Amino Technologies plc
Prospect House
Buckingway Business Park
Anderson Road
Swavesey
Cambridge CB24 4UQ
Tel: +44 (0)1954 234100
Fax: +44 (0)1954 234101
info@aminocom.com
www.aminocom.com

Amino Technologies plc Annual report and accounts 2007

Shaping IPTV

Amino Technologies plc
Annual report and accounts 2007

Corporate statement

Amino Technologies plc (www.aminocom.com) specialises in IPTV software technologies and hardware platforms that enable delivery of digital programming and interactivity over IP networks, including the Internet.

Our AmiNET™ series of small, low cost, high functionality Set-Top Boxes (STBs) offer the full range of specification required; MPEG-2 and MPEG-4 (Moving Picture Encryption Group) encoding standards, Standard Definition (SD) and High Definition (HD) TV, Personal Video Recording (PVR) and home networking. The high performance coupled with the innovative design of Amino's STBs has brought the series industry accolades and the Company a leading position within the Internet Protocol Television (IPTV) market.

Amino's technologies have been used in commercial deployments and trials in over 80 countries worldwide. Amino's principal customers are telecommunications, broadcast and hospitality service operators.

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

Contact details

Head office
Sales and customer support EMEA
Research and development centre
Operations

Amino Technologies plc
Prospect House
Buckingway Business Park
Anderson Road
Swavesey
Cambridge CB24 4UQ
Tel: +44 (0)1954 234100
Fax: +44 (0)1954 234101

Sales and customer support
North and South America

Amino Communications LLC
3625 Brookside Parkway
Suite 150
Alpharetta GA 30022
Tel: +1 678 636 6000
Fax: +1 678 636 6001

designed and produced by
the design portfolio marketing services.
www.design-portfolio.co.uk

Highlights

→ Amino has achieved a strong turn-round to profitability, building on the Group's core strengths within the IPTV technology sector.

→ The financial results for the year were:

- revenue increased 27% to £32.3m (2006: £25.4m).
- gross margin remained solid at 35.1% (2006: 36.3%).
- operating profit turned round by £2.82m to £0.65m (2006: operating loss of £2.17m) reflecting strong growth and reduced costs.
- profit before tax was £1.4m (2006: loss before tax £1.6m as restated).

→ Balance sheet remains strong and net cash increased by £3.1m to £17.0m (2006: £13.9m).

→ Shipments of AmiNET™ products for the period increased 45% to 598,000 (2006: 413,000).

→ Since the year end, the Board has been strengthened with the appointment of Peter Murphy as a Non-executive Director.

Turnover
£32.3m
(2006: £25.4m)

Gross margin
35.1%
(2006: 36.3%)

Shareholders' funds
£29.0m
(2006: £26.8m)

Gross profit
£11.3m
(2006: £9.3m)

Profit before tax
£1.4m
(2006: loss of £1.6m)

Earnings per share
4.1p
(2006: loss of 2.8p)

At a glance
Our opportunity

The IPTV market is developing rapidly. Whereas, the traditional STB market is forecast by ABI Research to grow by 6%, the IPTV STB market is expected to grow by 37% per annum for the foreseeable future. The nature of the proposition is also maturing, with consumers worldwide demanding control over their viewing habits and making 'on-demand' a crucial part of any television proposition. Early IPTV implementations tended to emulate the broadcast television environment and just used the Broadband connectivity as an alternative distribution media. Today however most IPTV providers are either looking to, or have added, Video-on-Demand (VoD) to their offering and starting to add interactivity alongside the traditional broadcast format.

As the consumer proposition gets more complex then the Graphical User Interface (GUI) needs to innovate more and more. As large, compelling libraries of content are offered and new interactive applications are added alongside that content, then the STB must display a simple but effective interface which drives customer uptake of these value-added services. The analysis of consumption has been standard in the grocery sector for years and this retailing/merchandising approach is beginning to become critical in the on-demand entertainment delivered through these GUIs.

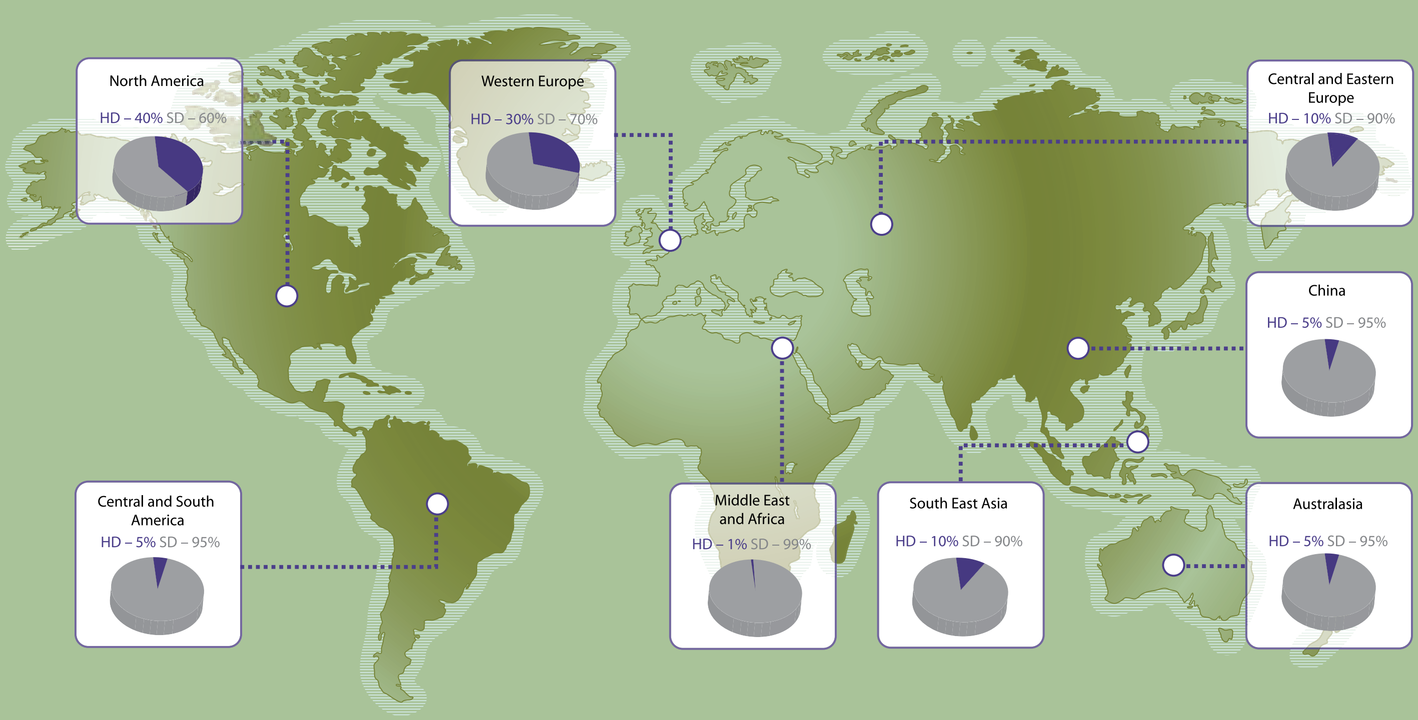
Another interesting trend is the source of the content delivered to the television set. Traditionally all the content has been licensed, prepared and delivered by the IPTV provider but a new hybrid service is emerging where that content is originating both from the provider and the open Internet from providers such as YouTube.

HD is clearly an important, emerging trend and advances in CODECs and transmission protocols are enabling HD IPTV to become a reality.

All this activity bodes very well for Amino with our standards-based approach, our excellent integration expertise, our award-winning design, our partnering heritage, our unique understanding of the IP communication environment, our HD leadership and our proven ability to innovate.

Andrew Burke
Non-executive Director at Amino

Amino internal view of near-term global Pure IPTV demand for HD and SD



Our partners

System integrators Alcatel-Lucent, Iskratel, NEC, Nortel, SES Americom, Siemens

Video servers Anevia, BitBand, C-COR, Concurrent, EONA, GoBackTV, Infovalue, Kasenna, SeaChange, Streaming21

Encoders Adtech Digital, Digital Media Projects, Envivio, HaiVision, Harmonic, Minerva Networks, Optibase, Scopus, Tandberg Television, Tut Systems

Access partners Allied Telesis , Alloptic, Calix, Entrisphere, Occam Networks, Pannaway, Zhone

Conditional access Conax, CyphaWare, Irdeto, Latens, Nagravision, NDS, SecureMedia, Verimatrix, Viaccess, Widevine

Middleware Alcatel-Lucent, Dreampark, EONA, Kasenna, Minerva Networks, Netris Northport, Nokia Siemens Network, Orca Interactive, SeaChange, Thomson

Technology partners Accedo Broadband, Airgo , ANT, Dolby, Espial, G-cluster, Narrowstep, Opera Software, ReadyLinks, Ruckus Wireless

Our products

AmiNET110

The AmiNET110 is a compact and elegant MPEG-2 STB for IPTV and VoD applications. With an Ethernet input and flexible audio/video output, together with S/P-DIF and an RF Modulator output, the STB provides an elegant and powerful means of delivering sophisticated interactive digital television including multicast and VoD along with Internet access.

AmiNET125 – Telco TV

The AmiNET125 is a multi-codec Ethernet STB designed for IPTV and VoD applications. The advanced, low-cost chipset features a combined programmable codec DSP and host processor. This enables development of new services to increase revenue per subscriber while offering protection against changing standards. With an Ethernet input and highly flexible audio and video outputs, the AmiNET125 provides an elegant and powerful means of delivering sophisticated, interactive digital television including multicast, VoD and Internet access.

AmiNET125 – Internet TV

The AmiNET125 also brings Internet TV from the PC to TV using Windows Media 9 and the Opera Internet Browser. Internet TV is an exciting development within the IPTV paradigm championed by Amino. IPTV enables telecom providers to deliver video entertainment to customers via secure IP-based channels. Internet television diverges from this ‘closed network’ architecture by utilising the existing web based framework to provide video content to the consumer directly via a standard Broadband connection. Internet TV could supplement traditional mainstream channels with a portal providing niche or ‘long tail’ content. Other features include sharing photos, music and video which are implemented on the AmiNET125 using the Orb Networks Mycast™ software.

AmiNET130

The AmiNET130 is an MPEG-4/H.264, MPEG-2 HD STB designed for IPTV and VoD. This allows operators to grow revenue generating services by enhancing the viewing experience with HD channels, reaching a greater number of subscribers and increasing the number of available interactive and multicast channels. With HDMI output as well as flexible digital and analogue audio and video outputs, the AmiNET130 provides a future proof solution for delivering interactive digital television and services such as the world’s first HD gaming application.

AmiNET530

The AmiNET530 is a MPEG-4/H.264, MPEG-2 HD IP PVR STB. The addition of advanced IPTV functionality such as PVR, pause-live-TV and pushed content models are a key factor in growing the customer base and reducing churn as well as creating additional revenue opportunities for the operator.

AmiNET110H

The AmiNET110H is an MPEG-2 SD IP STB specifically designed for deploying IPTV and VoD into hospitality and enterprise environments. The combination of a robust enclosure, a second Ethernet port for laptop access, flexible APIs and the ability to control TVs provides a powerful solution that is easily customised, reduces installation costs and minimises ongoing management.

AmiNET130H

The AmiNET130H is a MPEG-4/H.264, MPEG-2 HD IPTV STB specifically designed for deploying IPTV and VoD into premium hospitality and enterprise environments. Being the first hospitality single-chip STB that supports HD video and graphics and low bit-rate codecs, the AmiNET130H provides a future proof solution for delivering digital interactive TV and services within the hospitality market.

Chairman's report

> "Amino is well-placed to exploit this market as the MPEG-4 HD growth accelerates. Today, Amino continues to grow successfully through the delivery of MPEG-2 and MPEG-4 SD products."

Introduction

I am pleased to announce a year of strong progress and profits for the year ended 30 November 2007, building on the Group's historic strengths to deliver our business plan for the year.

The Group has a number of core strengths including a very strong position in the Tier 2 and Tier 3 Telco IPTV market, global distribution channels, a low cost manufacturing supply chain and a very strong brand. These strengths have stood us in good stead over the past year, enabling the Group to increase revenues, gross margins and deliver the profit improvement.

Results and finance

Revenue for the year increased 27% to £32.3m (2006: £25.4m) and the revenue from the top 20 accounts, which account for over 92% of the revenues was up 34% to £30.0m (2006: £22.4m). The bulk of revenues in the year were based on sales of established MPEG-2 products with the newer MPEG-4 products beginning to contribute to sales in the latter part of the year. At the same time as increasing both revenue and gross profit, the Group reduced its operating cost base during the year by 7% to £10.7m (2006: £11.4m). The Group generated a profit before tax of £1.4m (2006: loss of £1.6m).

The Group net cash increased to £17.1m as at 30 November 2007 (2006: £14.0m).

Strategy and competitive market position

Our core strategy is proving successful and will be maintained into 2008; Amino will continue to exploit the emerging IPTV market, especially within the Tier 2 and 3 Telcos which are deploying IPTV first and to progressively address the total market including Tier 1 participants through direct selling and partnerships. While breaking into the Tier 1 Telco remains an important objective, Amino has a successful, growing business within the Tier 2 and Tier 3 marketplace. In fact as the Broadband market continues to develop, the power of the Tier 1 Telco's to 'control' access to the customer is reducing. This will lead to additional opportunities for Amino in the so called Tier 2/3 markets as these emerging Telco's develop their IPTV strategies.

The Board is evaluating additional strategic initiatives that are complementary to the core strategy to further accelerate the growth of the business in the medium-term that will exploit the knowledge and assets that Amino has created and invested in over the past few years in delivering over 1.5m STBs to over 1,800 customers. While the bulk of annual revenues are generated by our top 20 customers, the large number of other customer represent the 'seed corn' for future revenues as well as giving Amino access to the wider market.

The market today continues the transition from MPEG-2 to MPEG-4 technologies which offer greater data compression and reduced requirement for Internet bandwidth.

> Reinforcing our established reputation for combining technical innovation with sleek and elegant design, in 2007 Amino secured yet another important industry – the CSI IPTV Product of the Year award.

Amino's market will be underpinned by the continuing demand for MPEG-2 products and supplemented by the emerging MPEG-4 market opportunity for both SD and HD products. The full development of the MPEG-4 HD market is dependent on sufficient network capacity becoming available. As evidenced in the US, networks ideally need to be able to deliver multiple HD streams as consumers generally have more than one TV in the home. Amino is well-placed to exploit this market as the MPEG-4 HD growth accelerates. Today, Amino continues to grow successfully through the delivery of MPEG-2 and MPEG-4 SD products.

Amino's partnerships have progressed across Asia during the year; not just as direct revenue opportunities but also as additional sources for manufacturing products.

Operational delivery

The Group operates in a highly dynamic market-place that is still evolving. Different regions of the world are adopting different combinations of suppliers to fulfil the whole service requirements; the roll-out of MPEG-4 SD and HD is occurring at varied speeds and with different priorities. This leads to significant complexity and 'supply side' cost. The extensive customer base that Amino has, helps gives us a unique insight into what is actually happening in the market.

All companies face specific execution risks in such rapidly developing markets. These risks fall into three areas: sales, technology and supply. The Board and executive are continuing to undertake reviews of aspects of these to reduce or mitigate the risks. The Amino Board and executive are well-placed to benefit from its 2007 experience and further improve the Group's execution capability.

Board

The Non-executive representation on Amino's Board has been further re-constituted over the past month with a view to providing a structure and the skills to take Amino through its next phase of growth.

In that context, I was pleased to announce the appointment of Peter Murphy as a Non-executive Director and Chairman of the Audit Committee. Andrew Burke, who was appointed as a Director last year, has been appointed Chairman of the Remuneration Committee.

I would like to thank Olivier Hopkes, who has stepped down from the Board, for all his assistance over the past 15 months in helping Amino get onto a profitable growth path.

Staff

The Company could not have achieved this progress without the knowledge, skill and energy of the executive team and entire staff. The Board and I would like to thank them for their continued commitment to the development of Amino.

Outlook

The Board believes that Amino is well-placed to continue to grow and to maintain a leadership position in IPTV, a market still in its early stages of growth. We are working to further improve the financial performance of the business, balancing investment with growth in order to establish sustained profitability.

Keith Todd.

Keith Todd CBE
Non-executive Chairman
25 January 2008

Chief Executive's report

"…we have grown revenues, sustained our gross margins, increased profit and maintained our position of being a market and technology leader…"

Introduction

At the start of the year, we set ourselves and have achieved, the key objectives of maintaining our business momentum while at the same time reducing the levels of risk. By focusing upon our core strengths, we have grown revenues, sustained our gross margins, increased profit and maintained our position of being a market and technology leader as evidenced by a very impressive list of 'Industry Firsts'.

IPTV is still evolving. The transition to MPEG-4, particularly HD, has and will continue to be a challenge until all aspects of the related technologies stabilise. This will take time and will be influenced by industry consolidation. Amino, by virtue of having demonstrated its competence, organisational stability, financial strength and technology leadership, is well-placed to take advantage of the many benefits that this should bring.

Achievements

Whilst the Group has been focused and dedicated to bringing a range of MPEG-4 HD products to the market, we were delighted to have achieved:

→ February: deployment of Switzerland's first Fibre To The Home (FTTH) solution with Sierre Energie.

→ October: MPEG-4/H.264 certification (the first MPEG-4 HD STB to meet the Premium Conformance standards).

> Assembling effective end-to-end IPTV solutions has proven to be a challenge for service providers, and yet Amino has participated in an unrivalled number of successful IPTV integrations, with over 160 commercially deployed volume customers in 80 countries.

- October: first deployment of a combined MPEG-4 HD Satellite and IPTV service in North America with NDS and SES Americom.
- November: membership of Open IPTV Forum by their invitation.

In addition to the achievements within our core expertise, Amino has continued to innovate in its markets and applications, for example:

Launched:
- May: in partnership with Orb Networks, delivery of personal and Broadband media to TV screen.
- August: truly interactive application with Accedo Broadband in North America.
- October: first ever Wireless IPTV deployment (Chile).
- December: first IPTV deployment in Central America.

Our market

These events have contributed to Amino being recognised by ABI Research as the IPTV market leader for the third consecutive year. Whilst the statistics in this or indeed any other report, cannot be taken as an absolute statement of fact, it is independent validation that Amino has continued to apply and direct its resources and efforts in the execution of realisable business that has brought measurable rewards.

From 2004 through to 2008 Amino's revenues grew 51% (Compound Annual Growth Rate); this is consistent with market growth reported by both ABI Research and IMS Research.

Strategy environment and direction

We intend to continue to expand and build upon our strong sales channels in the Americas, Western and Eastern Europe, India and China. These channels have enabled Amino to become a market leader.

Together with committed partners such as WNC Wistron (WNC), we are targeting the Tier 1 Telcos with our new MPEG-4 products. WNC have the proven capacity, infrastructure, reach and experience to satisfy the service criteria that is common to most Tier 1 Telcos. However, many Tier 1 Telcos are slow to commit whilst they seek to close the gap between the Broadband bandwidth required for IPTV and the capacity of their existing networks.

The market has developed so far with IPTV solutions built from individual product components including head end, middleware, conditional access, browser and STB, each selected from one of a number of suppliers. When integrated, these products form the complete solution. We refer to this as the 'eco-system'. While these ad-hoc technology and business relationships (eco-systems) have been chosen by many Tier 2 and Tier 3 Telcos, the larger Tier 1 Telcos usually look for a complete solution.

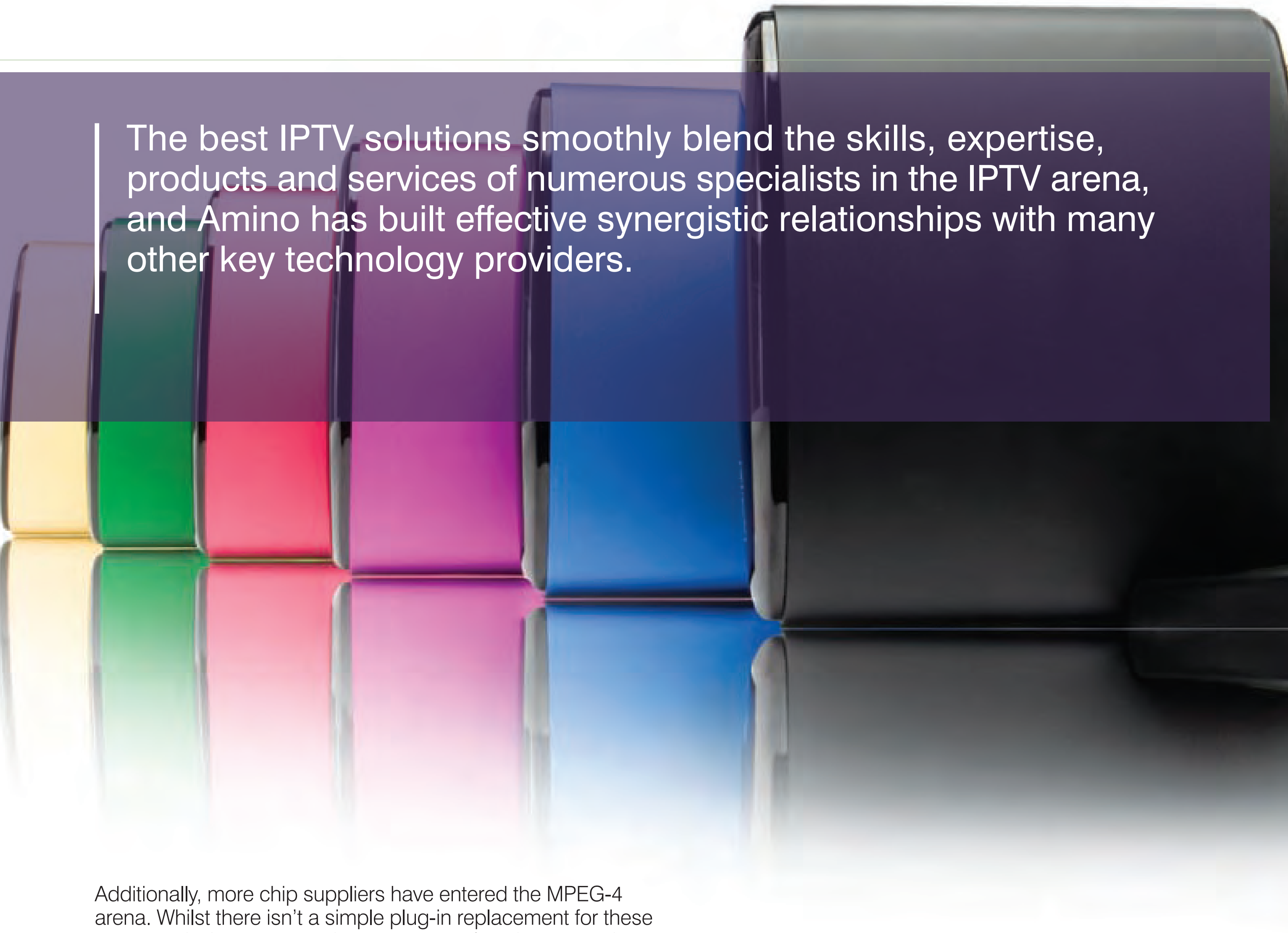
Chief Executive's report (continued)

"…our business development is not dependent upon any one application, customer, region, partner, channel or supplier, thus we have built a very strong, sustainable platform for continued profitable growth."

Strategy environment and direction (continued)
Amino is planning to use its considerable integration skills, business relationships and market knowledge to offer a fully-packaged solution when desired. This will lower the customers' cost of ownership whilst increasing Amino's added value and strengthening its competitive position.

During 2007 we introduced a product for Internet TV. Whilst we have not enjoyed any significant revenues from this product; we have benefited from demonstrating our vision and innovation. Internet TV is becoming known as 'Over the Top TV'. It supplements IPTV 'the walled garden' and is widely forecast to become increasingly popular. It allows the consumer to enjoy the classic television experience and mix the conventional scheduled, sports and movie programmes with personalised video blogs. Amino is able to provide the 'gate' that opens up the 'walled garden' without breaching security or prejudicing viewing quality. As with IPTV, we are well-placed to exploit this opportunity together with the early adopters of 'Over the Top TV'.

Risk reduction
We have achieved the critical mass that gives us greater control over our supply chain. We now have three suppliers (contract or licensed manufacturers) for our products and are no longer dependent upon any one supplier for any given product. In addition to lowering the risk, this has enabled us to maintain the competitiveness of our supply chain.



The best IPTV solutions smoothly blend the skills, expertise, products and services of numerous specialists in the IPTV arena, and Amino has built effective synergistic relationships with many other key technology providers.

Additionally, more chip suppliers have entered the MPEG-4 arena. Whilst there isn't a simple plug-in replacement for these complex devices, we are able to secure a functionally equivalent product that reduces our exposure to any one supplier.

Market prospects

There are continual references in the media to the rapidly changing viewing patterns of today's consumers. The common thread to these articles is that flexible, interactive viewing that can only be achieved through services delivered over Broadband.

Amino continues to be at the very heart of IPTV and Internet TV. The Group provides an exciting and motivating environment for our staff and a huge opportunity for revenue growth, both organic and through acquisition. Moving forward, we have created a solid, sustainable base for development which is not dependent upon any one application, customer, region, partner, channel or supplier.

Bob Giddy
Chief Executive Officer
25 January 2008

Finance Director's report

"…partnership agreements announced at the start of the year have helped Amino to address key emerging markets such as China, Asia Pacific and India…"

Operating costs (£m)

Average headcount

Net interest received (£m)

Results for the year

As indicated in my report last year, the Group's focus in FY2007 has been to improve profitability by increasing gross profit generated whilst reducing fixed operating cost. I am pleased to report that this was achieved.

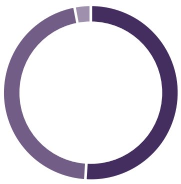
Revenue increased by 27.0% to £32.25m (2006: £25.45m) from the sale of 598,000 (2006: 413,000) STBs and associated engineering consultancy, support services revenue and licence income. Whilst approximately 96% of revenues were generated from STB sales, partnership agreements announced at the start of the year have helped Amino to address key emerging markets such as China, Asia Pacific and India generating £0.86m of licence and royalty income in a cost-effective manner.

Growth in revenue and gross profit has been adversely affected by the continued weakness in the US Dollar against Sterling because the substantial majority of sales and cost of sales are transacted in US Dollars. The value of the US Dollar against Sterling decreased by approximately 5% during the year.

Gross margins remain healthy at 35.1% (2006: 36.3%) contributing to an increase in gross profit of 22.3% to £11.31m (2006: £9.25m).

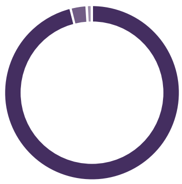
Operating expenses reduced by 7% to £10.66m (2006: 11.43m) despite continued essential investment in the market transition from MPEG-2 to MPEG-4 technologies. Sales, general and administrative expenses reduced by £0.58m to £7.41m (2006: £8.00m), research and development expenses were largely unchanged at £3.24m (2006: £3.42m). At the year end, headcount was 100 (2006: 103). The average number of employees during the year was 107 (2006: 113).

Turnover by destination



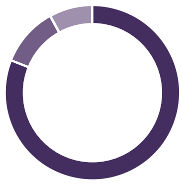
- UK, Europe and Africa 51%
- Americas 46%
- Asia Pacific 3%

Turnover by type



- Product fees 96%
- Licence fees 3%
- Support fees 1%

Units shipped



- MPEG-2 81%
- MPEG-4 SD 11%
- MPEG-4 HD 8%

The Board plans to increase headcount and operating expenses by 10–15% in FY2008 to support the market transition from MPEG-2 to MPEG-4 technologies and expected continued growth in business activity.

The Group generated an operating profit for the year of £0.65m (2006: loss of £2.17m) despite incurring an operating loss of £0.64m in the first half. The improved performance achieved in the second half demonstrates productivity gains achievable from higher volumes.

Net interest received during the year was £0.74m (2006: £0.54m).

The Group received research and development tax credits of £0.93m in the year in respect of expenditure incurred in FY2005 and FY2006.

Net assets which increased by £2.21m to £29.05m (2006: £26.84m), provide the Group with a strong working capital base. The primary components of net assets are net cash balances of £17.07m (2006: £13.97m), trade debtors of £9.64m (2006: £7.61m) and stock of £2.66m (2006: £3.81m). The increase in net assets largely reflects operating profit generated, net interest receivable and research and development tax credits received during the year.

Whilst representing approximately 30% of revenues in the year, 90% of trade debtors of £9.64m (2006: £7.61m) were invoiced in October and November 2007 reflecting the Group's traditionally strong fourth quarter.

As at 30 November 2007, the Group had approximately £12m of tax losses available to carry forward to set against future taxable profits, of which losses of £6m are recognised by the deferred tax asset of £1.72m and £6m remains unrecognised.

Amino completed a reduction of capital in the year and ended the year with distributable reserves of £20.28m from which dividends may be paid when considered appropriate.

The Group has a strong balance sheet with assets primarily made up of cash and trade debtors. The research and development investments made in the previous three years in developing MPEG-4 STB technologies should generate revenues and gross profits in the years ahead. Future profits are expected to be sheltered by the considerable tax losses carried forward.

Stuart Darling
Finance Director
25 January 2008

Directors and advisors

Keith Todd
Non-executive Chairman and Director

Bob Giddy
Chief Executive Officer

Stuart Darling
Finance Director and Company Secretary

Andrew Burke
Non-executive Director

Colin Smithers
Non-executive Director

Peter Murphy
Non-executive Director

Keith Todd, MA, CBE
Non-executive Chairman and Director
Age 54, Keith joined Amino in January 2007. Keith served as Non-executive Chairman of the UK Broadband Stakeholder Group for three years from February 2002. He was also Non-executive Chairman of Easynet plc, a Broadband services company, until January 2006 when it was sold to B-Sky-B. He was previously Chief Executive of ICL plc from 1996 to 2000 (now Fujitsu Services). He held a number of other senior executive positions in ICL and GEC Marconi defence businesses. He is currently Chairman of FFastFill plc.

Bob Giddy, Hons
Chief Executive Officer
Age 60, Bob joined Amino as Managing Director in November 2001. Bob has 30 years' experience in the semi-conductor industry with senior management and board level positions held at NEC Electronics, in Silicon and National semi-conductor. Bob was Director and General Manager at NEC Electronics for 14 years during which he established ASIC, microprocessor and multimedia design centres.

Stuart Darling, ACA
Finance Director and Company Secretary
Age 44, 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 previously worked for CyberLife Technology Limited and Millennium Interactive Limited, both in the software business. 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.

Andrew Burke
Non-executive Director
Age 46, Andrew joined Amino in January 2007. Previously Andrew was Chief Executive Officer of BT Entertainment where he devised and ran the company's TV-over-Broadband initiative (BT Vision), chaired their Premium Rate Services activity, pioneered their Digital Media Services and led their relationships with the media world. Prior to that Andrew was CEO of eVerger a $100m investment fund.

Colin Smithers, BSc, PHD, C Eng, FIEE, M InstD, LTCL
Non-executive Director
Age 49, Colin joined Amino in March 2002, and between October 2005 and January 2007 chaired the Remuneration Committee. In 1989, 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 – with activities in telecommunications, medical, automotive and defence sectors. He has a background in communications technology products and systems and through Plextek has had experience of many new company situations.

Peter Murphy
Non-executive Director
Age 51, Peter began his career at Price Waterhouse, where he qualified as a Chartered Accountant. His experience includes strategic planning, finance and business operations. He has held a variety of senior board positions in the software, manufacturing and consumer goods industries. Most recently he was Finance and Operations Director for the Lionhead Group of companies where he organised the sale of the business to Microsoft and prior to that he was a founder Director, CFO and Business Operations Director of Camelot Group plc, The National Lottery operator.

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

Registered number
5083390

Company 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 OAN

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 2007

Introduction
The Listing Rules require that listed companies (but not companies traded on the Alternative Investment Market (AIM)) incorporated in the UK should state in their report and accounts whether they comply with the Combined Code (2006) 'the Code' on Corporate Governance and identify and give reasons for any area of non-compliance. The Company is listed on AIM and therefore no disclosure is required. 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 Code is not appropriate.

Directors and Board
The Board comprises two Executive and four Non-executive Directors. The roles of Non-executive Chairman, Non-executive Directors and Chief Executive are separate appointments and it is Board policy that this will continue.

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

There is a formal schedule of matters specifically reserved for decisions 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 three Committees, the Audit, Remuneration and Nomination Committees. The Audit and Remuneration Committees have written terms of reference agreed by the Board.

As previously reported, following Board changes at the beginning of the year and in light of the experience of the incoming Chairman, the Board decided that for a temporary period, the Chairman should chair all Board sub-committees to ensure a smooth transition of the sub-committee activities to the new Board. It was understood that this was not in line with recommended practice but was believed to be in the best interests of the Company at that time. Colin Smithers and Andrew Burke are the other members of both the Remuneration and Audit Committees. After approval of these accounts, Andrew Burke will chair the Remuneration Committee and Nominations Committee and Peter Murphy will chair the Audit Committee. The remaining members will serve on the three committees.

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

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

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

- internal control: the Directors review the effectiveness of the Group's system of internal controls on 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 significant expenditure of either a revenue or capital nature are made in a format which places emphasis on the commercial and strategic justification as well as the financial returns. All significant projects require specific Board approval.

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

Directors' remuneration report
for the year ended 30 November 2007

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 made.

In framing its remuneration policy and the reporting of remuneration, the Committee has given consideration to the Combined Code (2006).

Remuneration Committee
The Remuneration Committee, chaired by Keith Todd and including Colin Smithers, Andrew Burke and (subsequent to the year end) Peter Murphy, determines the Group's policy for executive remuneration and the individual remuneration packages for Executive Directors. In setting the Group's remuneration policy, the Committee considers a number of factors including the following:

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

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

The remuneration packages comprise the following elements:

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

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

Remuneration of Non-executive Directors
The fees and equity paid to the Non-executive Directors are determined by the Board. The Non-executive Directors do not receive any other forms of benefits such as health cover or pension. The notice periods of the Non-executive Chairman and Non-executive Directors are three months.

Directors' detailed emoluments and compensation

Year to 30 November 2007	Salary and fees	Compensation for loss of office	Bonus	Benefits	Sub-total	Pension contributions	Total
Keith Todd(1)	55,000	—	—	—	55,000	—	55,000
Bob Giddy	114,524	—	63,000	1,604	179,128	66,996	246,124
Stuart Darling	128,138	—	30,235	1,045	159,418	6,049	165,467
Colin Smithers	19,000	—	—	—	19,000	—	19,000
Andrew Burke(2)	25,806	—	—	—	25,806	—	25,806
Olivier Hopkes(3)	9,288	—	—	—	9,288	—	9,288
Grant Masom(4)	33,573	30,000	—	—	63,573	—	63,573
Paul Fellows(5)	79,884	46,666	—	836	127,386	2,979	130,365
Nick Kuenssberg(4)	21,104	—	—	—	21,104	—	21,104
David Gammon(4)	4,167	—	—	—	4,167	—	4,167
	490,484	76,666	93,235	3,485	663,870	76,024	739,894

(1) Keith Todd was appointed 01 January 2007

(2) Andrew Burke was appointed 22 January 2007

(3) Olivier Hopkes resigned on 23 January 2008

(4) Grant Masom, Nick Kuenssberg and David Gammon resigned on 02 January 2007

(5) Paul Fellows resigned on 28 September 2007

Directors' remuneration report (continued)
for the year ended 30 November 2007

Directors' detailed emoluments and compensation (continued)

Year to 30 November 2006	Salary and fees	Benefits	Sub-total	Pension contributions	Total
Bob Giddy	113,449	1,309	114,758	58,164	172,922
Stuart Darling	119,700	922	120,622	5,625	126,247
Colin Smithers	19,000	—	19,000	—	19,000
Olivier Hopkes(3)	—	—	—	—	—
Grant Masom(4)	60,000	—	60,000	—	60,000
Paul Fellows(5)	122,199	752	122,951	5,581	128,532
Nick Kuenssberg(4)	19,000	—	19,000	—	19,000
David Gammon(4)	9,375	—	9,375	—	9,375
	462,723	2,983	465,706	69,370	535,076

(1) Keith Todd was appointed 01 January 2007

(2) Andrew Burke was appointed 22 January 2007

(3) Olivier Hopkes resigned on 23 January 2008

(4) Grant Masom, Nick Kuenssberg and David Gammon resigned on 02 January 2007

(5) Paul Fellows resigned on 28 September 2007

Contributions were made to the personal pension schemes of three of the Directors (2006: three), in accordance with their employment contracts.

Colin Smither's fees are paid to Plextek Limited.

Andrew Burke's fees are paid to APB Consultancy Ltd.

Nick Kuenssberg's fees were paid to his management Company, Horizon Co-Invest Limited.

David Gammon's fees were paid to Rockspring Limited.

Directors and their interests in shares

The Directors held the following interests in Amino Technologies plc:

	At 30 November 2007(2)		At 30 November 2006(1)	
	Ordinary shares of 1p each Number	Options over ordinary shares of 1p each Number	Ordinary shares of 1p each Number	Options over ordinary shares of 1p each Number
Keith Todd	—	150,000	—	—
Bob Giddy	—	1,029,116	—	1,029,116
Stuart Darling	—	350,000	—	350,000
The CIT Pension Fund (for Colin Smithers)	40,000	79,959	40,000	79,959
Andrew Burke	—	30,000	—	—
Olivier Hopkes	—	—	—	—
Grant Masom	304,779	631,602	304,779	631,602
Paul Fellows	—	110,931	—	190,931
Nick Kuenssberg	75,000	10,000	25,000	60,000
David Gammon	—	—	—	—

(1) or date of appointment if later

(2) or date of resignation if earlier

Directors and their interests in shares (continued)

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

	Date	Exercise price £	At 30 November 2007 Number	At 30 November 2006* Number
Keith Todd	01 January 2007	£0.50 (a)	100,000	—
	01 January 2007	£1.25 (b)	50,000	—
			150,000	—
Andrew Burke	22 January 2007	£0.50 (a)	30,000	—
			30,000	—
Bob Giddy	19 September 2003	£0.20	499,999	499,999
	30 September 2003	£0.20	138,001	138,001
	01 February 2004	£0.32	391,116	391,116
			1,029,116	1,029,116
Stuart Darling	19 September 2003	£0.20	290,000	290,000
	25 September 2003	£0.20	37,497	37,497
	01 February 2004	£0.32	22,503	22,503
			350,000	350,000
The CIT Pension Fund (for Colin Smithers)	30 September 2003	£0.20	55,000	55,000
	01 February 2004	£0.32	14,959	14,959
	17 May 2004	£0.70	10,000	10,000
			79,959	79,959
Grant Masom	16 September 2003	£0.20	468,750	468,750
	01 February 2004	£0.32	162,852	162,852
			631,602	631,602
Paul Fellows	22 January 2001	£0.05	33,333	33,333
	01 February 2004	£0.32	2,598	2,598
	09 June 2004	£1.20	35,000	35,000
	10 February 2006	£1.635 (c)	40,000	120,000
			110,931	190,931
Nick Kuenssberg	01 February 2004	£0.32	—	50,000
	17 May 2004	£0.70	10,000	10,000
			10,000	60,000

* or date of appointment if later

(a) Vest in full on the 1st anniversary of grant

(b) Vest in full on the 2nd anniversary of grant

(c) 80,000 had not vested upon resignation and therefore lapsed

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

Nick Kuenssberg made a gain of £20,125 (2006: £nil) on the exercise of options during the year.

The market price of the Company's shares at the end of the financial year was £0.51 and ranged between £0.48 and £0.81 during the year.

Keith Todd
Chairman, Remuneration Committee

Directors' report
for the year ended 30 November 2007

The Directors present their report and the audited financial statements for the year ended 30 November 2007.

Principal activities
Amino (www.aminocom.com) specialises in IPTV software technologies and hardware platforms that enable delivery of digital programming and interactivity over IP Networks, including the Internet.

Our AmiNET™ series of small, low cost, high functionality STBs offer the full range of specification required; MPEG-2 and MPEG-4 encoding standards, SD and HD TV, PVR and home networking. The high performance coupled with the innovative design of Amino's STBs, has brought the series industry accolades and the Company a leading position within the IPTV market.

Amino's Technologies plc have been used in commercial deployments and trials in over 80 countries worldwide. Amino's principal customers are telecommunications, broadcast and hospitality service operators.

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

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

Financial risk management
The Group is exposed to a number of risks; these include credit risk, foreign exchange risk and liquidity risk. The Group has an ongoing risk management programme which aims to reduce adverse effects on the results and financial performance of the Group. It is the responsibility of the Board to ensure that these risks are reviewed and managed regularly.

➔ Credit risk: it is Group policy to insure its debtors. Where this can not be achieved due to the territory or customer involved, the necessary terms are placed on the customer so that monies are prepaid in full or to an adequate level so that the maximum exposure is equal to the margin on the sale.

➔ Foreign exchange risk: a substantial proportion of goods purchased and sold are denominated in US Dollars. The risk of exposure on the margin is kept to an acceptable level by buying or selling US Dollars at prevailing rates where deemed appropriate (without using forward contracts), to minimise any effect. In 2006 a Dollar loan was drawn down in the UK to minimise the risk and effect of any retranslation of US Dollar assets and liabilities. In 2007, the Company entered into a US Dollar swap which matured on 30 November 2007. The Group's foreign exchange exposure is continuously monitored.

➔ Liquidity: following the fundraising in 2005, the Group maintains a strong cash balance.

Principal risks and uncertainties
The Board and management of the business and the execution of the Group's strategy are subject to a number of risks.

The key business risks affecting the Group are set out below:

➔ financial (see above);

➔ supply chain – the Group sources its products principally from the US and China. The product includes various components which are only available on four month lead times. The Group mitigates this risk through effective supplier selection and procurement practices supplemented by appropriate insurance coverage.

➔ recruitment – the Group's performance depends largely on its ability to recruit and retain key individuals with the right experience and skills. To mitigate these issues the Group has implemented a number of schemes linked to the Group's results that are designed to retain key individuals, including bonuses and option schemes.

➔ technology – the Group's revenue is dependent on delivering complex viable technologies to specific markets. The Group ensures that cross-functional teams of senior employees work together and with customers to ensure the timely completion of long-term development projects.

➔ Amino IP infringement – the Group's IP may be at risk from unauthorised parties attempting to copy or obtain and use the technology. The Group continues to invest heavily in protecting its IP globally.

➔ third-party IP infringement – the Group's business and operations may be adversely affected by litigation arising from alleged IP infringement. The Group has implemented procedures to identify, assess, manage and report on any potential IP infringement.

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

Key Performance Indicators (KPIs)
The Board monitors progress on the overall Group strategy and the individual strategic elements by reference to KPIs, specifically revenue growth, gross margin, working capital levels and market leadership position. These KPIs have been addressed in the Chairman's report on page 4, Chief Executive's report on page 6 and the Finance Director's report on pages 10 and 11.

Proposed dividend
The Directors do not recommend the payment of a dividend (2006: £nil).

Research and development
£3,252,115 was spent in 2007 (2006: £3,423,107). The Group continues to improve its market leading range of MPEG-2 STBs and continues to develop its MPEG-4 HD and MPEG-4 PVR STBs and associated software technologies. In the opinion of the Directors, this investment will maintain and generate significant revenues in future years.

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

Thomas Keith Todd (appointed 01 January 2007)	Non-executive Chairman
Bob Giddy	Chief Executive
Stuart Darling	Finance Director and Company Secretary
Colin Smithers	Non-executive Director
Andrew Burke (appointed 22 January 2007)	Non-executive Director
Grant Masom (resigned 02 January 2007)	Non-executive Chairman
Nick Kuenssberg (resigned 02 January 2007)	Non-executive Director
David Gammon (resigned 02 January 2007)	Non-executive Director
Paul Fellows (resigned 28 September 2007)	Chief Technology Officer

Peter Murphy was appointed to and Olivier Hopkes resigned from the Board on 24 and 23 January 2008 respectively.

Stuart Darling retires as a Director by rotation and, being eligible offers himself for re-appointment at the forthcoming Annual General Meeting.

Policy and practice on payment of creditors
The Group does not follow any specific code on payment of creditors; creditors are paid in accordance with the terms of the contract agreed between the two parties. Trade creditors of the Group at 30 November 2007 were equivalent to 33 days purchases for the Group (2006: 34 days). The Company had no trade creditors (2006: £nil).

Substantial shareholdings
As at 18 January 2008, the following shareholders, had each notified the Company 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 %
Evolution Securities Nominees Limited	7,888,916	13.5
Chase Nominees Limited	6,259,300	10.7
Euroclear Nominees Limited	3,523,010	6.0
Mineworkers Pension Scheme	3,502,018	6.0
British Coal Shaft Superannuation	3,461,375	5.9
Walbrooke Trustees (Guernsey) Limited	2,342,053	4.0
BNY (OCS) Nominees Limited	2,300,000	3.9
Nutraco Nominees Limited	2,087,014	3.6
The Bank of New York (Nominees) Limited	2,061,112	3.5
	33,424,798	57.1

Political and charitable donations
The Group did not make any charitable or political donations in the year (2006: £nil).

Audit information
As required under Companies Act 1985, section 234ZA(2), the Directors confirm that, to their knowledge, there is no relevant audit information of which the Company's auditors are unaware.

The Directors have each taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report (continued)
for the year ended 30 November 2007

International Financial Reporting Standards (IFRS)
Amino Technologies plc had the option but not the requirement to adopt IFRS in the financial statements for the year ended 30 November 2007 and decided to defer the adoption of IFRS to the year ended 30 November 2008. During 2007 the Board has continued discussions with advisors considering the difference between UK accounting standards and IFRS. They have identified accounting for research and development costs as the most significant area that could impact on the Group's financial statements on transition to IFRS.

Statement of Directors' responsibilities in respect of the annual report and the financial statements
The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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
Company Secretary
25 January 2008

Independent auditors' report
to the members of Amino Technologies plc

We have audited the Group and parent Company financial statements (the financial statements) of Amino Technologies plc for the year ended 30 November 2007, which comprise the Consolidated profit and loss account, the Statement of Group total recognised gains and losses, the Group and Company balance sheets, the Consolidated cashflow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 whether, in our opinion, the information given in the Directors' report is consistent with the financial statements. The information given in the Directors' report includes that specific information presented in the Chairman's report, Chief Executive's report and the Finance Director's report that is cross-referred from the Business review and future developments and Key Performance Indicators (KPIs) sections of the Directors' report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's report, Chief Executive's report, Finance Director's report, Corporate Governance report, Directors' remuneration report and Directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Group's and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent Company's affairs as at 30 November 2007 and of the Group's profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cambridge

(a) The maintenance and integrity of the Amino Technologies plc website 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 website.

(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 2007

	Notes	Year to 30 November 2007 £	Year to 30 November 2006 (as restated) £
Turnover	2	32,253,156	25,447,255
Cost of sales		(20,945,251)	(16,197,987)
Gross profit		11,307,905	9,249,268
Selling, general and administrative expenses		(7,409,465)	(8,002,600)
Research and development expenses		(3,252,115)	(3,423,107)
Group operating profit/(loss)		646,325	(2,176,439)
Interest receivable and similar income	3	967,903	623,525
Interest payable and similar charges	3	(230,831)	(83,506)
Group profit/(loss) on ordinary activities before taxation	4	1,383,397	(1,636,420)
Tax on profit/(loss) on ordinary activities	7	932,573	48,171
Group profit/(loss) on ordinary activities after taxation being profit/(loss) for the financial year	22,23	2,315,970	(1,588,249)
Basic earnings/(loss) per 1p ordinary share	8	4.1p	(2.8p)
Diluted earnings/(loss) per 1p ordinary share	8	3.9p	(2.8p)

Statement of Group total recognised gains and losses
for the year ended 30 November 2007

	Notes	Year to 30 November 2007 £	Year to 30 November 2006 (as restated) £
Profit/(loss) for the financial year		2,315,970	(1,588,249)
Exchange translation difference on consolidation	22,23	(149,218)	(185,080)
Total recognised gains/(losses) for the financial year		2,166,752	(1,773,329)
Prior year adjustment – share-based payment charge		(140,607)	
Total recognised gains since last annual report		2,026,145	

All amounts above relate to continuing activities. There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

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

Balance sheets
as at 30 November 2007

		Group		Company	
	Notes	30 November 2007 £	30 November 2006 £	30 November 2007 £	30 November 2006 (as restated) £
Fixed assets					
Intangible assets	11	960,778	818,408	—	—
Tangible assets	12	1,118,891	1,413,734	—	—
Investments	13	—	—	1,611,253	1,597,805
		2,079,669	2,232,142	1,611,253	1,597,805
Current assets					
Stocks	14	2,659,659	3,808,362	—	—
Debtors: amounts falling due after more than one year	15	1,882,450	1,914,406	21,953,015	21,934,975
Debtors: amounts falling due within one year	15	10,720,082	8,586,781	9,200	—
		12,602,532	10,501,187	21,962,215	21,934,975
Short-term investments	16	2,000,000	9,000,000	—	—
Cash at bank and in hand		15,065,867	12,658,769	500	—
		32,328,058	35,968,318	21,962,715	21,934,975
Creditors: amounts falling due within one year	17	(5,358,920)	(11,323,294)	—	—
Net current assets		26,969,138	24,645,024	21,962,715	21,934,975
Total assets less current liabilities		29,048,807	26,877,166	23,573,968	23,532,780
Creditors: amounts falling due after more than one year	18	—	(36,299)	(1,782,324)	(1,782,324)
Net assets		29,048,807	26,840,867	21,791,644	21,750,456
Capital and reserves					
Called-up share capital	21	584,130	582,630	584,130	582,630
Shares to be issued	22	68,667	171,000	68,667	171,000
Share premium account	22	79,749	21,807,240	79,749	21,807,240
Merger reserve	22	16,388,755	16,388,755	—	—
Profit and loss account	22	11,927,506	(12,108,758)	21,059,098	(810,414)
Equity shareholders' funds	23	29,048,807	26,840,867	21,791,644	21,750,456

The financial statements on pages 22 to 40 were approved by the Board of Directors on 25 January 2008 and were signed on its behalf by:

Keith Todd

Keith Todd
Chairman

Stuart Darling
Director

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

Consolidated cash flow statement
for the year ended 30 November 2007

	Notes	Year to 30 November 2007 £	Year to 30 November 2006 £
Net cash inflow from operating activities	24	1,901,106	459,334
Returns on investments and servicing of finance			
Interest received		913,552	551,491
Interest paid		(230,831)	(9,506)
Net cash inflow from returns on investments and servicing of finance		682,721	541,985
Taxation			
Research and development tax credit		914,186	—
Net cash inflow from taxation		914,186	—
Capital expenditure			
Purchase of tangible fixed assets		(183,423)	(723,894)
Purchase of intangible fixed assets		(408,677)	(173,652)
Net cash outflow for capital expenditure		(592,100)	(897,546)
Acquisitions			
Purchase of subsidiary undertaking		—	(834,151)
Cash acquired with subsidiary		—	216,449
Net cash outflow for acquisitions		—	(617,702)
Net cash inflow/(outflow) before use of liquid resources and financing		2,905,913	(513,929)
Management of liquid resources			
Decrease/(increase) in short-term deposits with banks	25	7,000,000	(8,570,000)
Financing			
Issue of ordinary share capital		16,000	—
Cash received from exercise of share options		2,540	53,024
Decrease in other borrowings		(46,555)	(30,124)
(Decrease)/increase in bank borrowings	25	(7,351,014)	8,064,516
Net cash (outflow)/inflow from financing		(7,379,029)	8,087,416
Increase/(decrease) in net cash	25	2,526,884	(996,513)
Reconciliation of net cash flow to movement in net funds			
Opening net funds		13,968,354	14,468,271
Increase/(decrease) in cash		2,526,884	(996,513)
(Decrease)/increase in deposits		(7,000,000)	8,570,000
Decrease/(increase) in borrowings		7,351,014	(8,064,516)
Exchange adjustment	25	219,615	(8,888)
Closing net funds	25	17,065,867	13,968,354

Notes to the financial statements
for the year ended 30 November 2007

1 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 (FRS) 18, 'Accounting policies', is set out below.

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, 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.

Basis of accounting

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

Turnover

Turnover represents the invoice value of goods sold and services provided in the period, the value of sales of licences, royalties arising from the resulting sale of licensed products, and support and maintenance, stated exclusive of value added tax:

- Income from the sale of products is recognised when goods are delivered in accordance with the terms and conditions of sale agreed with the customer. Income from development and integration work required with product sales is recognised on completion of the relevant project.
- Licence revenues under non-cancellable licence agreements are recognised once the economic benefit of the licensed hardware and/or software has been transferred to the customer 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 at the rate of exchange ruling at the balance sheet date.

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

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.

Employee share option schemes – restatement for adoption of FRS 20 'Share-based payments'

The Group has adopted FRS 20, 'Share-based payment' in the year. In accordance with the transitional provisions of FRS 20, the Group is required to recognise an expense in respect of options granted after 07 November 2002 that were unvested as of 01 December 2006. This expense, which is calculated by reference to the fair value of the options granted, is recognised on a straight-line basis in the profit and loss account over the vesting period, based on the Group's estimate of options that will eventually vest. The charge is then credited back to reserves.

The adoption of FRS 20 constitutes a change in accounting policy. The previous policy was to apply the provisions of Urgent Issues Task Force (UITF) Abstract 17 'Employee share schemes' whereby the Group made charges to the profit and loss account when options in the parent Company were granted to employees of the Group, the charge being the estimated market value of the shares at the date of grant less the exercise price of the options. Where options were granted with no performance conditions the charge was recognised immediately. Where options were granted with performance conditions the charge was recognised over the performance period and was then credited back through reserves.

Notes to the financial statements (continued)
for the year ended 30 November 2007

1 Accounting policies (continued)

Employee share option schemes – restatement for adoption of FRS 20 'Share-based payments' (continued)
The effect of this change in accounting policy was to increase the share-based payments charge from £nil to £50,532 for the year ended 30 November 2007 and from £nil to £140,607 for the year ended 30 November 2006. This change has not affected the Group's cash flow or net assets in either year as the deferred tax is not recognised.

The Company has also applied UITF Abstract 44, 'FRS 20 – Group and Treasury Share Transactions' in the year. The parent Company has granted rights over its equity instruments to the employees of Amino Communications Limited and Amino Communications LLC in the years ended 30 November 2006 and 30 November 2007 and there is a corresponding increase recognised in the investment in the subsidiaries in those years (see note 13).

In accordance with UITF 25, 'National Insurance contributions on share option gains', the Group makes charges to the profit and loss account for the potential employer's National Insurance liability on options granted, spread over the vesting period of the options.

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 provides 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.

Research and development
Research and development expenditure is written off to the profit and loss account 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 (UITF) Abstract 38 (Accounting for ESOP trusts), the Company recognises the assets and liabilities of the ESOP in its own accounts and shares held by the trust are recorded at cost as a deduction in arriving at shareholders' funds until such time as the shares vest unconditionally to employees.

Short-term investments
Deposits which are not repayable on demand, are treated as short-term investments in accordance with FRS 1 (Revised 1996) 'Cash flow statements'.

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Net realisable 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.

Software licences
Software licences are capitalised at cost as an intangible asset and amortised over their useful economic life on a straight-line basis. For the assets held at the balance sheet date this is three years.

Goodwill
Goodwill arising on acquisition represents the excess of the fair value of the consideration given over the fair value of the net assets acquired. Goodwill held at the balance sheet date is being amortised on a straight-line basis over ten years which is deemed to be the useful economic life.

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected economic useful life. 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.

Provisions
Provision is made in respect of claims under third-party intellectual property claims when the Directors consider that the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount the obligation. The provision is included in creditors, as the Directors consider that it would be seriously prejudicial to the Group's interest to disclose it separately.

2 Segmental analysis

In the opinion of the Directors, the Group currently has only one class of business. Turnover is wholly attributable to the Group's principal activity. The geographical analysis of revenue by destination which arises from the Group's principal activities is as follows:

Geographical analysis	Year to 30 November 2007 £	Year to 30 November 2006 £
United Kingdom, Europe and Africa	16,313,448	13,244,131
Americas	14,858,934	11,892,181
Asia Pacific	1,080,774	310,943
	32,253,156	25,447,255

All revenue originates in the United Kingdom from continuing operations and there is no material inter-segment turnover. Predominantly all profits, capital expenditure and assets arise or are held in the United Kingdom.

3 Interest and similar items

Group	Year to 30 November 2007 £	Year to 30 November 2006 £
Interest payable on bank loans and overdrafts	(227,386)	(74,000)
Other interest payable	(3,445)	(9,506)
	(230,831)	(83,506)
Interest receivable and similar income	967,903	623,525
Net interest receivable and similar items	737,072	540,019

4 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

Group	Year to 30 November 2007 £	Year to 30 November 2006 £
Depreciation of owned tangible fixed assets	390,856	345,981
Loss on disposal of tangible fixed assets	112	760
Amortisation of intangible fixed assets	313,399	219,854
Operating lease rentals		
– hire of plant and machinery	2,820	2,000
– other	394,682	389,437
Auditors' remuneration:		
Audit services		
– fees payable to company auditor for the audit of parent company and consolidated accounts	30,000	38,813
Other services		
– the auditing of accounts of subsidiary of the Company pursuant to legislation	21,500	23,700
– other services relating to taxation	21,655	8,270
– other services	15,000	13,000
Gain/(loss) on foreign exchange	267,801	(226,292)

Notes to the financial statements (continued)

for the year ended 30 November 2007

5 Staff costs

The year end and average monthly number of employees (including Executive Directors) was:

Group	As at 30 November 2007 year end Number	As at 30 November 2006 year end Number	Year to 30 November 2007 average Number	Year to 30 November 2006 average Number
Selling, general and administration	54	54	55	62
Research and development	46	49	52	51
	100	103	107	113

	Note	Year to 30 November 2007 £	Year to 30 November 2006 £
Their aggregate remuneration comprised:			
Wages and salaries		5,508,608	5,468,895
Social security costs		597,819	523,293
Pension costs	28	214,918	229,375
Share-based payments charge		50,532	140,607
		6,371,877	6,362,170

The Company had no employees or staff costs in either year.

6 Directors' emoluments

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

	Year to 30 November 2007 £	Year to 30 November 2006 £
Aggregate emoluments	517,127	418,331
Compensation for loss of office	76,666	—
Amounts paid to third parties for Directors' services	70,077	47,375
Company contributions to personal pension schemes	76,024	69,370
	739,894	535,076

Contributions were made to the personal pension schemes of three of the Directors (2006: three), in accordance with their employment contracts.

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

Highest paid Director	Year to 30 November 2007 £	Year to 30 November 2006 £
Aggregate emoluments	179,128	114,758
Company contributions to personal pension schemes	66,996	58,164
	246,124	172,922

7 Tax on profit/(loss) on ordinary activities

Group	Year to 30 November 2007 £	Year to 30 November 2006 £
UK corporation tax credit at 30% (2006: 30%)	932,186	—
Adjustment in respect of prior years	387	48,171
Total current tax credit	932,573	48,171

Group current taxation	Year to 30 November 2007 £	Year to 30 November 2006 (as restated) £
Factors affecting the tax credit for the year:		
Profit/(loss) on ordinary activities before tax	1,383,397	(1,636,420)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006: 30%)	415,019	(490,926)
Effects of:		
Amounts not allowable for tax purposes	34,322	33,867
Enhanced deduction for research and development expenditure	(446,004)	—
Adjustments to tax charge in respect of previous period research and development tax credits	(932,186)	(48,171)
Other adjustment in respect of prior years	(387)	—
Tax losses arising in the period	—	350,140
Difference between capital allowances and depreciation	36,864	103,794
Other short-term timing differences	(40,201)	3,125
Current tax (credit) for financial period	(932,573)	(48,171)

8 Earnings per share

	Group	
	Year to 30 November 2007 £	Year to 30 November 2006 (as restated) £
Earnings attributable to shareholders	2,315,970	(1,558,249)
Weighted average number of shares (Basic)	56,038,502	55,832,244
Weighted average number of shares (Diluted)	58,756,175	55,832,244
Earnings per share basic	4.1p	(2.8p)
Earnings per share diluted	3.9p	(2.8p)

The calculation of basic earnings per share is based on profit/(loss) 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 dilutive potential ordinary shares. The Group has two categories of dilutive potential ordinary shares; share options where the exercise price is less than the average market price of the Company's ordinary shares during the year and deferred ordinary shares in respect of the acquisition of SJ Consulting Limited. There was no dilutive effect in respect of the year ended 30 November 2006 as the Group was loss making.

Notes to the financial statements (continued)
for the year ended 30 November 2007

9 Dividends
The Directors have not declared a dividend for the current financial year.

10 Profit and loss account
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 profit of £nil (2006: £nil).

11 Intangible fixed assets

Group	Note	Goodwill £	Software licenses £	Total £
Cost				
At 01 December 2006		569,313	656,095	1,225,408
Reclassification		—	101,965	101,965
Additions		—	408,677	408,677
Change in value of shares to be issued	22	(37,084)	—	(37,084)
At 30 November 2007		532,229	1,166,737	1,698,966
Amortisation				
At 01 December 2006		51,000	356,000	407,000
Reclassification		—	17,789	17,789
Charge for the year		46,575	266,824	313,399
At 30 November 2007		97,575	640,613	738,188
Net book amount				
At 30 November 2007		434,654	526,124	960,778
At 30 November 2006		518,313	300,095	818,408

The Company had no intangible fixed assets.

The reclassification is in respect of third-party software licenses with a net book value of £84,176 which had been previously considered development software.

12 Tangible fixed assets

Group	Computer equipment £	Development software £	Office equipment £	Leasehold improvements £	Motor vehicles £	Total £
Cost						
At 01 December 2006	865,480	220,080	264,472	998,638	—	2,348,670
Foreign exchange adjustments	(2,464)	—	(1,524)	(1,052)	—	(5,040)
Reclassification	—	(101,965)	—	—	—	(101,965)
Additions	145,118	9,601	3,786	14,900	10,018	183,423
Disposals	(22,960)	—	—	—	—	(22,960)
At 30 November 2007	985,174	127,716	266,734	1,012,486	10,018	2,402,128
Depreciation						
At 01 December 2006	515,162	120,132	97,924	201,718	—	934,936
Foreign exchange adjustments	(1,124)	—	(589)	(205)	—	(1,918)
Reclassification	—	(17,789)	—	—	—	(17,789)
Charge for the year	221,314	13,985	52,221	101,458	1,878	390,856
Disposals	(22,848)	—	—	—	—	(22,848)
At 30 November 2007	712,504	116,328	149,556	302,971	1,878	1,283,237
Net book amount						
At 30 November 2007	272,670	11,388	117,178	709,515	8,140	1,118,891
At 30 November 2006	350,318	99,948	166,548	796,920	—	1,413,734

The Company had no tangible fixed assets.

13 Fixed asset investments

	Note	Year to 30 November 2007 £	Year to 30 November 2006 (as restated) £
Cost at 01 December 2006		1,597,805	452,047
Additions in the year		—	1,005,151
Capital contributions arising from FRS 20 share-based payments charge		50,532	140,607
Change in value of shares to be issued	22	(37,084)	—
Cost at 30 November 2007		1,611,253	1,597,805

Interests in Group undertakings

Name of undertaking incorporation	Country of shares held	Description of shares held by the Group	Proportion of nominal value of
Amino Holdings Limited	England and Wales	Ordinary shares of 1p each	100%
Amino Communications Limited	England and Wales	Ordinary shares of £1 each	*100%
Amino Communications LLC	Delaware, USA	Ordinary shares of $1 each	*100%
Amino Communications Employee Benefit Trust	England and Wales	Ordinary shares of £1 each	*100%
S J Consulting Limited	England and Wales	Ordinary shares of £1 each	100%
Intact Software Limited	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 years ended 30 November 2007 and 30 November 2006.

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

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

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

The principal activity of Amino Communications Employee Benefit Trust is to enable a number of shares in the Company to be held by the trustees of the scheme for the benefit of the employees and former employees of the Company and its Subsidiaries and their relations and dependents, to provide employees with the opportunity of acquiring shares in the Company and such other benefits (whether of a similar nature or not) as the trustees of the scheme might in their absolute discretion decide.

The principal activity of S J Consulting Limited to 31 January 2006 was the provision of network software and systems solutions. From 1 February 2006 the Company was non-trading.

Intact Software Limited is non-trading.

14 Stocks

Group	As at 30 November 2007 £	As at 30 November 2006 £
Raw materials	2,203,853	1,836,290
Finished goods	455,806	1,972,072
	2,659,659	3,808,362

There is no material difference between the carrying value and the replacement cost of stock.

The Company has no stock.

Notes to the financial statements (continued)
for the year ended 30 November 2007

15 Debtors

	Note	Group As at 30 November 2007 £	Group As at 30 November 2006 £	Company As at 30 November 2007 £	Company As at 30 November 2006 £
Amounts falling due after more than one year:					
Other debtors		163,450	195,406	—	—
Amounts owed by Group undertakings		—	—	21,953,015	21,934,975
Deferred tax	20	1,719,000	1,719,000	—	—
		1,882,450	1,914,406	21,953,015	21,934,975
Amounts falling due within one year:					
Trade debtors		9,637,252	7,610,249	—	—
VAT recoverable		80,107	103,044	—	—
Other debtors		16,636	6,471	9,200	—
Prepayments and accrued income		986,087	867,017	—	—
		10,720,082	8,586,781	9,200	—

Other debtors comprise rent deposits and amounts due in respect of share option exercises.

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

16 Short-term investments

Group	As at 30 November 2007 £	As at 30 November 2006 £
Short-term investments	2,000,000	9,000,000

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

The Company has no short-term investments.

17 Creditors: amounts falling due within one year

Group	As at 30 November 2007 £	As at 30 November 2006 £
Bank loans and overdrafts	—	7,690,415
Other loans	37,229	47,485
Trade creditors	1,910,724	2,558,223
Taxation and social security	181,741	202,740
Other creditors	30,166	—
Corporation tax	—	18,707
Accruals and deferred income	3,199,060	805,724
	5,358,920	11,323,294

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.

The Group has a bank guarantee in favour of HM Customs and Revenue for £200,000 which expires on 19 February 2008 and a bank guarantee in favour of CYTA for CYP40,000 (£48,821) which expires on 19 May 2008.

18 Creditors: amounts falling due after more than one year

	Group		Company	
	As at 30 November 2007 £	As at 30 November 2006 £	As at 30 November 2007 £	As at 30 November 2006 £
Other loans	—	36,299	—	—
Amounts owed to Group undertakings	—	—	1,782,324	1,782,324

Other loans comprise unsecured borrowings from a third-party at a fixed interest rate of 5% (2006: 5%).

Amounts owed to subsidiaries are unsecured, interest free and repayable on demand. However Amino Holdings Limited has formally confirmed that it will not require repayment of the loan for a period of not less than two years from the date of approval of these financial statements.

Borrowings are repayable as follows:

Group	As at 30 November 2007 £	As at 30 November 2006 £
Between one and two years	—	36,299
On demand or within one year	37,229	7,737,900
	37,229	7,774,199

19 Financial instruments

The Group's financial instruments comprise cash and short-term bank deposits, a bank loan (in 2006) and other loans, as well as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's future operations.

The financial risks faced by the Group include interest rate risk, currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks.

The Group's main objectives in using financial instruments are the maximisation of returns from funds held on deposit and the reduction of the exposure to foreign exchange movements.

The Group's policy is to raise cash in advance of when it is required and when market conditions are appropriate, using whatever financial instruments can be negotiated with the providers of finance at that time. During the period covered by these financial statements these instruments have included both debt and equity shares.

During the year the Group entered into a 15m US Dollar foreign exchange swap to offset exchange risk on its US Dollar assets. The swap matured on 30 November 2007.

Short-term debtors and creditors have been excluded from all of the following disclosures other than the currency risk disclosures as permitted by FRS 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	37,299	37,299	—
At 30 November 2007	37,299	37,299	—
Weighted average interest rate (%)	5.0	5.0	—
Weighted average period for which rate is fixed (years)	0.5	0.5	—
Sterling	83,784	83,784	—
Dollar	7,690,415	7,690,415	
At 30 November 2006	7,774,199	7,774,199	—
Weighted average interest rate (%)	6.01	6.01	
Weighted average period for which rate is fixed (years)	0.10	0.10	

Notes to the financial statements (continued)
for the year ended 30 November 2007

19 Financial instruments (continued)

Interest rate risk profile of the Group's financial liabilities (continued)

All of the Group's creditors falling due within one year (other than bank loans and overdrafts and other loans) 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.

Interest rate risk profile of the Group's financial assets

	As at 30 November 2007			As at 30 November 2006		
Currency	Cash at bank and in hand £	Short-term deposits £	Total £	Cash at bank and in hand £	Short-term deposits £	Total £
Sterling	14,116,860	2,000,000	16,116,860	10,272,966	9,000,000	19,272,966
US Dollars	927,301	—	927,301	2,328,934	—	2,328,934
Euro	21,706	—	21,706	56,869	—	56,869
	15,065,867	2,000,000	17,065,867	12,658,769	9,000,000	21,658,769

Short-term deposits in Sterling were placed with banks on a one-to-six month basis and earned interest at an average fixed rate of 5.45% (2006: 4.94%). 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 2007			As at 30 November 2006		
	Debt £	Other financial instruments £	Total £	Debt £	Other financial instruments £	Total £
Within one year or on-demand	—	37,229	37,229	7,690,415	47,485	7,737,900
Between one and two years	—	—	—	—	36,299	36,299
	—	37,229	37,229	7,690,415	83,784	7,774,199

Fair value of financial assets and financial liabilities

The fair value of the financial assets and financial liabilities are not materially different from their carrying values. This is justified by the fact that the financial assets are cash at bank or short-term investments and the financial liabilities are an unsecured loan relating to the business property and debt bearing interest at market rates (in 2006).

Currency exposures

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

	Net foreign currency monetary assets/(liabilities)			
2007 Functional currency of Group operation	Sterling £	US Dollars £	Euro £	Total £
Sterling	16,104,432	2,828,502	119,969	19,052,903
US Dollars	—	5,909,178	—	5,909,178
	16,104,432	8,737,680	119,969	24,962,081

	Net foreign currency monetary assets/(liabilities)			
2006 Functional currency of Group operation	Sterling £	US Dollars £	Euro £	Total £
Sterling	19,048,808	(6,576,743)	1,264,730	13,736,795
US Dollars	—	5,485,462	—	5,485,462
	19,048,808	(1,091,281)	1,264,730	19,222,257

20 Deferred taxation

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

	Note	As at 30 November 2007 Amount recognised £	As at 30 November 2007 Amount unrecognised £	As at 30 November 2006 Amount recognised £	As at 30 November 2006 Amount unrecognised £
Tax effect of timing differences because of:					
Differences between capital allowances and depreciation		—	262	—	313,542
Tax losses carried forward		1,719,000	1,809,938	1,719,000	2,529,000
Other short term timing differences		—	50,465	—	3,122
Deferred tax asset	15	1,719,000	1,860,665	1,719,000	2,845,664

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 future, though not necessarily within the next twelve months.

On 21 March 2007, the Chancellor announced that with effect from 01 April 2008 the standard rate of UK corporation tax will reduce from 30% to 28%. Deferred tax assets relating to lossed would therefore be recovered at the new rate.

21 Called-up share capital

Company	As at 30 November 2007 £	As at 30 November 2006 £
Authorised		
100,000,000 (2006: 100,000,000) ordinary shares of 1p each	1,000,000	1,000,000
Allotted, called up and fully paid		
58,413,051 (2006: 58,263,052) ordinary shares of 1p each	584,130	582,630

In respect of the acquisition of S J Consulting Limited, the Company issued 99,999 ordinary shares on 20 January 2007 (the first anniversary of the acquisition date) at a price of £0.6525. It has the obligation to issue 133,333 ordinary shares of 1p each in tranches of 66,666 ordinary shares on the second anniversary of the acquisition date and 66,667 ordinary shares on the third anniversary, contingent upon the continued service of certain key employees.

The remaining shares to be issued are re-valued at the balance sheet date based on the share price on that date, which resulted in a decrease of £37,084 in the value of the shares to be issued.

On 20 January 2007, 50,000 ordinary shares of 1p each were issued for consideration of £0.32 per share, in respect of share options exercised by Nick Kuenssberg.

Employee share options

On 08 June 2004, the Company established an Unapproved Scheme and Enterprise Management Incentive Scheme for employees and certain former employees of Group companies, replacing those schemes operated by Amino Holdings Limited. The Company also operates individual share option schemes for certain Non-executive Directors.

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

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

	Year to 30 November 2007 Number	Year to 30 November 2006 Number
Shares held by the Employee Benefit Trust:		
At start of financial period	2,395,203	2,502,265
Exercised	(59,750)	(107,062)
At end of financial period	2,335,453	2,395,203

Notes to the financial statements (continued)
for the year ended 30 November 2007

21 Called-up share capital (continued)
Employee share options (continued)
The number of subsisting options are as follows:

	As at 30 November 2007 Number	As at 30 November 2006 Number
Current and former employees and Non-executive Directors	4,238,609	4,666,245
Other options granted	118,812	118,812
	4,357,421	4,785,057

Options granted to current and former employees and Non-executive and others were under the following schemes:

	As at 30 November 2007 Number	As at 30 November 2006 Number
Granted:		
Unapproved Share Option Scheme	1,205,451	1,791,938
Enterprise Management Incentive Scheme	2,101,597	2,072,746
Individual share option schemes	1,050,373	920,373
	4,357,421	4,785,057

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

Date granted	Exercise price	As at 01 December 2006 Number	Granted Number	Exercised Number	Lapsed Number	Cancelled Number	As at 30 November 2007 Number	Notes
January 2001	£0.05	43,333	—	(10,000)	—	—	33,333	(a)
September 2003	£0.20	1,559,550	—	(39,000)	—	—	1,520,550	(a)
February 2004	£0.32	892,142	—	(60,750)	(7,100)	—	824,292	(a)
January 2007	£0.50	—	130,000	—	—	—	130,000	(g)
October 2007	£0.62	—	440,000	—	—	—	440,000	(c)
May 2004	£0.70	20,000	—	—	—	—	20,000	(a)
September 2006	£0.72	150,000	—	—	(50,000)	—	100,000	(e)
March 2002	£0.77	30,000	—	—	—	—	30,000	(a)
June 2004	£1.20	245,500	—	—	(49,000)	—	196,500	(b)
January 2007	£1.25	—	50,000	—	—	—	50,000	(h)
January 2006	£1.57	200,000	—	—	(100,000)	—	100,000	(f)
February 2006	£1.64	1,258,968	—	—	(640,575)	—	618,393	(d)
September 2004	£1.71	62,500	—	—	(22,500)	—	40,000	(c)
February 2006	£2.20	73,506	—	—	(28,436)	—	45,070	(d)
February 2006	£2.45	124,246	—	—	(40,275)	—	83,971	(d)
		4,666,245	620,000	(109,750)	(937,886)	—	4,238,609	

(a) Following Amino Technologies plc's admission to the Alternative Investment Market on 09 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 1st and 2nd anniversaries from date of grant.

(c) Vest in equal tranches on 1st, 2nd and 3rd anniversaries from date of grant.

(d) On 10 February 2006, options with an exercise value greater than the market price were cancelled and replaced with options with an exercise value equal to market price on that date. Options that had already vested were re-issued at the same price (either £2.20 or £2.45). The remaining options vest in either two or three equal tranches. The options will vest subject to the growth in Amino's share price being equal to or greater than the growth of the Techmark 100 index from the date of admission to AIM to the vesting date. If Amino's growth rate at the vesting date is below the tracked growth rate, 75% of the tranche vest if Amino's share price is within the range of 95%-<100% of the tracked growth, 50% if the share price is within the range 90%-<95%. Any options that do not vest will be carried forward to the next anniversary and tested against the tracked growth on that date. In the event that options have not vested on the 3rd anniversary, they lapse.

21 Called-up share capital (continued)

Employee share options (continued)

(e) Vest in equal tranches on 1st, 2nd and 3rd anniversaries from date of grant subject to the market price being equal to or greater than £1.20 on that day.

(f) Vest in full on the 3rd anniversary of grant.

(g) Vest in full on the 1st anniversary of grant.

(h) Vest in full on the 2nd anniversary of grant.

The weighted average fair value of options granted in the year was £0.16 (2006: £0.40). The weighted average share price at the date of exercise during the year was £0.60 (2006: £1.13).

The options outstanding at the end of the year have a weighted average contractual life of 1.4 years (2006: 1.4 years).

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 202 pence per share for a period of seven years commencing from 9 June 2004, the date of the Company's admission to AIM.

Equity-settled share option plans

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

Grant date	December 2006 to October 2007 £	February 2006 to September 2006 £
Weighted average share price	0.65	1.63
Weighted average exercise price	0.65	1.63
Expected volatility	45%	45%
Expected life	3 years	3 years
Risk-free rate	5.5%	5.5%
Expected dividends	2%	2%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years. The expected life used in the model has been, based on management's best estimate for the effects of exercise restrictions and behavioural considerations.

The risk-free rate was based on the three year inter-bank SWAP rate. Amino is not currently paying dividends but management intends to commence paying dividends and at the time of the awards management considers it would have been reasonable to assume a dividend yield of 2% per annum.

During the year the Group recognised a total expense relating to employee share-based payments under the equity-settled share option plans of £50,532 (2006: £140,607).

Notes to the financial statements (continued)
for the year ended 30 November 2007

22 Reserves

Group	Shares to be issued £	Share premium account £	Merger reserve £	Profit and loss account £	Total £
As at 01 December 2006	171,000	21,807,240	16,388,755	(12,108,758)	26,258,237
Profit for the financial year	—	—	—	2,315,970	2,315,970
Exchange differences on consolidation	—	—	—	(149,218)	(149,218)
Share issue	(65,249)	79,749	—	—	14,500
Shares allocated from ESOP trust to satisfy exercise of options	—	—	—	11,740	11,740
Share-based payment charge	—	—	—	50,532	50,532
Share market value adjustment	(37,084)	—	—	—	(37,084)
Capital reduction	—	(21,807,240)	—	21,807,240	—
As at 30 November 2007	68,667	79,749	16,388,755	11,927,506	28,464,677

Company	Shares to be issued £	Share premium account £	Profit and loss account (as restated) £	Total (as restated) £
As at 01 December 2006	171,000	21,807,240	(810,414)	21,167,826
Profit for the financial year	—	—	—	—
Share issue	(65,249)	79,749	—	14,500
Share allocated from ESOP trust to satisfy exercises of options	—	—	11,740	11,740
Share market value adjustment	(37,084)	—	—	(37,084)
Share-based payment charge	—	—	50,532	50,532
Capital reduction	—	(21,807,240)	21,807,240	—
As at 30 November 2007	68,667	79,749	21,059,098	21,207,514

The share premium account at 01 December 2006 was cancelled and the balance of £21,807,240 was transferred to the profit and loss account. This is in accordance with the undertaking given to the Court on 06 June 2007. £20.28m is regarded as distributable.

23 Reconciliation of movements in shareholders' funds

	Group		Company	
	Year to 30 November 2007 £	Year to 30 November 2006 (as restated) £	Year to 30 November 2007 £	Year to 30 November 2006 (as restated) £
Opening shareholders' funds	26,840,867	28,249,565	21,750,456	21,385,825
Profit /(loss) for the year	2,315,970	(1,588,249)	—	—
Exchange differences on consolidation	(149,218)	(185,080)	—	—
Issue of ordinary share capital – capital	1,500	—	1,500	—
Issue of ordinary share capital – share premium	79,749	—	79,749	—
Shares to be issued	(102,333)	171,000	(102,333)	171,000
Exercise of employee share options	11,740	53,024	11,740	53,024
Share-based payment charge	50,532	140,607	50,532	140,607
Closing shareholders' funds	29,048,807	26,840,867	21,791,644	21,750,456

23 Reconciliation of movements in shareholders' funds (continued)

Investment in own shares

Offset within the Group and Company profit and loss reserve at 30 November 2007 is an amount of £946,133 (2006: £948,173) representing the cost of own shares held.

24 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

Group	Year to 30 November 2007 £	Year to 30 November 2006 (as restated) £
Operating profit/(loss)	646,325	(2,176,439)
Depreciation and amortisation charge	704,255	563,915
Loss on disposal of tangible fixed assets	112	760
Share-based payment charge	50,532	140,607
Decrease/(increase) in stocks	1,148,703	(2,347,606)
(Increase)/decrease in debtors	(2,457,085)	2,836,057
Increase in creditors	1,842,063	1,618,232
Exchange differences on consolidation	(33,799)	(176,192)
Net cash inflow from continuing operating activities	1,901,106	459,334

25 Analysis of net funds

Group	As at 01 December 2006 £	Cash flow £	Exchange differences £	As at 30 November 2007 £
Cash at bank and in hand	12,658,769	2,526,884	(119,786)	15,065,867
Short-term investments	9,000,000	(7,000,000)	—	2,000,000
Bank loans and overdrafts	(7,690,415)	7,351,014	339,401	—
Net funds	13,968,354	2,877,898	219,615	17,065,867

26 Operating lease commitments

At 30 November 2006 the Group was committed to make the following annual payments under non-cancellable operating leases.

	2007		2006	
Group	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire within one year	74,279	—	24,500	—
Leases which expire within two to five years	78,165	2,820	30,000	2,820
Leases which expire after five years	275,000	—	275,000	—
	427,445	2,820	329,500	2,820

The Company has no operating lease commitments.

Notes to the financial statements (continued)
for the year ended 30 November 2007

27 Contingent liabilities
Amino's products incorporate third-party technology, usually under licence. Inadvertent actions may expose the Group to the risk of infringing third-party intellectual property rights. Potential claims can still be submitted many years after a product has been deployed. Any such claims are vigorously defended.

28 Pension commitments
The Group's pension charge for the year was £214,918 (2006: £229,375). A creditor of £24,752 is included within the taxation and social security creditor at 30 November 2007 (2006: £10,406) in respect of the final month's contributions.

29 Financial commitments
At 30 November 2007 the Group, in accordance with the terms of a contractual agreement with a manufacturing partner, had a financial commitment totalling £3.7m (2006: £4.1m). The Group had also committed to £0.4m (2006: £1.1m) in respect of silicon chips under non-cancellable orders.

30 Capital commitments
No capital expenditure was committed to as at 30 November 2007 (2006: £nil).

31 Related party transactions
There were no related party transactions during the year.

32 Post balance sheet event
There were no significant post balance sheet events, except as referred to in note 20 to the financial statements.