amino

Amino Technologies plc

Annual Report and Accounts 2008

Creating a personalised TV experience

ABOUT AMINO TECHNOLOGIES

Through a combination of software, hardware and systems know-how, Amino Technologies plc enables its global customer base to deliver and monetise a broad range of intelligent online video and broadcast services for the home and business consumer. The Company's award-winning range of AmiNET™ set-top box (STB) products provides telecoms, broadcast and hospitality companies with a 'front door' to Internet Protocol Television (IPTV) – a range of software and STB systems that can be tailored to offer highly scalable and targeted systems. Amino's AssetHouse technology takes IPTV to the next level – allowing customers such as BT Vision to "think like retailers" and package and personalise new and innovative revenue-generating services to viewers.

HIGHLIGHTS

Amino has continued to improve its profitability, made significant progress in delivering its stated strategic plans and delivered results in line with expectations.

Steady growth in profits:

- Revenues of £31.90m; down 1.1% (2007: £32.25m);
- Gross profit up 18.2% to £13.37m (2007: £11.31m);
- Gross margins up 6.8% to 41.9% (2007: 35.1%); and
- Profit before tax up £0.75m to £2.16m (2007: £1.41m).

Strong balance sheet and working capital:

- Total equity of £30.66m (2007: £28.98m) is equivalent to 53p per share (2007: 50p per share);
- Net current assets of £24.32m (2007: £25.02m); and
- Reduction in net cash of £2.63m to £14.4m (2007: £17.07m) reflects purchase of own shares and acquisition of AssetHouse.

Strong operational progress:

- Successful transition from MPEG-2 Standard Definition (SD) to MPEG-4 High Definition (HD) technology with a number of market-leading and industry award-winning products;
- The appointment in June 2008 of Andrew Burke as Chief Executive Officer;
- Strategically significant acquisitions of AssetHouse and, after the year end, Tilgin IPTV;
- Licence and services sales up by £0.99m to £2.18m;
- MPEG-4 HD shipments increased by 93%; and
- A major milestone is reached as our two millionth AmiNET STB is sold; with the addition of Tilgin's Mood brand, Amino now has over 2.5m STBs in the market.

Turnover
£31.9m
(2007: £32.3m)

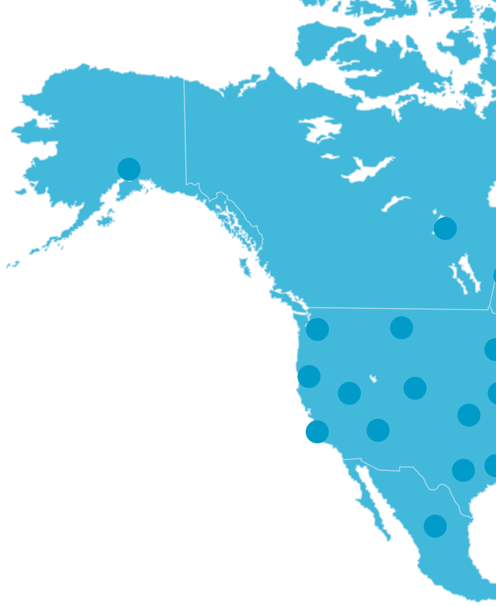
Gross margin
41.9%
(2007: 35.1%)

Shareholders' funds
£30.7m
(2007: £29.0m)

Gross profit
£13.4m
(2007: £11.3m)

Profit before tax
£2.2m
(2007: £1.4m)

Diluted earnings per share
3.8p
(2007: 4.1p)



REVIEW OF OUR YEAR:
THE AMINO OPPORTUNITY

The saying; "May you live in interesting times" is meant to be a curse. Well, the world of digital entertainment has never seen more interesting times and, for many traditional players, it may well be a curse. But for disruptors, challengers and innovators, there has never been more opportunity.

For the IPTV players and for a new generation of challengers that Amino enables, the field is wide open.

This is my first annual report as the CEO of Amino and, after delivering a solid year of results and making two strategically important acquisitions, I'm very excited about the opportunities ahead and the assets Amino has assembled to maximise them.

At last we're entering the commercial phase of IPTV market development. Major operators and content players all over the world have now committed to the business, deployed the infrastructure and attracted serious customer numbers with innovative new services.

Now it's time to step up a gear; to deliver better quality (with HD and MPEG-4 compression); to deliver new services that combine traditional broadcast with Video-on-Demand (VoD) and Internet video Over-The-Top (OTT); and to start using the techniques of the best Internet retailers to actively promote relevant content rather than passively stacking it on a virtual TV shelf.

Amino is in the ideal position to exploit these trends and help power the next generation of IPTV. In a market characterised by a complex ecosystem, we are creating a compelling IPTV offering that is complete, open and sustainable. Our acquisition of AssetHouse in June 2008 marked a significant step in our transformation from a pure-play hardware company to a solutions business that offers more value to a wider range of players.

AssetHouse is a true leader in digital content merchandising software. In a previous role while launching the BT Vision service, I chose them to help us actively promote content to users. It's an incredibly powerful solution and perfectly placed for the needs of the market today.

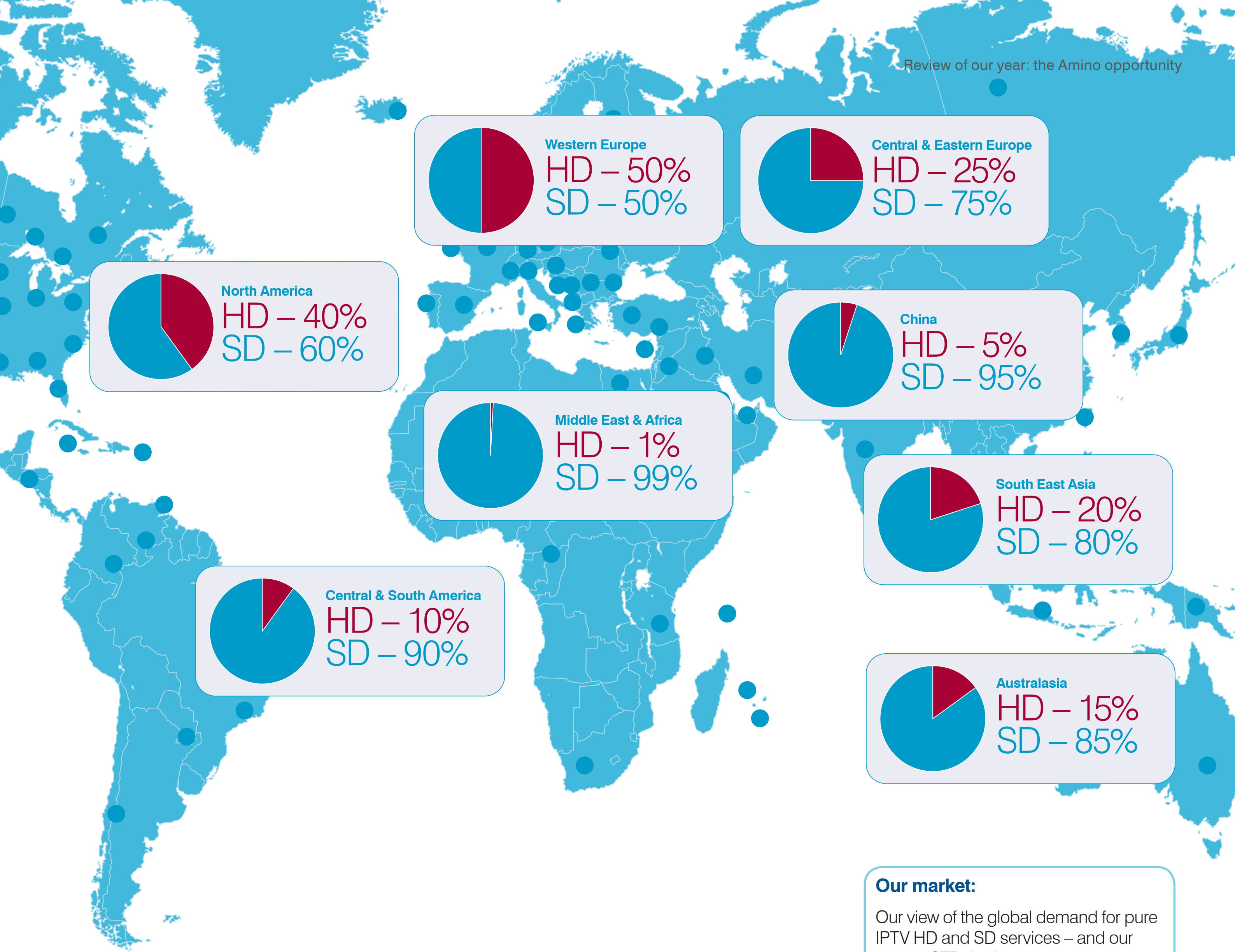
The recent acquisition of Tilgin's IPTV division not only drives greater scale through new customer and partner relationships, but also gives us innovative new features like picture-in-picture and whole-home Personal Video Recorder (PVR) – features that help our operators acquire more customers, reduce churn and compete more effectively.

Bringing Amino, Tilgin IPTV and AssetHouse together gives us a bigger slice of the value chain and a more compelling offering for Tier 1 operators. It also brings us a significant step closer to our vision of "full-circle content merchandising" – a combination of hardware and software that helps operators deliver a compelling, personalised experience to the consumer.

These are indeed interesting times.

Andrew Burke

Andrew Burke
Chief Executive Officer



Our market:

Our view of the global demand for pure IPTV HD and SD services – and our current STB deployments

Key: ● Amino STB deployment

Our market – a global and growing opportunity

The IPTV market continues to grow, creating more and more opportunities for Amino. In both established and emerging markets, operators have continued to add significant customer numbers and deliver innovative new services. Highlights include:

- Informa Telecoms & Media forecasts strong growth, resulting in 57.0m IPTV homes by 2013 – triple the 2008 figure;
- In the short term, Informa projects 18.6m IPTV households by the end of 2008 – up 8m in the year;
- Asia Pacific and Western Europe are each responsible for nearly 3m of the additional households, with North America adding 1.7m;
- Eastern Europe is experiencing strong growth with an 85% increase in IPTV take-up over the last twelve months to 1.48m households – a number forecast to increase four-fold by 2012;
- By 2013, Asia Pacific will contribute 22.2m of the 57.0m global total. China alone will have crossed the 10m mark.

(Source: Informa Telecoms & Media and IMS Research)

As subscriber bases reach critical mass for many operators, the opportunities for selling new services continue to grow.

Beyond the operator-driven IPTV market, a growing adoption of OTT services – including Internet delivered video portals such as YouTube and TV 2.0 services such as Sezmi Corporation – opens up new revenue opportunities for our products.

Our revenue streams

Amino now makes money in five ways:

STB product sales – still the bulk of our revenue;

Licencing – our core technology 'stack' to partners in emerging markets;

Support fees – from our global installed base;

Systems integration fees – leveraging our expertise in IPTV delivery and infrastructure; and

Software and solutions – with our new AssetHouse platform and related solutions.

REVIEW OF OUR YEAR:
THE AMINO SET-TOP BOX BUSINESS

Amino sells STBs into five markets:

- **Telcos** – including Tier 1, 2 and 3 operators offering subscription and pay-as-you-go services to residential customers;
- **TV 2.0 challengers** – integrating Internet TV – services akin to YouTube and Hulu – with traditional TV and VoD;
- **Hospitality** – including hotels, resorts, airlines and hospitals offering next-generation TV and VoD services to guests;
- **Enterprises** – who transmit video over proprietary networks – essentially in-house IPTV – to communicate with staff, customers and stakeholders worldwide; and
- **Education** – including schools and universities running their own IPTV services or offering commercial services to students and staff.

All of these markets are global, insulating the business from regional variations. During 2008, we worked with 738 customers in 58 countries.

STB products

Amino produces a growing range of AmiNET™ IPTV STBs with a wide range of functionality including:

- **First-generation IPTV** – Standard Definition (SD) and MPEG-2 compression, still very much in demand by Tier 2 and 3 operators and developing markets;
- **High Definition (HD)** – fast establishing itself as the standard in North America and growing in Western Europe;
- **MPEG-4 Compression** – replacing MPEG-2 because of its superior quality and bandwidth optimisation;
- **Personal Video Recorder (PVR)** – allowing users to record entire series and rewind or pause live TV; and
- **Internet TV** – the ability to include services such as YouTube "over the top" of IPTV.

We continue to innovate. We are developing our "full-circle TV" offering to bring together a range of hybrid appliances and our AssetHouse solution into a powerful integrated offering.

The award-winning AmiNET™ range is known for its striking design, offering competitive functionality in small, sleek, consumer-friendly packages.

"The award-winning AmiNET™ range is known for its striking design, offering competitive functionality in small, sleek, consumer-friendly packages."

Case study:

From IPTV to myTV – Amino supports rapid Elion rollout

Elion is the largest telecommunications and IT provider in Estonia and began the rollout of IPTV in all major cities in early 2006 – now followed by a countrywide deployment. Digital television forms a key component of a triple-play offering that also includes Internet and telephone connection, with the service securing over 75,000 customers since its launch, some 17% of all households.

As well as 100 digital television channels, the IPTV service includes themed packages of various TV channels, digital radio stations, VoD and games, with a “myTV” personalised solution to be launched shortly. Elion chose Amino because of its track record as an industry leader and is now expanding its offering by adding the Amino PVR to its STB portfolio. Using the AmiNET™ 530, Elion will also be able to provide tiered triple-play services with additional channels and HD TV, all based on state-of-the-art technology.

REVIEW OF OUR YEAR: BUILDING OUR CAPABILITIES AND IMPROVING OUR PROPOSITION

> "Market reaction to the Amino/AssetHouse combination has been universally positive and our early discussions with existing and prospective customers have been very encouraging."

The AssetHouse acquisition: moving Amino across the value chain

AssetHouse is the pioneer of digital proposition management for on-demand entertainment. Our solution helps network operators acquire their content assets more effectively and turn them into profitable on-demand products quickly, easily and at lower cost.

Amino purchased AssetHouse in June 2008 to help us do four important things:

- Help penetrate Tier 1 operators – BT is already a major AssetHouse customer, giving us the products and the credibility to sell to more Tier 1 operators;
- Control more of the value chain – and help deliver whole solutions to operators of all sizes;
- Differentiate our STBs – by integrating them with the AssetHouse platform into a full-circle content merchandising solution; and
- Open up new markets beyond IPTV – with a multi-channel solution that adds value for any content provider, delivering services through any channel.

AssetHouse recently closed a significant deal with Sezmi, an innovative TV 2.0 provider, which combines traditional TV content with movies and Internet TV in a single product.

Market reaction to the Amino/AssetHouse combination has been universally positive and our early discussions with existing and prospective customers have been very encouraging.

The Tilgin IPTV business acquisition: new product capability and partnerships

In December 2008, we bought Tilgin's IPTV business – a well-regarded product portfolio and engineering resource which strengthens our market position, product portfolio and ability to scale. This important acquisition:

- Underlines our industry consolidation strategy – bringing together strong and innovative technology and software businesses into a single, focused company is very much what the market is demanding;
- Enhances our offering – with products and software capabilities that complement and extend our own portfolio. New functionality – including picture-in-picture, whole home connectivity and green power – positions us strongly to meet current and future customer demand; and
- Builds on our excellent industry partnerships – giving us access to new ecosystems, including Ericsson and Nokia Siemens Networks, that will further extend our customer reach.

Case study:

Helping Sezmi put customers in control

Sezmi Corporation has developed the first complete personal TV offering by combining traditional TV content, movies and Internet video in a single easy-to-use product. Designed from the ground up with next-generation TV functionality, Sezmi puts consumers in control with a personalised on-demand viewing experience.

Sezmi is working with partners from broadcast, broadband, content and advertising industries to create a new TV choice for consumers. Sezmi has selected AssetHouse's digital proposition management solution to target, craft and deliver a wealth of different content offerings. At the same time, AssetHouse offers targeted, interactive and measurable advertising – a prime example of how its technology adds real value to the IPTV model. Sezmi is a dynamic company pushing the boundaries of TV – and Amino is right there with them.

Our strengths

The combination of Amino, Tilgin's IPTV business and AssetHouse brings a powerful set of capabilities to leverage our market opportunities:

- **Our systems expertise** is unparalleled in the IPTV infrastructure marketplace;
- **Our content merchandising software** is unique in the market and offers demonstrable added value to our customers;
- **Our hardware** is known both for its consumer appeal and technical excellence and is now even more feature rich;
- **Our commercial flexibility** allows us to address a wider market and to meet our customers' needs with a variety of business models; and
- **Our management team** brings together some of the industry's most experienced executives with a thorough understanding of IPTV and its challenges.

The new Amino vision and strategy plays to these strengths and positions us well in the dynamic world of digital entertainment.

Our future

Amino is poised to exploit the growth of IPTV and support the business success of our customers around the world, as well as the emerging content players offering next-generation services.

Our MPEG-4, HD and PVR products are fully market ready. Our vision for full-circle content merchandising has been validated by the market and we are strongly positioned to build on our success.

CHAIRMAN'S REPORT

"Our robust balance sheet and broad market-leading offering give us confidence that we are well-placed to deliver on our ambitions."

Introduction

It has been another year of progress and delivery against our stated strategic plans. The year ended 30 November 2008 was a year of substantial change for the business, so I am pleased that the Group has been able to report results for the year in line with expectations.

One of the most significant developments was the announcement of a new CEO for the Group in the form of Andrew Burke. Andrew brings a wealth of experience in the Internet Protocol TV (IPTV) space and has wasted no time in bringing fresh impetus to our plans, with strategic developments such as the acquisitions of AssetHouse and, after the year end, that of the IPTV division of Tilgin AB. These acquisitions enhance our position in the IPTV market, both in our traditional STB market and also in building a substantial new presence in the market for the software that drives IPTV systems.

As such, we enter 2009 in a robust position. There can be no doubt that the well-documented downturn in economic conditions will present challenges in the year ahead but I am confident that, with the business we have today, we are well placed to strengthen our market position.

Results and finance

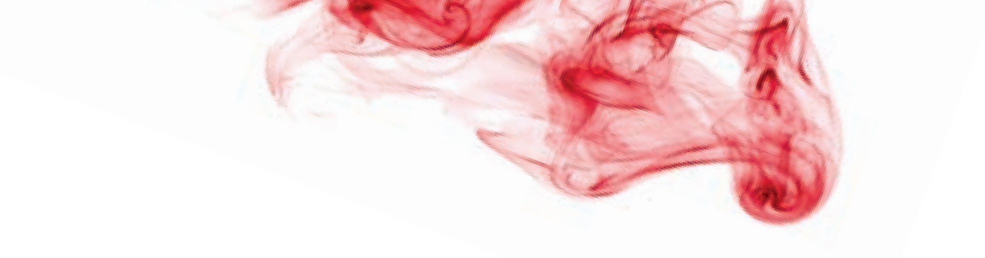
Amino achieved steady growth in profits for the year ended 30 November 2008 despite the substantial changes made during the year. A 19% decrease in shipments caused by the transition from MPEG-2 to MPEG-4 product sales, reduced revenue by only 1% to £31.90m (2007: £32.25m) thanks to the increased contribution from our higher priced MPEG-4 HD solutions and a stronger US Dollar in the fourth quarter. A further mark of our progress was the increasing contribution from our licence and support revenues, which grew to £2.15m (2007: £1.01m).

Gross margins improved to 41.9% (2007: 35.1%) as a result of our continued pressure on costs and the benefits from the exchange rate movement. Group operating expenses increased to £12.07m (2007: £10.63m) in line with our strategy to extend our product line. Operating profit increased by £0.63m to £1.30m (2007: £0.67m) and profit before tax increased by £0.75m to £2.16m (£1.41m). The Group net cash stood at £14.44m as at 30 November 2008, down on the prior year (2007: £17.07m), having invested £1.42m in AssetHouse and a further £1.46m on share buy-backs.

Strategy and competitive market position

Since taking the CEO's role back in June, Andrew has been very clear about his strategic plan for this business. In order to grow, we must focus on building our offering in three core areas: building scale, enhancing our product line and moving across the value chain. The two acquisitions we have completed since his appointment demonstrate strong progress in the successful implementation of our strategy.

AssetHouse gives us greater access to the Tier 1 operator market and significantly broadens our product offering beyond the STB arena where we have made our name. Tilgin IPTV also extends our product portfolio



"AssetHouse gives us greater access to the Tier 1 operator market and significantly broadens our product offering."

as well as providing greater scale. Furthermore, the progress we have made in getting our MPEG-4 HD product to market during the past year is a good example of the progress we are making in the organic STB business.

Board
Andrew Burke assumed the role of CEO of the Group from his position as Non-executive Director for Amino, a position which he had held for the previous 18 months. With his extensive knowledge of the IPTV marketplace, he is the ideal person to deliver the next phase of growth for Amino. Andrew took over the reins from Bob Giddy, who served as Amino's CEO for seven years and built the Group from a £2m to £32m revenue business. I would like to record the Board's thanks to Bob for his contribution and we wish him well with his future plans.

In January 2008, we also announced the appointment of Peter Murphy, who replaced Olivier Hopkes as a Non-executive Director. Peter Murphy is a Chartered Accountant with considerable experience in the technology and consumer industries.

Staff
I would like, once again, to extend thanks on behalf of the whole Board to the employees of the Amino Group. The progress made during the past year has been thanks to their skill and dedication. Furthermore, we have expanded considerably with two acquisitions and it is a tribute to the new and existing members of staff that the integration of these organisations is being managed so quickly and effectively.

Outlook
These are uncertain times for the global economy and we do not assume that we will be entirely immune to the downturn. As yet, we have not seen any negative impact to our business, but we are taking particular care to ensure that we are monitoring the markets carefully such that we will be in a position to react to a downturn in our own business outlook, should it occur.

Our breadth of customer base, with 738 customers in over 58 countries in the last year, gives us good market visibility and a high level of sensitivity to our customer and end-user behaviour. In addition, our robust balance sheet and broad market-leading offering give us confidence that we are well placed to deliver on our ambitions again in 2009 and beyond.

Keith Todd.

Keith Todd CBE
Non-executive Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

"Our ambition is to help those companies make sense of this complex market with a complete offering which enables them to deliver market-leading IPTV services to their end customers."

Introduction

I am delighted to be able to announce a year of solid progress for Amino in my first year-end report to shareholders. Our intention has been to build Amino's presence in its core markets and also to enhance its offering both through excellence in research and development and acquisition where appropriate.

The results for the year ended 30 November 2008 demonstrate the progress we are making with this plan, but much remains to be done.

Market

These are interesting times for the IPTV industry. Video is being consumed over the Internet in new and exciting ways and more people are accessing video through their computers than ever before. In the UK, for example, the launch of the BBC's iPlayer service a little over a year ago has triggered a sea change in the way that we watch television in this country – with some 41m requests in December alone. This trend has been replicated elsewhere around the world to the extent that 75% of the online population is now streaming video over the Internet. Whether it's the Olympics, President Obama's acceptance speech or short clips on YouTube, more and more of us are turning to our personal computers to watch video. This is the forerunner of such video content moving directly to the TV.

Advertising revenue is following this trend and telecoms operators around the world are very aware that doing nothing about online video is simply not an option. They face increasing competition on all fronts: from the traditional cable and satellite service providers as well as the new breed of IPTV and Internet video offerings (known as Over-The-Top). Enabling video over the Internet is a key way to help these operators to continue to build Average Revenue Per User (ARPU), accelerate market share and reduce customer churn.

At the same time, consumers are becoming more demanding. They want the content they like and they want to view it in different ways, through different devices. Operators need to better understand consumers' needs and buying preferences if they are going to win the battle for market share in IPTV.

However, the current IPTV market offers interested buyers many different solutions from multiple suppliers. The big question for operators is how to make the most of these options to make sure the IPTV solution they choose is complete, open and sustainable.

Strategy

Our ambition is to help these companies make sense of this complex market with a complete offering which enables them to deliver market-leading IPTV services to their end customers, drawing on the skills and knowledge of the best of the ecosystem suppliers.

Followers of the Amino story will be familiar with the three pronged strategy that we have put in place to enable us to deliver this ambition. We want to build scale, to enhance our product line and to move across the value chain – and we have made positive strides in all three areas during the past year.

Vision

A lot of work has been undertaken internally to ensure that our market proposition is strengthened and well communicated to our customer base. In order to ensure that we present a clear and coherent position, we have worked hard on developing our brand during the year and this is progressing well, to the extent that we are now seen as offering much more than just STBs to the industry.

Operational efficiency

From 01 December 2008 we have reorganised the business into three business units: devices, client software and enterprise solutions, to ensure transparency and accountability in terms of business contribution. Finally, we are driving quality and efficiency through seeking ISO 9001 compliance, complemented by new management information systems.

"We understand the market, we have a highly relevant proposition and we are ready for the next wave of this constantly evolving sector."

Acquisitions

The new divisional structure partly arose as a result of the strategically significant acquisition of AssetHouse in June last year. AssetHouse brings our customers greater visibility of their consumers' viewing behaviours and preferences so that targeted content can be delivered. We call this offering full-circle TV. AssetHouse has now been fully integrated into the Amino Group and in September we saw our first licence sale when we sold our AssetHouse solution to Sezmi, the US-based TV 2.0 service provider.

After the year end, we also completed the acquisition of Tilgin IPTV, a Scandinavian business which develops and sells a range of MPEG-4 HD STBs, which are highly complementary to our own. The acquisition will enable us to extend our customer reach, notably in the Nordic market. The combination has also strengthened our channel relationships with leading systems integrators such as Ericsson and Nokia Siemens Networks. We have already developed an excellent working relationship with the Tilgin IPTV team and are now seeing encouraging signs of customer traction, winning new business in the two months since we acquired the business.

Research and development

Our research and development team has been busier than ever – not only successfully rolling out our new MPEG-4 HD offering to the market, but also many other exciting new developments.

In September, at the annual International Broadcasting Conference we announced the digital media roadmap for the unique Amino-AssetHouse IPTV solution. At the same conference we unveiled our new PVR technology for our STBs.

We also announced collaborations with the market leading middleware provider, Minerva, obtaining certification for our MPEG-4 HD and PVR to run alongside Minerva's iTVManager Platforms. This means that operators can deploy IPTV services with confidence, knowing that leading providers of IPTV STBs and middleware have worked together to deliver fully tested, carrier-class solutions. We also collaborated with content management software provider Cilutions to promote "out-of-the-box" digital signage and IPTV applications for enterprise customers.

I was delighted to see our advancements recognised by the industry during 2008. At the Telco TV conference in November, our all-digital MPEG-4 HD product won "Best Customer Premise Equipment" and "Best in Show" awards. The same product then collected a prestigious global "Good Design" award from the world-renowned Chicago Athenaeum Museum, becoming the only UK company to receive the accolade for electronics product design.

New customer wins and partnerships

These strides in innovation have also been recognised by our customer and partner base in 2008. One of the most exciting new business wins during the year was the sale of our AssetHouse solution offering to Sezmi, since this was the first sale that AssetHouse had achieved as part of the Amino Group. We had further positive news from the US in November, when we announced the first deployment of our AmiNET™ 530 STB in the North American market with systems integrator partner LTS. November also saw our all digital MPEG-4 HD technology selected by Lumexis Corporation, the provider of in-flight airline entertainment systems, to provide 100% digital HD IPTV to the passengers of a major global airline.

We also announced several landmark distribution agreements during the latter stages of the year, including a global co-operation agreement with Ericsson. A major contract with Estonian national operator Elion to deploy our MPEG-4 HD PVR products was also secured.

In December we reached an important milestone with the sale of our two millionth AmiNET™ STB. Reaching this milestone was a strong vindication of our leading product range, which is now deployed in over 80 countries worldwide.

Market prospects

There can be no doubt that these are challenging times for the global economy. We are unlikely to be immune from this downturn, but believe that we are well positioned to continue to benefit from the long term prospects that this market offers. We have a number of factors in our favour – a broad geographic reach, a large and loyal customer base, a strong balance sheet and healthy gross margins.

We believe that these attributes position us well, not only to weather the downturn but also to strengthen our market share in the year ahead. New markets are emerging, notably in the Far East, network capability is improving all the time and, perhaps most importantly, end users are consuming video online like never before and are becoming increasingly demanding in the level of service that they require.

We understand the market, we have a highly relevant proposition and we are ready for the next wave of this constantly evolving sector. We also believe that we have the appropriate strategy to drive shareholder value in this market. Our three pronged strategy will see us:

- Drive scale, enabling us to sell more products to a broader range of customers;
- Expand our product line, to ensure that we have the most complete product offering to sell to our customers; and
- Extend across the value chain: thereby further increasing the loyalty and longevity of our customers.

We believe that we are set fair to continue delivering these plans through the strength of our organic offering and through carefully selected acquisitions.

Andrew Burke

Andrew Burke
Chief Executive Officer

CHIEF FINANCIAL OFFICER'S REPORT

"The investment in new MPEG-4 HD products together with technologies and products gained through the acquisition of AssetHouse and Tilgin means that the Group is well placed to grow."

Basis of preparation

This is the first year that the Group has prepared its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

Also for the first time, the Group's financial statements incorporate the results of AssetHouse Technology Ltd (AssetHouse) from the date of acquisition, 09 June 2008. The acquisition of Tilgin IPTV (Tilgin) was completed on 01 December 2008 and therefore after the end of the financial period, so its results are not incorporated.

Results for the year

I am pleased to report that the Group has continued to improve its profitability despite the transition in demand for MPEG-4 HD from MPEG-2 SD technologies which resulted in lower shipments in our North American market. Whilst shipments of devices decreased by 19% to 484,000 (2007: 598,000), revenue reduced by only 1.1% to £31.90m (2007: £32.25m), primarily due to further transition in sales mix to higher priced MPEG-4 HD (single stream and PVR) products and a stronger US Dollar in the fourth quarter. Shipments of MPEG-HD devices increased to 89,000 (2007: 46,000). The Group benefited in the reduction in the US Dollar exchange rate from an average of $2.00 in FY2007 to an average of $1.89 in FY2008. 86% of sales in the year were denominated in US Dollar, 12% were denominated in Euro.

Revenue from licence, support and expert services grew by £0.99m to £2.18m (2007: £1.19m), representing 6.8% (2007: 3.7%) of turnover, underlining the contribution from our acquisition of AssetHouse. Licence revenue increased to £1.79m (FY2007: £0.86m), generated from a broad range of sources including partnerships for devices in the emerging markets and from the licence of AssetHouse's technology of £0.31m (2007: £nil). Support revenues also increased by £0.21m to £0.36m (2007: £0.15m).

Gross margins improved to 41.9% (2007: 35.1%) contributing to an increase in gross profit of 18.2% to £13.37m (2007: £11.31m). Gross margin on device sales improved by 3.14% to 39.38% (2007: 36.24%) due to further reductions in component prices and the Sterling value of component costs which were generally acquired when the US Dollar was weaker and sold after the US Dollar had strengthened.

Operating expenses increased by 13.6% to £12.08m (2007: £10.63m) in line with the Group's strategy to extend its product line and extend along the value chain. Of the £1.45m increase in operating costs, £0.65m related directly to the purchase of AssetHouse. Sales, general and administrative expenses increased by £0.82m to £8.23m (2007: £7.41m). Research and development expenses, which are stated after net capitalisation of development costs of £1.08m (2007: £nil), increased by £0.62m to £3.85m (2007: £3.23m). On a like for like basis, research and development costs increased by £1.70m; £1.37m related to devices and £0.33m to AssetHouse. The value of the increased investment in development has started to be recognised with the prestigious awards made to the Group's MPEG-4 HD devices which are critical to the Group's further success.

At the year end, headcount was 133 (2007: 100). The average number of employees during the year was 119 (2007: 107).

Operating profit increased by £0.63m to £1.30m (2007: £0.67m), net interest received by £0.12m to £0.86m (2007: £0.74m) and profit before tax increased by £0.75m to £2.16m (2007: £1.41m).

Corporation tax receivable for the year is £0.04m (2007: receivable £0.93m). Usually, through utilising unrecognised tax losses to relieve taxable trading profits, the Group would expect to pay corporation tax at the prevailing rate only on net interest received. However, this year the corporation tax charge on net interest is mitigated by enhanced tax relief for research and development expenditure and research and development tax credits payable in the case of AssetHouse. In the previous year, the Group received research and development tax credits of £0.93m in respect of expenditure incurred in FY2005 and FY2006.

Due to the exceptional corporate tax credit in 2007, profit after tax reduced by £0.14m to £2.20m (2007: £2.34m) and basic earnings per share reduced to 3.98p (2007: 4.18p).

Balance sheet

The Group has a strong balance sheet. Total equity of £30.66m (2007: 28.98m) is equivalent to 53p per share (2007: 50p per share).

Net current assets of £24.32m (2007: £25.02m) provide the Group with a strong working capital base. The primary components of net current assets are net cash balances of £14.44m (2006: £17.07m), trade receivables of £12.23m (2007: £9.92m), stock of £5.06m (2007: £2.66m) and trade and other payables of £8.73m (2007: £5.37m).

The reduction in net cash balances of £2.63m in the year to £14.44m (2007: £17.07m) reflects the purchase of shares for cancellation for £0.32m, the purchase of ordinary shares by the Employee Benefits Trust (EBT) for £1.14m and the acquisition of AssetHouse Technologies plc for £1.42m.

Trade receivables of £12.23m (2007: £9.92m) represent 38.3% (2007: 30.8%) of revenues in the year, reflecting the Group's traditionally strong fourth quarter. 75% of trade receivables at 30 November 2008 are insured. Trade receivables over 60 days at 30 November 2008 but not provided for amounted to only £1.50m (2007: £1.04m) of which, as at 30 January 2009, all but £0.30m had been collected.

$11.17m (£7.25m) of net current assets are denominated in US Dollar and €1.39m (£1.15m) are denominated in Euros which were restated at $1.54 and €1.21 at the balance sheet date. Also at the balance sheet date, the Group had unsettled forward foreign exchange contracts of $7m at an average rate of $1.55 and €1.5m at a rate of €1.19.

As at 30 November 2008, the Group had approximately £30m 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 £1.70m and £24m of tax losses remain unrecognised. At the current rate of corporation tax, the unrecognised deferred tax asset is £6.7m.

Equity

Issued share capital reduced by 0.57m ordinary shares in the year to 57.84m (2007: 58.41m) following the company acquisition and cancellation of 0.62m shares and the issue of 0.05m shares in respect of deferred consideration on the second anniversary of the purchase of SJ Consulting Limited.

In June 2008, the Employee Benefits Trust acquired 2.05m ordinary shares for £1.14m. At the year end, the EBT held 3.30m (2007: 2.34m) ordinary shares representing 6% (2007: 4%) of the issued share capital. Also at the year end, the total number of options granted primarily to current and former employees was 6.73m (2007: 4.36m).

Purchase of AssetHouse

On 09 June 2008, Amino acquired AssetHouse for £1.42m. Additionally, there is a cash earn-out mechanism offering an additional consideration of 50% of any saving in corporation tax realised by Amino from utilisation of AssetHouse's tax losses. As at 30 November 2008, AssetHouse had approximately £18m of tax losses available to carry forward to set against future taxable profits. At the current rate of corporation tax, the maximum additional consideration payable is approximately £2.5m, which has not been recognised at the balance sheet date.

Post balance sheet event – purchase of Tilgin IPTV

On 01 December 2008, Amino acquired Tilgin IPTV for £2.71m, being the initial consideration and transaction costs, on a debt-free basis payable in cash on completion. Additionally, there is a capped cash earn-out mechanism offering an additional maximum consideration of SEK15.0m (approximately £1.25m) based on unit sales above 175,000 in financial year 2009.

Summary

The Group has a strong balance sheet with assets primarily made up of cash and trade debtors. The investment in new MPEG-4 HD products together with technologies and products gained through the acquisition of AssetHouse and Tilgin IPTV means that the Group is well placed to grow. Profits in the short to medium term are expected to be sheltered by the considerable tax losses carried forward.

Stuart Darling
Chief Financial Officer

BOARD OF DIRECTORS

1. Keith Todd, MA, CBE
Non-executive Chairman and Director
Age 55, 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 BSkyB. 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.

2. Stuart Darling, FCA
Chief Financial Officer and Company Secretary
Age 45, Stuart joined Amino as Chief Financial Officer 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, in the field of artificial life technology, and Millennium Interactive Limited, a developer and publisher of entertainment software. After qualifying as a Chartered Accountant with Price Bailey, Stuart spent five years at Coopers & Lybrand, where he specialised in fast-growth companies and corporate recovery.

3. Andrew Burke
Chief Executive Officer
Age 47, Andrew joined Amino as Chief Executive Officer in June 2008, having served as a non-executive director since January 2007. Previously Andrew was chief executive officer of BT Entertainment where he devised and ran BT Vision, the company's TV-over-Broadband initiative, chaired their Premium Rate Services activity, pioneered their Digital Media Services and led their relationships with the media world. Prior to that Andrew was chief executive officer of eVerger, a $100m investment fund. Andrew is also chairman of Crisp Thinking and a non-executive director of the IT Forum Foundation.

4. Colin Smithers, BSc, PHD, CEng, FIEE, M InstD, LTCL
Non-executive Director
Age 50, 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.

5. Peter Murphy
Non-executive Director
Age 52, 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. More 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, chief financial officer and business operations director of Camelot Group plc, the National Lottery operator.

ADVISORS

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Swavesey
Cambridge CB24 4UQ

Secretary
Stuart Darling

Nominated advisor and stockbroker
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Solicitors to the Company
Hewitsons
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Cambridge CB5 8EP

Registrars and receiving agents
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

CORPORATE GOVERNANCE REPORT

for the year ended 30 November 2008

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, a number of voluntary disclosures have been given.

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

Directors and Board

The Board comprises two executive and three 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 decision by the Board, who meet on a monthly basis.

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

Board committees

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

Audit

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

Relations with shareholders

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

Internal financial control

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

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

- Internal control: the directors review the effectiveness of the Group's system of internal controls on 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.

Going concern

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

DIRECTORS' REMUNERATION REPORT

for the year ended 30 November 2008

Introduction

As a company listed on AIM, Amino Technologies plc is not required to present a Directors' remuneration report, however a number of voluntary disclosures have been made.

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

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

Remuneration of executive directors

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

The remuneration packages comprise the following elements:

- Base salary: the Remuneration Committee sets base salaries to reflect responsibilities and the skills, knowledge and experience of the individual;
- Bonus scheme: the executive directors are eligible to receive a bonus dependent on both individual and Group performance as determined by the Remuneration Committee;
- 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 2008					
	Salary and fees	Bonus	Benefits	Sub-total	Pension contributions	Total
Keith Todd	60,000	—	—	60,000	—	60,000
Andrew Burke – CEO[6]	93,684	—	563	94,247	8,749	102,996
Andrew Burke – Non-executive	64,105	—	—	64,105	—	64,105
Stuart Darling	121,785	—	1,125	122,910	16,826	139,736
Bob Giddy[5]	113,879	—	1,127	115,006	66,997	182,003
Colin Smithers	19,490	—	—	19,490	—	19,490
Peter Murphy[4]	25,625	—	—	25,625	—	25,625
Olivier Hopkes[1]	16,308	—	—	16,308	—	16,308
	514,876	—	2,815	517,691	92,572	610,263

DIRECTORS' REMUNERATION REPORT

for the year ended 30 November 2008 (CONTINUED)

Directors' detailed emoluments and compensation (continued)

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

1 Olivier Hopkes resigned on 23 January 2008.

2 Grant Masom, Nick Kuenssberg and David Gammon resigned on 02 January 2007.

3 Paul Fellows resigned on 28 September 2007.

4 Peter Murphy was appointed on 24 January 2008.

5 Bob Giddy resigned on 03 December 2008.

6 Andrew Burke resigned as Non-executive Director on 09 June 2008 and was appointed Chief Executive Officer on the same date.

Contributions were made to the personal pension schemes of three of the directors (2007: three), in accordance with their employment contracts.

Colin Smithers' fees are paid to Plextek Limited.

Andrew Burke's fees were paid to APB Consultancy Ltd until his appointment as Chief Executive Officer on 09 June 2008.

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 2008		At 30 November 2007	
	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	**128,414**	**250,000**	—	150,000
Andrew Burke[2]	**336,702**	**2,928,153**	—	30,000
Bob Giddy	**216,181**	**600,000**	—	1,029,116
Stuart Darling[2]	**50,000**	**440,000**	—	350,000
Peter Murphy	**—**	**30,000**	—	—
Colin Smithers[1]	**40,000**	**109,959**	40,000	79,959

1 Held by The CIT Pension fund.

2 Ordinary shares held in personal pension fund.

Directors and their interests in shares (continued)

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

Director	Date	Exercise price	**At 30 November 2008 Number**	At 30 November 2007* Number
Keith Todd	01 January 2007	£0.50[e]	**100,000**	100,000
	01 January 2007	£1.25[f]	**50,000**	50,000
	01 July 2008	£0.62[d]	**100,000**	—
			250,000	150,000
Andrew Burke	22 January 2007	£0.50[e]	**30,000**	30,000
	09 June 2008	£0.00[a]	**1,738,892**	—
	09 June 2008	£1.50[a]	**1,159,261**	—
			2,928,153	30,000
Bob Giddy	19 September 2003	£0.20	**—**	499,999
	30 September 2003	£0.20	**—**	138,001
	01 February 2004	£0.32	**—**	391,116
	09 June 2008	£0.55[b]	**500,000**	—
	09 June 2008	£0.62[c]	**100,000**	—
			600,000	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
	01 July 2008	£0.62[d]	**90,000**	—
			440,000	350,000
Peter Murphy	24 January 2008	£0.49[e]	**30,000**	—
			30,000	—
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
	01 July 2008	£0.62[d]	**30,000**	—
			109,959	79,959

* Or date of appointment if later.

(a) The vesting conditions of these options are as follows:

- 50% when measured Total Shareholder Return (share price growth excluding adjustment for dividend payments) equals or exceeds 30% per annum in the period 09 June 2008 to 30 November 2011.
- 50% when measured Earnings per Share growth equals or exceeds 40% per annum in the period 01 December 2008 to 30 November 2011.

(b) These options vested on the date of grant and are exercisable at any time during the option period of 01 December 2008 to 30 November 2009.

(c) The vesting conditions of these options are as follows:

- 50% when measured Total Shareholder Return equals or exceeds 30% per annum in the period 09 June 2008 to 09 June 2009.
- 50% when measured Earnings per Share growth equals or exceeds 40% per annum in the period 01 December 2008 to 30 November 2009.

(d) The vesting conditions of these options are as follows:

- 50% when measured Total Shareholder Return equals or exceeds 30% per annum in the period 01 July 2008 to 30 November 2010.
- 50% when measured Earnings per Share growth equals or exceeds 40% per annum in the period 01 December 2008 to 30 November 2010.

(e) Vested in full on the first anniversary of grant.

(f) Vested in full on the second anniversary of grant.

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

The market price of the Company's shares at the end of the financial year was £0.48 and ranged between £0.48 and £0.68 during the year.

Peter Murphy
Chairman, Remuneration committee

DIRECTORS' REPORT

for the year ended 30 November 2008

The directors present their report and the audited financial statements for the year ended 30 November 2008.

Principal activities

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 encoding standards, SD and 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 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.

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, the Chief Executive's report and the Chief Financial Officer'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, to minimise any effect. The Group's foreign exchange exposure is continuously monitored.

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 note 3);
- Supply chain – the Group sources its products principally from the US and China. The product includes various components which are only available on 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 share option schemes;
- Technology – the Group's revenue is dependent on delivering complex viable technologies to specific markets. The Group ensures that cross-functional teams of senior employees work together and with customers to ensure the 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; and
- Third-party IP infringement – the Group's business and operations may be adversely affected by litigation arising from alleged IP infringement. The Group has implemented procedures to identify, assess, manage and report on any potential IP infringement.

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

Key performance indicators (KPIs)

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

Proposed dividend

The directors do not recommend the payment of a dividend (2007: £nil).

Purchase of own shares

The Company acquired and cancelled 620,000 of its own shares through purchases on the London Stock Exchange on 15 April 2008. The total amount paid to acquire these shares was £322,400.

On 10 June 2008, the Group allotted 2,049,335 ordinary shares of 1p each at 55p per share to the Amino Communications Employee Benefit Trust, consideration for which was satisfied by way of an interest free loan of £1,137,302 from Amino Holdings Limited.

Research and development

£4,958,021 was spent on research and development in 2008 (2007: £3,226,990). Under IAS 38, "Intangible Assets", £1,110,697 of this spend was capitalised (2007: £nil).

The Group continues to improve its market leading range of MPEG-2 STBs and continues to develop its MPEG-4 SD, 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.

Post balance sheet events

On 01 December 2008, the Group purchased 100% of the share capital of Tilgin IPTV AB, for a total consideration of £2.71m. For further details on the acquisition please refer to note 33.

Directors

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

Keith Todd	Non-executive Chairman
Andrew Burke	Chief Executive Officer
Bob Giddy (resigned 03 December 2008)	President
Stuart Darling	Chief Financial Officer and Company Secretary
Colin Smithers	Non-executive Director
Peter Murphy (appointed 24 January 2008)	Non-executive Director
Olivier Hopkes (resigned 23 January 2008)	Non-executive Director

Andrew Burke was a Non-executive Director until his appointment as Chief Executive Officer on 09 June 2008.

Bob Giddy was Chief Executive Officer until 09 June 2008, at which point he became President.

Keith Todd retires as Director by rotation and being eligible, offers himself for reappointment at the forthcoming Annual General Meeting.

Employment policies

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

The employee share scheme has been running successfully since its inception on 08 June 2004 and is open to all employees.

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

Policy and practice on payment of creditors

The Group does not follow any specific code on payment of creditors; creditors are paid in accordance with the terms of the contract agreed between the two parties. Trade creditors of the Group at 30 November 2008 were equivalent to 55 days' purchases for the Group (2007: 33 days).

Substantial shareholdings

As at 26 January 2009, 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	13.6%
Chase Nominees Limited	5,290,227	9.1%
Mineworkers Pension Scheme	3,702,018	6.4%
Nutraco Nominees Limited	3,682,938	6.4%
British Coal Staff Superannuation	3,661,375	6.3%
BNY (OCS) Nominees Limited	3,435,000	5.9%
Walbrooke Trustees (Guernsey) Limited	3,304,241	5.7%
P.H. Nominees Limited	2,166,601	3.7%
The Bank of New York (Nominees) Limited	2,125,812	3.7%
Chase Nominees Limited Lend Account	2,054,772	3.6%
Britel Fund Nominees Limited	1,744,857	3.0%
	39,056,757	67.4%

DIRECTORS' REPORT

for the year ended 30 November 2008 (CONTINUED)

Political and charitable donations

The Group did not make any charitable or political donations in the year (2007: £nil).

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the Group and the parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

The Group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and 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 that the Group financial statements comply with IFRSs as adopted by the European Union and with regard to the parent company financial statements that applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the Group and parent company financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 to enable them to ensure that the Group financial statements comply with the Companies Act 1985 and the parent company financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the Group's auditors are unaware. Each director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

By order of the Board

Stuart Darling
Company Secretary
02 February 2009

INDEPENDENT AUDITORS' REPORT

to the members of Amino Technologies plc

We have audited the Group financial statements of Amino Technologies plc for the year ended 30 November 2008 which comprise the Consolidated income statement, the Consolidated balance sheet, the Consolidated cash flow statement, the Consolidated statement of recognised income and expense and the related notes. These Consolidated financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Amino Technologies plc for the year ended 30 November 2008.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the Group 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 Group financial statements give a true and fair view and whether the Group financial statements have been 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 Group financial statements. The information given in the Directors' report includes that specific information presented in the Chairman's report, the Chief Executive Officer's report and the Chief Financial Officer'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, 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 Group financial statements. The other information comprises only the About Amino report, Highlights, Review of the year, Chairman's report, Chief Executive Officer's report, Chief Financial Officer'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 Group 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 Group financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group'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 Group 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 Group financial statements.

Opinion

In our opinion:

- The Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 November 2008 and of its profit and cash flows for the year then ended;
- The Group 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 Group 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT

for the year ended 30 November 2008

	Notes	Year to 30 November 2008 £	Year to 30 November 2007 £
Revenue	4	**31,902,075**	32,253,156
Cost of sales		**(18,529,562)**	(20,945,251)
Gross profit		**13,372,513**	11,307,905
Selling, general and administrative expenses		**(8,226,302)**	(7,406,511)
Research and development expenses		**(3,847,324)**	(3,226,990)
Operating profit		**1,298,887**	674,404
Financial income	5	**870,016**	967,903
Financial expense	5	**(6,857)**	(230,831)
Net financial income	5	**863,159**	737,072
Profit before corporation tax	6	**2,162,046**	1,411,476
Corporation tax credit	9	**41,092**	932,573
Profit for the year attributable to equity holders	24	**2,203,138**	2,344,049
Basic earnings per 1p ordinary share	10	**3.98p**	4.18p
Diluted earnings per 1p ordinary share	10	**3.77p**	4.08p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the year ended 30 November 2008

	Year to 30 November 2008 £	Year to 30 November 2007 £
Foreign exchange difference arising on consolidation	**591,223**	(149,218)
Net income recognised directly in equity	**591,223**	(149,218)
Profit for the year	**2,203,138**	2,344,049
Total recognised income for the financial year	**2,794,361**	2,194,831

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

CONSOLIDATED BALANCE SHEET

as at 30 November 2008

	Notes	30 November 2008 £	30 November 2007 £
Assets			
Non-current assets			
Property, plant and equipment	13	**982,964**	1,118,891
Intangible assets	12	**3,431,236**	960,778
Deferred income tax assets	21	**1,719,000**	1,719,000
Trade and other receivables	15	**203,101**	163,450
		6,336,301	3,962,119
Current assets			
Inventories	14	**5,059,627**	2,659,659
Trade and other receivables	15	**13,576,759**	10,720,082
Cash and cash equivalents	17	**14,443,582**	17,065,867
		33,079,968	30,445,608
Total assets		**39,416,269**	34,407,727
Capital and reserves attributable to equity holders of the business			
Called-up share capital	22	**578,430**	584,130
Shares to be issued	24	**27,751**	68,667
Share premium	24	**104,249**	79,749
Capital redemption reserve	24	**6,200**	—
Other reserves	24	**16,388,755**	16,388,755
Retained earnings	24	**13,555,105**	11,862,663
Total equity	24	**30,660,490**	28,983,964
Liabilities			
Current liabilities			
Borrowings	19	**12,502**	37,229
Trade and other payables	18	**8,732,415**	5,386,534
Derivative financial instruments	16	**10,862**	—
Total liabilities		**8,755,779**	5,423,763
Total equity and liabilities		**39,416,269**	34,407,727

The financial statements on pages 24 to 43 were authorised for issue by the Board of directors on 02 February 2009 and were signed on its behalf by:

Andrew Burke
Director

Stuart Darling
Director

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

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 November 2008

	Note	**Year to 30 November 2008 £**	Year to 30 November 2007 £
Cash flows from operating activities			
Cash generated from operations	25	**155,859**	1,901,106
Corporation tax (paid)/received		**(277)**	914,186
Net cash generated from operating activities		**155,582**	2,815,292
Cash flows from investing activities			
Acquisition of subsidiary – net of cash acquired		**(881,908)**	—
Purchases of intangible fixed assets		**(1,597,919)**	(408,677)
Purchases of property, plant and equipment		**(228,416)**	(183,423)
Interest received		**854,865**	913,552
Interest paid		**(6,857)**	(230,831)
Proceeds from exercise of employee share options		**253,297**	2,540
Net cash (used in)/generated from investing activities		**(1,606,938)**	93,161
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**—**	16,000
Repurchase of own shares		**(322,400)**	—
Loan made to Employee Benefit Trust for purchase of shares		**(1,137,302)**	—
Repayments of borrowings		**(24,727)**	(7,397,569)
Net cash used in financing activities		**(1,484,429)**	(7,381,569)
Net decrease in cash and cash equivalents		**(2,935,785)**	(4,473,116)
Cash and cash equivalents at beginning of year		**17,065,867**	21,658,769
Effects of exchange rate fluctuations on cash held		**313,500**	(119,786)
Cash and cash equivalents at end of year		**14,443,582**	17,065,867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2008

1 General information

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

During the year, the Group acquired control of AssetHouse Technology Limited, a company specialising in Digital Proposition Management software.

The Company is a public limited company which is listed on the Alternative Investment Market (AIM) of the London Stock Exchange and is incorporated and domiciled in the UK. The address of its registered office is given on the inside back cover.

2 Summary of significant accounting policies

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

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention basis except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair value through profit or loss, as discussed in the accounting polices below.

Basis of consolidation

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

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

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

Merger accounting has been used to account for the acquisition of certain subsidiaries in the Group. 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.

The Group has taken the exemption not to apply IFRS 3, "Business Combinations", retrospectively to business combinations that took place before 01 December 2006.

Adoption of new accounting standards

The following IFRSs and IFRIC interpretations and amendments have been adopted in line with the transitional guidance of each standard:

- IFRS 7, "Financial Instruments: Disclosures", and the complementary amendment to IAS 1, "Presentation of Financial Statements", issued in August 2005, require the Group to disclose revised and additional disclosure. This implementation has had no impact on the results or net assets of the Group.
- IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions", issued in November 2006, provides guidance on whether share-based transactions involving Group entities should be accounted for as equity-settled or cash-settled transactions. This implementation has had no impact on the results or net assets of the Group.
- IFRIC 8, "Scope of IFRS 2" addresses the issue of whether IFRS 2, "Share-based Payment" applies to transactions in which the entity cannot identify specifically some or all of the goods or services received. This standard does not have any impact on the results or net assets of the Group.

The following standards, amendments and interpretations effective in the Group accounts from 01 December 2007 are not relevant to the operations of the Group:

- IFRS 4, "Insurance Contracts";
- IFRIC 7, "Applying the Restatement Approach" under IAS 29, "Financial Reporting in Hyper-inflationary Economies"; and
- IFRIC 9, "Re-assessment of Embedded Derivatives".

Future announcements

The following IFRS and IFRIC interpretations, which are relevant to the Group, have been issued by the International Accounting Standards Board (IASB) but are not yet effective.

In November 2006, the IASB issued IFRS 8, "Operating Segments" which is required to be implemented in the financial year commencing 01 December 2008. This aligns the IFRS reporting of segmental analysis with that provided in accordance with US GAAP and requires segmental analysis reported by an entity to be based on information used by management. This standard is not likely to have a material effect on the Group's results of operations or financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

2 Summary of significant accounting policies (continued)

Future announcements (continued)

The following interpretations are not yet effective and are not relevant to the Group's operations:

- IFRIC 12, "Service Concession Agreements";
- IFRIC 13, "Customer Loyalty Programmes";
- IFRIC 14, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction";
- IFRIC 15, "Agreements for the Construction of Real Estate"; and
- IFRIC 17, "Distributions of Non-cash Assets to Owners".

Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Group's primary format for segmental reporting is by business segment. The secondary format is by geographical segment, which is determined by reference to the geographical location of the Group's customers.

Revenue recognition

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

- Income from the sale of products is recognised when goods are delivered in accordance with the terms and conditions of sale agreed with the customer. Income from development and integration work required with product sales is recognised on completion of the relevant project.
- Licence revenues under non-cancellable licence agreements are recognised once the economic benefit of the licenced hardware and/or software has been transferred to the customer and no 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.
- Income from support and maintenance is recognised over the period in which the service is provided.
- Expert services are invoiced in line with customer contracts and revenue is recognised on the basis of contractual milestones.

Foreign currencies

(i) Functional and presentational currency

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

(ii) Transactions and balances

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

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

The Group only uses derivative contracts (i.e. forward foreign exchange currency purchases or sales) to hedge known foreign currency exposures and does not use derivative contracts for speculative purposes. The Group's derivative contracts do not qualify for hedge accounting and are valued (i.e. marked to market) at the balance sheet date and any resulting profits or losses are taken to the income statement.

(iii) Group companies

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

(a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) Income and expenses for each income statement are translated at the average exchange rate for the month; and

(c) All resulting exchange differences are recognised within retained earnings.

Financial instruments

(i) Treasury policies and management

The Group's treasury policies are designed to ensure that adequate financial resources are available for the development of the Group's businesses.

(ii) Trade receivables

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

2 Summary of significant accounting policies (continued)

Financial instruments (continued)

(iii) Trade payables

Trade payables are recognised initially at fair value and subsequently held at amortised cost.

Trade payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Derivative financial instruments and hedging activities

Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in note 16.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than twelve months. Other derivatives are presented as current assets or current liabilities.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment in value.

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

The principal annual rates used for this purpose are:

Computer software and equipment	33 1/3% per annum
Office and other equipment	25% per annum
Leasehold improvements	Period of lease

Intangible assets

(i) Goodwill

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

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised in the income statement in the period in which it was identified. Please refer to note 12 for details on how impairment reviews are performed.

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

Goodwill arising on acquisitions before 01 December 2006 has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date and any amounts written off to reserves under UK GAAP has not been reinstated.

The carrying value of goodwill represents its value in use computed by estimating the discounted future cash flows that are expected to arise from the asset.

(ii) Software licences

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is based on estimated selling price, in the ordinary course of business, less further costs expected to be incurred to completion and sale.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Highly liquid investments with original maturity dates of three months or less are considered to be cash equivalents.

Current and deferred tax

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

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

2 Summary of significant accounting policies (continued)

Employee benefits

(i) Pension obligations

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

(ii) Share-based compensation

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

The Group has applied the exemption available under IFRS 2, to apply its provisions only to those options granted after 07 November 2002 which were outstanding at 01 December 2006.

Leases

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

Research and development

All ongoing research expenditure is expensed in the period in which it is incurred.

When the Board is sufficiently confident that all of the criteria for capitalisation are met, development costs are capitalised and amortised over the expected useful life, currently 24 months, of the respective product; otherwise, development costs are expensed when incurred. The criteria for capitalisation of development costs are that a product is technically feasible, production and sale are intended, a market exists, expenditure can be measured reliably, and sufficient resources are available to complete the project. The extent of capitalisation is limited to that amount which, taken together with further related costs, will be recovered from the future economic benefits related to the asset.

Critical accounting estimates and judgements

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

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

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see note 12).

Fair values for employee share schemes

The establishment of fair values, in respect of employee services received in exchange for share options, requires the exercise of judgement and estimation in respect of the life of the option, the expected volatility of the underlying shares and the expected dividend yield.

Assessing whether development costs meet the criteria for capitalisation

The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgement of the point at which technical feasibility is demonstrable.

Assessing the amount of the deferred tax asset that has been provided for

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

3 Financial risk management

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

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

Market risk

(i) Foreign exchange risk

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

3 Financial risk management (continued)

Market risk (continued)

(i) Foreign exchange risk (continued)

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

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

The Group had the following current assets and liabilities denominated in currencies other than Sterling:

Year ended 30 November 2008	Dollars $	Euros €
Trade and other receivables denominated in foreign currency	18,131,547	1,622,091
Cash balances denominated in foreign currency	1,936,949	37,351
Trade and other payables denominated in foreign currency	(8,893,964)	(266,168)
Net current assets denominated in foreign currency	**11,174,532**	**1,393,274**
Outstanding forward contracts	7,000,000	1,470,000
Percentage of current assets not matched by forward contracts	37%	0%

Year ended 30 November 2007	Dollars $	Euros €
Trade and other receivables denominated in foreign currency	19,536,040	274,707
Cash balances denominated in foreign currency	1,914,011	30,406
Trade and other payables denominated in foreign currency	(12,261,892)	(137,060)
Net current assets denominated in foreign currency	9,188,159	168,053
Outstanding forward contracts	—	—
Percentage of current assets not matched by forward contracts	100%	100%

At 30 November 2008, if Sterling had weakened/strengthened by 5% against the US Dollar with all other variables held constant, post-tax profit for the year would have been £1.0m (2007: £0.70m) higher/lower.

(ii) Interest rate risk

The Group invests its funds in short and medium-term bank deposits at a maximum of six months' notice. Cash at bank earns interest based on relevant LIBOR equivalents and during the year earned interest at an average fixed rate of 5.31% (2007: 5.45%).

Credit risk

Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group spreads this risk by depositing cash across a number of banks. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

It is Group policy to insure its debtors. Where this cannot be achieved due to the territory or customer involved, where possible, the necessary terms are placed on the customer so that monies are prepaid in full or to an adequate level so that maximum exposure is equal to the margin on the sale.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

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

4 Segmental analysis

The Group has only one class of business segment, being the development and sale of broadband network software and systems. All revenues, costs, assets and liabilities relate to this segment.

The secondary, geographical analysis of revenue is as follows:

	Year to 30 November 2008 £	Year to 30 November 2007 £
UK, Europe and Africa	19,015,627	16,313,448
North America	9,707,217	12,381,659
South America	1,437,554	2,477,275
Asia Pacific	1,741,677	1,080,774
	31,902,075	32,253,156

For this disclosure revenue is determined by the location of the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

4 Segmental analysis (continued)

The total assets of the Group by location of the asset, is as follows:

	Year to 30 November 2008 £	Year to 30 November 2007 £
UK, Europe and Africa	**28,700,326**	30,278,266
North America	**5,908,182**	1,091,430
South America	**589,348**	462,481
Asia Pacific	**4,218,413**	2,575,550
	39,416,269	34,407,727

The capital expenditure of the Group by location of the asset, is as follows:

	Year to 30 November 2008 £	Year to 30 November 2007 £
UK, Europe and Africa	**225,525**	163,699
North America	**2,891**	19,724
South America	**—**	—
Asia Pacific	**—**	—
	228,416	183,423

Further analyses of revenue by streams are given below. It is the intention of the directors that these categorise will represent the Group's segments in future years.

	Year to 30 November 2008 £	Year to 30 November 2007 £
Devices	**31,465,427**	32,253,156
Solutions	**436,648**	—
	31,902,075	32,253,156

	Year to 30 November 2008 £	Year to 30 November 2007 £
Product	**29,726,573**	31,058,391
Licence	**1,786,724**	858,958
Support	**363,291**	154,027
Expert services	**25,487**	181,780
	31,902,075	32,253,156

5 Finance income and costs

	Year to 30 November 2008 £	Year to 30 November 2007 £
Interest receivable and similar income	**870,016**	967,903
Interest payable on bank loans and overdrafts	**—**	(227,386)
Other interest payable	**(6,857)**	(3,445)
Finance costs	**(6,857)**	(230,831)
Net financial income	**863,159**	737,072

During 2007 the Group hedged its foreign currency exposure with a US Dollar-denominated loan. The interest payable on the loan was offset by interest received.

6 Profit before corporation tax

Profit before corporation tax is stated after charging:

	Year to 30 November 2008 £	Year to 30 November 2007 £
Depreciation of owned property, plant and equipment	**379,322**	390,856
Amortisation of intangible fixed assets	**385,874**	266,824
Impairment of intangible fixed assets	**140,000**	46,575
Loss on disposal of property, plant and equipment	**1,597**	112
Operating lease rentals		
– Land and buildings	**563,500**	394,682
– Plant and machinery	**2,820**	2,820
Auditors' remuneration:		
Audit services		
– Fees payable to Company auditor for the audit of the Company and consolidated financial statements	**30,000**	30,000
Other services		
– The auditing of the Company's subsidiaries pursuant to legislation	**21,500**	21,500
– Other services	**39,600**	15,000
(Gain)/loss on foreign exchange	**(779,403)**	267,801
Movements in inventory provision	**(9,556)**	(145,009)
Loss on derivative financial instruments	**10,862**	—

7 Staff costs

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

	As at 30 November 2008 Year end Number	As at 30 November 2007 Year end Number	Year to 30 November 2008 Average Number	Year to 30 November 2007 Average Number
Selling, general and administration	**67**	54	**61**	55
Research and development	**66**	46	**58**	52
	133	100	**119**	107

	Year to 30 November 2008 £	Year to 30 November 2007 £
Their aggregate remuneration comprised:		
Wages and salaries	**6,163,205**	5,508,608
Social security costs	**617,996**	597,819
Other pension costs (see note 28)	**306,038**	214,918
Expense of share-based payments	**104,486**	50,533
	7,191,725	6,371,878

8 Key management compensation

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

	Year to 30 November 2008 £	Year to 30 November 2007 £
Salaries and other short-term employee benefits	**1,052,972**	1,004,159
Termination benefits	**—**	76,666
Amounts paid to third parties for directors' services	**83,595**	70,077
Company contributions to personal pension schemes	**149,613**	126,755
Expense for share-based payments	**96,926**	40,338
	1,383,106	1,317,995

The directors are of the opinion that the key management of the Group comprises the executive and non-executive directors of Amino Technologies plc along with the members of the executive team. These persons have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. At 30 November 2008, key management comprised 14 people (2007: 15).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

9 Corporation tax expense

	Year to 30 November 2008 £	Year to 30 November 2007 £
Corporation tax credit for the year	**16,377**	932,186
Adjustment in respect of prior years	**24,715**	387
Total current tax	**41,092**	932,573
Deferred tax	**—**	—
Total tax in income statement	**41,092**	932,573

The tax charge for the year is lower than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	Year to 30 November 2008 £	Year to 30 November 2007 £
Profit on ordinary activities before corporation tax	**2,162,046**	1,411,476
At the standard rate of corporation tax in the UK	**605,373**	423,443
Effects of:		
Amounts not allowable for tax purposes	**167,771**	34,322
Enhanced deduction for research and development expenditure	**(508,775)**	(446,004)
Adjustments to tax charge in respect of previous period research and development tax credits	**—**	(932,186)
Adjustment in respect of prior years	**(24,715)**	(387)
Difference between capital allowances and depreciation	**15,473**	36,864
Net losses utilised during the period	**(319,509)**	—
Tax calculated at domestic tax rates applicable to profits in the respective country	**26,275**	—
Permanent timing differences	**1,357**	—
Other short-term timing differences	**(4,342)**	(48,625)
Tax credit	**(41,092)**	(932,573)

10 Earnings per share

	Year to 30 November 2008	Year to 30 November 2007
Earnings attributable to ordinary shareholders £	**2,203,138**	2,344,049
Weighted average number of shares (basic)	**55,373,030**	56,056,327
Weighted average number of shares (diluted)	**58,512,459**	57,465,699
Earnings per share basic	**3.98p**	4.18p
Earnings per share diluted	**3.77p**	4.08p

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 (see note 22).

11 Dividends

The directors have not declared a dividend for the current financial year (2007: £nil).

12 Intangible assets

	Goodwill £	Software licences £	Development costs £	Total £
Cost				
At 01 December 2006	569,313	656,095	—	1,225,408
Additions	—	408,677	—	408,677
Reclassification	—	101,965	—	101,965
Change in value of shares to be issued (see note 22)	(37,084)	—	—	(37,084)
At 30 November 2007	532,229	1,166,737	—	1,698,966
Additions	1,420,895	487,222	1,110,697	3,018,814
Disposals	—	(26,266)	—	(26,266)
Change in value of shares to be issued (see note 22)	(15,916)	—	—	(15,916)
At 30 November 2008	**1,937,208**	**1,627,693**	**1,110,697**	**4,675,598**
Amortisation				
At 01 December 2006	51,000	356,000	—	407,000
Impairment charge	46,575	—	—	46,575
Charge for the year	—	266,824	—	266,824
Reclassification	—	17,789	—	17,789
At 30 November 2007	97,575	640,613	—	738,188
Impairment charge	140,000	—	—	140,000
Charge for the year	—	359,882	25,992	385,874
Disposals	—	(19,700)	—	(19,700)
At 30 November 2008	**237,575**	**980,795**	**25,992**	**1,244,362**
Net book amount				
At 30 November 2008	**1,699,633**	**646,898**	**1,084,705**	**3,431,236**
At 30 November 2007	434,654	526,124	—	960,778

Impairment tests for goodwill

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

The carrying amounts of goodwill by CGU at 30 November 2008 are summarised below:

	Group £
Goodwill relating to SJ Consulting Limited	278,738
Goodwill relating to AssetHouse Technology Limited	1,420,895
	1,699,633

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. In accordance with IAS 36, the Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. These tests resulted in the identification of £0.14m impairment for SJ Consulting Limited. No impairment was noted in respect of AssetHouse Technology Limited.

When testing for impairment, recoverable amounts for all of the Group's CGUs are measured at their value in use by discounting the future expected cash flows from the assets in the CGUs. These calculations use cash flow projections based on five year management approved forecasts. The cash flows have been discounted at the Group's pre-tax weighted average cost of capital of 8%. If the total net present value is in excess of the book value of goodwill then no impairment is made to the goodwill. These assumptions have been used for all CGUs to which goodwill has been allocated.

The key assumptions in all value in use calculations are revenue and profitability, based on historical performance and expectations about future performance. No reasonably likely change in a key assumption would have given rise to an impairment of the goodwill associated with the acquisition of AssetHouse Technology Limited.

Please refer to note 31 for further details on the addition to goodwill in the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

13 Property, plant and equipment

	Computer software and equipment £	Office and other equipment £	Leasehold improvements £	Total £
Cost				
At 01 December 2006	1,085,560	264,472	998,638	2,348,670
Foreign exchange adjustments	(2,464)	(1,524)	(1,052)	(5,040)
Reclassification	(101,965)	—	—	(101,965)
Additions	154,719	13,804	14,900	183,423
Disposals	(22,960)	—	—	(22,960)
At 30 November 2007	1,112,890	276,752	1,012,486	2,402,128
Foreign exchange adjustments	18,554	12,848	6,530	37,932
Additions	194,640	1,394	32,382	228,416
Disposals	(105,575)	(7,806)	—	(113,381)
At 30 November 2008	**1,220,509**	**283,188**	**1,051,398**	**2,555,095**
Depreciation				
At 01 December 2006	635,294	97,924	201,718	934,936
Foreign exchange adjustments	(1,124)	(589)	(205)	(1,918)
Reclassification	(17,789)	—	—	(17,789)
Charge for the year	235,299	54,099	101,458	390,856
Disposals	(22,848)	—	—	(22,848)
At 30 November 2007	828,832	151,434	302,971	1,283,237
Foreign exchange adjustments	11,896	6,348	3,112	21,356
Charge for the year	212,952	54,685	111,685	379,322
Disposals	(104,893)	(6,891)	—	(111,784)
At 30 November 2008	**948,787**	**205,576**	**417,768**	**1,572,131**
Net book amount				
At 30 November 2008	**271,722**	**77,612**	**633,630**	**982,964**
At 30 November 2007	284,058	125,318	709,515	1,118,891

14 Inventories

	As at 30 November 2008 £	As at 30 November 2007 £
Raw materials	**2,184,637**	2,203,853
Finished goods	**2,874,990**	455,806
	5,059,627	2,659,659

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

	2008 £	2007 £
Charged in the year	**9,556**	145,009
Provision at the year end	**195,453**	205,009

15 Trade and other receivables

	As at 30 November 2008 £	As at 30 November 2007 £
Current assets		
Trade receivables	**12,232,520**	9,920,886
Less: provision for impairment of receivables	**—**	(283,634)
Trade receivables (net)	**12,232,520**	9,637,252
Other receivables	**176,649**	96,743
Corporation tax receivable	**41,369**	—
Prepayments	**1,126,221**	986,087
	13,576,759	10,720,082
Non-current assets		
Other receivables	**203,101**	163,450

Other receivables comprise rent deposits.

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

Trade receivables (gross of provision for impairment)	As at 30 November 2008 £	As at 30 November 2007 £
Under 60 days	**10,728,491**	8,601,449
Fully provided for	**—**	283,634
Over 60 days but not provided for	**1,504,029**	1,035,803
	12,232,520	9,920,886

Standard credit terms vary from customer to customer largely based on territory. At the year end £1.30m of debts were past due. Of this £0.30m was greater than 60 days past due and the remainder was less than 60 days overdue. As shown above, at 30 November 2008 and 30 November 2007 trade receivables more than two months old but not provided for amounted to £1,504,029 and £1,035,803 respectively. Of these amounts, £535,359 (2007: £510,494) were covered by credit insurance. No further analysis has been provided here on the quality of these debts as they are not felt to pose a material threat to the Group's future results.

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

	As at 30 November 2008 £	As at 30 November 2007 £
At 01 December	**283,634**	335,725
Provision for receivables impaired	**216,366**	24,909
Receivables written off during year as uncollectible	**(500,000)**	(77,000)
At 30 November	**—**	283,634

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

16 Derivative financial instruments

	As at 30 November 2008 £	As at 30 November 2007 £
Forward foreign exchange contracts held for trading	**10,862**	—

These forward foreign exchange contracts were taken out to hedge US Dollar receivables of $7m and Euro receivables of €1.5m outstanding at 30 November 2008. They do not meet the criteria under IAS 39 for hedge accounting and hence are classified as "held for trading". The Group's foreign exchange risk is explained in note 3 "Financial risk management".

The weighted average contract rates for these forward foreign exchange contracts was $1.62 for US Dollar contracts and €1.19 for Euro contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

17 Cash and cash equivalents

	As at 30 November 2008 £	As at 30 November 2007 £
Cash at bank and in hand	**14,443,582**	15,065,867
Short term investments	**—**	2,000,000
	14,443,582	17,065,867

Short term investments comprise bank and similar deposits that are not repayable within three months.

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

18 Trade and other payables

	As at 30 November 2008 £	As at 30 November 2007 £
Trade payables	**4,307,050**	1,910,724
Social security and other taxes	**215,729**	181,741
Other payables	**6,838**	30,166
Accruals	**3,579,174**	2,773,878
Deferred income	**623,624**	490,025
	8,732,415	5,386,534

19 Borrowings

Current	As at 30 November 2008 £	As at 30 November 2007 £
Other loans	**12,502**	37,229
Total borrowings	**12,502**	37,229

Other loans comprise unsecured borrowings from a third-party at a fixed interest rate of 5% (2007: 5%).

20 Financial instruments

All financial assets and liabilities are stated at their fair value. The accounting policies applied subsequently are set out in note 2.

21 Deferred income tax

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

	As at 30 November 2008		As at 30 November 2007	
	Amount recognised £	**Amount unrecognised £**	Amount recognised £	Amount unrecognised £
Tax effect of timing differences because of:				
Differences between capital allowances and depreciation	**—**	**550,229**	—	262
Tax losses carried forward	**1,637,422**	**6,830,564**	1,668,264	1,809,938
Equity-settled share options	**81,578**	**—**	50,736	—
Other short term timing differences	**—**	**34,190**	—	50,465
Deferred tax asset (see note 9)	**1,719,000**	**7,414,983**	1,719,000	1,860,665

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.

22 Share capital

	As at 30 November 2008 £	As at 30 November 2007 £
Authorised		
100,000,000 (2007: 100,000,000) ordinary shares of 1p each	**1,000,000**	1,000,000
Allotted, called-up and fully paid		
57,843,050 (2007: 58,413,051) ordinary shares of 1p each	**578,430**	584,130

In respect of the acquisition of SJ Consulting Limited, 99,999 ordinary shares were issued on 20 January 2007 (the first anniversary of the date of acquisition) at which time the share price was £0.6425 for no further consideration. On 20 January 2008 (the second anniversary of the date of acquisition) the Company issued a further 49,999 ordinary shares, again no further consideration at which time the share price was £0.50. It has the obligation to issue 50,002 ordinary shares of 1p each on the third anniversary of the acquisition date, contingent upon the continued service of certain key employees.

50,000 (2007: 50,000) shares were forfeited during the year due to certain employees leaving the Company. This resulted in a decrease of £17,334 (2007: £37,833) in the value of shares to be issued.

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 an increase of £1,418 (2007: decrease of £7,500) in the value of the shares to be issued.

The Company acquired and cancelled 620,000 of its own 1p shares (giving rise to a £6,200 capital redemption reserve) through purchases on the London Stock Exchange on 15 April 2008. The total amount paid to acquire these shares was £322,400, which has been deducted from retained earnings within shareholders equity (see note 24).

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. The full amount is now regarded as distributable.

23 Share-based payments

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 2008 Number	Year to 30 November 2007 Number
Shares held by the Employee Benefit Trust:		
At start of financial period	**2,335,453**	2,395,203
Purchased	**2,049,335**	—
Exercised	**(1,080,547)**	(59,750)
At end of financial period	**3,304,241**	2,335,453

	As at 30 November 2008 Number	As at 30 November 2007 Number
The number of subsisting options are as follows:		
Current and former employees and non-executive directors	**6,611,455**	4,238,609
Other options granted	**118,812**	118,812
	6,730,267	4,357,421

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

	As at 30 November 2008 Number	As at 30 November 2007 Number
Granted:		
– Unapproved Share Option Scheme	**4,926,330**	1,205,451
– Enterprise Management Incentive Scheme	**623,564**	2,101,597
– Individual share option schemes	**1,180,373**	1,050,373
	6,730,267	4,357,421

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

23 Share-based payments (continued)

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

Date granted	Exercise price	As at 01 December 2007 Number	Granted Number	Exercised Number	Lapsed Number	Undertaking not to exercise Number	**As at 30 November 2008 Number**	Notes
June 2008	£0.00	—	1,738,892	—	—	—	**1,738,892**	(k)
January 2001	£0.05	33,333	—	(33,333)	—	—	**—**	(a)
September 2003	£0.20	1,520,550	—	(653,000)	—	—	**867,550**	(a)
February 2004	£0.32	824,292	—	(394,214)	—	—	**430,078**	(a)
January 2008	£0.49	—	30,000	—	—	—	**30,000**	(j)
January 2007	£0.50	130,000	—	—	—	—	**130,000**	(g)
June 2008	£0.55	—	500,000	—	—	—	**500,000**	(l)
June 2008	£0.62	—	100,000	—	—	—	**100,000**	(m)
July 2008	£0.62	—	740,000	—	(25,000)	—	**715,000**	(n)
July 2008	£0.62	—	426,674	—	(1,000)	—	**425,674**	(i)
October 2007	£0.62	440,000	—	—	(125,000)	—	**315,000**	(c)
May 2004	£0.70	20,000	—	—	—	—	**20,000**	(a)
September 2006	£0.72	100,000	—	—	—	—	**100,000**	(e)
March 2002	£0.77	30,000	—	—	—	—	**30,000**	(a)
June 2004	£1.20	196,500	—	—	(56,000)	(140,500)	**—**	(b)
January 2007	£1.25	50,000	—	—	—	—	**50,000**	(h)
June 2008	£1.50	—	1,159,261	—	—	—	**1,159,261**	(k)
January 2006	£1.57	100,000	—	—	(100,000)	—	**—**	(f)
February 2006	£1.64	618,393	—	—	(114,965)	(503,428)	**—**	(d)
September 2004	£1.71	40,000	—	—	(10,000)	(30,000)	**—**	(c)
February 2006	£2.20	45,070	—	—	(20,068)	(25,002)	**—**	(d)
November 2004	£2.45	6,500	—	—	(6,500)	—	**—**	(c)
February 2006	£2.45	83,971	—	—	(17,167)	(66,804)	**—**	(d)
		4,238,609	4,694,827	(1,080,547)	(475,700)	(765,734)	**6,611,455**	

(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 first and second anniversaries from date of grant.

(c) Vest in equal tranches on first, second and third 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 third anniversary, they lapse.

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

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

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

(i) The first 50% of the options vest on the first anniversary of grant and the remaining 50% vest over the following two year period in equal monthly amounts at the end of each successive month after the first anniversary of the date of grant provided the option holder is an employee at the end of each relevant month.

(j) Vest in full on the first anniversary of grant.

(k) The vesting conditions of these options are as follows:

- 50% when Total Shareholder Return (share price growth excluding adjustment for dividend payments) equals or exceeds 30% growth per annum in the period 09 June 2008 to 30 November 2011.
- 50% when Earnings per Share equals or exceeds 40% growth per annum in the period 01 December 2008 to 30 November 2011.

(l) These options vested on the date of grant and are exercisable at any time during the option period of 01 December 2008 to 30 November 2009.

(m) The vesting conditions of these options are as follows:

- 50% when Total Shareholder Return equals or exceeds 30% growth per annum in the period 09 June 2008 to 09 June 2009.
- 50% when Earnings per Share equals or exceeds 40% growth per annum in the period 01 December 2008 to 30 November 2009.

(n) The vesting conditions of these options are as follows:

- 50% when Total Shareholder Return equals or exceeds 30% growth per annum in the period 01 July 2008 to 30 November 2010.
- 50% when Earnings per Share equals or exceeds 40% growth per annum in the period 01 December 2008 to 30 November 2010.

23 Share-based payments (continued)

The weighted average fair value of options granted in the year was £0.57 (2007: £0.16). The weighted average share price at the date of exercise during the year was £0.54 (2007: £0.60).

The options outstanding at the end of the year have a weighted average contractual life of 2.5 years (2007: 1.4 years).

Other options in issue

In addition to those options granted to current and former employees and non-executive directors, 118,812 options were granted to KBC Peel Hunt on 27 July 2000 in consideration for services to the Group in connection with a placing of ordinary shares. These options can be exercised at a price of 202p per share for a period of seven years commencing from 09 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	July 2008	June 2008	January 2008	December 2006 to October 2007
Weighted average share price	£0.62	£0.55	£0.49	£0.65
Weighted average exercise price	£0.62	£0.55	£0.49	£0.65
Expected volatility	40%	40%	40%	45%
Expected option life	1 to 3 years	1 to 4 years	3 years	3 years
Risk-free interest rate	5.3%	5.3%	5.3%	5.5%
Expected dividend yield	2%	2%	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 £104,486 (2007: £50,532).

24 Statement of changes in equity

	Share capital £	Share premium £	Shares to be issued £	Other reserves £	Capital redemption reserve £	Profit and loss £	Total £
At 01 December 2006	582,630	21,807,240	171,000	16,388,755	—	(12,201,681)	26,747,944
Profit for the year	—	—	—	—	—	2,344,049	2,344,049
Issue of ordinary shares – From shares to be issued	1,000	64,249	(57,000)	—	—	—	8,249
Forfeiture of shares to be issued	—	—	(37,833)	—	—	—	(37,833)
Impact of movement in share price on shares to be issued	—	—	(7,500)	—	—	—	(7,500)
Exercise of employee share options	500	15,500	—	—	—	11,740	27,740
Capital reduction	—	(21,807,240)	—	—	—	21,807,240	—
Share option compensation charge	—	—	—	—	—	50,533	50,533
Foreign exchange on consolidation	—	—	—	—	—	(149,218)	(149,218)
At 30 November 2007	584,130	79,749	68,667	16,388,755	—	11,862,663	28,983,964
Profit for the year	—	—	—	—	—	2,203,138	2,203,138
Issue of ordinary shares – From shares to be issued	500	24,500	(25,000)	—	—	—	—
Forfeiture of shares to be issued	—	—	(17,334)	—	—	—	(17,334)
Impact of movement in share price on shares to be issued	—	—	1,418	—	—	—	1,418
Exercise of employee share options	—	—	—	—	—	253,297	253,297
Repurchase and cancellation of own shares	(6,200)	—	—	—	6,200	(322,400)	(322,400)
Share option compensation charge	—	—	—	—	—	104,486	104,486
Purchase of own shares by ESOP trust	—	—	—	—	—	(1,137,302)	(1,137,302)
Foreign exchange on consolidation	—	—	—	—	—	591,223	591,223
At 30 November 2008	**578,430**	**104,249**	**27,751**	**16,388,755**	**6,200**	**13,555,105**	**30,660,490**

Investment in own shares

Offset within the Group profit and loss reserve at 30 November 2008 is an amount of £2,083,435 (2007: £946,133) representing the cost of own shares held.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

25 Cash generated from operations

	Year to 30 November 2008 £	Year to 30 November 2007 £
Profit before corporation tax	**2,162,046**	1,411,476
Adjustments for:		
Amortisation charge	**385,874**	266,824
Depreciation charge	**379,322**	390,856
Goodwill impairment charge	**140,000**	46,575
Loss on disposal of property, plant and equipment	**1,597**	112
Share-based payment charge	**104,486**	50,532
Loss on derivative financial instruments	**10,862**	—
Financial income – net (see note 5)	**(863,159)**	(737,072)
Exchange differences	**262,149**	(33,799)
(Increase)/decrease in inventories	**(2,399,968)**	1,148,703
(Increase) in trade and other receivables	**(2,741,446)**	(2,457,085)
Decrease in trade and other payables	**2,714,096**	1,813,984
Cash generated from operations	**155,859**	1,901,106

26 Operating lease commitments

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

	2008		2007	
	Property £	Plant and machinery £	Property £	Plant and machinery £
Leases which expire within one year	**554,567**	**5,269**	427,952	2,820
Leases which expire within one to five years	**1,190,495**	**2,635**	1,263,415	—
Leases which expire after five years	**275,000**	**—**	550,000	—
	2,020,062	**7,904**	2,241,367	2,820

The Group leases offices under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases copier/fax machines under non-cancellable operating lease agreements.

27 Contingent liabilities

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

28 Pension commitments

The Group operates a defined contribution scheme for employees and also makes contributions to the private pension plans of a small number of employees.

The Group's pension charge for the year was £306,038 (2007: £214,918). A creditor of £20,655 is included within the taxation and social security creditor at 30 November 2008 (2007: £24,752) in respect of the final month's contributions.

29 Financial commitments

At 30 November 2008 the Group, in accordance with the terms of a contractual agreement with a manufacturing partner, had a financial commitment totalling £3.2m (2007: £3.7m). The Group had also committed to £nil (2007: £0.4m) in respect of silicon chips under non-cancellable orders.

30 Capital commitments

No capital expenditure was committed to as at 30 November 2008 (2007: £nil).

31 Business combinations

On 09 June 2008, the Group acquired 100% of the share capital of AssetHouse Technology Limited, a company specialising in Digital Proposition Management software for a cash consideration of £13. In addition, the Group also took an assignment of secured loan stock for a consideration of £1.38m less the amount of certain other creditors of the Company.

The acquisition contributed revenues of £414,648 and net loss of £157,017 for the period 09 June 2008 to 30 November 2008.

Details of net assets acquired and goodwill are as follows:

	£	£
Purchase consideration:		
– Cash paid		13
– Direct cost relating to the acquisition		56,998
Total purchase consideration		57,011
Fair value of net liabilities acquired (see below)		1,363,884
Goodwill		1,420,895
Satisfied by:		
Cash paid for share capital		13
Direct costs relating to acquisition		56,998
Cash paid to previous shareholders	908,440	
Cash acquired with acquisition	(26,532)	
		881,908
Pre-acquisition net liabilities settled by Amino Communications Limited		481,976
		1,420,895

The assets and liabilities arising from the acquisition are as follows:

	Fair value £	Carrying value £
Cash and cash equivalents	26,532	26,532
Trade and other receivables	113,513	113,513
Trade and other payables	(1,503,929)	(2,019,525)
Net liabilities acquired	(1,363,884)	(1,879,480)

The directors are of the opinion that no intangible assets requiring separate identification under IAS 38 were acquired as part of this transaction.

There is a cash earn-out mechanism offering an additional consideration of 50% of any saving in corporation tax realised by Amino from utilisation of AssetHouse's tax losses. As at 30 November 2008, AssetHouse had approximately £18m of tax losses available to carry forward to set against future taxable profits. At the current rate of corporation tax, the maximum additional consideration payable is approximately £2.5m, which has not been recognised at the balance sheet date.

See note 33 for disclosures regarding the business combination that took place after the balance sheet date but before the approval of these financial statements.

32 Related party transactions

There were no related party transactions during the year.

33 Events after the balance sheet date

The Group acquired 100% of the share capital of Tilgin IPTV AB, a company specialising in IPTV software technologies and hardware platforms, for an initial cash consideration of £2.71m on 01 December 2008.

The net assets are approximately 6.6m SEK. Due to the short time since acquisition we have not performed a full calculation of the fair value of these assets.

TRANSITION TO IFRS

for the year ended 30 November 2008

Explanation of transition to IFRS

An explanation of how the transition from previous GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables. The format of the UK GAAP column has been adjusted to the IFRS format.

The following adjustments were made to the previously reported UK GAAP information:

(i) Holiday pay accrual

An accrual of £92,923 has been included within trade and other payables at 01 December 2006. The required accrual was assessed as being £64,843 at 30 November 2007 and the corresponding movement of £28,079 was credited to the income statement for the year ended 30 November 2007 (£2,954 within selling, general and administrative expenses and £25,125 within research and development expenses).

(ii) Goodwill

Amortisation previously charged under UK GAAP of £46,575 was reversed in the year ended 30 November 2007 and was replaced with an impairment charge of the same value.

(iii) Capitalised development costs

The directors do not consider that any of the development costs incurred in the year ended 30 November 2007 meet the criteria for capitalisation. Additionally, the directors consider that any development costs incurred in previous periods that would have been capitalised would have been fully amortised by the date of transition to IFRS.

Restatement of the balance sheet as at 01 December 2006 from UK GAAP to IFRS

	Reformatted UK GAAP as previously reported £	Effects of transition to IFRS £	As restated in accordance with IFRS £
Non-current assets			
Goodwill	518,313	—	518,313
Intangible assets	300,095	—	300,095
Property, plant and equipment	1,413,734	—	1,413,734
Trade and other receivables	195,406	—	195,406
Deferred tax assets	1,719,000	—	1,719,000
	4,146,548	**—**	**4,146,548**
Current assets			
Inventories	3,808,362	—	3,808,362
Trade and other receivables	8,586,781	—	8,586,781
Cash at bank and in hand	21,658,769	—	21,658,769
	34,053,912	—	34,053,912
Total assets	**38,200,460**	**—**	**38,200,460**
Equity			
Called-up share capital	582,630	—	582,630
Shares to be issued	171,000	—	171,000
Share premium	21,807,240	—	21,807,240
Other reserves	16,388,755	—	16,388,755
Retained earnings	(12,108,758)	(92,923)	(12,201,681)
Total equity attributable to equity holders of the parent	**26,840,867**	**(92,923)**	**26,747,944**
Current liabilities			
Trade and other payables	3,566,687	92,923	3,659,610
Current tax liabilities	18,707	—	18,707
Borrowings	7,774,199	—	7,774,199
Total liabilities	**11,359,593**	**92,923**	**11,452,516**
Total equity and liabilities	**38,200,460**	**—**	**38,200,460**

Restatement of the income statement for the year ended 30 November 2007 from UK GAAP to IFRS

	Reformatted UK GAAP as previously reported £	Effects of transition to IFRS £	As restated in accordance with IFRS £
Revenue	32,253,156	—	32,253,156
Cost of sales	(20,945,251)	—	(20,945,251)
Gross profit	**11,307,905**	**—**	**11,307,905**
Selling, general and administrative expenses	(7,409,465)	2,954	(7,406,511)
Research and development expenses	(3,252,115)	25,125	(3,226,990)
Group operating profit	**646,325**	**28,079**	**674,404**
Financial income	967,903	—	967,903
Financial expenses	(230,831)	—	(230,831)
Group profit on ordinary activities before taxation	**1,383,397**	**28,079**	**1,411,476**
Tax on profit on ordinary activities	932,573	—	932,573
Group profit on ordinary activities after taxation being profit for the financial period	**2,315,970**	**28,079**	**2,344,049**
Attributable to:			
Equity holders of the Company	**2,315,970**	**28,079**	**2,344,049**
Basic earnings per 1p ordinary share	4.1p	0.1p	4.18p
Diluted earnings per 1p ordinary shares	3.9p	0.1p	4.08p

Restatement of the balance sheet as at 30 November 2007 from UK GAAP to IFRS

	Reformatted UK GAAP as previously reported £	Effects of transition to IFRS £	As restated in accordance with IFRS £
Non-current assets			
Goodwill	434,654	—	434,654
Intangible assets	526,124	—	526,124
Property, plant and equipment	1,118,891	—	1,118,891
Trade and other receivables	163,450	—	163,450
Deferred tax assets	1,719,000	—	1,719,000
	3,962,119	**—**	**3,962,119**
Current assets			
Inventories	2,659,659	—	2,659,659
Trade and other receivables	10,720,082	—	10,720,082
Cash at bank and in hand	17,065,867	—	17,065,867
	30,445,608	—	30,445,608
Total assets	**34,407,727**	**—**	**34,407,727**
Equity			
Called-up share capital	584,130	—	584,130
Shares to be issued	68,667	—	68,667
Share premium	79,749	—	79,749
Other reserves	16,388,755	—	16,388,755
Retained earnings	11,927,506	(64,843)	11,862,663
Total equity attributable to equity holders of the parent	**29,048,807**	**(64,843)**	**28,983,964**
Current liabilities			
Trade and other payables	5,321,691	64,843	5,386,534
Current tax liabilities	—	—	—
Borrowings	37,229	—	37,229
Total liabilities	**5,358,920**	**64,843**	**5,423,763**
Total equity and liabilities	**34,407,727**	**—**	**34,407,727**

INDEPENDENT AUDITOR'S REPORT

to the members of Amino Technologies plc

We have audited the parent company financial statements of Amino Technologies plc the year ended 30 November 2008 which comprise the Company balance sheet and the related notes. These parent company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of Amino Technologies plc for the year ended 30 November 2008.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the parent company financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the parent company 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 parent company financial statements give a true and fair view and whether the parent company financial statements have been 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 parent company financial statements. The information given in the Directors' report includes that specific information presented in the Chairman's report, the Chief Executive's report and the Chief Financial Officer'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 parent company financial statements. The other information comprises only the About Amino report, Highlights, Review of the year, the Directors' report, the Chairman's report, the Chief Executive Officer's report, the Chief Financial Officer's report and the Corporate governance statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company 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 parent company financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company 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 parent company financial statements.

Opinion

In our opinion:

- The parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 November 2008 for the year then ended;
- The parent company 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 parent company financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cambridge

COMPANY BALANCE SHEET

as at 30 November 2008

	Notes	**30 November 2008 £**	30 November 2007 £
Fixed assets			
Investments	3	**1,756,834**	1,611,253
		1,756,834	1,611,253
Current assets			
Debtors: amounts falling due within one year	4	**20,736,273**	21,962,215
Cash at bank and in hand		**500**	500
Net current assets		**20,736,773**	21,962,715
Creditors: amounts falling due after more than one year	5	**(666,397)**	(1,782,324)
Net assets		**21,827,210**	21,791,644
Capital and reserves			
Called-up share capital	6	**578,430**	584,130
Shares to be issued		**27,751**	68,667
Share premium		**104,249**	79,749
Capital redemption reserve		**6,200**	—
Retained earnings		**21,110,580**	21,059,098
Total equity		**21,827,210**	21,791,644

The financial statements were authorised for issue by the Board of directors on 02 February 2009 and were signed on its behalf by:

Andrew Burke
Director

Stuart Darling
Director

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

for the year ended 30 November 2008

1 Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 1985 and in accordance with applicable Accounting Standards in the UK. 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", and have been applied consistently, is set out below.

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

Cash flow statement

The Company has taken advantage of the exemption in FRS 1 (Revised 1996) "Cash Flow Statements" which provides that where a company is a member of a group whose accounts are publicly available, the Company does not have to prepare a cash flow statement.

Investments

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

Current and deferred tax

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

Employee share option schemes

The Company applies UITF Abstract 44, FRS 20, "Group and Treasury Share Transactions". The Company grants options over its equity instruments to the employees of Amino Communications Limited and Amino Communications LLC. The carrying value of the investment in these subsidiaries is increased by an amount equal to the value of the share-based payment charge attributable to the option holders in the respective subsidiaries.

Financial instruments

The Company has taken advantage of the exemption under FRS 29, "Financial Instruments: Disclosures" for parent company financial statements as the disclosures in respect of the Company are included in the consolidated financial statements.

2 Profit for the year

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The parent company's profit after tax was £nil (2007: £nil).

Directors' emoluments are disclosed in the Directors' remuneration report on pages 17 and 18. The Company has no employees in either year. The audit fee for the parent company was £3,000 (2007: £3,000).

3 Fixed asset investments

	Year to 30 November 2008 £	Year to 30 November 2007 £
Cost at 01 December 2007	**1,611,253**	1,597,805
Additions in the year (relating to acquisition of AssetHouse Technology Limited (see note 31) in Group financial statements)	**57,011**	—
Capital contributions arising from FRS 20, "Share-based Payments Charge"	**104,486**	50,532
Change in value of shares to be issued (see note 8)	**(15,916)**	(37,084)
Cost at 30 November 2008	**1,756,834**	1,611,253

Interests in Group undertakings

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of shares held by the Group
Amino Holdings Limited	England and Wales	Ordinary shares of 1p each	100%*
Amino Communications Limited	England and Wales	Ordinary shares of £1 each	100%*
Amino Communications L.L.C.	Delaware, USA	Ordinary shares of $1 each	100%*
Amino Communications Employee Benefit Trust	England and Wales	Ordinary shares of £1 each	100%*
SJ Consulting Limited	England and Wales	Ordinary shares of £1 each	100%
AssetHouse Technology Limited	England and Wales	Ordinary shares of 0.005p each Preference shares of 0.005p each	100%
Intact Software Limited	England and Wales	Ordinary shares of £1 each	100%*
Amino Communications Technology Services (Shanghai) Co Limited	Republic of China	Ordinary shares of £1 each	100%*

* Indirectly held.

3 Fixed asset investments (continued)

All of the above subsidiaries are included within the consolidated financial statements of Amino Technologies plc for the years ended 30 November 2008 and 30 November 2007, with the exception of AssetHouse, which was acquired on 09 June 2008 and was included within the consolidation from that date.

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

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

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

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

Intact Software Limited and SJ Consulting Limited are non-trading.

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

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

4 Debtors

	Year to 30 November 2008 £	Year to 30 November 2007 £
Amounts owed by Group undertakings	**20,736,273**	21,953,015
Other debtors	**—**	9,200
	20,736,273	21,962,215

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

5 Creditors: amounts falling due after more than one year

	Year to 30 November 2008 £	Year to 30 November 2007 £
Amounts owed to Group undertakings	**666,397**	1,782,324

6 Share capital

	As at 30 November 2008 £	As at 30 November 2007 £
Authorised		
100,000,000 (2007: 100,000,000) ordinary shares of 1p each	**1,000,000**	1,000,000
Allotted, called-up and fully paid		
57,843,050 (2007: 58,413,051) ordinary shares of 1p each	**578,430**	584,130

In respect of the acquisition of SJ Consulting Limited, 99,999 ordinary shares were issued on 20 January 2007 (the first anniversary of the date of acquisition) at which time the share price was £0.6425 for no further consideration. On 20 January 2008 (the second anniversary of the date of acquisition) the Company issued a further 49,999 ordinary shares, again no further consideration at which time the share price was £0.50. It has the obligation to issue 50,002 ordinary shares of 1p each on the third anniversary of the acquisition date, contingent upon the continued service of certain key employees.

50,000 (2007: 50,000) shares were forfeited during the year due to certain employees leaving the Company. This resulted in a decrease of £17,334 (2007: £37,833) in the value of shares to be issued.

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 an increase of £1,418 (2007: decrease of £7,500) in the value of the shares to be issued.

The Company acquired and cancelled 620,000 of its own 1p shares (giving rise to a £6,200 capital redemption reserve) through purchases on the London Stock Exchange on 15 April 2008. The total amount paid to acquire these shares was £322,400, which has been deducted from retained earnings within shareholders equity (see note 24).

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. The full amount is now regarded as distributable.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

7 Share-based payments

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.

	As at 30 November 2008 Number	As at 30 November 2007 Number
The number of subsisting options are as follows:		
Current and former employees and non-executive directors	**6,611,455**	4,238,609
Other options granted	**118,812**	118,812
	6,730,267	4,357,421

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

	As at 30 November 2008 Number	As at 30 November 2007 Number
Granted:		
Unapproved Share Option Scheme	**4,926,330**	1,205,451
Enterprise Management Incentive Scheme	**623,564**	2,101,597
Individual share option schemes	**1,180,373**	1,050,373
	6,730,267	4,357,421

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

Date granted	Exercise price	As at 01 December 2007 Number	Granted Number	Exercised Number	Lapsed Number	Undertaking not to exercise Number	**As at 30 November 2008 Number**	Notes
June 2008	£0.00	—	1,738,892	—	—	—	**1,738,892**	(k)
January 2001	£0.05	33,333	—	(33,333)	—	—	**—**	(a)
September 2003	£0.20	1,520,550	—	(653,000)	—	—	**867,550**	(a)
February 2004	£0.32	824,292	—	(394,214)	—	—	**430,078**	(a)
January 2008	£0.49	—	30,000	—	—	—	**30,000**	(j)
January 2007	£0.50	130,000	—	—	—	—	**130,000**	(g)
June 2008	£0.55	—	500,000	—	—	—	**500,000**	(l)
June 2008	£0.62	—	100,000	—	—	—	**100,000**	(m)
July 2008	£0.62	—	740,000	—	(25,000)	—	**715,000**	(n)
July 2008	£0.62	—	426,674	—	(1,000)	—	**425,674**	(i)
October 2007	£0.62	440,000	—	—	(125,000)	—	**315,000**	(c)
May 2004	£0.70	20,000	—	—	—	—	**20,000**	(a)
September 2006	£0.72	100,000	—	—	—	—	**100,000**	(e)
March 2002	£0.77	30,000	—	—	—	—	**30,000**	(a)
June 2004	£1.20	196,500	—	—	(56,000)	(140,500)	**—**	(b)
January 2007	£1.25	50,000	—	—	—	—	**50,000**	(h)
June 2008	£1.50	—	1,159,261	—	—	—	**1,159,261**	(k)
January 2006	£1.57	100,000	—	—	(100,000)	—	**—**	(f)
February 2006	£1.64	618,393	—	—	(114,965)	(503,428)	**—**	(d)
September 2004	£1.71	40,000	—	—	(10,000)	(30,000)	**—**	(c)
February 2006	£2.20	45,070	—	—	(20,068)	(25,002)	**—**	(d)
November 2004	£2.45	6,500	—	—	(6,500)	—	**—**	(c)
February 2006	£2.45	83,971	—	—	(17,167)	(66,804)	**—**	(d)
		4,238,609	4,694,827	(1,080,547)	(475,700)	(765,734)	**6,611,455**	

7 Share-based payments (continued)

(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 first and second anniversaries from date of grant.

(c) Vest in equal tranches on first, second and third 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 third anniversary, they lapse.

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

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

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

(i) The first 50% of the options vest on the first anniversary of grant and the remaining 50% vest over the following two year period in equal monthly amounts at the end of each successive month after the first anniversary of the date of grant, provided the option holder is an employee at the end of each relevant month.

(j) Vest in full on the first anniversary of grant.

(k) The vesting conditions of these options are as follows:

- 50% when Total Shareholder Return (share price growth excluding adjustment for dividend payments) equals or exceeds 30% growth per annum in the period 09 June 2008 to 30 November 2011.
- 50% when Earnings per Share equals or exceeds 40% growth per annum in the period 01 December 2008 to 30 November 2011.

(l) These options vested on the date of grant and are exercisable at any time during the option period of 01 December 2008 to 30 November 2009.

(m) The vesting conditions of these options are as follows:

- 50% when Total Shareholder Return equals or exceeds 30% growth per annum in the period 09 June 2008 to 09 June 2009.
- 50% when Earnings per Share equals or exceeds 40% growth per annum in the period 01 December 2008 to 30 November 2009.

(n) The vesting conditions of these options are as follows:

- 50% when Total Shareholder Return equals or exceeds 30% growth per annum in the period 01 July 2008 to 30 November 2010.
- 50% when Earnings per Share equals or exceeds 40% growth per annum in the period 01 December 2008 to 30 November 2010.

The weighted average fair value of options granted in the year was £0.57 (2007: £0.16). The weighted average share price at the date of exercise during the year was £0.54 (2007: £0.60).

The options outstanding at the end of the year have a weighted average contractual life of 2.5 years (2007: 1.4 years).

Other options in issue

In addition to those options granted to current and former employees and non-executive directors, 118,812 options were granted to KBC Peel Hunt on 27 July 2000 in consideration for services to the Group in connection with a placing of ordinary shares. These options can be exercised at a price of 202p per share for a period of seven years commencing from 09 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	July 2008	June 2008	January 2008	December 2006 to October 2007
Weighted average share price	£0.62	£0.55	£0.49	£0.65
Weighted average exercise price	£0.62	£0.55	£0.49	£0.65
Expected volatility	40%	40%	40%	45%
Expected option life	1 to 3 years	1 to 4 years	3 years	3 years
Risk-free interest rate	5.3%	5.3%	5.3%	5.5%
Expected dividend yield	2%	2%	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.

In accordance with Urgent Issue Task Force (UITF) Abstract 44, the Company increased the carrying value of its fixed asset investments by recoding a capital contribution of £104,486 (2007: £50,532) in respect of share-based payment charges, attributable to option holders of subsidiary companies within the Group.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

for the year ended 30 November 2008 (CONTINUED)

8 Reconciliation of movements in shareholders' funds

	Year to 30 November 2008 £	Year to 30 November 2007 £
Opening shareholders' funds	**21,791,644**	21,750,456
Issue of ordinary share capital – capital	**500**	1,500
Issue of ordinary share capital – share premium	**24,500**	79,749
Issue of ordinary share capital – shares to be issued	**(25,000)**	(57,000)
Repurchase and cancellation of own shares	**(322,400)**	—
Forfeiture of shares to be issued	**(17,334)**	(37,833)
Impact of increase/(decrease) in share price on shares to be issued	**1,418**	(7,500)
Exercise of employee share options	**269,396**	11,740
Share-based payment charge	**104,486**	50,532
Closing shareholders' funds	**21,827,210**	21,791,644

9 Related party transactions

There were no related party transactions during the year.

10 Post balance sheet event

There were no significant post balance sheet events.

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