



Amino Technologies plc
Annual Report & Accounts 2005



Broader thinking

ABOUT AMINO

Amino Technologies plc (www.aminocom.com) designs and supplies electronic systems, software and consultancy for IPTV (telco triple-play applications), on-demand video and in-home multimedia distribution delivered through three operating divisions:

- **Amino Communications** supplies the AmiNET™ series of high performance IPTV set-top-boxes and gateways for deployment in the telecommunications, broadcast and hospitality markets. Generally, AmiNET products are supplied with the IntAct™ IPTV software stack pre-loaded.
- **IntAct** licenses hardware designs and the IntAct™ IPTV software stack for consumer-end solutions to OEMs enabling them to supply IPTV set-top-boxes and gateways for larger scale deployments. IntAct also licenses software applications for on-demand systems in the hospitality sector.
- **Modelo** provides systems consultancy services to service operators in the telecommunications and broadcast markets and systems consultancy services and systems solutions in the hospitality sector.

Amino is partnered with world-leading companies in systems integration, middleware, conditional access, silicon, head-end systems and browser technologies.

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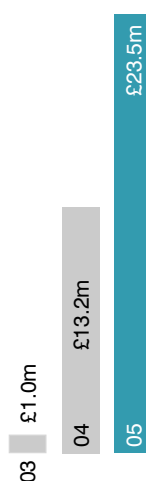
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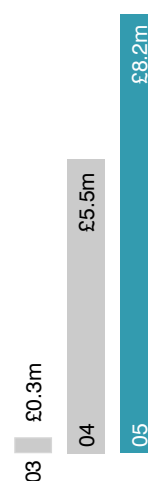
HIGHLIGHTS

- Turnover jumped to £23.5m (2004: £13.3m)
- Shipments of AmiNET products for the year increased to 314,000 units (2004: 174,000)
- Substantial increase in key business metrics:
 - 58 (2004: 24) customers in volume deployment
 - 140 (2004: 44) customers in field trials
 - 217 (2004: 94) customers in laboratory trials
- Profit before tax £0.06m (2004: £0.2m)
- Basic earnings per share 0.1p (2004: 3.0p)
- Net cash balances £14.5m (2004: £6.4m)

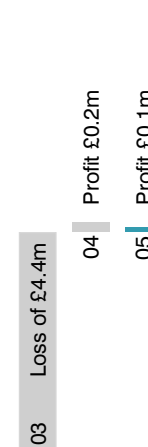
TURNOVER



GROSS MARGIN



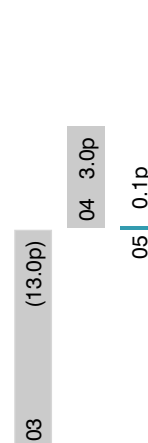
PROFIT BEFORE TAX



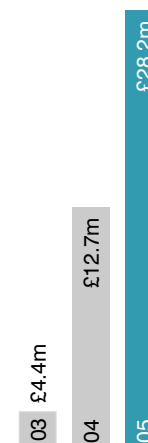
UNITS SHIPPED



EARNINGS PER SHARE



SHAREHOLDERS' FUNDS



DELIVERING NEW TECHNOLOGIES TO ENABLE MARK



AMINO COMMUNICATIONS

Attractively designed, the AmiNET™ series of set-top-boxes are renowned for their low cost and reliability, materially reducing service operators' capital expenditure, whilst offering the full range of specification required: MPEG2 and MPEG4 encoding standards, Standard and High Definition TV, Personal Video Recording and Home Networking. Their high performance coupled with their innovative design have won industry accolades.

Amino Communications' AmiNET™ series of IPTV set-top-boxes have been sampled by more than 1,000 customers in more than 50 countries. 58 customers have deployed in volume, 140 customers are conducting field trials and a further 217 customers are conducting laboratory trials.

Amino Communications' principal customers are telecommunications, broadcast and hospitality service operators. Its primary revenue streams are from the sale of set-top-boxes.

SYSTEM INTEGRATORS



MIDDLEWARE



CONDITIONAL ACCESS



SILICON



ET GROWTH



INTACT SOFTWARE

IntAct Software's IntAct™ is increasingly recognised as enabling the most robust, integrated and affordable IPTV consumer-end solutions. IntAct™ enables service operators to deploy with the widest choice of third party, middleware, conditional access, silicon platforms, head-end systems and browser technologies. On the client side, IntAct™ provides a turn-key operating environment that enables smooth video playback and fast channel change times. On the network side, IntAct Software's IPTV management servers provide comprehensive management of all IP STB's deployment regardless of STB manufacturer. IntAct Software's ultralean architecture enables the design of low-cost set-top-boxes and gateways. IntAct Software also licenses software applications for on-demand systems in hotels.

IntAct Software's principal customers are Original Equipment Manufacturers. Its primary revenue streams are license fees and royalties.



MODELO

By engaging Modelo, service operators gain access to the expertise and experience of a market-leading provider of IPTV solutions, reducing their development cost and risk and enabling fast time to market.

Modelo has integrated an on-demand video solution incorporating AmiNET set-top-boxes, IntAct software and various third party technologies that is deployed by a major hotel chain in the UK. Modelo has also delivered various software applications to service operators in North America and Asia Pacific.

Modelo's principal customers are hospitality service operators, Tier 2 and Tier 3 telecommunications and broadcast service operators. Its principal revenue streams are consultancy fees.

VIDEO SERVERS



ENCODERS



TECHNOLOGY PARTNERS



ACCESS PLATFORMS



GLOBAL REACH



AMINO OFFICES

Cambridge, UK (Head Office)
Atlanta, USA
Hong Kong

AMINO DISTRIBUTORS

Australia: Digital Studio Pty Ltd
Canada: Capella Telecommunications, Inc
Czech Republic: Lica s.r.o.
Dubai: eMediaNet FZ-LLC
Greece: Telenorm
Japan: MP Technologies, Inc
Netherlands: ITESS Services BV
Norway: Inteno Communication AS
Poland: Digital Transmission Systems
Russia: IntercomTV
South Africa: NuLAN Wireless Solutions (Pty) Ltd
Spain: IPFRAME Telecomunicaciones, S. L.
Sweden: Net Access Sweden AB
Turkey: Broadcast Muhendislik Ltd
UK: Imago Group PLC
USA: Advanced Media Technologies, Inc
USA: Power & Telephone Supply Company

- Customers with over 10,000 set-top-boxes 15
- Customers with 1,000 to 10,000 set-top-boxes 43
- Customers with 100 to 1,000 set-top-boxes 140
- Distributors 140
- Amino offices



CHAIRMAN'S STATEMENT



“ AMINO'S KEY BUSINESS METRICS ON CUSTOMER DEPLOYMENTS MAINTAIN A STRONG UPWARDS MOMENTUM. OUR STRONG YEAR END ORDER BACKLOG PROVIDES A FIRM FOUNDATION FOR A FURTHER INCREASE IN TURNOVER IN THE YEAR TO 30 NOVEMBER 2006. ”

INTRODUCTION

Amino is pleased to present its results for the year ended 30 November 2005 in comparison with the eleven month period to 30 November 2004. A measure of the progress made in the year is an 80% increase in unit shipments, a 77% increase in revenue, increasing profitability as the year progressed – all in a rapidly emerging market. This has been achieved while continuing to invest heavily in the business for the future – rather than seeking to maximise short-term results.

Over the past year, there has been widespread public commitment by telecommunications operators ('telco') and broadcasters alike to the delivery of IPTV services. This commitment has been seen across all geographies and all sizes of telco. Further evidence of the anticipated importance of this market is the onset of significant M&A activity within the equipment supply chain. However, the delivered market for IPTV services is still at an early stage and still evolving; the focus is mainly on the smaller telcos. Significant investment by the larger, Tier 1 telcos is slow to get under way and has yet to result in any material revenues for equipment suppliers.

The board believes that Amino has successfully met its objectives over the past year. We have capitalised on the near-term revenue opportunities amongst the Tier 2 and 3 telcos, while creating the parallel business models which position the Group to benefit from future market growth across a wide range of customers and geographies. Amino is addressing the Tier 1 telco market through partnerships with key systems integrators and a flexible licensing proposition. Also, we have continued to build on initial customer engagements for the private network delivery of IPTV in environments such as hotels and apartment complexes.

KEY POINTS FROM THE CHAIRMAN'S STATEMENT

- Main board objectives for the year were achieved
- A year of strong progress: total unit shipments were up 80% and revenue increased 77%
- Capitalised on the near-term revenue opportunities in the Tier 2 and Tier 3 telco market
- Investment sustained in developing opportunities within the Tier 1 telco market

“ AMINO HAS AN EXCELLENT SUITE OF PRODUCTS AND TECHNOLOGIES TOGETHER WITH A STAFF COMMITTED TO DELIVERING A FURTHER YEAR OF RAPID GROWTH. AS THE BUSINESS GROWS AND THE IPTV MARKET DEVELOPS, THE BOARD ANTICIPATES AN IMPROVING VISIBILITY FOR FUTURE REVENUES AND A SUCCESSFUL OUTCOME TO THE YEAR.”

RESULTS AND FINANCE

At the time of the interim report, we highlighted the expectation of a heavy bias towards the second half of the year. Total unit shipments of AmiNET products for the year were 314,000 (eleven months 2004: 174,000). Revenue for the year was £23.5m (eleven months 2004: £13.2m). The profit before tax was £0.06m (eleven months 2004: £0.20m) and the basic earnings per share were 0.1p (eleven months 2004: 3.0p). As expected, during the second half year, revenue was double that for H1, 2005 and a profit before tax of £0.94m was achieved in H2, 2005, offsetting a loss of £0.88m in the first half.

New order intake grew strongly during the period, and over the past six months, suggesting an annualised run rate in excess of £38.0m. This has contributed to a healthy order backlog entering the new financial year.

ACQUISITION

On 20 January 2006, Amino acquired SJ Consulting Limited, a business which will add significantly to the Group's technology and IPR, particularly in the area of MPEG-4 decoders and digital signal processing used with IPTV set-top-boxes. The total consideration will be approximately £1.3m in cash and shares, with the net cash outlay being approximately £0.4m.

BOARD AND EMPLOYEES

During the year, Paul Fellows, Amino's Chief Technology Officer was appointed to the board.

I would like to thank all employees and the board for their contributions in driving Amino forward in this rapidly evolving market. The Group has matured rapidly over the past year and successfully met many challenges associated with fast-moving, emerging technologies and markets. This is testament to the quality and commitment of the Amino team.

OUTLOOK

Amino's key business metrics on customer deployments maintain a strong upwards momentum. Our strong year end order backlog provides a firm foundation for a further increase in turnover in the year to 30 November 2006 which will include material licence revenues.

Amino has an excellent suite of products and technologies together with a staff committed to delivering a further year of rapid growth. As the business grows and the IPTV market develops, the board anticipates an improving visibility for future revenues and a successful outcome to the year.



GRANT MASOM
CHAIRMAN

CHIEF EXECUTIVE'S REPORT



“ OUR STRONG ALLIANCES WITH THE TRADITIONAL TIER 1 SYSTEM INTEGRATORS PLUS OUR FLEXIBLE, LOW-COST AND SCALABLE BUSINESS MODEL MAKES AMINO A VERY ATTRACTIVE PARTNER FOR THESE SUPPLIERS AND OPERATORS WHICH HAVE STATED THEIR INTENTION OF EMULATING THE IPTV SERVICES OFFERED BY THEIR SMALLER COMPETITORS. PUTTING ALL OF THIS WITH OUR NEW AND EXCITING RANGE OF MPEG-4 (H.264) PRODUCTS BODES VERY WELL FOR AMINO'S FUTURE PROSPECTS. ”

OVERVIEW

Amino's business has grown and the organisation has matured during our first full year as a public company. During the year, we have successfully implemented our strategy for having three independent yet synergistic business propositions, namely products, licensing and system solutions. Most notably, Amino achieved another milestone by introducing and deploying the world's first single chip MPEG-4 (H.264) set-top-box (STB). In so doing, we have further strengthened our leadership position.

HIGHLIGHTS

- Deployed the AmiNET124 and have several ongoing field trials.
- Licensed our software stack to Philips Semiconductors for their new Nexperia chip and ported our software stack to six different semiconductor platforms.

GROUP DEVELOPMENT

Our headcount during the year has grown to 99 yet we have managed to maintain our relatively low-cost base and agility. We have been very fortunate that our growth has not been limited by the availability of good and experienced professionals. We have recruited a number of exceptional people during the year which, we believe, reflects our leadership position.

Our output of STB products almost doubled during FY 2005, and we have sufficient capacity to exceed this growth during FY 2006. Since the year end, we have established two new brands of IntAct Software (licensing) and Modelo (systems consultancy) in addition to the Amino product brand. Each brand is supported by their own dedicated sales and marketing organisations.

STRATEGY AND BUSINESS DEVELOPMENT

Amino's origins lay in the development of customer premises software for IPTV applications. The move into the provision of IPTV STBs was driven by a need to demonstrate the efficiency of Amino's software. As the IPTV market develops, Amino is progressively moving towards a mix of product and/or licensing models. Licensing is particularly attractive in those territories where tariff issues require a local supply of the STB.

KEY BUSINESS METRICS

Amino's key business metrics have continued to grow strongly:

Number of customers	31 December 03	30 November 04	31 May 05	30 November 05
Deployments over 10,000 units	–	5	11	15
Deployments over 1,000 units	12	19	35	43
Field trials (100 – 999 units)	19	44	98	140
Laboratory trials (10 – 99 units)	14	94	163	217
Total	45	162	307	415

KEY POINTS FROM THE CHIEF EXECUTIVE'S REPORT

- Implemented strategy for segmenting the business into three complementary activities, each with their own brand: Amino Communications, IntAct and Modelo
- Strong growth in key business metrics
- Licensing activities beginning to gain traction
- Continued successful development in alliances with key IPTV industry participants

We recognised that the early adopters, namely Tier 2 and Tier 3 telcos in the US, Far East and Eastern Europe, would be the first to deploy IPTV. As recognised in several independent reports (most notably ABI Research, a leading industry analyst), Amino has achieved a number of successes; 14 Tier 2 or Tier 3 telcos have commenced volume roll-outs of more than 10,000 Amino boxes for their IPTV systems. According to ABI, Amino has the highest share of this early stage market. This is most significant, given that it has only been three years since we launched our first sample. During FY 2005, Amino shipped STBs to more than 600 customers around the world.

The Tier 1 telcos in the more mature developed markets, mainly in Europe and North America, show an increasing commitment to invest. Almost without exception, timetables are relatively long because of the complex nature of large-scale IPTV systems and the substantial capital expenditure required to upgrade existing telecoms infrastructure. To date, most Tier 1 operators which have announced plans to offer a triple play service, have delayed their roll-outs with the most optimistic dates now projected for late 2006 or early 2007. By working with the early adopters in the Tier 2 and 3 markets, Amino has not been unduly influenced by these larger operators delaying their plans; the actual rate of development of the market is consistent with our previous projections. A notable exception to these delays is Sistema, a Tier 1 telco in the Russian Federation, where our shipments during FY 2005 significantly exceeded the 10,000 threshold.

Against this backdrop, Amino's decision to focus initially on the numerous Tier 2 and 3 customers has enabled us to develop a growing, profitable business stream in supporting the volume deployments now being undertaken and a reputation as a trusted centre of excellence in IPTV deployment. At the same time, we have been working with the larger Tier 1 customers, developing our route to market through preferred partnerships with key systems integrators and equipment suppliers together with licensing to cater for local manufacture and multi-sourcing of STB hardware.

Amino's software platform is, and will remain, focused on the customer premises equipment (CPE). We enjoy the support and endorsement of our technology partners who value Amino's contribution to their own proposition.

Amino's licensing business is now beginning to develop traction. We are in advanced discussions with a number of major consumer electronics product and systems integrator corporations. The proposition is that they will use Amino's IntAct software technology as the core operating system for their own range of IPTV STBs. We are confident that we will close a number of these opportunities which will validate our licensing model and reinforce the market leadership position that Amino has established for customer premises IPTV technologies.

In order to reflect these changes, Amino is trading under three brands in order to improve its market focus and clarity of product offering.

AMINO COMMUNICATIONS

- Supplies the AmiNET series of high performance IPTV set-top-boxes and gateways; generally, AmiNET products are supplied with the IntAct IPTV software stack pre-loaded.
- In addition to the AmiNET124 which was the world's first single chip implementation of an MPEG-4 (H.264) STB, we are developing high definition (HD) and personal video recorder (PVR) options which will be released in early 2006. Amino Communications offers the market's widest range of MPEG-2 and MPEG-4 compliant products.
- During 2005, we successfully deployed the world's first single chip MPEG-2 high definition STB at a North American Tier 2 telco.
- In an independent survey, Amino has been ranked top on several metrics – cost, reliability, system compatibility and user acceptance.

CHIEF EXECUTIVE'S REPORT (CONTINUED)



STRATEGY AND BUSINESS DEVELOPMENT (CONTINUED)

INTACT SOFTWARE

- Licenses hardware designs and the IntAct™ IPTV software stack for customer premises solutions to OEMs for larger scale deployments and for on-demand systems in the hospitality sector. The acquisition of the 'Soft-Codec' technology from SJ Consulting further enhances and strengthens the business proposition of Amino's software stack.
- Amino's software stack has been ported to six different semiconductor platforms and, in addition to the contract signed with Philips Semiconductors, we anticipate signing further similar contracts. These licences allow the semiconductor vendor to offer their customers a proven reference design. This establishes IntAct at the heart of their customers' systems, thereby 'seeding' the market efficiently.
- Amino's licensing proposition is being recognised by Tier 1 operators and their system integrator partners. IntAct offers a common software platform for all of their STB suppliers, thus making their deployments agnostic in terms of choice of semiconductor and STB hardware design. This reduces cost, eases field maintenance, facilitates field upgrades and reduces churn.

MODELO

- Provides systems consultancy services.
- During FY2005, Amino has supplied an integrated end-to-end solution for operators in the Middle East and Far East. This gives operators a fast and robust route to market and will be used as the model when engaging with Tier 1 system integrators. It will be an important value added service that Amino brings to the market.

OUTLOOK AND OUR PLANS

Building on our commanding share of the Tier 2 and 3 markets, we intend to develop further this business as these early adopters lead the way into the value added applications of high definition (HD) and personal recorded (PVR) viewing. Our successes and growth have proven that this focus has been well founded and positions us to play a key role in future market developments.

Our strong alliances with the traditional Tier 1 system integrators plus our flexible, low-cost and scalable business model makes Amino a very attractive partner for these suppliers and operators which have stated their intention of emulating the IPTV services offered by their smaller competitors. Putting all of this with our new and exciting range of MPEG-4 (H.264) products bodes very well for Amino's future prospects.

BOB GIDDY
CHIEF EXECUTIVE OFFICER

FINANCE DIRECTOR'S REPORT



KEY POINTS FROM THE FINANCE DIRECTOR'S REPORT

- Second half gross profit margin increased by 2% to 35.5%
- Successful placing of 7.2m new ordinary shares of 220p to raise £15.8m gross
- Cash balances at year end stood at a record £14.5m

“ **NET ASSETS INCREASED BY £15.5M TO £28.2M (2004: £12.7M) REFLECTING THE PLACING OF 7.2M NEW ORDINARY SHARES AT £2.20 EACH IN MAY 2005.** ”

RESULTS FOR THE YEAR

Gross profit reduced by 6.5% to 34.8% (2004: 41.3%), reflecting volume pricing for successful deployments, a change in duty rating applying to the import into Europe of IPTV set-top-boxes and a change in sales mix. This reduction was most severely felt in H1; in H2 gross profit % increased by 2% to 35.5%.

The Group's operating expenses primarily relate to staff costs (55%), product engineering and travel expenditure. Sales, general and administration expenses increased by 43% to £5.7m (eleven months 2004: £4.0m) and research and development expenses, which are written off as incurred, increased by 94% to £2.8m (eleven months 2004: £1.4m). The primary drivers for the increased level of operating expenses were the development of new MPEG4 products and support of Tier 1 telecommunications customers throughout the development of their IPTV systems. These investments are unlikely to generate a significant financial return until 2007.

Bank interest received during the year was £0.4m (eleven months 2004: £0.2m).

At the year end, total headcount was 99 (2004: 75). The average number of employees during the year was 90 (2004: 68). Whilst the board plans to continue to grow the headcount, particularly in the areas of customer support and engineering, significant improvements in productivity are expected as the number of customers deploying in volume increases. Revenue per head increased by 36% to £0.26m (eleven months 2004: £0.19m).

There was no taxation charge in the year. At 30 November 2005, the Group had approximately £10.8m of losses available to carry forward to set against future taxable profits, subject to agreement with the Inland Revenue.

Net assets increased by £15.5m to £28.2m (2004: £12.7m) reflecting the placing of 7.2m new ordinary shares at £2.20 each in May 2005.

Net current assets increased by £15.2m to £27.0m (2004: £11.8m) providing the Group with a strong working capital base. The principal components of net assets are trade debtors of £10.4m (2004: £3.6m) and cash balances of £14.5m (2004: £6.4m). The exceptionally high level of trade debtors at the year end was generated by high sales in November arising from the shipment of orders previously delayed by a shortage of a single source component.

The Group has continued to maintain credit insurance, where possible, to cover the majority of its trade debtors.

The Group receives the significant majority of its revenue in US dollars. Substantially all of the Group's cost of sales are paid in US dollars and the majority of the Group's operating costs are paid in pounds sterling. To date the Group has relied upon the natural hedge created by this combination to manage the foreign currency exposure but will consider using financial instruments as required.



STUART DARLING
FINANCE DIRECTOR

DIRECTORS AND ADVISORS



GRANT MASOM, MA
NON-EXECUTIVE CHAIRMAN

Age 49, Grant joined Amino as Chairman in February 2001. Until June 2004, Grant acted as executive Chairman and now serves as non-executive Chairman. Grant has 25 years' experience in the high technology industry, over 15 years of which has been spent in board level positions. He has been chief executive officer of two venture capital backed companies that both achieved successful trade sale exits. He has wide experience across the technology and IT services sectors, and has worked with a number of companies as an independent chairman, achieving four further successful exits. He is currently chairman of Comunica Holdings Ltd, TIS Software Holdings Ltd and ePOINT Group Ltd.



BOB GIDDY
CHIEF EXECUTIVE OFFICER

Age 58, Bob joined Amino as Managing Director in November 2001. Bob has thirty years' experience in the semi-conductor industry with senior management and board level positions held at NEC Electronics, inSilicon and National Semiconductor. Bob was director and general manager at NEC Electronics for 14 years during which he established ASIC, microprocessor and multimedia design centres.



NICK KUENSSBERG, FCIS, CCMi, FIoD, FRSA
NON-EXECUTIVE DIRECTOR

Age 63, Nick joined Amino in January 2004 and is currently chairman of iomart Group plc, GAP Group Ltd, director of Chamberlin & Hill plc and RingProp plc, chairman of The Glasgow School of Art and deputy chairman of the Scottish Environment Protection Agency. Previously he was with Coats Viyella plc for 27 years including service overseas, chairman of Dynacast International Ltd for 13 years and main board director 1986 and 1991, and subsequently he became managing director of Dawson International PLC, chairman of David A Hall Ltd, Stoddard International plc and other companies, director of Standard Life Assurance Company and Scottish Power plc. He has also been chairman of the Institute of Directors, Scotland and visiting professor at Strathclyde University.



COLIN SMITHERS, BSc, PhD, C Eng,
FIEE, M InstD, LTCL
NON-EXECUTIVE DIRECTOR

Age 47, Colin joined Amino in March 2002 and since October 2005 chairs the Remuneration Committee. After working at PA Technology, Colin co-founded and is managing director of Plextek Limited, one of the largest independent electronics design consultancies in Europe. He has a background in communications technology products and systems and through Plextek has had experience of many new company situations.



STUART DARLING, ACA
FINANCE DIRECTOR
& COMPANY SECRETARY

Age 42, Stuart joined Amino as Finance Director in June 2001. Stuart's track record is in strategic planning and financial management for fast-growth technology businesses. He joined Amino from Cartezia Limited, a provider of services and technology to existing and new digital businesses and ventures. He previously worked for CyberLife Technology Limited, in the field of artificial life technology, a spin-out from Millennium Interactive Limited, a developer and publisher of entertainment software. After qualifying as a Chartered Accountant with Price Bailey, Stuart spent five years at Coopers & Lybrand, where he specialised in fast-growth companies and corporate recovery.



PAUL FELLOWS, MA, MBCS, FIEE, FRAS
CHIEF TECHNOLOGY OFFICER

Age 45, Paul began his career with Acorn Computers, heading up the computer languages team developing compiler technologies for the BBC micro and subsequently headed up the development Operating System software for the early ARM machines. Leaving Acorn in 1988 he founded his own successful software business developing compilers, interpreters and the Genesis multi-media hypertext systems for RiscOS, PC/Windows and Apple-Macintosh systems. After selling the business he moved on and from 1995 to 1998 worked as chief engineer with Pi Research on telemetry and in-car electronics for Formula One and Indy Car race teams. Paul joined Amino in 1998 in its start-up phase and since then has overseen the development of its in-house technology and managed the growth of its technical team.

REGISTERED OFFICE

Prospect House
Buckingham Business Park
Anderson Road
Swavesey
Cambridgeshire CB4 5UQ

SECRETARY

Stuart Darling

NOMINATED ADVISOR AND STOCKBROKER

KBC Peel Hunt Ltd
111 Old Broad Street
London EC2N 1PH

AUDITORS

PricewaterhouseCoopers LLP
Abacus House, Castle Park
Cambridge CB3 0AN

SOLICITORS

Hewitsons
Shakespeare House
42 Newmarket Road
Cambridge CB5 8EP

REGISTRARS

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2005

INTRODUCTION

The Listing Rules require listed companies (but not companies traded on the Alternative Investment Market (AIM)) incorporated in the UK should state in their report and accounts whether they comply with the Combined Code on Corporate Governance and

However, some voluntary disclosures have been given.

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

DIRECTORS AND BOARD

The board comprises three executive and three non-executive directors. The roles of Chairman, non-executive and Chief Executive are separate appointments and it is board policy that this will continue.

The non-executive directors bring their independent judgment 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.

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 two committees, the Audit and the Remuneration Committees. Both committees have written terms of reference agreed by the board.

Nick Kuenssberg is Chairman of the Audit Committee, the other members of which are Grant Masom and Colin Smithers.

Colin Smithers chairs the Remuneration Committee, the other members of which are Nick Kuenssberg and Grant Masom.

AUDIT

The A
three times a year with the external auditors.

INTERNAL FINANCIAL CONTROL

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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 an annual 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 capital expenditure are made in a prescribed format which places emphasis on the
co

No system can provide absolute assurance against material misstatement or loss but the Group's systems are designed to
pr
assets and liabilities.

RISK MANAGEMENT

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faced by the Group.

This is not a statement of compliance as required by the Combined Code and should therefore not be relied upon to give the disclosures that would normally be made.

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2005

INTRODUCTION

As a company listed on AIM, Amino Technologies plc is not required to present a directors' remuneration report. However some voluntary disclosures have been given.

In framing its remuneration policy and the reporting of remuneration, the Committee has given consideration to the Combined Code.

REMUNERATION COMMITTEE

The Remuneration Committee, chaired by Colin Smithers and including Nick Kuenssberg and Grant Masom, 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.

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; 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 paid to the non-executive directors are determined by the board. The non-executive directors do not receive any other remuneration. The non-executive directors' terms of office are for a period of six months and three months respectively.

DIRECTORS' DETAILED EMOLUMENTS AND COMPENSATION

Year to 30 November 2005	Salary and fees	Benefits	Sub-total	Pension contributions	Total
Grant Masom	48,333	—	48,333	—	48,333
Bob Giddy	121,551	1,278	122,829	26,840	149,669
Stuart Darling	108,700	762	109,462	5,075	114,537
Paul Fellows (appointed 22 July 2005)	39,121	247	39,368	1,827	41,195
Colin Smithers	19,000	—	19,000	—	19,000
Nick Kuenssberg	19,000	—	19,000	—	19,000
	355,705	2,287	357,992	33,742	391,734
11 months to 30 November 2004	Salary and fees	Benefits	Sub-total	Pension contributions	Total
Grant Masom	56,397	—	56,397	—	56,397
Bob Giddy	116,600	1,234	117,834	5,500	123,334
Stuart Darling	95,975	657	96,632	4,469	101,101
Colin Smithers	16,282	—	16,282	—	16,282
Nick Kuenssberg	17,140	—	17,140	—	17,140
	302,394	1,891	304,285	9,969	314,254

DIRECTORS' REMUNERATION REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2005

DIRECTORS' DETAILED EMOLUMENTS AND COMPENSATION (CONTINUED)

Contributions were made to the personal pension schemes of three of the directors (2004: two), in accordance with their employment contracts.

There were no bonuses paid or accrued to directors in the year to 30 November 2005 (eleven months to 30 November 2004: £nil).

Colin Smithers' fees are paid to Plextek Limited.

Nick Kuenssberg's fees are paid to his management company, Horizon Co-Invest.

DIRECTORS AND THEIR INTERESTS IN SHARES

The directors held the following interests in Amino Technologies plc.

	At 30 November 2005		At 30 November 2004	
	Ordinary shares of 1p each number	Options over ordinary shares of 1p each number	Ordinary shares of 1p each number	Options over ordinary share of 1p each number
Grant Masom	304,779	631,602	304,779	631,602
Bob Giddy	—	1,029,116	—	1,029,116
Stuart Darling	—	350,000	—	500,000
Paul Fellows (appointed 22 July 2005)	—	70,931	—	214,264
The CIT fund (for Colin Smithers)	40,000	79,959	40,000	79,959
Nick Kuenssberg	25,000	60,000	25,000	60,000

All executive and non-executive directors have been awarded share options. Full details of the options over ordinary shares of 1p each are detailed below:

Director	Date granted/ exercised	Exercise price	Options over	Options over
			ordinary shares of 1p each 30 November 2005 number	ordinary shares of 1p each 30 November 2004 number
Grant Masom	16 September 2003	£0.20	468,750	468,750
	1 February 2004	£0.32	162,852	162,852
			631,602	631,602
Bob Giddy	19 September 2003	£0.20	499,999	499,999
	20 September 2003	£0.20	138,001	138,001
	1 February 2004	£0.32	391,116	391,116
			1,029,116	1,029,116

Director	Date granted/ exercised	Exercise price	Options over ordinary shares of 1p each 30 November 2005 number	Options over ordinary shares of 1p each 1 January 2004 number
Stuart Darling	19 September 2003	£0.20	375,000	375,000
	25 September 2003	£0.20	65,000	65,000
	1 February 2004	£0.32	60,000	60,000
	1 August 2005	£0.20	(150,000)	—
			350,000	500,000
The CIT fund (for Colin Smithers)	1 September 2003	£0.20	55,000	55,000
	1 February 2004	£0.32	14,959	14,959
	20 May 2004	£0.70	10,000	10,000
			79,959	79,959
Nick Kuenssberg	1 February 2004	£0.32	50,000	50,000
	20 May 2004	£0.70	10,000	10,000
			60,000	60,000

The above options have vested in full and are exercisable until expiry, being ten years from date of grant. No share options relating to the directors lapsed in the year.

Gains made by directors on the exercise of share options are noted below:

	Year to 30 November 2005 £	11 months to 30 November 2004 £
Bob Giddy	—	800,000
Stuart Darling	277,500	52,513
Grant Masom	—	65,000
	277,500	917,513

The market price of share options exercised by Stuart Darling were £2.05 per share.



COLIN SMITHERS
CHAIRMAN, REMUNERATION COMMITTEE

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2005

The directors present their report and the audited financial statements for the year ended 30 November 2005.

BASIS OF PREPARATION

The directors report the results of Amino Technologies plc for the year ended 30 November 2005. The comparatives are for the eleven month period ended 30 November 2004.

PRINCIPAL ACTIVITIES

Amino (www.aminocom.com) develops core software technologies and customer-premises products for the IPTV market, and partners with world-leading companies in content aggregation, middleware, conditional access and head-end systems.

Amin

broadcast TV, and on-demand services in a single consumer device. Amino also develops and supplies the AmiNET™ family of digital set-top-boxes, based on its software technology, which have been adopted by telecom service providers for broadband TV deployments worldwide. Building further on our core software, the Company also develops digital, on-demand TV systems specifically for the hotel and leisure industry.

BUSINESS REVIEW

A review of the Group's performance during the financial year and future prospects are contained in the Chairman's report, Chief Executive's report and Finance Director's report.

PROPOSED DIVIDEND

The directors do not recommend the payment of a dividend (2004: £nil).

RESEARCH AND DEVELOPMENT

The Group has continued to make significant progress in the development of its proprietary software technologies which are currently taken to market in the AmiNET range of Internet Protocol set-top-boxes and are available to license. In the opinion of the directors, the investment in these software technologies and hardware designs will maintain and generate significant revenues both from licensing and product sales in future years.

DIRECTORS

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

Grant Masom	Non-executive Chairman
Bob Giddy	Chief Executive
Stuart Darling	Finance Director and Company Secretary
Paul Fellows (appointed 22 July 2005)	Chief Technology Officer
Colin Smithers	Non-executive director
Nick Kuenssberg	Non-executive director

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Group does not follow any code on payment of creditors; creditors are paid in accordance with the terms of the contract agreed between the two parties. Trade creditors of the Group at 30 November 2005 were equivalent to 25 days' purchases for the Group (2004: 39 days). The Company has no trade creditors (2004: £nil).

SUBSTANTIAL SHAREHOLDINGS

As at 30 February 2006 the following shareholders had each notified that they held an interest of 3% or more in the Company's ordinary share capital.

	Number of ordinary shares	Percentage of issued share capital
Chase Nominees Limited	11,923,047	20.5
Nutraco Nominees Limited	2,916,911	5.0
The Bank of New York (Nominees) Limited	1,896,478	3.3
Walbrook Trustees (Guernsey)	2,444,785	5.0
	19,181,221	33.8

POLITICAL AND CHARITABLE DONATIONS

The Group made charitable donations to Sustrans totalling £355 (2004: £nil).

POST BALANCE SHEET EVENTS

On 20 January 2006, the Company purchased 100% of the issued share capital of SJ Consulting Limited for a total consideration of approximately £1.3m. The Company operates in the UK providing network software and systems solutions.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Amino Technologies plc will have the option but not the requirement to adopt IFRS in the financial statements for the year ended November 2006. The board has begun considering the difference between UK accounting standards and IFRS and has initially identified accounting for share options and research and development costs as two areas that could impact on the Group's financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgments and estimates have been made in preparing the financial statements for the year ended 30 November 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the Group and the Company is to be proposed at the forthcoming annual general meeting.

By order of the board,



STUART DARLING
DIRECTOR

Prospect House
Buckingway Business Park
Cambridge
CB4 5UQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMINO TECHNOLOGIES PLC

FOR THE YEAR ENDED 30 NOVEMBER 2005

We have audited the financial statements which comprise the consolidated profit and loss account, the balance sheets, the cash flow statement, the statement of total recognised gains and losses and the related notes.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and

not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Chairman's remuneration report.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 30 November 2005, and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICEWATERHOUSECOOPERS LLP

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS
CAMBRIDGE

NOTES

- (a) The maintenance and integrity of the Amino Technologies plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2005

	Notes	Year to 30 November 2005 £	11 months to 30 November 2004 £
Turnover	2	23,460,756	13,247,054
Cost of sales		(15,292,251)	(7,779,916)
Gross profit		8,168,505	5,467,138
Selling, general and administrative (non-exceptional expenses)		(5,699,309)	(3,739,718)
Selling, general and administrative (exceptional expenses)	3	—	(331,254)
Selling, general and administrative expenses		(5,699,309)	(4,070,972)
Research and development expenses		(2,808,771)	(1,444,513)
Other operating income		—	94,873
Group operating (loss)/profit		(339,575)	46,526
Interest receivable and similar income	4	418,782	185,625
Interest payable and similar charges	4	(15,293)	(35,117)
Group profit on ordinary activities before taxation	5	63,914	197,034
Tax on profit on ordinary activities	8	—	1,130,829
Group profit on ordinary activities after taxation being profit for the financial period	24	63,914	1,327,863
Basic earnings per 1p ordinary share	9	0.1p	3.0p
Diluted earnings per 1p ordinary share	9	0.1p	2.8p

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 NOVEMBER 2005

	Notes	Year to 30 November 2005 £	11 months to 30 November 2004 £
Profit for the financial period		63,914	1,327,863
Exchange translation difference on consolidation	24	(22,383)	(36,185)
Total recognised gains for the period		41,531	1,291,678

All amounts above relate to continuing activities.

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

BALANCE SHEETS

AS AT 30 NOVEMBER 2005

	Notes	Group		Company	
		30 November 2005 £	30 November 2004 £	30 November 2005 £	30 November 2004 £
Fixed assets					
Intangible assets	12	295,297	186,759	—	—
Tangible assets	13	1,023,610	833,884	—	—
Investments	14	—	—	452,047	452,047
		1,318,907	1,020,643	452,047	452,047
Current assets					
Stocks	15	1,460,756	1,361,339	—	—
Debtors: amounts falling due after one year	16	190,898	161,563	21,934,975	6,629,360
Debtors: amounts falling due within one year	16	12,846,599	6,127,561	—	—
		13,037,497	6,289,124	21,934,975	6,629,360
Short-term investments	17	430,000	430,000	—	—
Cash at bank and in hand		14,038,271	5,999,752	—	—
		28,966,524	14,080,215	21,934,975	6,629,360
Creditors: amounts falling due within one year	18	(1,964,581)	(2,305,485)	—	—
Net current assets		27,001,943	11,774,730	21,934,975	6,629,360
Total assets less current liabilities		28,320,850	12,795,373	22,387,022	7,081,407
Creditors: amounts falling due after more than one year	19	(71,285)	(117,281)	(1,001,197)	(1,222,676)
Net assets		28,249,565	12,678,092	21,385,825	5,858,731
Capital and reserves					
Called-up share capital	22	582,630	510,380	582,630	510,380
Share premium account	23	21,807,240	6,571,027	21,807,240	6,571,027
Merger reserve	23	16,388,755	16,388,755	—	—
Profit and loss account	23	(10,529,060)	(10,792,070)	(1,004,045)	(1,222,676)
Equity shareholders' funds	24	28,249,565	12,678,092	21,385,825	5,858,731

The financial statements on pages 21 to 47 were approved by the board of directors on 17 March 2006 and were signed on its behalf by:



GRANT MASOM
CHAIRMAN
17 MARCH 2006



STUART DARLING
DIRECTOR

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2005

	Notes	Year to 30 November 2005 £	11 months to 30 November 2004 £
Net cash outflow from operating activities	25	(7,154,539)	(3,836,286)
Returns on investments and servicing of finance			
Interest received		418,782	185,625
Interest paid		(15,293)	(35,117)
Net cash inflow from returns on investments		403,489	150,508
Taxation		—	—
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(479,085)	(603,340)
Purchase of intangible fixed assets		(216,689)	(184,810)
Net cash outflow for capital expenditure and financial investment		(695,774)	(788,150)
Net cash outflow before use of liquid resources and financing		(7,446,824)	(4,473,928)
Management of liquid resources			
Decrease in short-term deposits with banks	26	—	3,300,000
Financing			
Issue of ordinary share capital		15,840,250	6,999,999
Expenses of share issue deducted from share premium		(534,637)	(370,639)
Cash received from exercise of share options		224,329	354,824
(Decrease) in other borrowings		(38,455)	(23,907)
(Decrease) in bank borrowings	26	(6,144)	(1,001,523)
Net cash inflow from financing		15,485,343	5,958,754
Increase in net cash	26	8,038,519	4,784,826
Reconciliation of net cash flow to movement in net funds			
Opening net funds		6,423,608	3,937,259
Increase in net cash		8,038,519	4,784,826
(Decrease) in deposits		—	(3,300,000)
Decrease in borrowings		6,144	1,001,523
Closing net funds	26	14,468,271	6,423,608

NOTES TO FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been reviewed by the board of directors in accordance with Financial Reporting Standard 18, ("Accounting policies"), is set out below. There have been no changes to accounting policies in the year to 30 November 2005.

BASIS OF PREPARATION

The consolidated financial statements of Amino Technologies plc have been presented under merger accounting rules. This means that the financial statements of Amino Technologies plc and those of its wholly owned subsidiary, Amino Holdings Limited have been aggregated and presented as if the two companies have always existed as a Group. Accordingly, although Amino Technologies plc acquired the entire share capital of Amino Holdings Limited on 28 May 2004 in exchange for new ordinary shares of 1p each in the share capital of Amino Technologies plc, the results of both companies are reflected in the Group financial statements for the year to 30 November 2005 and the comparative amounts, for the eleven month period to 30 November 2004, are presented on the same basis.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TURNOVER

Tur arising from the resulting sale of licensed products, and support and maintenance, stated exclusive of value added tax.

- Income from the sale of products is recognised when goods are delivered in accordance with the terms and conditions of sale agreed with the customer.
- Licence revenues under non-cancellable licence agreements are recognised once the licensed hardware and/or software has been delivered and no material further obligations remain outstanding. Where the agreement provides for continuing material obligations to be fulfilled over a period of time, income is deferred until such time as the obligations have been fulfilled.
- Royalties receivable are recognised on a unit basis in the period in which they are earned. Amounts received in advance or arrears are deferred or accrued accordingly.
- Income from support and maintenance is recognised over the period in which the service is provided.

DEFERRED TAXATION

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

FOREIGN CURRENCIES

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

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. When the Company uses short-term financial instruments to assist in the management of foreign exchange, the related asset or liability is translated at the contractual rate. All differences are taken to the profit and loss account.

The assets and liabilities of subsidiaries denominated in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Profit and loss accounts of overseas subsidiary undertakings are translated at the closing exchange rate for the year. Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies are taken to reserves and reported in the statement of Group total recognised gains and losses.

GOVERNMENT GRANTS

Government grants are credited to the profit and loss account as other operating income in the period in which they are receivable.

LEASES

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

PENSION SCHEME ARRANGEMENTS

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

1. ACCOUNTING POLICIES (CONTINUED)

RESEARCH AND DEVELOPMENT

Research and development expenditure is written off as incurred.

SHARE OPTIONS: UITF 38 (ACCOUNTING FOR ESOP TRUSTS)

The Group's Employee Share Ownership Plan ("ESOP") is a separately administered trust which is funded by a loan from the Group, and the assets of which comprise shares in the Company. In accordance with Urgent Issues Task Force Abstract 38 ("Accounting for ESOP trusts"), the Company recognises the assets and liabilities of the ESOP in its own accounts and shares

unconditionally to employees.

SHARE OPTIONS: UITF 17 (EMPLOYEE SHARE SCHEMES)

In accordance with the provisions of Urgent Issues Task Force Abstract 17 ("Employee share schemes"), the Group makes

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exercise price of the options.

SHORT-TERM INVESTMENTS

Deposits, which are not repayable on demand, are treated as short-term investments in accordance with Financial Reporting Standard 1 (Revised 1996) "Cash flow statements".

STOCKS

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value is based on estimated selling price, less further costs expected to be incurred to completion and sale. Where necessary, provision is made for obsolete, slow moving and defective stocks.

INTANGIBLE FIXED ASSETS

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For the assets held at the balance sheet date this is three years.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment in value.

Depreciat
asset on a straight-line basis over its expected economic useful life. The principal annual rates used for this purpose are:

Computer equipment	33 1/3% per annum
Development software	33 1/3% per annum
Office equipment	25% per annum
Leasehold improvements	period of lease

TAXATION

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

2. SEGMENTAL ANALYSIS

Turnover is wholly attributable to the Group's principal activity. In the opinion of the directors, the Group currently has only one class of business. The analysis of turnover by destination is set out below.

	Year to 30 November 2005 £	11 months to 30 November 2004 £
Geographical analysis		
United Kingdom, Europe and Africa	9,903,108	5,001,383
Americas	10,988,350	6,467,504
Asia Pacific	2,569,298	1,778,167
	23,460,756	13,247,054

3. EXCEPTIONAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Exceptional costs incurred of £331,254 in the period ended 30 November 2004 primarily relate to legal and professional fees incurred as a result of the admission of Amino Technologies plc to the Alternative Investment Market on 9 June 2004. A further £370,639 of exceptional costs relating to the admission were charged against the share premium account.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. INTEREST AND SIMILAR ITEMS

	Year to 30 November 2005 £	11 months to 30 November 2004 £
Interest payable on bank loans and overdrafts	(3,980)	(20,404)
Other interest payable	(11,313)	(14,713)
	(15,293)	(35,117)
Interest receivable and similar income	418,782	185,625
Net interest receivable and similar items	403,489	150,508

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	Year to 30 November 2005 £	11 months to 30 November 2004 £
Depreciation of owned tangible fixed assets	289,359	124,166
Amortisation of intangible fixed assets	108,151	30,668
Operating lease rentals		
– hire of plant and machinery	25,832	53,327
– other	272,179	148,861
Auditors' remuneration:		
Audit services (Company £5,000 (2004: £nil))	36,000	26,000
Non-audit services (Company £nil (2004: £nil))		
– other services (see below)	23,720	87,342
– taxation services: compliance	12,570	10,250
– taxation services: general advice	1,700	4,916

2004 other non-audit services relate to costs associated with the admission of Amino Technologies plc to the Alternative

and employee share options.

6. STAFF COSTS

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

	As at 30 November 2005 year end number	As at 30 November 2004 year end number	Year to 30 November 2005 average number	Year to 30 November 2004 average number
Selling, general and administration	70	49	63	44
Research and development	29	26	27	24
	99	75	90	68

	Year to 30 November 2005 £	11 months to 30 November 2004 £
Their aggregate remuneration comprised:		
Wages and salaries	4,149,267	2,502,356
Social security costs	458,226	287,719
Pension costs (see note 29)	126,234	67,599
	4,733,727	2,857,674

7. DIRECTORS' EMOLUMENTS

Details of aggregate directors' emoluments for the year are as follows:

	Year to 30 November 2005 £	11 months to 30 November 2004 £
Aggregate emoluments	319,992	270,862
Amounts paid to third parties for directors' services	38,000	33,423
Company contributions to personal pension schemes	33,742	9,969
	391,734	314,254
Gains made by directors on exercise of share options	277,500	917,513

Contributions were made to the personal pension schemes of three of the directors (2004: two), in accordance with their employment contracts.

HIGHEST-PAID DIRECTOR

The above amounts for remuneration include the following in respect of the highest paid director:

	Year to 30 November 2005 £	11 months to 30 November 2004 £
Aggregate emoluments	122,829	117,834
Company contributions to personal pension schemes	26,840	5,500
	149,669	123,334
Gains made by highest paid director on exercise of share options	—	800,000

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year to 30 November 2005 £	11 months to 30 November 2004 £
UK corporation tax (charge) at 30% (2004: 30%)	—	(48,171)
Total current tax charge	—	(48,171)
Deferred tax credit (see note 21)	—	1,179,000
Tax credit on profit on ordinary activities	—	1,130,829

Group generating taxable profits in the future.

CURRENT TAXATION

	Year to 30 November 2005 £	11 months to 30 November 2004 £
Factors affecting the tax charge/(credit) for the period:		
Profit on ordinary activities before tax	63,914	197,034
Profit on ordinary activities multiplied by the standard rate of corporate tax in the UK of 30% (2004: 30%)	19,174	59,110
Effects of:		
Amounts not allowable for tax purposes	(583,941)	35,125
Overseas tax losses carried forwards	—	50,593
Tax losses arising/(utilised) in the period	550,132	(86,461)
Difference between capital allowances and depreciation	(773)	(15,229)
Other short-term timing differences	15,408	12,558
Tax at marginal rate	—	(7,525)
Current tax charge for financial period	—	48,171

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. EARNINGS PER SHARE

	Group	
	Year to 30 November 2005 £	11 months to 30 November 2004 £
Earnings attributable to shareholders	63,914	1,327,863
Weighted average number of shares (basic)	52,126,170	43,662,984
Weighted average number of shares (diluted)	54,482,187	48,174,055

The calculation of basic earnings per share is based on profit after taxation and the weighted average of ordinary shares of 1p each in issue during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all options where the exercise price is less than the average market price of the Company's ordinary shares during the period.

10. DIVIDENDS

The directors have not declared a dividend for the current financial year. In future they expect to operate a progressive dividend policy, profitability permitting.

11. HOLDING COMPANY

The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 and have not presented a profit and loss account for the Company alone. The Company made a loss of £2,848 (2004: £nil).

12. INTANGIBLE FIXED ASSETS

Group	Software licences £
Cost	
At 1 December 2004	265,754
Additions	216,689
At 30 November 2005	482,443
Amortisation	
At 1 December 2004	78,995
Charge for the year	108,151
At 30 November 2005	187,146
Net book amount	
At 30 November 2005	295,297
At 30 November 2004	186,759

The Company had no intangible fixed assets.

13. TANGIBLE FIXED ASSETS

Group	Computer equipment £	Development software £	Office equipment £	Leasehold improvements £	Total £
Cost					
At 1 December 2004	391,816	112,500	82,243	561,566	1,148,125
Additions	239,681	—	51,591	187,813	479,085
At 30 November 2005	631,497	112,500	133,834	749,379	1,627,210
Depreciation					
At 1 December 2004	184,789	30,279	30,952	68,221	314,241
Charge for the year	132,856	35,325	20,821	100,357	289,359
At 30 November 2004	317,645	65,604	51,773	168,578	603,600
Net book amount					
At 30 November 2005	313,852	46,896	82,061	580,801	1,023,610
At 30 November 2004	207,027	82,221	51,291	493,345	833,884

The Company had no tangible fixed assets.

14. FIXED ASSET INVESTMENTS

Interests in Group undertakings

	Company £
Cost at 1 December 2004 and 30 November 2005	452,047

INTERESTS IN GROUP UNDERTAKINGS

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of shares held by the Group
Amino Holdings Limited	England and Wales	Ordinary shares of 1p each	100%
Amino Communications Limited	England and Wales	Ordinary shares of £1 each	*100%
Amino Communications L.L.C.	Delaware, USA	Ordinary shares of \$1 each	*100%
Amino Communications Employee Benefit Trust	England and Wales	Ordinary shares of £1 each	*100%

*indirectly held

All of the above subsidiaries are included within the consolidated financial statements of Amino Technologies plc for the year ended 30 November 2005 and the eleven month period ended 30 November 2004.

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

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

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

The principal activity of Amino Communications Employee Benefit Trust is to enable a number of shares in the Company to be held by the trustees of the scheme for the benefit of the employees and former employees of the Company and its subsidiaries and their relations and dependants, 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.

15. STOCKS

Group	As at 30 November 2005 £	As at 30 November 2004 £
Raw materials	413,974	516,299
Finished goods	1,046,782	845,040
	1,460,756	1,361,339

The Company has no stock.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

16. DEBTORS

	Group		Company	
	As at 30 November 2005 £	As at 30 November 2004 £	As at 30 November 2005 £	As at 30 November 2004 £
Amounts falling due after more than one year:				
Other debtors	190,898	161,563	—	—
Amounts owed by Group undertakings	—	—	21,934,975	6,629,360
Amounts falling due within one year:				
Trade debtors	10,356,334	3,602,001	—	—
VAT recoverable	36,871	56,232	—	—
Deferred tax (see note 21)	1,719,000	1,719,000	—	—
Other debtors	6,958	23,196	—	—
Prepayments and accrued income	727,436	727,132	—	—
	12,846,599	6,127,561	—	—

Other debtors comprise rent deposits.

Amounts owed to the parent company are unsecured, interest free and repayable on demand, however the parent company has for a period of not less than two years from the date of approval of these financial statements.

17. SHORT-TERM INVESTMENTS

	As at 30 November 2005 £	As at 30 November 2004 £
Group		
Short-term investments	430,000	430,000

Short-term investments comprise bank and similar deposits that are not repayable on demand.

The Company has no short-term investments.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 30 November 2005 £	As at 30 November 2004 £
Group		
Bank loans and overdrafts	—	6,144
Other loans	42,623	35,082
Trade creditors	1,100,453	1,377,088
Taxation and social security	166,029	163,342
Corporation tax	48,171	48,171
Other creditors	—	644
Accruals and deferred income	607,305	675,014
	1,964,581	2,305,485

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of Amino Communications Limited.

The Company has no creditors falling due in less than one year.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group As at 30 November 2005 £	Group As at 30 November 2004 £	Company As at 30 November 2005 £	Company As at 30 November 2004 £
Other loans	71,285	117,281	—	—
Amounts owed to Group undertakings	—	—	1,001,097	1,222,676

Other loans comprise unsecured borrowings from a third party at a fixed interest rate of 4.56%.

Amounts owed to subsidiaries are unsecured, interest free and repayable on demand, however Amino Holdings Limited has of these financial statements.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

Borrowings are repayable as follows:

Group	As at 30 November 2005 £	As at 30 November 2004 £
Other loans		
Between one and two years	46,557	38,689
Between two and five years	24,728	78,592
	71,285	117,281
On demand or within one year	42,623	35,082
	113,908	152,363

20. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and short-term bank deposits, bank overdraft, confidential invoice finance operations. The main purpose of these financial instruments is to provide finance for the Group's future operations.

The policies for managing each of these risks.

appropriate, the generation of additional cash resources for the Group's operations through financing arrangements for capital assets and through the issue of shares and debt instruments.

These statements these instruments have included both debt and equity shares.

Short-term debtors and creditors have been excluded from all of the following disclosures as permitted by Financial Reporting Standard 13 ("Derivatives and other financial instruments").

INTEREST RATE RISK PROFILE OF THE GROUP'S FINANCIAL LIABILITIES

The interest rate risk profile of the Group's financial liabilities for the period was:

Currency	Total £	Fixed rate financial liabilities £	Financial liabilities on which no interest is paid £
Sterling	158,507	152,363	6,144
At 31 December 2004	158,507	152,363	6,144
Weighted average interest rate (%)	—	4.56	—
Weighted average period for which rate is fixed (years)	—	4.25	—
Sterling	113,908	113,908	—
At 30 November 2005	113,908	113,908	—
Weighted average interest rate (%)	—	4.56	—
Weighted average period for which rate is fixed (years)	—	3.25	—

The Group's maximum overdraft facility is £2,000,000 (2004: £2,000,000) and was withdrawn at 30 November 2005.

All of the Group's creditors falling due within one year (other than bank and other borrowings) are excluded from the above tables either due to the exclusion of short-term items or because they do not meet the definition of a financial liability, such as tax balances.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

20. FINANCIAL INSTRUMENTS (CONTINUED)

INTEREST RATE RISK PROFILE OF THE GROUP'S FINANCIAL ASSETS

Currency	As at 30 November 2005			As at 30 November 2004		
	Cash at bank and in hand £	Short-term deposits £	Total £	Cash at bank and in hand £	Short-term deposits £	Total £
Sterling	10,332,743	430,000	10,762,743	5,191,180	430,000	5,621,180
US dollars	3,204,009	—	3,204,009	510,234	—	510,234
Euro	501,519	—	501,519	298,338	—	298,338
	14,038,271	430,000	14,468,271	5,999,752	430,000	6,429,752

Short-term deposits in sterling were placed with banks on a one-to-six month basis and earned interest at fixed rates between 3% and 5%. Cash at bank earns interest based on relevant LIBOR equivalents.

MATURITY OF FINANCIAL LIABILITIES

The maturity profile of the carrying amount of the Group's financial liabilities, other than short-term trade creditors and accruals was as follows:

	As at 30 November 2005			As at 30 November 2004		
	Debt £	Other financial instruments £	Total £	Debt £	Other financial instruments £	Total £
Within one year or on demand	—	42,623	42,623	6,144	35,082	41,226
Between one and two years	—	46,557	46,557	—	38,689	38,689
Between two and five years	—	24,728	24,728	—	78,592	78,592
	—	113,908	113,908	6,144	152,363	158,507

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL INSTRUMENTS

The fair val

by the fact that all of the financial asset is cash at bank or short-term investment and the financial liabilities are an unsecured loan relating to the business property.

CURRENCY EXPOSURES

The table below shows the extent to which Group companies have monetary assets and liabilities in currencies other than their local currency.

2005 Functional currency of Group operation	Net foreign currency monetary assets/(liabilities)			
	Sterling £	US dollars £	Euro £	Total £
Sterling	10,526,328	6,521,512	772,872	17,820,712
US dollars	—	6,101,296	—	6,101,296
	10,526,328	12,622,808	772,872	23,922,008

2004 Functional currency of Group operation	Net foreign currency monetary assets/(liabilities)			
	Sterling £	US dollars £	Euro £	Total £
Sterling	4,777,684	2,980,176	570,427	8,328,287
US dollars	—	504,349	—	504,349
	4,777,684	3,484,525	570,427	8,832,636

21. DEFERRED TAXATION

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

Group	As at 30 November 2005 amount recognised £	As at 30 November 2005 amount unrecognised £	As at 30 November 2004 amount recognised £	As at 30 November 2004 amount unrecognised £
Tax effect of timing differences because of:				
Difference between capital allowances and depreciation	—	(6,247)	—	2,140
Tax losses carried forward	1,719,000	1,530,995	1,719,000	972,274
Other short-term timing differences	—	29,210	—	13,908
Deferred tax asset (see note 16)	1,719,000	1,553,958	1,719,000	988,322

The Company had no recognised deferred tax or potential unrecognised deferred tax assets/liabilities.

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 period ahead.

22. CALLED-UP SHARE CAPITAL

Company	As at 30 November 2005 £	As at 30 November 2004 £
Authorised		
100,000,000 (2004: 100,000,000) ordinary shares of 1p each	1,000,000	1,000,000
Allotted, called up and fully paid		
58,263,052 (2004: 51,038,052) ordinary shares of 1p each	582,630	510,380

ALLOTTED, CALLED UP AND FULLY PAID

On 14 December 2004, Amino Technologies plc allotted 10,000 ordinary shares of 1p each at par and on 3 February 2005 issued 15,000 ordinary shares of 1p each at 20p per share. Both share issues related to the exercising of non-employee share options.

On 17 May 2005, Amino Technologies plc allotted 7,200,000 ordinary shares of 1p each at 220p per share for cash consideration of £15,840,000 in order to increase the working capital base of the Group and enable it to take advantage of the increased opportunities for growth. The net proceeds of the private placement amounted to £15,305,363 after costs of £534,637.

EMPLOYEE SHARE OPTIONS

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:

	As at 30 November 2005 number	As at 30 November 2004 number
Shares held by the Employee Benefit Trust:		
At start of financial period	3,455,961	4,562,500
Issued	—	937,500
Exercised	(953,696)	(2,044,039)
At end of financial period	2,502,265	3,455,961

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The number of subsisting options are as follows:

	As at 30 November 2005 number	As at 30 November 2004 number
Current and former employees and non-executive directors	3,886,307	4,524,503
Other options granted	118,812	148,812
	4,005,119	4,673,315

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

	As at 30 November 2005 number	As at 30 November 2004 number
Granted:		
Unapproved Share Option Scheme	1,492,938	1,717,193
Enterprise Management Incentive Scheme	1,621,808	2,044,851
Individual share option schemes	771,561	762,459
	3,886,307	4,524,503

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 2004 number	Granted number	Exercised number	Lapsed number	As at 30 November 2005 number	Notes
January 2001	£0.05	143,332	—	(99,999)	—	43,333	(a)
January 2001	£0.60	20,000	—	(20,000)	—	—	(a)
May 2001	£0.05	33,750	—	(33,750)	—	—	(a)
March 2002	£0.77	30,000	—	—	—	30,000	(a)
September 2003	£0.20	1,613,133	—	(1,333)	—	1,611,800	(a)
September 2003	£0.20	583,750	—	(583,750)	—	—	(a)
February 2004	£0.32	1,114,966	—	(198,364)	—	916,602	(a)
May 2004	£0.70	27,352	—	(4,000)	—	23,352	(a)
June 2004	£1.20	325,000	—	(7,500)	(27,500)	290,000	(b)
September 2004	£1.71	62,500	—	—	—	62,500	(c)
November 2004	£2.45	570,720	—	—	(21,000)	549,720	(c)
December 2004	£2.45	—	96,500	—	—	96,500	(c)
April 2005	£2.20	—	262,500	—	—	262,500	(c)
		4,524,503	359,000	(948,696)	(48,500)	3,886,307	

NOTES

(a) Following Amino Technologies plc's admission to the Alternative Investment Market on 9 June 2004, these options have vested in full and are exercisable until expiry, being ten years from date of grant.

(b) Vest in equal tranches on first and second anniversary of date of grant.

(c) Vest in equal tranches on first, second and third anniversary of date of grant.

OTHER OPTIONS IN ISSUE

In addition to those options granted to current and former employees and non-executive directors, the Company has granted options as follows:

118,812 options were granted to KBC Peel Hunt on 27 July 2000 in consideration for services to the Group in connection with a placing of ordinary shares. These options can be exercised at a price of 202p per share for a period of seven years commencing from 9 June 2004, the date of the Company's admission to AIM.

No options (2004: 20,000) were granted to certain third party sales representatives in consideration for services to Amino Communications Limited.

22. CALLED-UP SHARE CAPITAL (CONTINUED)

Date granted	As at 1 December exercise price	2004 number	Exercised number	As at 30 November 2005 number
September 2003	£0.20	30,000	(30,000)	—
		30,000	(30,000)	—

23. RESERVES

Group	Share premium account £	Merger reserve £	Profit and loss account £	Total £
As at 1 December 2004	6,571,027	16,388,755	(10,792,070)	12,167,712
Share issues	15,768,000	—	—	15,768,000
Expenses of equity share issues	(534,637)	—	—	(534,637)
Profit for the financial year	—	—	63,914	63,914
Exchange differences on consolidation	—	—	(22,383)	(22,383)
Exercise of employee share options	2,850	—	221,479	224,329
As at 30 November 2005	21,807,240	16,388,755	(10,529,060)	27,666,935

Company	Share premium account £	Profit and loss account £	Total £
As at 1 December 2004	6,571,027	(1,222,676)	5,348,351
Share issues	15,768,000	—	15,768,000
Expenses of equity share issues	(534,637)	—	(534,637)
Loss for the financial year	—	(2,848)	(2,848)
Exercise of employee share options	2,850	221,479	224,329
As at 30 November 2005	21,807,240	(1,004,045)	20,803,195

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	Year to 30 November 2005 £	11 months to 30 November 2004 £	Year to 30 November 2004 £	11 months to 30 November 2004 £
Opening shareholders' funds	12,678,092	4,402,230	5,858,731	—
Profit/(loss) for the period	63,914	1,327,863	(2,848)	—
Exchange differences on consolidation	(22,383)	(36,185)	—	—
Issue of ordinary share capital – capital	72,250	67,708	72,250	510,380
Issue of ordinary share capital – share premium	15,768,000	6,941,666	15,768,000	6,941,666
Issue of ordinary share capital to Employee Benefit Trust	—	(300,000)	—	(1,577,500)
Expenses of share issue	(534,637)	(370,639)	(534,637)	(370,639)
Exercise of employee share options	224,329	354,824	224,329	354,824
Movement on merger reserve	—	290,625	—	—
	28,249,565	12,678,092	21,385,825	5,858,731

INVESTMENT IN OWN SHARES

Offset within the Group profit and loss reserve at 30 November 2005 is an amount of £1,001,197 (2004: £1,222,676) representing the cost of own shares held.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

25. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES.

Group	Year to 30 November 2005 £	11 months to 30 November 2004 £
Operating (loss)/profit	(339,575)	46,526
Depreciation and amortisation charge	397,510	154,834
(Increase) in stocks	(99,417)	(1,129,292)
(Increase) in debtors	(6,748,373)	(3,085,128)
(Decrease)/increase in creditors	(342,301)	212,959
Exchange differences on consolidation	(22,383)	(36,185)
Net cash outflow from continuing operating activities	(7,154,539)	(3,836,286)

26. ANALYSIS OF NET FUNDS

Group	As at 1 December 2004 £	Cash flow £	As at 30 November 2005 £
Cash at bank and in hand	5,999,752	8,038,519	14,038,271
Short-term investments	430,000	—	430,000
Bank loans and overdrafts	(6,144)	6,144	—
Net funds	6,423,608	8,044,663	14,468,271

27. OPERATING LEASE COMMITMENTS

At 30 November 2005, the Group was committed to make the following annual payments under non-cancellable operating leases:

Group	Land and buildings 2005 £	Other 2005 £	Land and buildings 2004 £	Other 2004 £
Leases which expire within one year	—	—	—	20,528
Leases which expire within two and five years	55,000	—	19,000	2,820
Leases which expire after five years	325,000	—	235,000	—
	380,000	—	254,000	23,348

The Company has no operating lease commitments.

28. CONTINGENT LIABILITIES

Amino's products incorporate third party technology, usually under licence. Inadvertent actions may expose Amino or 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.

29. PENSION COMMITMENTS

The Group's pension charge for the year was £126,234 (eleven months 2004: £67,599). There are no pension amounts (2004: £nil) included in accruals and deferred income at 30 November 2005.

30. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year that require disclosure (2004: £nil).

31. CAPITAL COMMITMENTS

No capital expenditure was committed as at 30 November 2005 (2004: £nil).

32. POST BALANCE SHEET EVENTS

On 20 January 2006, the Company purchased 100% of the issued share capital of SJ Consulting Limited for a total consideration of approximately £1.3m. The Company operates in the UK providing network software and systems solutions.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Amino Technologies plc will be held at the offices of KBC Peel Hunt, 111 Old Broad Street, London EC2N 1PH on Thursday, 27 April 2006 at 10:00 a.m. to transact the following business.

Resolutions 1 to 6 inclusive will be proposed as ordinary resolutions. Resolutions 7 to 9 inclusive will be proposed as special resolutions.

1. To receive the audited financial statements of the Company for the year ended 30 November 2005, and the Directors' report and the Auditors' report on those financial statements.
2. To receive the Remuneration Report of the Company for the year ended 30 November 2005.
3. To re-appoint Robert Giddy, who retires as a director by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint Paul Fellows, who was appointed a director by the board after the previous Annual General Meeting and so, pursuant to the Company's Articles of Association, is to stand for reappointment.
5. To re-appoint PricewaterhouseCoopers LLP as the auditors of the Company and to authorise the directors to fix their remuneration.
6. That the directors of the Company be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ("the Act") to allot any relevant securities (as defined in section 80(2) of the Act) of the Company up to an aggregate nominal amount of £200,000 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company or fifteen months from the date of this meeting, whichever is the earlier, save that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority, and the directors may allot any such securities pursuant to such offer or agreement as if such authority had not expired; and all prior authorities to allot securities be revoked, but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

To propose the following as special resolutions:

7. That the directors of the Company be granted power pursuant to section 95 of the Act to allot securities (within the meaning of the Act did not apply to any such allotment provided that this power shall be limited to:
 - (i) the allotment of equity securities in connection with a rights issue, open offer or other offers of securities in favour of the holders of ordinary shares in the Company on the register of members at such record dates as the directors of the Company may determine and other persons entitled to participate therein where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares in the Company held or deemed to be held by them on any such record dates, subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any other regulatory body or stock exchange or by virtue of shares being represented by depository receipts or any other matter whatever; and
 - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) to any person or persons of equity securities up to an aggregate nominal amount of £58,000.

This power shall expire at the conclusion of the next Annual General Meeting of the Company or fifteen months from the date of this meeting, whichever is the earlier, unless previously varied, revoked or renewed by the Company in general meeting provided that the Company may, before such expiry, make any offer or agreement which would or might require securities to be allotted after such expiry and the board may allot securities pursuant to any such offer or agreement as if the power conferred had not expired; and all prior powers granted under section 95 of the Act shall be revoked provided that such revocation shall not have retrospective effect.

8. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Act) of up to an aggregate of 5.8m ordinary shares of 1p each in the Company at a price per share (exclusive of expenses) of not less than 1p and not more than 5 per cent above the average of the market quotations for such an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the date of purchase, such authority to expire at the conclusion of the next Annual General Meeting of the Company, unless renewed, varied or revoked by the Company in general meeting before such expiry, save that the Company may purchase any such shares at any later date where such purchase is pursuant to any contract made by the Company before the expiry of this authority.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

9. That the Company's Articles of Association be amended by deleting Article 140 and replacing it with the following:

"140 Indemnity

Subject to and to the fullest extent permitted by the Act, but without prejudice to any indemnity to which he may be otherwise entitled:

- (a) every director and alternate director shall be entitled to be indemnified out of the assets of the Company against all costs and liabilities incurred by him in relation to any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as a director or alternate director save that no director or alternate director shall be entitled to be indemnified:
- (i) for any liability incurred by him to the Company or any associated company of the Company (as defined by the Act for these purposes);
 - (ii) for any fine imposed in criminal proceedings which have become final;
 - (iii) for any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising;
 - (iv) for any costs for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final;
 - (v) for any costs for which he has become liable in defending any civil proceedings brought by the Company or an associated company in which a final judgment has been given against him; and
 - (vi) for any costs for which he has become liable in connection with any application under section 144(3) or (4) or 727 of the Act in which the court refuses to grant him relief and such refusal has become final.
- (b) every director and alternate director shall be entitled to have funds provided to him by the Company to meet expenditure incurred or to be incurred in any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a director or alternate director, provided that he will be obliged to repay such amounts no later than:
- (i) in the event he is convicted in proceedings, the date when the conviction becomes final;
 - (ii) in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or
 - (iii) in the event of the court refusing to grant him relief on any application under sections 144(3) or (4) or 727 of the Act, the date when the refusal becomes final".

24 March 2006

By order of the board



STUART DARLING
SECRETARY

REGISTERED OFFICE:
PROSPECT HOUSE, BUCKINGWAY BUSINESS PARK,
ANDERSON ROAD, SWAVESEY, CAMBRIDGE CB4 5UQ
REGISTERED IN ENGLAND & WALES NUMBER 5083390

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. A m . A proxy need not be a member of the Company.
2. A form o under whi 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time of the meeting or adjourned meeting as the case may be. and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting.
3. In accorda of the Company as at 10:00 a.m. on Wednesday, 26 April 2006 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 10:00 a.m. on Wednesday, 26 April 2006 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. The regi conclusion of the Annual General Meeting.
5. Copies of service contracts of the directors with the Company will be available for inspection at the registered office of the Company during normal business hours, and will also be available at the venue of the Meeting for at least 15 minutes prior to and until the conclusion of the Meeting.

FORM OF PROXY

I/We (see note 1)

of

(Block capitals please)

being a member/members of Amino Technologies plc appoint the Chairman of the Meeting or (see note 2)

..... Of

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company Amino Technologies plc will be held at the offices of KBC Peel Hunt, 111 Old Broad Street, London EC2N 1PH on Thursday, 27 April 2006 at 10:00 a.m. and at any adjournment thereof:

Please indicate with an X in the spaces provided how you wish your votes to be cast on the resolution specified.

Resolutions	For	Against
1. To receive and adopt the accounts and the reports of the Directors and auditors for the year ended 30 November 2005		
2. To receive the Remuneration Report of the Company for the year ended 30 November 2005		
3. The re-election of Robert Giddy as a director		
4. The re-election of Paul Fellows as a director		
5. The re-appointment of the auditors and determination of the auditors' remuneration		
6. Authority to allot shares generally		
7. Limited authority to allot shares for cash		
8. Limited authority to purchase shares		
9. Amend Articles of Association		

Sub

Signature(s)..... Dated this day of2006

NOTES:

1. Pleas name(s) of the other joint holder(s).
2. If you so desire you may delete the words "Chairman of the Meeting" and insert the name and address of your own choice of proxy who need not be a member of the Company. Please initial such alteration.
3. To be valid this Proxy Form must be deposited at Capita Registrars, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours prior to the Meeting.
4. A corporation must execute this form of proxy under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. If this Proxy Form is executed under a power of attorney or other authority, such power of attorney or other authority or a certified copy thereof must be lodged with the Company along with the Proxy Form.
6. In determined by the order in which the names stand in respect of the joint holding in the Register.
7. Completion and return of the Proxy Form does not preclude a member from attending and voting in person at the Meeting.

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BUSINESS REPLY SERVICE
Licence No. SWB 1002



**CAPITA REGISTRARS
34 BECKENHAM ROAD
BECKENHAM
KENT BR3 4TU**

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CONTACT DETAILS

HEAD OFFICE

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Research and Development Centre
Operations

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Sales and Customer Support – Asia-Pacific

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