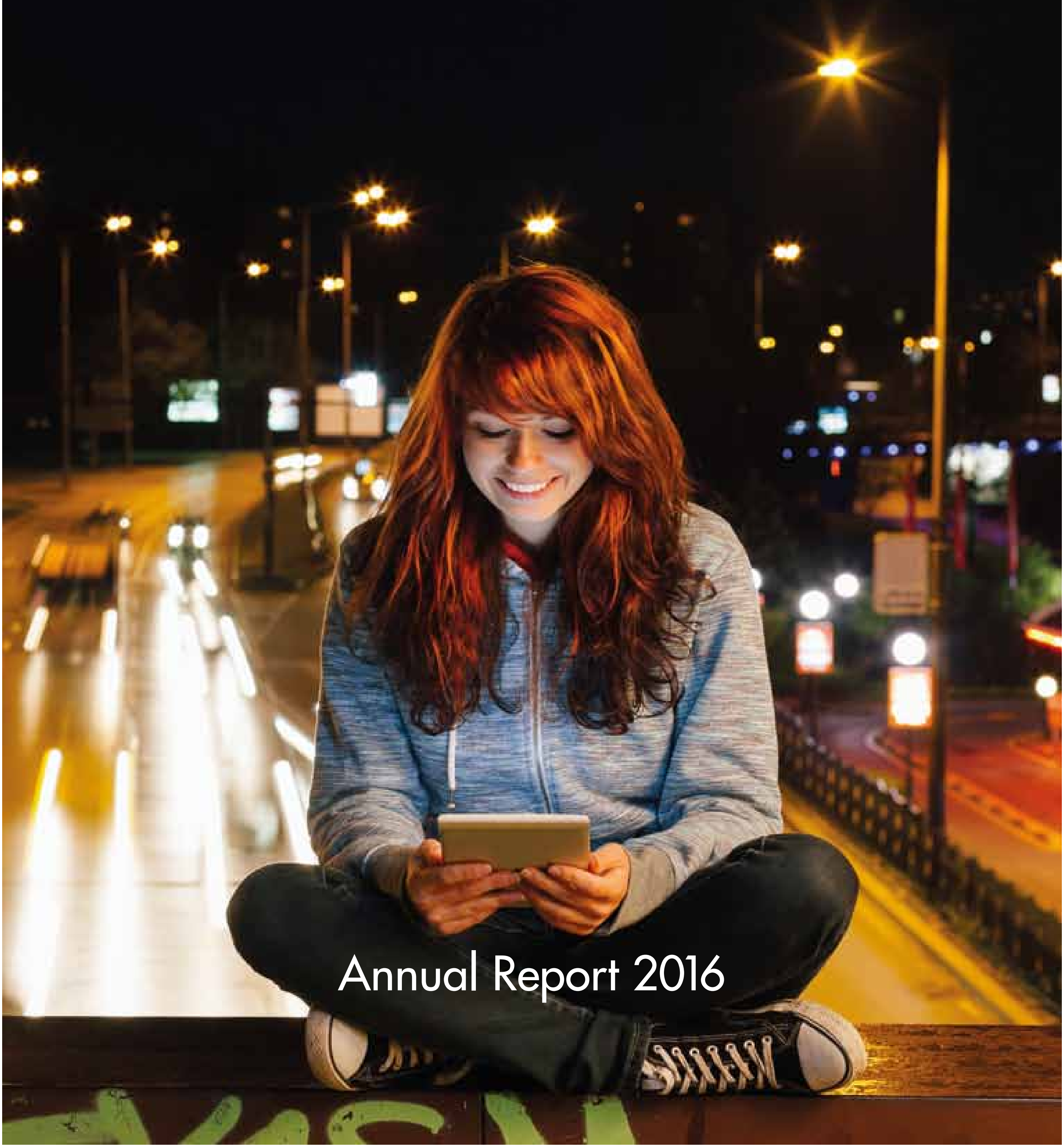
amino

Connecting what's next



Annual Report 2016

ABOUT AMINO

Amino Communications is a global leader in innovative hybrid TV and cloud solutions that enable service providers to connect with consumers. As pioneers of IPTV, and with over seven million devices sold worldwide, Amino has a proven track record for rock-solid reliability, innovation and best-in-class customer care. Over 1,000 of the world's leading service providers, across 100 countries, have relied on Amino to provide a seamless delivery of rich entertainment experiences.

Amino Communications is a wholly-owned subsidiary of Amino Technologies PLC and 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.

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FINANCIAL HIGHLIGHTS

Revenue up **80% TO £75.2m**

Underlying[1] organic revenue growth of **7%** which is 2% ahead of management's initial expectations of 5%

Adjusted[2] profit before tax up **100% TO £10.2m**

Statutory profit before tax up **867% TO £2.9m**

Net cash of **£6.2m** at 30 November 2016 after paying record dividends of £4.0m

Recommended increase in full year dividend to **6.05p** per share, up by 10% year on year in line with the Company's stated progressive dividend policy

(1) Excluding the impact of acquisitions and foreign exchange

(2) Adjusted profit before tax and adjusted earnings per share are non-GAAP measures and exclude amortisation of acquired intangibles, other operating income, exceptional items and share-based payment charges

FIFTH CONSECUTIVE YEAR OF DIVIDEND INCREASE

DIVIDEND PENCE PER SHARE

OPERATIONAL HIGHLIGHTS

- Integration of 2015 acquisitions of Booxmedia and Entone successfully completed, creating a single enhanced portfolio aligned with current and future market trends
- Strengthened sales team successfully delivered 7% organic revenue growth in 2016, a strong order book and improved sales pipeline visibility into the first half of 2017
- Continued progress made in Latin America as operators see strong take up for IPTV services
- Enable™ TV software platform deployed to multiple new customers
  - Contract with Cincinnati Bell Inc, to migrate its legacy IPTV devices to the Enable platform successfully delivered
  - Contract won with PCCW to deploy the Enable platform to deliver new 4K UHD (Ultra High Definition) services
- New Cloud TV contracts signed with European mobile and fixed line operators
- New contracts secured with regional operators in North America including the first deployment of the Fusion Home monitoring solution

OUR BUSINESS AT A GLANCE

STRATEGY AND BUSINESS MODEL

Amino develops a range of products and solutions designed to help broadband network operators deliver entertainment and associated "connected home" services to the consumer. Principally, the Group focuses on IPTV – Internet Protocol Television – which is the delivery of entertainment services to the TV over broadband networks. Underpinning this offering is a strong heritage in software development which continues to be the Group's core activity along with the development of set-top box hardware. During 2016, the Group has extended the breadth and depth of its portfolio to offer hybrid TV devices and cloud-based service delivery solutions to a wider addressable market including cable TV and mobile operators.

Revenues continue to derive mainly from the sale of IPTV devices and associated customer support services. These sales are achieved through the Group's global sales team or via distributors in certain markets, particularly in North America. Amino operates in a highly competitive market with a number of competing regional and global manufacturers. The Group differentiates itself through the breadth of its product offering, the extensive ecosystem with which it integrates its devices and the performance and reliability of its software development and IPTV devices.

OUR VISION

To lead the way to the all IP/cloud future – where all media and services are delivered via IP, on demand from the cloud to any device, anytime and anywhere.

OUR MISSION

We create disruptive solutions that help operators thrive in all the IP/cloud future and enrich the lives of connected consumers.

OUR VALUE PROPOSITION

We help operators migrate to the all IP/cloud future while extracting maximum value from existing assets.

GROWTH DRIVERS

From IPTV to hybrid TV devices	From TV devices to cloud TV	From TV to broadband services
Any content, any network, any screen, any home	Extend TV to mobile and offnet	Expand market to all broadband operators

OUR STRATEGY

Increase share and revenue in core IPTV market	Target and scale cloud TV	Establish IoT offering and customer traction
Exploit cable operator migration to all-IP and cloud		

OUR BUSINESS AT A GLANCE

WHAT WE OFFER

amino VIEW
TV Devices

Our range of devices for the delivery of TV entertainment around the home.

amino MOVE
Cloud TV

Our Cloud TV software platform seamlessly delivers a full range of in-home and mobile TV experiences including live, on-demand, catch-up and cloud-recorded content over any IP network.

amino FUSION
Internet of Things

Our FUSION cloud-based home management solution offers home monitoring, automation and management services that enable operators to monetise IoT, drive premium broadband and strengthen consumer connections.

amino ENGAGE
Simplified Service Assurance

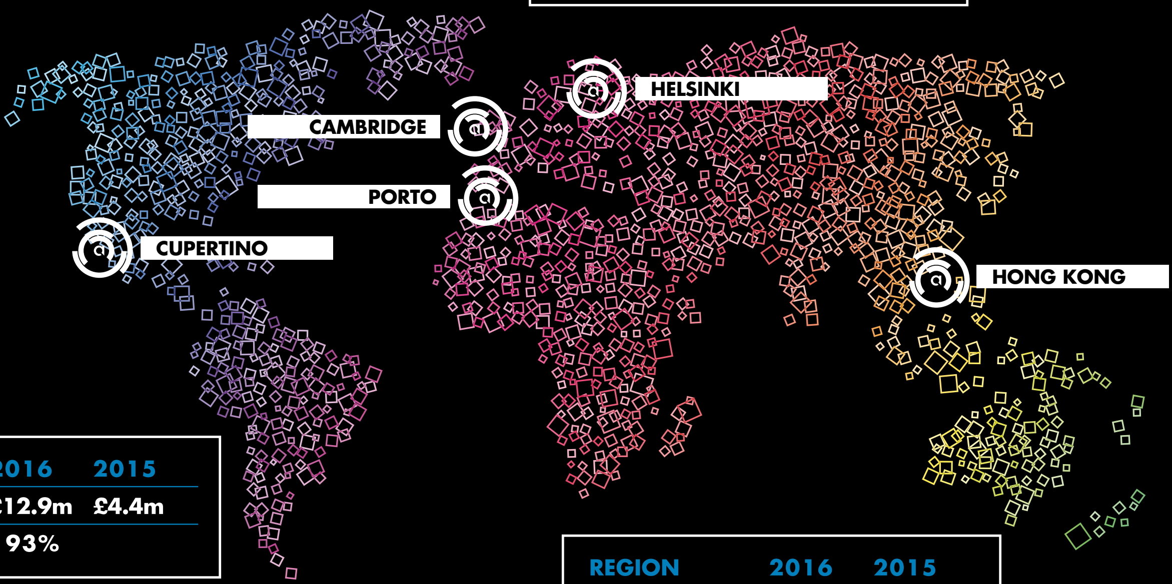
Our ENGAGE service assurance solution provides operators with a suite of management tools to efficiently and proactively support and improve quality of service across any network.

OUR BUSINESS AT A GLANCE

REVENUE BY REGION

REGION	2016	2015
North America	£38.9m	£21.0m
Growth	85%	

REGION	2016	2015
Europe	£22.5m	£15.2m
Growth	48%	



REGION	2016	2015
Latin America	£12.9m	£4.4m
Growth	193%	

REGION	2016	2015
Rest of World	£0.9m	£1.1m
Growth	(18%)	

KEY: REGIONAL OFFICES

CHAIRMAN'S REPORT

Keith Todd, CBE

Non-Executive Chairman

HIGHLIGHTS:

- Rapid integration of acquisitions made in 2015
- Successful execution of challenging sales plan
- Results ahead of market expectations and solid order backlog
- Recommended full year dividend of 6.05p – a 10% increase on 2015

This has been a very good year for the Company. We have successfully completed the rapid integration of the two companies acquired in the previous year; executed on a challenging sales plan and strengthened the management team. As a result, the Company has delivered results ahead of market expectations as well as securing a solid order backlog.

All financial metrics are ahead of market expectations set at the beginning of the year. Revenue for the year was £75.2m (FY 2015: £41.7m) and included solid organic growth of 7%. Adjusted profit before tax of £10.2m increased by 102% over the prior year (FY 2015: £5.1m). Operating profit was £2.9m (FY 2015: £0.3m). The Company continues to turn profit into cash which is reflected in the year-end cash position of £6.2m (30 November 2015: £2.1m).

At the start of the year, the Board set out a clearly defined direction, identifying two key drivers for future growth and shareholder value, namely hybrid TV – that is, TV delivery both via the Internet and via other multimedia channels such as satellite and cable – and cloud services. This strategy is shaped by the industry-wide move towards Internet Protocol (IP) as the key enabler for all media and services to be delivered on-demand from the cloud to any device, anytime and anywhere.

Four key objectives were set for the year. Firstly, to increase revenue and market share in IPTV, Amino's traditional core market. Secondly, to exploit the migration of cable TV operators to an all IP cloud future. Thirdly, to target and scale up Amino's cloud TV offering to mobile network operators and content owners. Finally, to launch an "Internet of Things" (IoT) offering focused on home monitoring to provide cable TV and IPTV operators with a point of difference to enable them to gain customer traction.

Substantial progress has been made against all of these objectives. Amino's customer proposition is closely aligned with market trends and the revitalised sales team is performing well across key regional markets and in Latin America and North America in particular. Customer value is increasingly driven by our deep software expertise; speed of responsiveness and our ability to provide software solutions that deliver a high quality unified end-user experience across both new and legacy devices within an operator's network.

Amino has now successfully re-positioned itself as a global solutions provider for a new exciting era in entertainment service delivery. The broader and deeper portfolio, underpinned by extensive software expertise, has enabled the Company to successfully target a wider market with encouraging traction across its entire product range.

It is testimony to the staff across the Group that these transformative changes have been achieved in a short space of time, delivering positive results and a new confidence in the business both internally and externally. On behalf of the Board, I would like to thank them for their hard work and commitment.

DIVIDEND

In line with the Company's progressive dividend policy the Board is pleased to recommend a full year dividend of 6.05p, a 10% increase on 2015. This is the fifth consecutive year that the dividend has been increased since 2011. 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 2017.

Subject to shareholder approval at the annual general meeting to be held on 29 March 2017, the dividend will be payable on 28 April 2017, to shareholders on the register at 7 April 2017, with a corresponding ex-dividend date of 6 April 2017.

OUTLOOK

Amino enters 2017 with a strong order book and sales pipeline providing good visibility of revenue and profits for the first half. The Board expects the positive momentum gained in 2016 to continue and result in sustainable profitable growth in 2017.

CHIEF EXECUTIVE OFFICER'S REPORT

Donald McGarva

Chief Executive Officer

HIGHLIGHTS:

- Demand for high quality IPTV devices remains strong
- Enhanced portfolio positions Amino to help operators migrate to IP/cloud future
- Encouraging market traction in cloud TV
- Operational changes drive successful sales execution

GROWING THE AMINO PROPOSITION IN LINE WITH EVOLVING CUSTOMER NEEDS

Amino is well positioned to capitalise on significant changes in the way entertainment is delivered to the consumer. Network operators and service providers can no longer deliver just linear television – where viewers must be in front of their televisions to watch entertainment at a given time. Today's consumer demands content at anytime, anywhere and on their choice of device, be it the television, tablet or mobile phone. This growing trend has disrupted traditional operator service delivery models and the technology enablers that have been in place for many decades.

Increasingly, operators are using Internet Protocol (IP) – the data delivery mechanism that underpins the Internet – to ensure consumers enjoy an "on demand" and always available entertainment experience, whilst at the same increasing efficiency and streamlining service delivery. The growth in consumer take up of "OTT" services, such as Netflix and Amazon Prime, which are delivered over the open Internet, has acted as a further catalyst for this trend.

BROADENING THE ADDRESSABLE MARKET

Amino's core market remains IPTV – where operators use a managed broadband connection into the home to deliver a TV entertainment service. However, the acquisitions of Booxmedia and Entone, both of which were completed in 2015, have broadened Amino's portfolio to address adjacent sectors such as the cable TV industry. Here operators are now turning to IP to enable new levels of interactivity and multiscreen delivery, either moving to a pure IPTV delivery model or deploying "hybrid" devices which combine cable TV and IP delivery, much as Sky now deploys hybrid devices delivering satellite and IP delivery. Likewise, we now provide mobile operators with the capability to deliver TV services to mobile devices and tablets.

We are now better positioned to address this wider market and, based on our skillset and portfolio, help operators migrate to an all IP future, where services are delivered on demand via the cloud to any device. At the same time, using our software expertise, we are now helping operators maximise their existing legacy assets, including already deployed devices, to deliver new advanced services across their entire customer base.

The enhanced portfolio launched during the first half of the year encompasses four key elements:

VIEW: hybrid TV devices to deliver any content across any network to any device. This is underpinned by the Enable TV software platform

MOVE: initially focused on mobile operators but now with increasing relevance to our broader customer base as an end-to-end entertainment service delivery platform

ENGAGE: quality of service network management tools

FUSION: a simple, easy to deploy Internet of Things (IoT) home monitoring solution

The breadth and depth of this offering has served to deepen our relationships with customers and has resulted in growing traction for both device and software sales to operators. In particular, our ability to support customers who are migrating TV services to an IP and cloud-based delivery model while extracting value from existing deployed systems and devices is a key differentiator in our markets.

Industry analysts IHS in May 2016 forecast continued growth in IP-connected pay TV devices from 107 million units in 2014 to over 175 million units by 2019. The transition by cable TV operators to IP is set to expand over the same period – representing a sizeable market that Amino is now addressing.

CURRENT CUSTOMERS AND MARKETS

The provision of hybrid TV devices remains a core element of the business, however during the year we also delivered encouraging growth in the provision of software and cloud-based solutions to both existing and new customers.

Demand for high quality IPTV devices remains strong with excellent growth in key target regions. In Latin America, there have been substantial contract wins with both new and existing customers. Market de-regulation and the rollout of fibre networks across the region continues to help drive the market with operators seeking to deploy value-added entertainment services alongside their more traditional broadband offerings.

North America is a more mature market in which Amino has a substantial presence. Continued good growth in device sales to the tier 3 market has been complemented by a substantial contract win with leading regional tier 2 operator Cincinnati Bell, which was announced in the first quarter of the year.

The Company successfully migrated Cincinnati Bell's legacy IPTV devices to Amino's Enable™ TV software platform in a perfect demonstration of the capabilities of both the solution and the skillset within the Amino team. The challenge that Cincinnati Bell faced was to deliver an enhanced and uniform user experience across their full range of new and already installed devices. Solving this challenge for operators is a key part of the Amino offering.

In August, it was announced that Hong Kong-based Tier 1 operator PCCW would deploy the Enable platform to deliver new 4K UHD services to its customers, further underlining the increasing complexity of projects we are now able to successfully deliver for larger customers.

The changes within the cable TV industry represent an important growth opportunity for Amino as the market transitions to IP. During the year, key sales hires have been made to bring in additional industry expertise, alongside an enhanced product set, to target this market.

Market traction in cloud TV has been encouraging, with new contracts signed with European mobile and fixed line operators and content owners. We have also seen revenue from Booxmedia, our Move platform, more than doubling year-on-year.

We continue to build on our ability to deliver a wider range of complementary solutions to deepen relationships with customers. During the year, several customers – particularly in North America – purchased both IP devices and the Engage™ quality of service network management solution.

The launch of the Fusion™ IoT home monitoring solution in the second half of the year is further evidence of the innovation within the Company. Whilst sales volumes are low, operator response has been good, with several North American operators now actively deploying as a new value added service layer to their broadband and entertainment offerings.

New 4K Ultra High Definition (UHD) hybrid TV devices were also launched during the year to support operators who are now progressing their plans for 4K service deployment. Further, the Company announced a "world first" device that combines Android TV capability alongside the existing Enable software platform. Part of the Kamai range of devices, it has been designed for operators who require traditional TV, multiple cloud video services and a rich application framework that leverages the massive global Android development community.

OPERATIONAL STRUCTURE

A number of changes were made earlier in the year to better align the business with the new strategy and portfolio. Critically, the issues around sales execution towards the end of the previous year were effectively resolved with the creation of a new integrated sales team under Steve McKay, the former CEO of Entone and now President, Sales and Business Development within Amino. Dedicated teams were created for all key target regions and the year-end financial results are testimony to the successful sales execution across the business.

A global research and development team has also been established with operations in the UK, Hong Kong and Finland, improving scale and capabilities to drive innovation and met the needs of a wider set of customers.

FUTURE GROWTH

As a result of the positive momentum generated in 2016 by Amino's broader product portfolio, strong sales execution and a solid order backlog, the Board expects further positive progress to be made in 2017.

"We are now helping operators maximise their existing legacy assets – to deliver new advanced services across their entire customer base."

CHIEF FINANCIAL OFFICER'S REPORT

Mark Carlisle

Chief Financial Officer

HIGHLIGHTS:

- Revenue of £75.2m
- Underlying organic revenue growth of 7%, which is 2% ahead of management's initial expectations of 5%
- Adjusted profit before tax up 100% to £10.2m
- Net cash of £6.2m at 30 November 2016 after paying record dividends of £4.0m

Revenue for the year increased by 80% to £75.2m (2015: £41.7m) as a result of organic growth, the acquisitions of Entone and Booxmedia in 2015 and the impact of foreign exchange. Adjusted profit before tax was £10.2m (2015: £5.2m). Operating profit was £2.9m (2015: £0.3m). In line with its progressive dividend policy the Board has recommended a full year dividend 6.05 pence per share, a 10% increase over the prior year. The Group has a strong balance sheet with cash of £6.2m (2015: £2.1m) and is debt free.

REVENUE

Set out below is revenue by type on an 'as reported' and 'constant currency' basis (with 2016 revenue translated using 2015 average exchange rates). Pro-forma revenues have also been presented on a 'constant currency' basis and have been calculated as if Booxmedia and Entone had been part of the Group for the whole of 2015.In 2016 approximately 95% of the Group's revenue and cost of sales were transacted in US Dollars. Excluding the impact of acquisitions and foreign exchange, underlying organic revenue growth was 7% which is 2% ahead of management's initial expectations of 5%.

Software and service revenues in 2016 include £5.7m of non-recurring perpetual licence and development revenue. Going forward, it is Amino's intention to focus on growing recurring revenue licence contracts rather than selling perpetual licences which will consequently impact on gross margin going forward. Booxmedia revenue grew organically by approximately 42% in 2016.

The Group's revenues are globally distributed as follows:

AS REPORTED IN £m	2016	2015	Growth
North America	38.9	21.0	85%
Latin America	12.9	4.4	193%
Europe	22.5	15.2	48%
Rest of World	0.9	1.1	(18%)
Revenue	**75.2**	**41.7**	**80%**

	AS REPORTED IN £m			CONSTANT CURRENCY PRO-FORMA IN £m			CONSTANT CURRENCY IN £m		
	2016	2015	Growth	2016	2015	Growth	2016	2015	Growth
Software and services	8.1	2.3	222%	7.4	2.3	222%	7.4	3.8	95%
Devices	67.1	39.4	70%	59.1	39.4	59%	59.1	58.3	1%
Revenue	**75.2**	**41.7**	**80%**	**66.5**	**41.7**	**60%**	**66.5**	**62.1**	**7%**

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

GROSS PROFIT

Gross profit increased by 73% to £32.3m (2015: £18.6m). Gross margin decreased to 42.9% (2015: 44.7%). The decrease results from the impact of new product launches and larger volume customers offset by the positive impact of additional software and services sold in the year.

OPERATING EXPENSES

AS REPORTED IN £m	2016	2015	Growth
R&D	5.8	4.5	29%
SG&A	13.0	6.6	97%
Share-based payment charge	0.3	0.1	200%
Exceptional items	4.8	4.7	2%
Depreciation and amortisation	5.5	3.2	72%
Operating expenses	**29.4**	**19.1**	**54%**

In May 2016, the Group undertook a significant restructuring programme to realise synergies identified following the acquisition of Entone which resulted in £2.0m annualised cost reductions realised in the second half of the year. The Group continues to invest in research and in the development of new products and spent £9.5m on R&D activities (2015: £7.7m) of which £3.7m was capitalised (2015: £3.2m). Share based payment charges totalled £0.3m (2015: £0.1m).

In the second half of the year the Group's R&D and SG&A costs were denominated 51% in US and HK Dollars, 39% in British Pounds and 10% in Euros.

EXCEPTIONAL ITEMS

Exceptional items included within operating expenses in 2016 comprised:

- £3.6m contingent post-acquisition remuneration in respect of the Entone acquisition;
- £0.4m post acquisition integration costs which included additional travel and contractor costs resulting from activities to integrate the enlarged Group; and
- £0.8m redundancy and associated costs.

DEPRECIATION AND AMORTISATION

Excluding amortisation of intangibles recognised on acquisition, depreciation and amortisation increased to £3.3m (2015: £2.4m) and is expected to increase further in 2017 as further research and development costs are capitalised. Amortisation of intangibles recognised on acquisition was £2.2m (2015: £0.8m).

OPERATING PROFIT

Adjusted operating profit excluding share-based payment charges, exceptional items and amortisation of intangibles recognised on acquisition was £10.2m (2015: £5.1m). Statutory profit before tax was £2.9m (2015: £0.3m).

TAXATION

The tax charge of £0.2m comprises a £0.7m current tax charge and £0.2m credit relating to the unwind of the deferred tax liability recognised in respect of the amortisation of recognised on acquisition.

Profit after tax was £2.7m (2015: £0.4m).

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 63% to 13.64 pence (2015: 8.37 pence). Basic earnings per share was 3.81 pence (2015: 0.61 pence).

CASH FLOW

Adjusted cash flow from operations was £15.8m (2015: £6.9m) and represented 117% of adjusted EBITDA (2015: 92%). Exceptional cash flows in 2016 totalled £3.3m and comprised £1.7m paid in respect of Entone deferred consideration treated as remuneration and £1.6m of restructuring and integration costs. The final Entone deferred consideration payment of US$1.5m (£1.2m) is due to be paid in August 2017. After these exceptional cash out-flows cash generated from operations was £12.6m (2015: £5.8m).

During the year the Group spent £0.7m (2015: £0.1m) on capital expenditure, primarily related to the new office in Hong Kong and capitalised £3.7m of research and development costs. The Group paid £0.4m deferred consideration in respect of the Booxmedia acquisition and paid dividends of £4.0m in the year.

FINANCIAL POSITION

The cash balance at 30 November 2016 was £6.2m (2015: £2.1m), ahead of management's expectations. The Group also has a £15m multicurrency working capital loan facility which runs to August 2020 and was undrawn at the year end.

At 30 November 2016 the Group had equity of £45.9m (2015: £45.1m) and net current assets of £1.9m (2015: 3.4m). 39% of trade receivables were insured (2015: 36%) and debtor days were 42 days (2015: 52 days).

DIVIDEND

The Board has recommended a full year dividend of 6.05 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 2017. Subject to shareholder approval at the Company's AGM on 29 March 2017 the final dividend of 4.659 pence per share will be payable on 28 April 2017 to shareholders on the register on 7 April 2017. The ex-dividend date is 6 April 2017.

STRATEGIC REPORT

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 2016, 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.
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.

Risks	Background	Mitigating controls
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.
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. Subsequently, the British Government announced its intention to commence negotiations in 2017 to leave the EU. However, at the time of signing these accounts it had not yet started the legal process by which this can be done or set out what it aims to achieve in those negotiations. 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 intention to commence 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 of Ion Agency Trading and FFastFill, a software and services companies focused on the capital markets, and non-executive Chairman of Magic Lantern, a new media company supplying the broadband market. Keith served as non-executive Chairman of the UK Broadband Stakeholder Group for three years from February 2002. The Group included the key stakeholders, both from the public sector and industry, and is focused on identifying actions that will accelerate the adoption of broadband services in the UK. He was also non-executive Chairman of Easynet PLC, a broadband services company, until January 2006 when it was sold to 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.

ADVISORS

NOMINATED ADVISOR AND STOCKBROKER

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BOARD OF DIRECTORS

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

Peter Murphy
Non-Executive Director

Michael is Managing Partner of Azini Capital Partners LLP (www.azini.com), a fund management firm specialising in the acquisition of significant shareholdings in private and public technology companies. Michael has been a technology investor for over 20 years, prior to which he worked as a consultant for McKinsey and Co, and in a number of account management roles for BT. He has an MBA from Harvard Business School and a degree in Electronic Engineering from Southampton University. His portfolio companies, past and present, include Corvil, iForce, OneSpin, Frontier Silicon, DMATEK and ProStrakan.

Michael Bennett
Non-Executive Director

Karen is an entrepreneur and non-executive with strong technology, international and transactional expertise. Karen was the CFO at growing technology businesses IXEurope Plc, ACS Plc and Kewill Plc prior to founding KalliKids.com in 2012 where she is CEO. Karen gained much experience internationally and 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 has been Trustee of the eLearning Foundation (supporting technology in education) and non-executive of Belvoir Lettings Plc.

Karen Bach,
Non-Executive Director

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 2016

Introduction

The Board supports the principles and aims of the revised 2014 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. However, a number of voluntary disclosures have been set out below.

Directors and Board

The Board comprises two executive and four non-executive directors, as set out on pages 12 to 13. The Board considers that three of the four non-executive directors are independent. Michael Bennett is not independent as he is a director of a company with a major shareholding in the Group. The roles of non-executive chairman, non-executive directors and chief executive are separate appointments and it is Board policy that this will continue.

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

There is a formal schedule of matters specifically reserved for decision by the Board, who meet on a monthly basis or more frequently as required.

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

Board committees

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

Audit

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

Relations with shareholders

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

Internal financial control

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

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

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

No system can provide absolute assurance against material 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 2016

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 2014 UK Corporate Governance Code.

Remuneration Committee

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

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

Remuneration of executive directors

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

The remuneration packages comprise the following elements:

- base salary: the Remuneration Committee sets base salaries to reflect responsibilities and the skills, knowledge and experience of the individual;
- bonus scheme: the executive directors are eligible to receive a bonus dependent on both individual and Group performance as determined by the Remuneration Committee;
- 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 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 (1)	67,092	-	-	881	349,463	417,436	16,107	**433,543**
Donald McGarva (2)	302,736	278,023	206,250	1,150	-	788,159	9,261	**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**
	626,629	**328,023**	**206,250**	**2,544**	**349,463**	**1,512,909**	**30,983**	**1,543,892**

DIRECTORS' REMUNERATION REPORT

For the year ended 30 November 2016

Directors' detailed emoluments and compensation (continued)

	Year to 30 November 2015							
	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
Julia Hubbard (1)	172,084	-	-	434	-	172,518	18,445	190,963
Donald McGarva (2)	219,915	-	-	1,084	-	220,999	23,661	244,660
Colin Smithers (3)	33,000	-	-	-	-	33,000	-	33,000
Peter Murphy	43,000	-	-	-	-	43,000	-	43,000
Michael Bennett	33,000	-	-	-	-	33,000	-	33,000
	575,999	-	-	1,518	-	577,517	42,106	619,623

(1) In addition to the salary and fees disclosed above, Julia Hubbard made a £68,750 share option gain during the year (2015: £311,250).

(2) In addition to the salary and fees disclosed above, Donald McGarva made a £137,500 share option gain during the year (2015: £660,950).

(3) In addition to the salary and fees disclosed above, Colin Smithers made a £nil share option gain during the year (2015: £81,160).

Contributions were made to the personal pension schemes of three of the directors (2015: two), in accordance with their employment contracts.

The highest paid director was Donald McGarva (2015: Donald McGarva).

Colin Smithers' fees are paid to Plextek Limited.

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

Directors and their interests in shares

The directors held the following interests in Amino Technologies plc:

	At 30 November 2016		At 30 November 2015	
	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	**466,665**	**170,424**	420,444	170,424
Julia Hubbard	**-**	**-**	173,070	275,000
Donald McGarva	**442,648**	**300,000**	341,159	550,000
Mark Carlisle	**-**	**-**	-	-
Peter Murphy	**175,000**	**-**	175,000	-
Colin Smithers (1)	**119,959**	**-**	119,959	-
Michael Bennett (2)	**-**	**-**	-	-
Karen Bach	**-**	**-**	-	-

(1) held by The CIT Pension fund

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

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 2016 Number**	At 30 November 2015 Number
Keith Todd	01 January 2007	£1.25	**50,000**	50,000
	19 May 2014	£0.89	**120,424**	120,424
			170,424	170,424
Julia Hubbard	26 September 2012	£0.54 (a)	-	125,000
	15 July 2014	£0.935 (b)	-	150,000
			-	275,000
Donald McGarva	26 September 2012	£0.54 (a)	-	250,000
	15 July 2014	£0.935 (b)	**300,000**	300,000
			300,000	550,000
Azini Capital Partners LLP	30 July 2010	£0.435	**30,000**	30,000
			30,000	30,000

Notes:

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

(a) 50% vested annual compound growth in the Total Shareholder Return, between 1 September 2012 and 31 August 2015, exceeds 15% per annum.
50% did not vest because the annual compound increase in Earnings per Share, between 1 December 2012 and 30 November 2015, did not equal or exceed 15%.

(b) 50% vest if annual compound growth in the Total Shareholder Return, between 31 May 2014 and 28 February 2017, equals or exceeds 10% per annum.
50% vest if the annual compound increase in Earnings per Share, between 1 December 2013 and 30 November 2016, is equal to or exceeds 10%.

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

Long Term Incentive Plan ("LTIP")
This new 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. 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 the average market capitalisation in the 90 days prior to the award of the shares during which time the share price averaged £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 175.0p and ranged between 101.0p and 175.0p during the year.

Peter Murphy
Chairman
Remuneration Committee

DIRECTORS' REPORT

For the year ended 30 November 2016

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 2016. The corporate governance statement set out on page 14 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 13.

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 3.

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 13 including a description of the principal risks and uncertainties facing the Group on pages 10 to 11.

Proposed dividend

On 11 July 2016 the Board announced payment of an interim dividend of 1.391 pence per share. The Board has proposed a final dividend of £3,327,527 (2015: £2,969,802). This equates to a total of 6.05 pence per share (2015: 5.5 pence).

Research and development

£9,529,749 was spent on research and development in 2016 (2015: £7,732,224). Under IAS 38 "Intangible Assets" £3,633,773 of development expenditure was capitalised (2015: £3,128,418). The Group continues to invest in the development of its range of set-top box 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 2016.

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 [1]
Peter Murphy	Non-executive Director
Michael Bennett	Non-executive Director
Karen Bach	Non-executive Director [2]
Julia Hubbard	Chief Financial Officer and Company Secretary [3]
Colin Smithers	Non-executive Director [4] [4]

[1] Appointed 25 August 2016
[2] Appointed 29 February 2016
[3] Resigned 15 February 2016
[4] Resigned 29 February 2016

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 31 December 2016 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 4,139,898 shares held in Treasury from the 74,407,743 shares disclosed in note 23 as allotted, called and fully paid up.

DIRECTORS' REPORT

For the year ended 30 November 2016 (CONTINUED)

	Number of ordinary shares	Percentage of issued share capital
Miton Asset Management	**11,362,518**	**15.9%**
Kestrel Partners	**11,181,438**	**15.6%**
Azini Capital Partners [1]	**7,888,916**	**11.0%**
Investec Wealth & Investment	**6,259,521**	**8.7%**
Mr Ari Charles Zaphiriou-Zarifi	**3,121,713**	**4.4%**
Downing	**3,008,235**	**4.2%**
Schroder Investment Management	**2,943,196**	**4.1%**
Hargreaves Lansdown	**2,348,718**	**3.3%**
Amino Communications Employee Benefits Trust	**222,655**	**0.3%**
	48,336,910	**67.5%**

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

Environmental matters

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

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

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

Employee matters

Employment policies

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

The employee share scheme has been running successfully since its inception on 8 June 2004 and is open to all employees. This was added to during the prior year by the introduction of a SAYE scheme.

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

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

Diversity

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

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

Company Level	Number of female employees	Number of male employees	Total
Board	1	5	6
Key Management	2	11	13
Employees	42	148	190

DIRECTORS' REPORT

For the year ended 30 November 2016 (CONTINUED)

Social, community and human rights

Social and community

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

Human rights

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

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 6 February 2017.

On behalf of the Board,

Donald McGarva
Director
6 February 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Amino Technologies plc

We have audited the Group financial statements of Amino Technologies Plc for the year ended 30 November 2016 which comprise the consolidated income statement, consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor
As explained more fully in the Statement of directors' responsibilities set out on page 20, the directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 November 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

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

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

Other matter
We have reported separately on the Parent Company financial statements of Amino Technologies plc for the year ended 30 November 2016.

David Newstead
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
6 February 2017

CONSOLIDATED INCOME STATEMENT

For the year ended 30 November 2016

	Notes	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Revenue	4	**75,178**	41,660
Cost of sales		**(42,890)**	(23,016)
Gross profit		**32,288**	18,644
Other operating income	5	**-**	744
Operating expenses		**(29,433)**	(19,131)
Operating profit		**2,855**	257
Adjusted operating profit		**10,226**	5,095
Other operating income	5	**-**	744
Share-based payment charge		**(297)**	(116)
Exceptional items	5	**(4,825)**	(3,386)
Exceptional amortisation charge	5	**-**	(1,292)
Amortisation of acquired intangible assets	13,14	**(2,249)**	(788)
Operating profit		**2,855**	257
Finance expense	6	(10)	(3)
Finance income	6	6	68
Net finance (expense)/income		**(4)**	65
Profit before corporation tax	7	**2,851**	322
Corporation tax (charge)/credit	10	**(170)**	34
Profit for the period from continuing operations attributable to equity holders		**2,681**	356
Basic earnings per 1p ordinary share	11	**3.81p**	0.61p
Diluted earnings per 1p ordinary share	11	**3.77p**	0.60p

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 2016

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Profit for the year	**2,681**	356
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange difference arising on consolidation	**(327)**	234
Other comprehensive (expense)/income	**(327)**	234
Total comprehensive income for the financial year attributable to equity holders	**2,354**	590

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 November 2016

	Notes	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Assets			
Non-current assets			
Property, plant and equipment	14	**757**	553
Intangible assets	13	**46,950**	46,342
Deferred income tax assets	21	**560**	560
Trade and other receivables	16	**384**	162
		48,651	47,617
Current assets			
Inventories	15	**5,569**	3,651
Trade and other receivables	16	**14,301**	11,673
Corporation tax receivable	16	**-**	601
Cash and cash equivalents	17	**6,218**	2,094
		26,088	18,019
Total assets		**74,739**	65,636
Capital and reserves attributable to equity holders of the business			
Called-up share capital	22	**747**	744
Share premium		**20,510**	20,193
Capital redemption reserve		**6**	6
Foreign exchange reserves		**491**	818
Merger reserve		**16,389**	16,389
Equity reserve		**-**	665
Retained earnings		**7,712**	6,235
Total equity		**45,855**	45,050
Liabilities			
Current liabilities			
Trade and other payables	18	**23,665**	14,338
Corporation tax payable	18	**524**	321
		24,189	14,659
Non-current liabilities			
Trade and other payables	18	**628**	1,775
Provisions	19	**2,233**	1,869
Deferred tax liabilities	21	**1,834**	2,283
		4,695	5,927
Total liabilities		**28,884**	20,586
Total equity and liabilities		**74,739**	65,636

The financial statements on pages 26 to 46 were approved and authorised for issue by the Board of directors on 6 February 2017 and were signed on its behalf by:

Donald McGarva
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 2016

	Notes	**Year to 30 November 2016 £000s**	Year to 30 November 2015 £000s
Cash flows from operating activities			
Cash generated from operations	26	**12,481**	5,836
Corporation tax received		**97**	1
Net cash generated from operating activities		**12,578**	5,837
Cash flows from investing activities			
Purchases of intangible assets		**(3,715)**	(3,201)
Purchases of property, plant and equipment		**(681)**	(118)
Proceeds on disposal of property, plant and equipment		**-**	9
Net interest (received)/ paid		**(4)**	65
Acquisition of subsidiaries		**(360)**	(38,776)
Net cash used in investing activities		**(4,760)**	(42,021)
Cash flows from financing activities			
Proceeds from exercise of employee share options		**225**	574
Proceeds from issue of new shares		**-**	19,858
Dividends paid		**(3,964)**	(2,924)
Repayment of borrowings		**(1,000)**	(5,100)
New bank loans raised		**1,000**	5,166
Net cash used in financing activities		**(3,739)**	17,574
Net increase/(decrease) in cash and cash equivalents		**4,079**	(18,610)
Cash and cash equivalents at beginning of year		**2,094**	20,758
Effects of exchange rate fluctuations on cash held		**45**	(54)
Cash and cash equivalents at end of year	17	**6,218**	2,094

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2016

	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 2014	579	126	16,389	-	584	6	8,113	**25,797**
Profit for the year	-	-	-	-	-	-	356	**356**
Other comprehensive income	-	-	-	-	234	-	-	**234**
Total comprehensive income for the period attributable to equity holders	-	-	-	-	234	-	356	**590**
Share option compensation charge	-	-	-	-	-	-	116	**116**
Exercise of employee share options	-	-	-	-	-	-	574	**574**
Issue of share capital	165	21,318	-	-	-	-	-	**21,483**
Transaction costs on issue of share capital	-	(1,251)	-	-	-	-	-	**(1,251)**
Equity to be issued	-	-	-	665	-	-	-	**665**
Dividends paid	-	-	-	-	-	-	(2,924)	**(2,924)**
Total transactions with owners	165	20,067	-	665	-	-	(2,234)	**18,663**
Total movement in shareholders' equity	165	20,067	-	665	234	-	(1,878)	**19,253**
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 expense	-	-	-	-	(327)	-	-	**(327)**
Total comprehensive income for the period attributable to equity holders	-	-	-	-	(327)	-	2,681	**2,354**
Share option compensation 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**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016

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 United Kingdom. The address of its registered office is given on page 13.

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 (including forward foreign exchange contracts) 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 £6.2m at the balance sheet date and an unused £15m multicurrency working capital facility which expires in August 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 accounting standards

For the purposes of the preparation of these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 December 2015.

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	Not yet quantified
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2019 *	Not yet quantified

* Not yet endorsed by the EU

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.

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 IFRS 3 (revised) became effective costs directly attributable to the acquisition are expensed; for acquisitions before IFRS 3 (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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

2 Summary of significant accounting policies (continued)

Revenue recognition

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

- Income from the sale of products is recognised when goods are delivered in accordance with the terms and conditions of sale agreed with the customer 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 Parent's functional and Group's presentational currency.

(ii) Transactions and balances

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

(iii) Group companies

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

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

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) Trade receivables

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

Trade receivables are classified as current unless the Group expects to receive settlement more than 12 months after the balance sheet date.

(ii) Trade payables

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

Derivative financial instruments and hedging activities

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

2 Summary of significant accounting policies (continued)

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 balance sheet date. The resulting gain or loss is recognised in the 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 period 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) Research and development – 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

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

At each balance sheet date, the Group performs an impairment review in respect of any intangible assets not yet ready for use 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. Any impairment loss is recognised as an expense in the income statement in the period in which it was identified.

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 income statement in the period 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.

2 Summary of significant accounting policies (continued)

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.

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 or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

Employee benefits

(i) Pension obligations

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

(ii) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of the Black-Scholes pricing model or a binomial option valuation model as appropriate depending on the terms of the options.

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

In order to facilitate the exercise of share options the group maintains an Employee Benefit Trust (EBT). This is consolidated in accordance with IAS 27 and SIC 12. The costs of purchasing own shares held by the EBT are deducted from profit and loss reserves. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group's 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 income statement on a straight line basis over the period of the lease.

Restructuring provisions

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

Reserves

- share capital – comprises the nominal value of ordinary shares is 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.
- 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 difference 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

2 Summary of significant accounting policies (continued)

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: 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 after the acquisition of Entone Inc.. Exceptional income comprises material amounts outside the course of normal trading activities, such as duties refunds from HMRC.

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 balance sheet of the Group is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. In estimating the amount of the deferred tax asset that may be recognised, the directors make judgements, based on current budgets and forecasts, about the amount of future taxable profits and the timing of when these will be realised. 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 £223k.

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.

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 are entered into to hedge against known foreign exchange exposures only and are not used for speculative purposes. The Group's 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 income statement.

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

Year ended 30 November 2016	**Dollars $000s**	**Euros €000s**	**Yuan ¥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	-	-	-	-

Year ended 30 November 2015	Dollars $000s	Euros €000s	Yuan ¥000s	HKD $000s
Trade and other receivables denominated in foreign currency	4,713	18	-	-
Cash balances denominated in foreign currency	942	151	-	-
Trade and other payables denominated in foreign currency	(3,623)	(48)	(1)	-
Net current assets denominated in foreign currency	**2,032**	**121**	**(1)**	**-**
Outstanding forward contracts	-	-	-	-

At 30 November 2016, 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 £0.2m/£0.2m (2015: £0.1m/£0.1m).

At 30 November 2016, 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 (2015: £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 2016 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 0.15% (2015: 0.25%).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

3 Financial risk management (continued)

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 balance sheet date, summarised below:

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Financial asset carrying amounts		
Non-current assets		
- trade and other receivables	**384**	162
Current assets		
- trade and other receivables	**12,804**	10,101
- cash and cash equivalents	**6,218**	2,094
	19,406	12,357

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 expires in August 2020. At 30 November 2016 the value of external borrowings was £nil (2015 £nil) and therefore capital equates to the Group's total equity.

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Capital		
Total equity	**45,855**	45,050
Less cash and cash equivalents	**(6,218)**	(2,094)
	39,637	42,956
Overall financing		
Total equity	**45,855**	45,050
Plus borrowings	**-**	-
	45,855	45,050
Capital-to-overall financing ratio	**1:1.2**	1:1.0

The Group has confirmed its commitment to a progressive dividend policy recommending 6.05 pence per share for the year ended 30 November 2016 and increasing by no less than 10% per annum up to and including the year ended 30 November 2017. Dividend cover for the current year is 0.6 and cash dividend cover is 1.6 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 an incidental amount in respect of licensing and support services. All revenues, costs, assets and liabilities relate to this segment. The information provided to the Amino Technologies plc chief operating decision maker is measured in a manner consistent with the measures within the financial statements. The 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 2016 £000s	Year to 30 November 2015 £000s
USA	**38,252**	19,402
Canada	**697**	1,546
Subtotal North America	**38,949**	20,948
Costa Rica	**4,429**	113
Chile	**2,809**	2,122
Rest of LATAM	**5,645**	2,106
Latin America	**12,883**	4,341
Netherlands	**13,641**	7,959
Rest of Europe	**8,858**	6,815
Subtotal Europe	**22,499**	14,774
Rest of the World	**847**	1,597
	75,178	41,660

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 2016 £000s	Year to 30 November 2015 £000s
USA 1	**9,032**	7,674
USA 2	**9,748**	5,653
USA 3	**16,181**	3,062
Netherlands 1	**8,187**	4,073

Revenue can be split into:	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Devices and associated accessories	**67,036**	39,389
Software and services	**8,142**	2,271
	75,178	41,660

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 2016 £000s	As at 30 November 2015 £000s
United Kingdom	**46,026**	46,287
Rest of the World	**1,687**	770
	47,714	47,057

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

5 Exceptional items

There were no exceptional items within other operating income in the year ended 30 November 2016. A final rebate of £744k in respect of duties paid on previously recognised international product sales was received following the favourable ruling with respect to duties rebate at a tax tribunal in January 2015.

Exceptional items within operating costs comprise:

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Acquisition costs in respect of Booxmedia Oy	**-**	295
Acquisition costs in respect of Entone Inc	**-**	1,064
Expensed contingent post-acquisition remuneration in respect of the acquisition of Entone Inc	**3,600**	1,310
General post acquisition integration costs which includes additional travel and contractor costs resulting from activities to integrate the new enlarged Group	**443**	272
Development project costs resulting from the rationalisation of the new Group's product roadmaps	**-**	103
Exceptional amortisation charge	**-**	1,292
Redundancy and associated costs	**782**	342
	4,825	4,678

6 Finance income

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Interest payable and similar costs	**(10)**	(3)
Interest receivable and similar income	**6**	68
	(4)	65

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

7 Profit before corporation tax

Profit before corporation tax is stated after charging:

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Depreciation of owned property, plant and equipment	**495**	190
Amortisation of intangible assets		
- other assets	**2,251**	3,474
- acquired intangible assets	**2,249**	788
Loss on disposal of property, plant and equipment	**14**	17
Research and development expense (excluding amortisation)	**5,896**	4,604
Operating lease rentals		
- land and buildings	**942**	482
- plant and machinery	**23**	10
Auditor's remuneration:		
Audit services		
- fees payable to Company auditor for the audit of the Company and consolidated financial statements	**47**	46
Other services		
- the auditing of the Company's subsidiaries pursuant to legislation	**46**	63
- tax advisory services	**-**	1
- other services	**9**	10
Movements in inventory provision	**46**	(210)
Realised (gain)/loss on foreign exchange	**(123)**	4
Unrealised foreign exchange losses on forward contracts	**-**	-

8 Staff costs

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

	As at 30 November 2016 Year end number	As at 30 November 2015 Year end number	Year to 30 November 2016 Average number	Year to 30 November 2015 Average number
Selling, general and administration	**56**	53	**57**	37
Research and development	**134**	180	**152**	113
	190	233	**209**	150

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Their aggregate remuneration comprised:		
Wages and salaries including termination benefits	**12,176**	8,620
Social security costs	**774**	752
Other pension costs (see note 29)	**856**	781
Expense of share-based payments	**297**	116
	14,103	10,269

9 Key management and directors compensation

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

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Salaries and other short term employee benefits	**2,787**	1,073
Termination benefits	**419**	93
Company contributions to personal pension schemes	**74**	63
Expense for share based payments	**175**	57
	3,455	1,286

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 2016, key management comprised 13 people (2015: 10).

Directors' emoluments are disclosed in the directors' remuneration report on pages 15 to 17 and is summarised below.

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Salaries and other short term employee benefits	**1,163**	578
Termination benefits	**349**	-
Company contributions to personal pension schemes	**31**	42
	1,544	620

In addition to the salary and fees disclosed above, directors made share option gains during the year totalling £206,250 (2015: £1,053,360).

The highest paid director was Donald McGarva:

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Salaries and other short term employee benefits	**788**	221
Termination benefits	**-**	-
Company contributions to personal pension schemes	**9**	24
	797	245

In addition to the salary and fees disclosed above, the highest paid director made a share option gain during the year of £137,500 (2015: £660,950).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

10 Corporation tax credit

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Corporation tax (charge)/credit for the year	(161)	601
Foreign tax charges	(447)	(727)
Adjustment in respect of prior years	(12)	3
Total current tax (charge)	(620)	(123)
Deferred tax (origination and reversal of temporary differences)	450	157
Total tax (charge)/credit in income statement	(170)	34

The tax charge for the year differs from that calculated by applying the pro-rated standard rate of corporation tax in the UK of 20% (2015: 20%). The differences are explained below:

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Profit on ordinary activities before corporation tax	2,851	322
At the standard rate of corporation tax in the UK	570	65
Effects of:		
Amounts not allowable for tax purposes	136	150
Enhanced deduction for research and development expenditure	(597)	(746)
Surrender of losses for research and development tax credit	-	235
Adjustment in respect of prior years	12	(3)
Unrelieved tax losses	(59)	(97)
Net losses utilised during the year	(191)	168
Other permanent differences relating to exercise of share options	(47)	(234)
Foreign tax charges	459	727
Effect of different tax rates of subsidiaries operating in other jurisdictions	(79)	(75)
Unrecognised deferred tax asset movement	(34)	(224)
Total tax charge/(credit)	170	(34)

11 Earnings per share

	Year to 30 November 2016	Year to 30 November 2015
Profit attributable to ordinary shareholders	£2,680,941	£356,206
Profit attributable to ordinary shareholders excluding other operating income exceptional items, share-based payments and amortisation of acquired intangibles and associated taxation	£9,602, 524	£5,036,552
Weighted average number of shares (Basic)	70,401,918	58,799,386
Weighted average number of shares (Diluted)	71,131,763	59,128,979
Basic earnings per share	3.81p	0.61p
Diluted earnings per share	3.77p	0.60p
Adjusted basic earnings per share	13.64p	8.57p
Adjusted diluted earnings per share	13.50p	8.52p

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 3,090,418 (2015: 4,139,898) of its own shares in treasury and these are excluded from the weighted average above. The basic weighted average number of shares also excludes 380,673 (2015: 962,816) being the weighted average shares held by the EBT in the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has only one category of dilutive potential ordinary shares; those share options where the exercise price is less than the average market price of the Company's ordinary shares during the year.

11 Earnings per share (continued)

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 £7,371,412 (2015: £5,581,593) and subtracting the tax effect thereon £449,829 (2015: £157,681) and the exceptional duties rebate of £nil (2015: £743,565) disclosed on the face of the income statement, within other operating income.

Adjusted basic and diluted earnings per share have been restated for 2015 to exclude share based payment charges and amortisation of acquired intangibles, net of tax effects, as detailed above.

12 Dividends

Amounts recognised as distributions to equity holders in the period:	**Year to 30 November 2016 £**	Year to 30 November 2015 £
Final dividend for the year ended 30 November 2015 of 4.235p (2014: 3.85p) per share	**2,971,290**	2,043,433
Interim dividend for the year ended 30 November 2016 of 1.391p (2015:1.265p) per share	**992,739**	880,577
	3,964,029	2,924,010

The Board has proposed a final dividend of £3,327,527 for the current financial year (2015: £2,969,802). This equates to 4.659 pence per share, bringing the total for 2016 to 6.05 pence per share (2015: 5.5 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 2014	4,138	-	-	291	2,024	9,789	-	16,242
Additions	-	-	-	-	70	3,131	-	3,201
Acquisition of subsidiary	30,200	6,370	1,058	-	-	-	6,058	43,686
At 30 November 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**
Amortisation and impairment								
At 1 December 2014	4,138	-	-	291	1,968	6,128	-	12,525
Charge for the year	-	267	72	-	32	2,149	450	2,970
Exceptional charge	-	-	-	-	-	1,292	-	1,292
At 30 November 2015	4,138	267	72	291	2,000	9,569	450	16,787
Charge for the year	-	826	211	-	67	2,685	1,212	5,001
Reclassified from PPE	-	-	-	-	121	-	-	121
Eliminated on disposals	-	-	-	-	(134)	-	-	(134)
Foreign exchange adjustment	-	-	-	-	26	-	-	26
At 30 November 2016	**4,138**	**1,093**	**283**	**291**	**2,080**	**12,254**	**1,662**	**21,801**
Net book amount								
At 30 November 2016	**32,083**	**5,277**	**775**	**-**	**119**	**4,300**	**4,396**	**46,950**
At 30 November 2015	30,200	6,103	986	-	94	3,351	5,608	46,342

Development costs relate to a number of projects with varying start dates. All of these projects are being amortised evenly over their estimated life, usually two years 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 2016 £000s**	As at 30 November 2015 £000s
Booxmedia Oy	**4,641**	4,641
Amino Technologies (US) LLC (formerly Entone Inc.)	**27,442**	25,559
	32,083	30,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (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 2017 operating budgets which are then extended for a further four years plus a terminal value, then applies a 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 12% for all CGUs, being 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	12 - 50%	0 - 42%	2%
Entone Inc.	6%	0 - 2%	2%

The annual growth rates are based on management's view of customer and product development opportunities, for Booxmedia 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 2014	1,367	306	1,053	2,726
Foreign exchange adjustment	32	-	2	34
Additions	116	2	-	118
Acquisition of subsidiary	1,042	27	66	1,135
Disposals	(26)	(70)	-	(96)
At 30 November 2015	2,531	265	1,121	3,917
Foreign exchange adjustment	160	58	15	233
Additions	86	154	441	681
Reclassified to Intangibles	(130)	-	-	(130)
Disposals	(516)	(225)	(74)	(815)
At 30 November 2016	**2,131**	**252**	**1,503**	**3,886**
Depreciation				
At 1 December 2014	1,228	291	768	2,287
Foreign exchange adjustment	26	1	2	29
Charge for the year	130	3	57	190
Acquisition of subsidiary	848	28	61	937
Disposals	(18)	(61)	-	(79)
At 30 November 2015	2,214	262	888	3,364
Foreign exchange adjustment	122	55	14	191
Charge for the year	207	24	266	497
Reclassified to Intangibles	(121)	-	-	(121)
Disposals	(505)	(223)	(74)	(802)
At 30 November 2016	**1,917**	**118**	**1,094**	**3,129**
Net book amount				
At 30 November 2016	**214**	**134**	**409**	**757**
At 30 November 2015	317	3	233	553

15 Inventories

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Raw materials	**2,295**	1,110
Finished goods	**3,274**	2,541
	5,569	3,651

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

	2016 £000s	2015 £000s
Credited in the year	**(46)**	(210)
Provision at the year end	**635**	681

The provision at 30 November 2015 included £268k related to the acquisition of Entone Inc..
There was a credit to the inventory provision during the year as a result of utilising inventory which was previously provided against. The cost of inventories recognised as an expense and included in cost of sales amounted to £35.6m (2015: £20.3m).

16 Trade and other receivables

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Current assets:		
Trade receivables	**12,959**	10,124
Less: provision for impairment of receivables	**(223)**	(111)
Trade receivables (net)	**12,736**	10,013
Other receivables	**68**	88
Corporation tax receivable	**-**	601
Prepayments and accrued income	**1,497**	1,572
	14,301	12,274
Non-current assets:		
Other receivables	**14,384**	162

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 is as follows:

Trade receivables	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Not yet due	**11,903**	8,927
Under 90 days overdue and fully provided for	**-**	-
Under 90 days overdue but not provided for	**846**	888
Over 90 days overdue and fully provided for	**210**	89
Over 90 days overdue but not provided for	**-**	220
	12,959	10,124

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

16 Trade and other receivables (continued)

Standard credit terms vary from customer to customer largely based on territory. At the year-end £1.1m of debts were past due (2015: £1.2m). As shown above, at 30 November 2016 and 30 November 2015 trade receivables more than 90 days old but not provided for amounted to £nil and £0.2m respectively. No further analysis has been provided here on the quality of these debts as they are not felt to pose a material threat to the Group's future results.

Movement on the Group provision for impairment of trade receivables is as follows:	**As at 30 November 2016 £000s**	As at 30 November 2015 £000s
At 1 December	**111**	283
Provision for receivables impaired	**129**	30
Receivables written off during year as uncollectible	**(35)**	-
Amounts recovered during the year	**-**	(291)
Acquisition of subsidiary	**-**	89
Foreign exchange translation gains and losses	**18**	-
At 30 November	**223**	111

17 Cash and cash equivalents

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Cash and cash equivalents	**6,218**	2,094

Included within cash is £nil (2015: £201,469) of funds restricted against duty payments to HM Revenue and Customs.

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

18 Trade and other payables

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Current liabilities:		
Trade payables	**7,549**	4,187
Social security and other taxes	**605**	830
Other payables	**121**	112
Accruals	**12,823**	7,053
Deferred income	**1,244**	922
Deferred and contingent consideration	**1,323**	1,234
Corporation tax payable	**524**	321
	24,189	14,659
Non-current liabilities:		
Accruals	**-**	36
Deferred income	**-**	335
Contingent consideration	**628**	1,404
	628	1,775

19 Provisions

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
At 1 December	**1,869**	-
On acquisition of subsidiary	**-**	1,419
(Credited)/Charged in the year	**(25)**	450
Foreign exchange adjustment	**389**	-
At 30 November	**2,233**	1,869

Provisions comprise amounts reserved against uncertain tax positions.

Management has completed a detailed review of uncertain tax positions across the Group and makes provisions based on the probability of the liability arising. 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.

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 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 2016 are categorised as follows:

Carrying value of financial assets and liabilities within the consolidated balance sheet:	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Financial assets		
Trade and other receivables due after one year	**384**	162
Trade and other receivables	**12,804**	10,101
Cash and cash equivalents	**6,218**	2,094
Loans and other receivables (at amortised cost)	**19,406**	12,357
Financial liabilities		
Trade and other payables at amortised cost	**20,492**	11,239

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 2016		As at 30 November 2015	
	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	**-**	**40**	-	11
Tax losses carried forward	**404**	**2,195**	493	2,116
Equity-settled share options	**156**	**-**	67	-
Other short term temporary differences	**-**	**79**	-	65
Deferred tax asset (see note 10)	**560**	**2,314**	560	2,192

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (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 £13m of other trading losses, temporary differences, or PPE timing differences (2015: £11m).

The Group also had recognised deferred tax liabilities as follows:

	As at 30 November 2016		As at 30 November 2015	
	Amount recognised £000s	**Amount unrecognised £000s**	Amount recognised £000s	Amount unrecognised £000s
Tax effect of temporary differences because of:				
Acquisition of subsidiary	**1,834**	**-**	2,283	-
Deferred tax liability	**1,834**	**-**	2,283	-

22 Share capital

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Allotted, called up and fully paid		
74,692,224 (2015: 74,407,743) ordinary shares of 1p each	**747**	744

During the year the Company issued 284,481 (2015: 16,514,691) new shares. The Company holds 3,090,418 (2015: 4,139,898) of its own shares in treasury.

23 Share based payments

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

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

The number of shares held by the Employee Benefit Trust is as follows: -

	Year to 30 November 2016 Number	Year to 30 November 2015 Number
At start of financial period	**641,987**	1,837,820
Issued to employees	**(419,332)**	(1,195,833)
At end of financial period	**222,655**	641,987

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

	As at 30 November 2016 Number	As at 30 November 2015 Number
Granted:		
- Unapproved Share Option Scheme	**4,832,787**	1,787,332
- Enterprise Management Incentive Scheme	**-**	376,481
- Individual share option schemes	**200,424**	218,943
	5,033,211	2,382,756

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 2015 Number	Granted Number	Exercised Number	Lapsed Number	As at 30 November 2016 Number	Notes
July 2010	£0.44	30,000	-	-	-	**30,000**	
July 2011	£0.44	24,332	-	(24,332)	-	**-**	
September 2012	£0.54	375,000	-	(375,000)	-	**-**	
October 2007	£0.62	35,000	-	(20,000)	-	**15,000**	
January 2007	£1.25	50,000	-	-	-	**50,000**	
May 2014	£0.89	120,424	-	-	-	**120,424**	(a)
May 2014	£0.89	533,000	-	-	(99,339)	**433,661**	(b)
July 2014	£0.94	450,000	-	-	(7,549)	**442,451**	(b)
October 2015	£1.32	765,000	-	-	(290,000)	**475,000**	(c)
May 2016	£1.01	-	380,000	-	(380,000)	**-**	
July 2016	£1.12	-	355,000	-	(15,000)	**340,000**	(d)
November 2016	£1.59	-	2,856,500	-	-	**2,856,500**	(e)
November 2016	£1.605	-	270,175	-	-	**270,175**	(f)
		2,382,756	**3,861,675**	**(419,332)**	**(791,888)**	**5,033,211**	

Notes:
(a) These options will vest three years after the date of grant
(b) The vesting conditions of these options are as follows:
- 50% shall vest if annual compound growth in the Total Shareholder Return, between 31 May 2014 and 28 February 2017, equals or exceeds 10% per annum.
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2013 and 30 November 2016, is equal to or exceeds 10%.

(c) 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 (achieved)
- 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% (not achieved)

(d) These options will vest three years after the date of grant
(e) 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 11 August 2020, equals or exceeds 10% per annum (achieved)
- 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)

(f) 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 [xx] November 2016 and 23 October 2018, equals or exceeds 10% per annum (achieved)
- 50% shall vest if the annual compound increase in Earnings per Share, between 1 December 2016 and 30 November 2017, is equal to or exceeds 10% (not achieved)

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

For options exercised in year:
- The weighted average exercise price of options exercised was £0.54 (2015: £0.45).
- The weighted average share price at date of exercise was £1.10 (2015: £1.35).

For options granted in year:
- The weighted average fair value of options granted was £0.29 (2015: £0.43).
- The weighted average exercise price of options granted was £1.49 (2015: £1.32).

For options lapsed in year:
- The weighted average exercise price of options lapsed was £1.11 (2015: £0.62).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

23 Share based payments (continued)

At 30 November 2016 there were a total of 5,033,211 options outstanding of which 95,000 had vested and were exercisable with a weighted average exercise price of £0.89 (2015: 514,332 exercisable options with a weighted average exercise price of £0.60). The options outstanding at the end of the year have a weighted average contractual life of 1.5 years (2015: 1.9 years).

During the year the Group recognised a total expense relating to employee share-based payments under the equity-settled share option plans of £296,844 (2015: £115,714), including the new 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	27 May 2016	11 July 2016	16 November 2016	23 November 2016
Vesting period ends	17 March 2019		11 August 2020	11 August 2020
Share price at date of grant	£1.01	£1.12	£1.59	£1.61
Volatility	25.0%	15%	25.0%	25.0%
Option life	5 years	4 years	3.6 years	3.6 years
Dividend yield	5.40%	5.0%	3.5%	3.4%
Risk-free investment rate	0.75%	0.37%	0.70%	0.71%
Fair value at grant date	£0.10	£0.05	£0.23	£0.25
Exercise price at date of grant	£1.01	£1.12	£1.59	£1.61
Exercisable to	27 May 2021	11 July 2021	11 August 2022	11 August 2022

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

Long Term Incentive Plan ("LTIP")

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 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

The total expense for the period is £145,027, which is included above in the total expense of £296,844.

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 2016 is an amount of £91,141 (2015: £262,790) representing the cost of own shares held. These shares are held by the EBT as detailed in note 1 of the parent company accounts. A further £1,461,406 (2015: £2,505,569) is offset within the Group profit and loss reserve at 30 November 2016 in relation to 3,090,418 of the Company's own shares repurchased in 2014 and 2011 and held in treasury less 1,028,214 used to settle part of the contingent post acquisition remuneration payable relating to the acquisition of Entone Inc and 21,266 to settle SAYE exercises.

25 Acquisition of subsidiaries

Entone Inc.

On 11 August 2015, the Group acquired 100% of the issued share capital of Entone Inc., obtaining control of Entone Inc.. Entone Inc. is a provider of broadcast hybrid TV and connected home solutions. Entone Inc. was acquired to increase Amino's global footprint and scale and to consolidate a director competitor.

The fair value adjustments in respect of the acquisition of Entone Inc. during the year ended 30 November 2015 were provisional adjustments made using information available at that point and should have been described as such.

Since that time, an additional fair value adjustment of £1,883k has been made to non-current trade and other payables as these values have been further refined during the integration process, which has resulted in a corresponding increase in goodwill.

The revised identifiable assets acquired and liabilities assumed are as set out in the table below:

	Book value £000s	Fair value adjustment £000s	Fair value £000s
Property, plant and equipment	198	-	198
Identifiable intangible assets	-	10,805	10,805
Inventory	4,432	-	4,432
Current financial assets			
Trade and other receivables	2,992	-	2,992
Cash and cash equivalents	6,867	-	6,867
Non-current trade and other receivables	77	-	77
Current financial liabilities			
Trade and other payables	(4,835)	(3,163)	(7,998)
Non-current trade and other payables	(360)	-	(360)
Non-current provision	(1,419)	-	(1,419)
Deferred tax liability	-	(1,905)	(1,905)
Total identifiable assets	7,952	5,737	13,689
Goodwill			27,442
Total consideration			**41,131**
Satisfied by:			
Cash			41,131
Total consideration transferred			**41,131**

26 Cash generated from operations

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Operating profit	**2,855**	257
Amortisation charge	**5,000**	4,262
Depreciation charge	**495**	190
Loss on disposal of property, plant and equipment	**14**	8
Share-based payment charge	**297**	116
Exchange differences	**31**	163
(Increase)/decrease in inventories	**(1,919)**	3,044
Increase in trade and other receivables	**(2,849)**	(1,264)
Increase/(decrease) in trade and other payables	**8,557**	(940)
Cash generated from operations	**12,481**	5,836

Adjusted operating cash flow before exceptional cash outflows was £15.8m (2015: £6.9m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

26 Cash generated from operations (continued)

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Adjusted operating cashflow	**15,795**	6,937
Duties rebate	**-**	744
Acquisition costs	**-**	(1,359)
Redundancy and associated costs	**(1,150)**	(111)
Integration costs	**(443)**	(272)
Development project costs	**-**	(103)
Contingent post-acquisition remuneration	**(1,721)**	-
Cash generated from operations	**12,481**	5,836

27 Operating lease commitments

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

Group	**Property 2016 £000s**	**Plant and machinery 2016 £000s**	Property 2015 £000s	Plant and machinery 2015 £000s
No later than one year	**18**	**0**	709	20
Later than one year and no later than five years	**2,549**	**21**	1,136	15
Later than five years	**-**	**-**	-	-
	2,566	**21**	1,845	35

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.

28 Contingent liabilities

Amino's products incorporate third party technology, usually under licence. Inadvertent actions may expose the Group to the risk of infringing third party intellectual property rights. Potential claims can still be submitted many years after a product has been deployed. Any such claims are vigorously defended. The Group had no contingent liabilities at 30 November 2016.

29 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 £855,514 (2015: £781,064). A payable of £33,726 is included within the other payables at 30 November 2016 (2015: £106,566) in respect of the final month's contributions.

30 Capital commitments

Capital expenditure of £nil was committed to as at 30 November 2016 (2015: £12,223).

31 Related party transactions

Dividends totalling £75,532 (2015: £40,092) were paid in the year in respect of ordinary shares held by the Company's directors.

32 Post balance sheet events

There are no post balance sheet events requiring disclosure in the financial statements for the year ended 30 November 2016.

INDEPENDENT AUDITOR'S REPORT

To the members of Amino Technologies plc

We have audited the parent Company financial statements of Amino Technologies plc for the year ended 30 November 2016 which comprise the parent Company balance sheet, the parent company statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities set out on page 20, the directors are responsible for the preparation of the parent Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the parent Company financial statements:

- give a true and fair view of the state of the parent Company's affairs as at 30 November 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the parent Company financial statements.

Matters on which we are required to report by exception

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

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

Other matter

We have reported separately on the Group financial statements of Amino Technologies plc for the year ended 30 November 2016.

David Newstead
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
6 February 2016

COMPANY BALANCE SHEET

As at 30 November 2016

	Notes	**30 November 2016 £000s**	30 November 2015 £000s
Fixed assets			
Investments	3	**7,183**	5,739
Current assets			
Debtors: amounts falling due after more than one year	4	**24,498**	24,574
Cash at bank and in hand		**3**	4
		24,501	24,578
Creditors: amounts falling due within one year	5	**(1,505)**	(496)
Net current assets		**30,179**	29,821
Creditors: amounts falling due after more than one year	6	**-**	(149)
Net assets		**30,179**	29,672
Capital and reserves			
Called-up share capital	7	**747**	744
Share premium		**20,510**	20,193
Capital redemption reserve		**6**	6
Other reserve		**-**	665
Foreign exchange reserve		**(30)**	-
Profit and loss account		**8,946**	8,064
Total shareholder funds	9	**30,179**	29,672

The financial statements were approved and authorised for issue by the Board of directors on 6 February 2017 and were signed on its behalf by:

Donald McGarva
Director

Registered number: 05083390

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2016

	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 2014	579	126	6	-	-	11,405	12,116
Profit for the year restated	-	-	-	-	-	(1,107)	(1,107)
Dividend	-	-	-	-	-	(2,924)	(2,924)
Share option compensation charge	-	-	-	-	-	116	116
Movement on EBT reserves	-	-	-	-	-	551	551
Option exercise from Treasury shares	-	-	-	-	-	23	23
Issue of shares	165	21,318	-	-	-	-	21,483
Transaction costs on issue of share capital	-	(1,251)	-	-	-	-	(1,251)
Equity to be issued	-	-	-	665	-	-	665
At 30 November 2015 (Restated)	744	20,193	6	665	-	8,064	29,672
Profit for the year	-	-	-	-	-	1,908	1,908
Other comprehensive expense	-	-	-	-	(30)	-	(30)
Dividend	-	-	-	-	-	(3,964)	(3,964)
Share option compensation charge	-	-	-	-	-	297	297
Movement on EBT reserves	-	-	-	-	-	225	225
Option exercise from Treasury shares	-	-	-	-	-	2,416	2,416
Issue of shares	3	317	-	-	-	-	320
Equity to be issued	-	-	-	(665)	-	-	(665)
At 30 November 2016	**747**	**20,510**	**6**	**-**	**(30)**	**8,946**	**30,179**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2016

1 Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the significant accounting policies, which have been reviewed by the Board of directors is set out below.

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

This is the first year in which the financial statements have been prepared under FRS 102. Please refer to note 11 for an explanation of the transition.

The individual accounts of Amino Technologies plc have adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes
- Financial instrument disclosures, including:
  - Categories of financial instruments
  - Items of income, expenses, gains or losses relating to financial instruments and
  - Exposure to and management of financial risks.

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. 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

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 a profit of £1,908,183 (2015: loss of £1,106,535).

Directors' emoluments are disclosed in the directors' remuneration report on pages 15 to 17. The Company had no employees in either year. The audit fee for the parent company was £3,200 (2015: £3,200). This expense was met by a trading subsidiary.

3 Fixed asset investments

	Year to 30 November 2016 £000s	Year to 30 November 2015 £000s
Cost as at 1 December	**5,738**	1,287
Capital contributions arising from FRS 20 share-based payments charge	**297**	116
FRS 102 adjustment	**1,148**	4,335
Cost as at 30 November	**7,183**	5,738

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%*
AssetHouse Technology Limited	England and Wales	Ordinary shares of 0.005p each Preference shares of 0.005p 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

All of the above subsidiaries are included within the consolidated financial statements of Amino Technologies plc for the year ended 30 November 2016.

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.

AssetHouse Technology Limited and Amino Communications AB are 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 2016 £000s	As at 30 November 2015 £000s
Amounts owed by Group undertakings	**24,498**	24,574

Amounts owed to the Company are unsecured and subject to a market rate of interest. See note 11 for further details of the transition to FRS 102.

5 Creditors: amounts due within one year

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Deferred consideration	**696**	496
Amounts owed to Group undertakings	**655**	-
Corporation tax payable	**154**	-
	1,505	496

6 Creditors: amounts falling due after more than one year

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Deferred consideration	**-**	149

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2016 (CONTINUED)

7 Share capital

	As at 30 November 2016 £000s	As at 30 November 2015 £000s
Allotted, called up and fully paid		
74,692,224 (2015: 74,407,743) ordinary shares of 1p each	**747**	744

The Company holds 3,090,418 of its own shares in treasury (2015: 4,139,898).

8 Share based payments

Information on share options which have been granted to directors and employees are given in note 24 to the consolidated financial statements.

9 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 financial statements of the Group's foreign entities into Sterling (£).
- profit and loss account includes all current and prior period retained profits and losses.

10 Related party transactions

The Company takes advantage of the exemption under FRS 8 for transactions with wholly owned group companies. There were no other related party transactions during the year, other than dividends totalling £75,532 (2015: £40,092) paid in the year in respect of ordinary shares held by the Company's directors.

11 Transition to FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 December 2014. The impact of the transition to FRS 102 is as follows and has required the restatement of prior year amounts:

	£000s
Reconciliation of equity at 1 December 2014	
Equity at 1 December 2014 under previous UK GAAP	12,116
Interest income on amounts owed by group undertakings	-
Equity shareholders funds at 1 December 2014 under FRS 102	12,116
Reconciliation of equity at 30 November 2015	**£000s**
Equity at 30 November 2015 under previous UK GAAP	29,469
Interest income on amounts owed by group undertakings	203
Equity shareholders funds at 30 November 2015 under FRS 102	29,672
Reconciliation of profit and loss account for the year ended 30 November 2015	**£000s**
Profit/(loss) for the year under previous UK GAAP	(1,310)
Interest income on amounts owed by group undertakings	203
Profit for the year ended 30 November 2015 under FRS 102	(1,107)

The following were changes in accounting policies arising from the transition to FRS 102:

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.

CONTACT DETAILS

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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 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.

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 operators: an industry term to describe the size and scale of a telecommunications network operator. Tier 1 refers to a 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.

amino

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