth in the Total Shareholder Return, between 24 October 2015 and 23 October 2018, equals or exceeds 15% per annum.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2014 and 30 November 2017, is equal to or exceeds 15%.

(b) These options will vest three years after the date of grant

(c) 2,125,000 of these options are subject to the following performance criteria, the balance will vest three years after the date of grant:
- 50% shall vest if annual compound growth in the Total Shareholder Return, between 16 November 2016 and 31 May 2020, equals or exceeds 10% per annum.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2016 and 30 November 2019, is equal to or exceeds 10% (not achieved).

(d) 127,250 of these options are subject to the following performance criteria, the balance will vest three years after the date of grant:
- 50% shall vest if annual compound growth in the Total Shareholder Return, between 23 November 2016 and 31 May 2020, equals or exceeds 10% per annum.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2016 and 30 November 2019, is equal to or exceeds 10%.

(e) These options will vest three years after the date of grant

(f) The vesting conditions of these options are as follows:
- 50% shall vest if annual compound growth in the Total Shareholder Return, between 16 October and 28 February 2021, equals or exceeds 10% per annum.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2017 and 30 November 2020 is equal to or exceeds 10%.

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

For options exercised in year:
- The weighted average exercise price of options exercised was £0.91 (2016: £0.54).
- The weighted average share price at date of exercise was £1.94 (2016: £1.10).

For options granted in year:
- The weighted average fair value of options granted was £0.30 (2016: £0.29).
- The weighted average exercise price of options granted was £1.94 (2016: £1.49).

For options lapsed in year:
- The weighted average exercise price of options lapsed was £1.22 (2016: £1.11).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

23 Share based payments (continued)

At 30 November 2017 there were a total of 812,525 options outstanding of which 95,000 had vested and were exercisable with a weighted average exercise price of £0.91 (2016: 95,000 exercisable options with a weighted average exercise price of £0.89). The options outstanding at the end of the year have a weighted average contractual life of 1.9 years (2016: 1.5 years).

During the year the Group recognised a total expense relating to employee share-based payments under the equity-settled share option plans of £780,097 (2016: £296,844), including the 2016 LTIP, see below.

The fair values of options granted were determined using a binomial or Monte Carlo simulation option pricing model that takes into account factors specific to the share option plans, such as the vesting period. The related performance condition, being a market condition, has been incorporated into the measurement by means of actuarial modelling. The following principal assumptions were used in the valuation:

Grant date	30 May 2017	16 October 2017
Vesting period ends	30 May 2020	30 November 2020
Share price at date of grant	£2.09	£1.93
Volatility	25.0%	27.9%
Option life	5 years	5 years
Dividend yield	3.5%	3.2%
Risk-free investment rate	0.70%	0.82%
Fair value at grant date	£0.24	£0.31
Exercise price at date of grant	£2.09	£1.93
Exercisable to	30 May 2022	30 November 2022

The underlying expected volatility was determined by reference to the Company's historical share price movements.

Long Term Incentive Plan ("LTIP")

In the prior year the LTIP was implemented via a subscription for shares in a subsidiary, Amino Holdings Limited. The shares are 'growth' shares which are linked to the market capitalisation of Amino Technologies plc. Shareholders are entitled to a maximum pool of 8% of the growth in value of the market capitalisation of Amino Technologies plc over the hurdle rate, where the hurdle rate is set as a premium of 30% to market capitalisation in the 90 days prior to the award of the shares.

Shareholders have the option to 'put' their Eligible shares:

- In the seven year period following their respective vesting date, subject to the achievement of certain performance conditions
  - Average diluted EPS of at least 12p per share for the two years ending 30 November 2018 or
  - Diluted EPS of at least 12p per share for the year ending 30 November 2018
- On the change of control or winding up of Amino Technologies plc or Amino Holdings Limited.

The Company can, at its option, satisfy the exercise in cash or shares in Amino Technologies plc.

The Company has the right to 'call' for the shares at the following times:

- at any time that the 90 day average share price of Amino Technologies plc exceeds £2.20
- for six months following the end of the put option exercise period
- for six months following the later of:
  - the participant becoming a leaver; and
  - the end of the vesting period.

The fair value of the awards is determined by using a Monte Carlo valuation model, making allowances for the following assumptions:

Grant date	24 August 2016
Vesting period ends	Signing of the audited accounts for year ended 30 November 2018/1 September 2019
Average share price in 90 days period prior to grant	£1.24
Volatility	25.0%
Option life	2.5 years
Dividend yield	3.7%
Risk-free investment rate	0.31%
Fair value at grant date	£12.79

23 Share based payments (continued)

The total expense for the year is £472,197 (2016: £145,027), which is included above in the total expense of £780,097 (2016: £296,844).year

Full details of the plan, including the hurdle, anti-dilution and other provision, are set out in the Articles of Association of Amino Holdings Limited

24 Investment in own shares

Offset within the Group profit and loss reserve at 30 November 2017 is an amount of £15,818 (2016: £91,141) representing the cost of own shares held. These shares are held by the EBT as detailed in note 1 to the parent company financial statements.

A further £682,536 (2016: £1,461,406) is offset within the Group profit and loss reserve at 30 November 2017 in relation to 2,253,123 of the Company's own shares repurchased in 2011 and 2014 and held in treasury less those used to settle part of the contingent post acquisition remuneration payable relating to the acquisition of Entone, Inc, and to settle SAYE exercises in the current and prior years.

Following the acquisition of Entone Inc in on 11 August 2015 the Group paid the following in respect of deferred consideration to Entone Inc employees which has been accounted for as remuneration:

Year 1 paid on 11 August 2016: 1,087,442 shares and US$2.5 million cash; and

Year 2 paid on 11 August 2017: 652,459 shares and US$1.5 million cash.

The shares were satisfied using shares held in treasury. The shares were valued using a Monte Carlo model using the assumptions set out below. The year 1 shares were valued at £1.55 per share. The Year 2 shares were valued at £1.49 per share. An expense relating to these share-based payments was recorded of £414,151 in 2017 (2016: £1,827,709) within profit and loss (presented within exceptional items in the income statement), with a corresponding entry recorded in equity.

The following assumptions were used in determining the fair value:

	Year 1	**Year 2**
Grant date	11 August 2015	11 August 2015
Vesting period ends	11 August 2016	11 August 2017
Share price at date of grant	£1.60	£1.60
Volatility	23.8%	23.8%
Option life	1 year	2 years
Dividend yield	3.4%	3.7%
Risk-free investment rate	0.47%	0.67%

25 Cash generated from operations

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Profit before tax	**9,617**	2,851
Interest (received)/paid	**(73)**	4
Amortisation charge	**6,172**	5,000
Depreciation charge	**330**	495
Loss on disposal of property, plant and equipment	**-**	13
Share based payment charge	**780**	297
Exchange differences	**(368)**	32
Decrease/(increase) in inventories	**2,371**	(1,919)
Decrease/(increase) in trade and other receivables	**3,175**	(2,849)
(Decrease)/increase in trade and other payables	**(6,246)**	8,557
Cash generated from operations	**15,758**	12,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

25 Cash generated from operations (continued)

Adjusted operating cash flow before exceptional cash outflows was £16.9m (2016: £15.8m).

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Adjusted operating cashflow	**16,913**	15,795
Redundancy and associated costs	-	(1,150)
Post-acquisition integration costs	-	(443)
Contingent post-acquisition remuneration (please see note 18 and note 24)	**(1,155)**	(1,721)
Cash generated from operations	**15,758**	12,481

26 Operating lease commitments

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

Group	Property 2017 £000s	Plant and machinery 2017 £000s	Property 2016 £000s	Plant and machinery 2016 £000s
No later than one year	**885**	**24**	886	8
Later than one year and no later than five years	**772**	**21**	1,680	13
	1,657	**45**	2,566	21

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

The Group'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. The Group had no contingent liabilities at 30 November 2017 or 30 November 2016.

28 Pension commitments

The Group operates a number of defined contribution schemes 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 £863,169 (2016: £855,514). A payable of £88,050 is included within the other payables at 30 November 2017 (2016: £54,144) in respect of the final month's contributions.

29 Capital commitments

Capital expenditure of £27,878 was committed to as at 30 November 2017 (2016: £nil).

30 Related party transactions

Dividends totalling £70,734 (2016: £75,532) were paid in the year in respect of ordinary shares held by the Company's directors.

31 Post balance sheet events

There are no post balance sheet events requiring disclosure in the financial statements for the year ended 30 November 2017.

COMPANY BALANCE SHEET

As at 30 November 2017

	Notes	30 November 2017 £000s	30 November 2016 £000s
Fixed assets			
Investments	3	**7,963**	7,183
Current assets			
Debtors: amounts falling due after more than one year	4	**24,861**	24,498
Cash at bank and in hand		**2**	3
		24,863	24,501
Creditors: amounts falling due within one year	5	**(4,628)**	(1,505)
Net current assets		**20,235**	22,996
Total assets less current liabilities being net assets		**28,198**	30,179
Capital and reserves			
Called-up share capital	6	**749**	747
Share premium		**20,854**	20,510
Capital redemption reserve		**6**	6
Foreign exchange reserve		**(296)**	(30)
Profit and loss account		**6,885**	8,946
Total shareholder funds		**28,198**	30,179

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The parent company's profit after tax was £885,856 (2016: profit of £1,908,183).

The financial statements were approved and authorised for issue by the Board of directors on 5 February 2018 and were signed on its behalf by:

Donald McGarva
Director

Mark Carlisle
Director

Registered number: 05083390

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2017

	Share capital £000s	Share premium £000s	Capital redemption reserve £000s	Equity reserve £000s	Foreign Exchange reserve £000s	Profit and loss £000s	Total £000s
At 30 November 2015	744	20,193	6	665	-	8,064	29,672
Profit for the year	-	-	-	-	-	1,908	1,908
Other comprehensive expense	-	-	-	-	(30)	-	(30)
Total comprehensive income	-	-	-	-	(30)	1,908	1,878
Dividends paid	-	-	-	-	-	(3,964)	(3,964)
Share based payment charge	-	-	-	-	-	297	297
Movement on EBT reserves	-	-	-	-	-	225	225
Options exercised from Treasury shares	-	-	-	-	-	2,416	2,416
Issue of share capital	3	317	-	-	-	-	320
Equity to be issued	-	-	-	(665)	-	-	(665)
Total transactions with shareholders	3	317	-	(665)	-	(1,026)	(1,317)
At 30 November 2016	747	20,510	6	-	(30)	8,946	30,179
Loss for the year	-	-	-	-	-	886	886
Other comprehensive expense	-	-	-	-	(266)	-	(266)
Total comprehensive income	-	-	-	-	(266)	886	620
Dividends paid	-	-	-	-	-	(4,438)	(4,438)
Share based payment charge	-	-	-	-	-	780	780
Movement on EBT reserves	-	-	-	-	-	163	163
Options exercised from Treasury shares	-	-	-	-	-	548	548
Issue of share capital	2	344	-	-	-	-	346
Total transactions with shareholders	2	344	-	-	-	(2,947)	(2,601)
At 30 November 2017	**749**	**20,854**	**6**	**-**	**(296)**	**6,885**	**28,198**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2017

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 of Amino Technologies plc have been prepared in compliance with United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006. A summary of the significant accounting policies, which have been reviewed by the Board of directors is set out below.

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

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102, as it is a qualifying entity and its financial statements are included in the consolidated financial statements of its ultimate parent company, Amino Technologies plc:

- The requirements of Section 4 Statement of Financial Position 4.12 (a)(iv);
- The requirements of Section 7 Statement of Cash Flows
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d)
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.47, 11.48(a)(iii), 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Amino Technologies plc, includes the Company's cash flows in its consolidated financial statements.

Investments

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

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Employee share option schemes

The Company grants options over its equity instruments to the employees of Amino Communications Limited and Amino Communications LLC, Booxmedia Oy and Amino Technologies (HK) Limited. The carrying value of the investment in these subsidiaries is increased by an amount equal to the fair 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 FRS 102. The costs of purchasing own shares held by the EBT are deducted from profit and loss reserves. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Company's profit and loss account or statement of total recognised gains and losses. When shares are subsequently transferred to employees for less than their purchase price the difference is a realised loss recognised directly in reserves.

2 Profit for the year

Directors' emoluments are disclosed in the directors' remuneration report on pages 18 to 20. The Company had no employees in either year. The audit fee for the parent company was £3,200 (2016: £3,200). This expense was met by a trading subsidiary.

3 Fixed asset investments

	Year to 30 November 2017 £000s	Year to 30 November 2016 £000s
Cost and net book value as at 1 December	**7,183**	5,738
Capital contributions arising from share-based payments charge	**780**	297
Fair value adjustment on amounts due from Group undertakings	**-**	1,148
Cost and net book value as at 30 November	**7,963**	7,183

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2017 (CONTINUED)

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 LLC	Delaware, USA	Ordinary shares of $1 each	100%*
Amino Communications Employee Benefit Trust	England and Wales	Ordinary shares of £1 each	100%*
Amino Communications AB	Sweden	Ordinary shares of SEK 100	100%*
Booxmedia Oy	Finland	Ordinary shares of €1 each	100%*
Amino Technologies (US) LLC (formerly Entone Inc.)	Delaware, USA	Ordinary shares of $0.0001 each	100%*
Amino Technologies (HK) Limited	SAR Hong Kong	Ordinary shares of HKD 59.2 each	100%*

* indirectly held

The address for all companies other than those listed below is Buckingway Business Park, Anderson Road, Swavesey, Cambridgeshire CB24 4UQ.

- Booxmedia Oy: Annankatu 31-33 E, FI-00100 Helsinki, Finland
- Amino Technologies (US) LLC 20823 Stevens Creek Boulevard, Suite 400, Cupertino, CA 95014, USA
- Amino Technologies (HK) Limited: Level 20, Billion Plaza Two,10 Cheung Yue Street, Lai Chi Kok, Hong Kong

All of the above subsidiaries are included within the consolidated financial statements of Amino Technologies plc for the year ended 30 November 2017.

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

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

The principal activity of Amino Communications LLC and Amino Technologies (US) LLC is the marketing and distribution of products of Amino Communications Limited in North 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.

Amino Communications AB is dormant.

The principal activity of Amino Technologies (HK) Limited is software development and after sales services.

The principal activity of Booxmedia Oy is to provide Cloud-TV technology as a service, enabling broadcasters, operators and copyright owners to deliver TV services.

4 Debtors: amounts falling due after more than one year

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Amounts owed by Group undertakings	**24,861**	24,498

Amounts owed to the Company are unsecured and subject to a market rate of interest.

5 Creditors: amounts due within one year

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Deferred contingent consideration	**-**	696
Amounts owed to Group undertakings	**4,609**	655
Corporation tax payable	**19**	154
	4,628	1,505

6 Share capital

	As at 30 November 2017 £000s	As at 30 November 2016 £000s
Allotted, called up and fully paid		
74,872,391 (2016: 74,692,224) Ordinary shares of 1p each	**749**	747

The Company holds 2,253,123 of its own shares in treasury (2016: 3,090,418).

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 Equity
Equity includes the following reserves:

- called up share capital represents the nominal value of shares that have been issued
- share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium
- capital redemption reserve comprises the repurchase and cancellation of own shares on 15 April 2008.
- foreign exchange translation reserve comprises translation differences arising from the translation of balances owed by/to the Company's foreign subsidiaries held in currencies other than Sterling (£).
- profit and loss account includes all current and prior period retained profits and losses.

9 Related party transactions
The Company takes advantage of the exemption under FRS102 for transactions with wholly owned group companies. There were no other related party transactions during the year, other than dividends totalling £70,734 (2016: £75,532) paid in the year in respect of ordinary shares held by the Company's directors.

NOTES:

GLOSSARY

Cable TV: the delivery of TV services to the home via a fixed line network. Originally, delivered via coaxial cable, increasingly operators are now using fibre optic networks – and IP – to deliver a wider range of on-demand and multiscreen services.

The Cloud: Internet-based computing that provides shared computer processing resources and data to computers and other devices on demand. Cloud computing and storage solutions provide users and enterprises with various capabilities to store and process their data in either privately owned, or third-party data centres.

Connected consumers: a term to describe how consumers are increasingly using multiple devices – smartphones, tablets and the TV – to watch and interact with entertainment content.

Hybrid TV: in our case, the combination of cable TV technology with IP connectivity.

IP (Internet Protocol): the data delivery mechanism that underpins the Internet – to ensure consumers enjoy an "on demand" and always available entertainment experience. At the same time, it increases operator efficiency and streamlines service delivery.

IPTV (Internet Protocol Television): the delivery of TV entertainment over an IP broadband network that is managed by an operator to ensure consistent quality of service delivery and consumer experience.

IoT (Internet of Things): IoT is about connecting devices over the internet and letting them communicate with consumers, applications, and each other. Our Fusion Home camera is an IoT device – enabling people to monitor their homes via a smartphone app.

On demand: a service that lets consumers watch what they like, when they like – without being tied to a TV channel schedule – using IP to deliver the service.

Operator: a provider of telecommunications services to the home that may include fixed line telephony, broadband, TV-based entertainment and mobile phone services. While many operators will own the network infrastructure to deliver these services, increasingly new market entrants will deliver similar services over competitor networks.

Tier 1/2/3/4 operators: an industry term to describe the size and scale of a telecommunications network operator. Tier 1 refers to large national, or multi-national, operator, with significant customer bases. Tier 2 operators are smaller national operators or sizeable regional operators within one country. Tier 3 operators serve local and smaller regional markets and Tier 4 operators serve local communities, typically with fewer than 3,000 subscribers.

amino

Connecting what's next

Connecting what's next

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