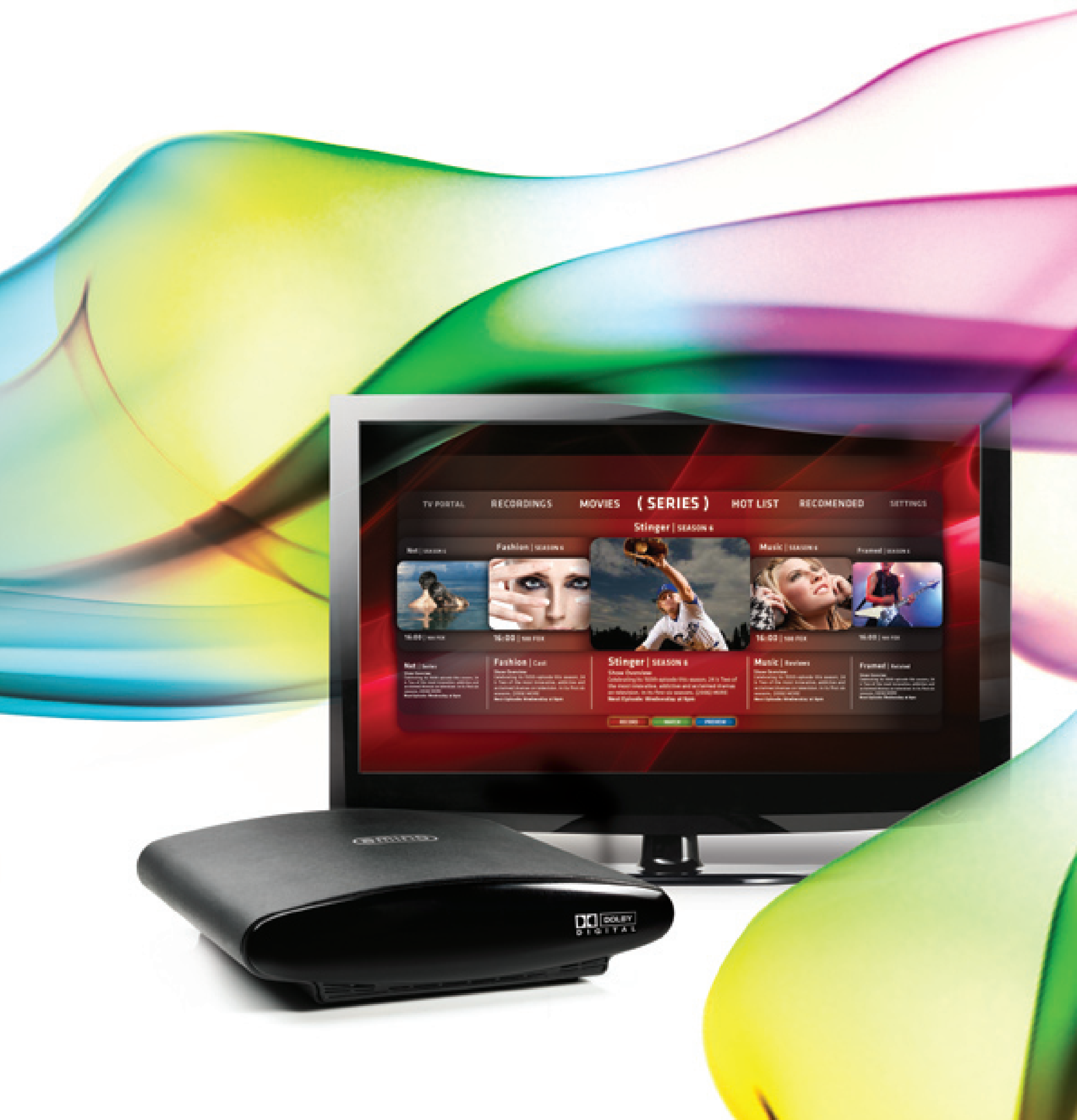
Amino Technologies plc

Annual Report and Accounts 2009

PURE IPTV VISION



ABOUT AMINO TECHNOLOGIES

Amino specialises in digital entertainment solutions for IPTV, Internet TV and in-home multimedia distribution.

Amino's range of software and set-top box systems can be tailored for telecom, broadcast and hospitality firms to offer highly scalable and targeted services.

The company's award-winning range of set-top boxes is used by leading service operators in over 80 countries.

Amino's 'AssetHouse' technology enables content producers, telecoms companies, broadcasters and web TV firms to maximise opportunities through better services, targeted content and greater choice.

Listed on the London Stock Exchange AIM, symbol AMO. Amino's HQ is based near Cambridge, UK, with offices in the US, China and Sweden.

For more information, please visit: **www.aminocom.com**

HIGHLIGHTS

Amino has experienced a challenging year with a disappointing financial outcome, against a backdrop of the global market downturn and industry-wide component shortages. Improvements to our product offering, sales and marketing – and a leaner cost base – are now in place providing a strong base for 2010.

The IPTV market is forecast to grow further and we have seen a more robust demand in the second half of the year. Prospects in the adjacent "Over-the-Top" Internet-delivered TV market are also encouraging with Amino securing its first Western Europe tier one operator win after the year end.

Financial performance:

- Revenues of £25.3m (2008: £31.9m)
- Gross profit of £8.4m (2008: £13.4m)
- Gross margins of 33.1% (2008: 41.9%)
- Operating loss before exceptional items of £5.9m (2008: Profit of £1.4m)

Balance sheet and working capital:

- Total equity of £21.9m (2008: £30.7m)
- Net current assets of £15.0m (2008: £24.3m)
- Year end cash £9.0m (2008: £14.4m)

Operational progress:

- First Western European tier one operator win for hybrid media centre after the year end
- First Western European tier two operator win with Tele2
- MPEG-4 HD shipments account for almost 70% of revenue in H2
- Acquisition of Tilgin IPTV strengthens technical expertise and industry partnerships
- Strong H2 IPTV sales booking performance
- Reduction in annualised cost base down to £11m in the coming year from £14m in 2009

Turnover
£25.3m
(2008: £31.9m)

Gross Margin
33.1%
(2008: 41.9%)

Shareholders' funds
£21.9m
(2008: £30.7m)

Gross profit
£8.4m
(2008: £13.4m)

Operating loss before exceptional items
£5.9m
(2008: Profit of £1.4m)

Loss per share
16.0p
(2008: 4.0p profit per share)

CHAIRMAN'S REPORT

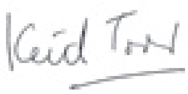
2009 was a challenging year for Amino. The combination of the global market downturn and its effect on the pace of IPTV deployments and industry-wide component shortages, particularly in semi-conductors, made for a difficult and disappointing 12 months. We ended the year with a reduction in revenues and gross profits - revenue declining to £25.29m (2008: £31.90m) and margins down to 33.1%.

We stated last year that we would carefully monitor our markets and react quickly and decisively to ensure Amino was well-positioned when conditions improved. Before the half year stage, we accelerated our cost reduction programme, reducing our annualised cost base to £14m in 2009 versus £19m immediately following the acquisition of Tilgin IPTV on 1 December 2008. Going forward into 2010, our cost base will reduce to £11m. We also made changes in our sales, marketing and customer support activities to further differentiate our offering, improve our sales channels and sharpen still further our customer focus.

The second half of the year improved as we saw some benefit from these actions start to come through. Most encouragingly, the company achieved a strong order intake – over 277,000 units were ordered in the second half – with a number of important contract wins, notably with major European operator Tele2. The market transition to MPEG-4 is almost complete and Amino derived almost 70% of its revenues from this high growth higher value market in H2 09.

Outlook

Despite the difficulties experienced last year, the company is well placed to grow and improve its financial position during the current year as a result of the strategic progress made over the past 12 months.



Keith Todd CBE
Non-executive Chairman

" We stated last year that we would carefully monitor our markets and react quickly and decisively to ensure Amino was well-positioned when conditions improved."

CHIEF EXECUTIVE OFFICER'S REPORT

" The availability of the Amino Intel®-based DVB hybrid media centre, after the year end, strengthens our offering and gives us access to new markets."

Operations

Streamlining our business processes has been a key feature of 2009. The acceleration in our cost reduction programme – which will take our annualised cost base down to £11m in the coming year from £14m in 2009 (2008: £12m) – has created a more focused and nimble company. The executive management team is now smaller. Any duplication of roles across the merged Amino and Tilgin has been removed to create a single engineering facility.

New senior sales and marketing roles have helped drive more robust and focused campaigns – specifically targeted at the North American market – where the Amino brand has been re-established and channel partners re-invigorated. Improvements in our customer support have also been made.

While component shortages were an issue for many companies in 2009, we have now taken steps to simplify and de-risk our supply chain, giving greater visibility of future bottlenecks and broadening our supply sources.

The board was also strengthened with the appointment in November 2009 of Michael Bennett as a non-executive director. As Managing Partner of fund management company Azini Capital Partners LLP, he brings a wealth of experience of working with private and public technology companies.

Strategy

The strategy that we have pursued – and continue to drive - includes:

- Driving scale: enabling us to sell more products to a broader range of customers
- Extending our product line: ensuring that we have the most complete product offering to sell to our customers
- Extending across the value chain: further increasing the loyalty and longevity of our customers.

This strategy remains intact for 2010 - with a specific focus on improving our product offering into our traditional market and delivering a new kind of device to address growing demand for high performance hybrid media centres from the tier one network operator market.

Market

The pure IPTV market globally continues to grow, with industry analysts predicting a 12% compound annual growth rate (CAGR) between 2009 and 2012. This market will remain a clear focus for Amino with improved ST7105 set-top boxes (STBs) to be launched in H1 2010.

Amino's traditional markets in Eastern Europe, North America and enterprise and hospitality are seeing improvements at a macro-economic level which is starting to feed through in increased sales volumes. Encouragingly, we are seeing traction in emerging markets, such as Latin America, where we secured a substantial STB order with Costa Rican state network operator ICE after our year end.

New business wins in the year included Pioneer Telephone Company and Alaska-

"New business wins in the year included Pioneer Telephone Company and Alaska-based Matanuska Telephone Association in North America, Telecom Serbia in Eastern Europe and Tele2 in Western Europe."

based Matanuska Telephone Association in North America, Telecom Serbia in Eastern Europe and Tele2 in Western Europe. This major contract win was testimony to the smooth launch of new set-top box products and our increasing ability to deliver substantial volume of orders to meet a demanding deployment schedule.

Consumer demand for high definition (HD) programming and services continues to shape our markets – with initial signs of a growing appetite for "Over-the-Top" (OTT) Internet-delivered television now apparent in the more highly-developed markets. Amino anticipated this changing dynamic by investing in new "hybrid" product development over the last six months.

After the year end, we secured an important breakthrough in this area with a contract win with a Western European tier 1 operator. This contract will see us provide them with our new Amino Freedom media centre to support the deployment of its new hybrid/ OTT service. This is the first ever Amino contract with a tier one Western European operator and underlines our leading position in the emerging hybrid/ OTT market.

The demand for more of a PC-based media player type product is also developing in the enterprise and hospitality market, where we continue to win high margin business.

The global economic downturn strongly affected Amino's ability to close a number of potential AssetHouse customer opportunities in FY09. These opportunities still remain active and a number of new prospects have been stimulated through our Amino Freedom market activity.

AssetHouse complements a service provider's OTT aspirations by strongly managing their content metadata and tracking a customer's media consumption habits to deliver personalised TV.

However, we are ensuring that the operating costs of AssetHouse are being tightly managed and are striving to ensure that the business unit as a whole is marginally profitable in FY10.

Industry partnerships

Amino's extensive industry eco-system remains a key differentiator and an important factor in our ability to meet customer requirements and win new business.

In October, we announced a further strengthening of our relationship with Intel®, who we have worked closely with on the development of our hybrid media centre.

This followed an agreement, signed in September, with Sun Microsystems to offer their JavaFX™ TV platform in our new generation devices.

The acquisition of Tilgin's IPTV set-top box division in December 2008 has strengthened our relationship with Ericsson and we continue to jointly pursue sales opportunities primarily in Europe.

Market prospects

While the macro-economic climate remains fragile we are now seeing evidence that customer orders, previously scheduled for earlier in the year, are starting to come through. Order backlog into 2010 of 115,000 units provides a solid platform to build on over the course of the year and demonstrates how order slippage has been a feature of our performance this year. In addition, we are encouraged by a number of new contract wins in the first months of the year. The component shortages are easing as manufacturers gear up to meet growing consumer demand globally and we have taken steps to ensure continuity of supply.

Amino will continue to build on changes put in place during the second half of 2009. While the focus has necessarily been on recovering our market position after the first half of the year, the Group continues to innovate and develop new solutions for our rapidly changing markets.

The availability of the Amino Intel®-based DVB hybrid media centre, after the year end, strengthens our offering and gives us access to new markets. The early success of this product, in securing Amino's first ever tier one operator win, is an encouraging sign of our market leading position in the hybrid/OTT market.

Andrew Burke
Chief Executive Officer

CHIEF FINANCIAL OFFICER'S REPORT

" The Group continues to have a strong balance sheet; total equity of £21.94m. "

Basis of preparation

The Group's financial statements incorporate full year results of Amino Communications AB (formerly Tilgin IPTV), which was acquired on 1 December 2008, and for the first time, full year of results of AssetHouse Technology Ltd which was acquired on 9 June 2008.

Results for the year

As a consequence of the global economic downturn, shipments of devices decreased by 29.5% to 341,000 (2008: 484,000). However, shipments of higher priced MPEG-HD devices increased by 50.6% to 134,000 (2008: 89,000) and order intake in the second half increased to 277,000 devices (2008:233,000) of which 115,000 devices were in backlog at the year end.

Revenue reduced by 20.7% to £25.29m (2008: £31.90m) of which £0.12m was generated by AssetHouse and £4.63m by Amino Communications AB. Licence fees reduced by £1.42m to £0.37m (2008: £1.79m). Revenue from customer support and expert services increased by £0.35m to £0.74m (2008: £0.39m).

Gross margin on device sales of 32.3% were 7.1 percentage points down on the exceptionally high margin achieved in FY2008 of 39.3%. Overall gross margin reduced to 33.1% (2008: 41.9%).

Gross profit reduced by £5.00m to £8.37m (2008: £13.37m) reflecting the reduction in shipments, licence revenues and gross margin on device sales.

Operating expenses (excluding restructuring and impairment costs) increased by £2.37m to £14.31m (2008: £11.93m) of which £1.45m is attributable to the acquisition of Tilgin IPTV and £0.65m is attributable to a full year of operating costs of AssetHouse. Research and development expenses (excluding restructuring and impairment costs) increased by £1.68m to £5.53m (2008: £3.85m). Sales, general and administrative expenses (excluding restructuring and impairment costs) increased by £0.69m to £8.78m (2008: £8.09m). At the year-end, headcount was 138 (2008: 133). The average number of employees during the year was 154 (2008: 119).

The reduction in gross profit of £5.00m combined with increased operating costs of £2.37m resulted in the Group generating an operating loss before restructuring and impairment costs of £5.93m (2008: operating profit of £1.44m) of which £1.14m was attributable to AssetHouse and £0.95m to Amino Communications AB.

Restructuring costs of £1.16m (2008: £nil) were incurred to realise cost synergies following the acquisition of AssetHouse and Tilgin IPTV. At 30 November 2009, the Group's operating cost base stood at c. £11.00m per annum.

Following a review of their future prospects, the Group has fully impaired the net book value of goodwill arising on the acquisitions of AssetHouse Technology Limited and SJ Consulting Limited giving rise to an impairment charge of £1.69m (2008: £0.14m).

Loss before tax is £8.73m (2008: profit before tax of £2.16m). Net interest received reduced by £0.80m to £0.06m (2008: £0.86m) reflecting reduced interest rates and net cash balances.

Corporation tax receivable of £0.01m (2008: £0.04m) is made up of a credit for research and development tax credits payable of £0.91m and a charge of £0.90m arising on the reduction in deferred tax asset recognised.

Loss after tax is £8.72m (2008: profit after tax of £2.20m) and basic loss per share is 15.97p (2008: profit per share of 3.98p)

Balance Sheet

The Group continues to have a strong balance sheet; total equity of £21.94m (2008: £30.66m) is equivalent to 38p per share (2008: 53p per share) of which £9.05m (2008: £14.44m) or 16p per share (2008: 25p per share) is represented by net cash balances.

On 1 December 2008, Amino acquired Tilgin IPTV AB for £2.77m (including £0.24m acquisition costs) on a debt-free basis payable in cash on completion. The purchase consideration was attributed to goodwill of £2.20m software of £0.29m and other assets of £0.28m.

Net current assets of £14.95m (2008: £24.32m) provide the Group with a strong working capital base. The primary components of net current assets are net cash balances of £9.05m (2008: £14.44m), trade receivables of £8.28m (2008: £12.23m), stock of £3.69m (2008: £5.06m) and trade and other payables of £7.69m (2008: £8.73m). 68% of trade receivables at 30 November are insured. Trade receivables over 60 days at 30 November but not provided for amounted to £1.75m (2008: £1.50m) of which, as at 5 February, all but £0.4m had been collected.

Net cash balances reduced by £5.40m in the year to £9.05m (2008: £14.44m) which reflects the acquisition of Tilgin IPTV AB for £2.8m and the loss incurred during the year.

£1.98m (2008: £7.25m) of net current assets are denominated in US$ and £2.45m (2008: £1.15m) are denominated in Euro. Also at the balance sheet date, the Group had unsettled forward foreign exchange contracts of $17.0m at an average rate of $1.65.

As at 30 November 2009, the Group had approximately £34.11m of tax losses available to carry forward to set against future taxable profits, of which losses of £2.16m are recognised by the deferred tax asset of £0.60m and £31.95m of tax losses remain unrecognised. At the current rate of corporation tax, the unrecognised deferred tax asset is £8.94m.

Equity

The issued share capital 57.89m (2008: 57.84m shares) ordinary shares of which 6% (2008: 6%) were held by the Employee Benefits Trust. The number of subsisting options at the year end, granted primarily to current and former employees, was 5.87m (2008: 6.75m) at an average exercise price of 56p per share.

Stuart Darling
Chief Financial Officer

BOARD OF DIRECTORS

1. Keith Todd, CBE

Keith Todd, CBE, Non-executive Chairman and Director

Age 56, 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. Andrew Burke

Chief Executive Officer

Age 48, 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.

3. Stuart Darling, FCA

Finance Director and Company Secretary

Age 46, 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.

ADVISORS

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

Company secretary
Stuart Darling

Nominated adviser and stockbroker
KBC Peel Hunt Ltd
111 Old Broad Street
London EC2N 1PH

4. Peter Murphy
Non-executive Director
Age 53, 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.

5. Colin Smithers, BSc, PhD, C Eng, FIET, FIoD, LTCL
Non-executive Director
Age 51, 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. In 2009 Plextek achieved Queens Awards for Enterprise for both "International Trade" and "Innovation", was awarded BEEA "Design Consultancy of the Year" and entered the Deloitte and Touche EMEA Technology Fast 500.

6. Michael Bennett
Non-executive Director
Age 44, Michael is Managing Partner of Azini Capital Partners LLP, a fund management firm specialising in the acquisition of significant shareholdings in private and public technology companies. Michael has been a technology investor for 10 years prior to which he worked as a consultant for McKinsey and Co, and in a number of account management roles for BT. He has an MBA with High Distinction from Harvard Business School and a first class degree in Electronic Engineering from Southampton University. He has previously been a director of ProStrakan Group plc, DMATEK Limited and Ridgeway Systems and Software Inc. amongst others.

Auditors
PricewaterhouseCoopers LLP
Exchange House,
Central Business Exchange
Midsummer Boulevard
Central Milton Keynes
MK9 2DF

Solicitors to the Company
Hewitsons
Shakespeare House
42 Newmarket Road
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 2009

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 (2008) ("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 four non-executive directors. The board considers that three of the four non-executive directors are independent. Michael Bennett is not independent as he is a director of a company with a major shareholding in the Group. The roles of non-executive chairman, non-executive directors and chief executive are separate appointments and it is board policy that this will continue.

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

There is a formal schedule of matters specifically reserved for decision by the board, who meet on a monthly basis.

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 a regular basis;

- Financial reporting: there is in place a comprehensive system of financial reporting based on the annual budget approved by the board. The results for the Group are reported monthly along with an analysis of key variances, and year-end forecasts are updated on a regular basis; and

- Investment appraisal: applications for significant expenditure of either a revenue or capital nature are made in a format which places emphasis on the commercial and strategic justification as well as the financial returns. All significant projects require specific board approval.

No system can provide absolute assurance against material mis-statement 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 2009

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 (2008).

Remuneration Committee

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

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

Remuneration of executive directors

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

The remuneration packages comprise the following elements:

- Base salary: the Remuneration Committee sets base salaries to reflect responsibilities and the skills, knowledge and experience of the individual;
- Bonus scheme: the executive directors are eligible to receive a bonus dependent on both individual and Group performance as determined by the Remuneration Committee;
- 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 2009					
	Salary and fees	Bonus	Benefits	Sub-total	Pension contributions	Total
Keith Todd	60,000	-	-	60,000	-	60,000
Andrew Burke	185,000	-	795	185,795	16,771	202,566
Stuart Darling	126,756	-	795	127,551	20,352	147,903
Bob Giddy [1]	30,080	-	27	30,107	62,528	92,635
Colin Smithers	19,000	-	-	19,000	-	19,000
Peter Murphy	30,000	-	-	30,000	-	30,000
Michael Bennett [2]	770	-	-	770	-	770
	451,606	-	1,617	453,223	99,651	552,874

DIRECTORS' REMUNERATION REPORT
for the year ended 30 November 2009 (CONTINUED)

Directors' detailed emoluments and compensation (continued)

	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 [3]	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	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 [5]	16,308	-	-	16,308	-	16,308
	514,876	-	2,815	517,691	92,572	610,263

[1] Bob Giddy resigned on 3 December 2008.
[2] Michael Bennett was appointed on 18 November 2009.
[3] Andrew Burke resigned as non-executive director on 9 June 2008 and was appointed Chief Executive Officer on the same date.
[4] Peter Murphy was appointed on 24 January 2008.
[5] Olivier Hopkes resigned on 23 January 2008.

Contributions were made to the personal pension schemes of three of the directors (2008: 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 on 9 June 2008.

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

Directors and their interests in shares

The directors held the following interests in Amino Technologies plc:

	At 30 November 2009		At 30 November 2008	
	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	**157,824**	**250,000**	128,414	250,000
Andrew Burke [2]	**365,922**	**2,928,153**	336,702	2,928,153
Stuart Darling [2]	**50,000**	**440,000**	50,000	440,000
Peter Murphy	**-**	**30,000**	-	30,000
Colin Smithers [1]	**100,000**	**109,959**	40,000	109,959
Michael Bennett [3]	**-**	**-**	-	-

[1] Held by The CIT Pension fund.
[2] Ordinary shares held in personal pension fund.
[3] Michael Bennett holds a non-beneficial interest in 7,888,916 ordinary shares held by Azini Capital Partners LLP the controlling party of Evolution Securities Nominees Limited, a principal shareholder of which he is a director.

Directors' detailed emoluments and compensation (continued)

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

Director	Date	Exercise Price	At 30 November 2009 Number	At 30 November 2008* Number
Keith Todd	1 January 2007	£0.50	**100,000**	100,000
	1 January 2007	£1.25	**50,000**	50,000
	1 July 2008	£0.62[b]	**100,000**	100,000
			250,000	250,000
Andrew Burke	22 January 2007	£0.50	**30,000**	30,000
	9 June 2008	£0.00[a]	**1,738,892**	1,738,892
	9 June 2008	£1.50[a]	**1,159,261**	1,159,261
			2,928,153	2,928,153
Stuart Darling	19 September 2003	£0.20	**290,000**	290,000
	25 September 2003	£0.20	**37,497**	37,497
	1 February 2004	£0.32	**22,503**	22,503
	1 July 2008	£0.62[b]	**90,000**	90,000
			440,000	440,000
Peter Murphy	24 January 2008	£0.49	**30,000**	30,000
			30,000	30,000
The CIT Pension fund (for Colin Smithers)	30 September 2003	£0.20	**55,000**	55,000
	1 February 2004	£0.32	**14,959**	14,959
	17 May 2004	£0.70	**10,000**	10,000
	1 July 2008	£0.62[b]	**30,000**	30,000
			109,959	109,959

* 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 9 June 2008 to 30 November 2011.
- 50% when measured Earnings per Share equals or exceeds 40% per annum in the period 1 December 2008 to 30 November 2011.

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

- 50% when measured Total Shareholder Return equals or exceeds 30% per annum in the period 1 July 2008 to 30 November 2010.
- 50% when measured Earnings per Share growth exceeds 40% per annum in the period 1 December 2008 to 30 November 2010.

All other options excluding (a) and (b) 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 25p and ranged between 25p and 61p during the year.

Peter Murphy
Chairman
Remuneration Committee

DIRECTORS' REPORT
for the year ended 30 November 2009

The directors present their report and the audited financial statements for the year ended 30 November 2009.

Principal activities

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

Our AmiNET™ series of small, low cost, high functionality set-top boxes offer the full range of specification required; MPEG-2 and MPEG-4 encoding standards, standard and high definition TV, personal video recording and home networking. The high performance coupled with the innovative design of Amino's set-top boxes, 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, Chief Executive's Officer's report and Chief Financial Officer's report on pages 3 to 7.

Financial risk management

The Group is exposed to a number of risks; these include credit risk and foreign exchange 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 Group may obtain an irrevocable letter of credit or ensure that 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; and
- 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 regularly 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 above and in 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 long 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 ensure the Group retains the highest calibre of staff it has implemented a number of schemes linked to the Group's results that are designed to retain key individuals, including bonuses and share option schemes;
- 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 on page 3, Chief Executive's report on page 4 and the Chief Financial Officer's report on page 6.

Proposed dividend
The directors do not recommend the payment of a dividend (2008: £nil).

Research and development
£7,023,077 was spent on research and development in 2009 (2008: £4,958,021). Under IAS 38 "Intangible Assets" £1,565,810 of this spend was capitalised (2008: £1,110,697).

The Group continues to improve its market leading range of MPEG-2 set-top boxes and continues to develop its MPEG-4 SD, MPEG-4 High Definition and MPEG-4 Personal Video Recorder set-top boxes 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
There were no significant post balance sheet events.

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 3 December 2008)	President
Stuart Darling	Chief Financial Officer and Company Secretary
Colin Smithers	Non-executive Director
Peter Murphy	Non-executive Director
Michael Bennett (appointed 18 November 2009)	Non-executive Director

Colin Smithers and Michael Bennett retire as directors by rotation and, being eligible, offer themselves for re-appointment 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 8 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 2009 were equivalent to 78 days purchases for the Group (2008: 55 days).

Substantial shareholdings
As at 27 January 2010, 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	5,974,116	10.3%
Nutraco Nominees Limited	3,734,738	6.5%
Mineworkers Pension Scheme	3,702,018	6.4%
British Coal Staff Superannuation	3,661,375	6.3%
BNY (OCS) Nominees Limited	3,435,000	5.9%
Nortrust Nominees Limited	2,944,857	5.1%
Barclays Wealth Trustees (Guernsey) Limited	2,273,972	3.9%
P.H. Nominees Limited	2,116,601	3.7%
	35,731,593	61.7%

DIRECTORS' REPORT
for the year ended 30 November 2009 (CONTINUED)

Political and charitable donations
The Group made charitable donations to local charities totalling £907 in the year (2008: £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 elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether IFRSs as adopted by the European Union and applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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 re-appointed will be proposed at the Annual General Meeting.

By order of the Board,

Stuart Darling
Company Secretary

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 2009 which comprise the Consolidated income statement, the Consolidated statement of recognised income and expense, the Consolidated balance sheet, the Consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the Group financial statements:

- Give a true and fair view of the state of the Group's affairs as at 30 November 2009 and of its loss and cash flows for the year then ended;
- Have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the Group financial statements are prepared are consistent with the Group financial statements.

Matters on which we are required to report by exception

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

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

Other matters

We have reported separately on the parent company financial statements of Amino Technologies plc for the year ended 30 November 2009.

Paul Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes

Notes:

(a) The maintenance and integrity of the Amino Technologies plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT

for the year ended 30 November 2009

	Notes	Year to 30 November 2009 £	Year to 30 November 2008 £
Revenue	4	**25,290,903**	31,902,075
Cost of sales		**(16,917,248)**	(18,529,562)
Gross profit		**8,373,655**	13,372,513
Selling, general and administrative expenses		**(11,243,179)**	(8,226,302)
Research and development expenses		**(5,917,883)**	(3,847,324)
Operating (loss)/profit		**(8,787,407)**	1,298,887
Analysed as:			
Operating (loss)/profit before restructuring and impairment		**(5,932,326)**	1,438,887
Restructuring costs	5	**(1,160,573)**	-
Impairment costs	5	**(1,694,508)**	(140,000)
Operating (loss)/profit		**(8,787,407)**	1,298,887
Financial income	6	**56,849**	870,016
Financial expense	6	**-**	(6,857)
Net financial income	6	**56,849**	863,159
(Loss)/profit before corporation tax	7	**(8,730,558)**	2,162,046
Corporation tax credit	10	**11,939**	41,092
(Loss)/profit for the year attributable to equity holders	26	**(8,718,619)**	2,203,138
Basic (loss)/earnings per 1p ordinary share	11	**(15.97p)**	3.98p
Diluted (loss)/earnings per 1p ordinary share	11	**(15.97p)**	3.77p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the year ended 30 November 2009

	Notes	Year to 30 November 2009 £	Year to 30 November 2008 £
Foreign exchange difference arising on consolidation		**(97,120)**	591,223
Net income recognised directly in equity		**(97,120)**	591,223
(Loss)/profit for the year		**(8,718,619)**	2,203,138
Total recognised (expense)/income for the financial year		**(8,815,739)**	2,794,361

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

CONSOLIDATED BALANCE SHEET
as at 30 November 2009

	Notes	30 November 2009 £	30 November 2008 £
Assets			
Non-current assets			
Property, plant and equipment	14	**1,192,639**	982,964
Intangible assets	13	**4,952,320**	3,431,236
Deferred income tax assets	23	**671,149**	1,719,000
Trade and other receivables	16	**172,696**	203,101
		6,988,804	6,336,301
Current assets			
Inventories	15	**3,691,257**	5,059,627
Trade and other receivables	16	**10,245,842**	13,576,759
Derivative financial instruments	17	**48,155**	-
Cash and cash equivalents	18	**9,047,378**	14,443,582
		23,032,632	33,079,968
Total assets		**30,021,436**	39,416,269
Capital and reserves attributable to equity holders of the business			
Called-up share capital	24	**578,930**	578,430
Shares to be issued	26	**-**	27,751
Share premium	26	**126,376**	104,249
Capital redemption reserve	26	**6,200**	6,200
Other reserves	26	**16,388,755**	16,388,755
Retained earnings	26	**4,842,103**	13,555,105
Total equity	26	**21,942,364**	30,660,490
Liabilities			
Current liabilities			
Borrowings	20	**12,502**	12,502
Trade and other payables	19	**7,694,407**	8,732,415
Derivative financial instruments	17	**-**	10,862
Provisions for other liabilities and charges	21	**372,163**	-
Total liabilities		**8,079,072**	8,755,779
Total equity and liabilities		**30,021,436**	39,416,269

The financial statements on pages 18 to 42 were authorised for issue by the board of directors on 8th February 2010 and were signed on its behalf by:

Andrew Burke
Director

Stuart Darling
Director

Registered number: 05083390
The accompanying notes are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 November 2009

	Notes	Year to 30 November 2009 £	Year to 30 November 2008 £
Cash flows from operating activities			
Cash (used in)/generated from operations	27	**(200,300)**	155,859
Corporation tax received/(paid)		**32,416**	(277)
Net cash (used in)/generated from operating activities		**(167,884)**	155,582
Cash flows from investing activities			
Acquisition of subsidiary – net of cash acquired		**(2,761,361)**	(881,908)
Purchases of intangible fixed assets		**(1,845,681)**	(1,597,919)
Purchases of property, plant and equipment		**(595,625)**	(228,416)
Interest received		**56,139**	854,865
Interest paid		**-**	(6,857)
Net cash used in investing activities		**(5,146,528)**	(1,860,235)
Cash flows from financing activities			
Repurchase of own shares		**-**	(322,400)
Proceeds from exercise of employee share options		**1,919**	253,297
Loan made to employee benefit trust for purchase of shares		**-**	(1,137,302)
Repayments of borrowings		**-**	(24,727)
Net cash generated from/(used) in financing activities		**1,919**	(1,231,132)
Net decrease in cash and cash equivalents		**(5,312,493)**	(2,935,785)
Cash and cash equivalents at beginning of year		**14,443,582**	17,065,867
Effects of exchange rate fluctuations on cash held		**(83,711)**	313,500
Cash and cash equivalents at end of year		**9,047,378**	14,443,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009

1 General information

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

During the year, the Group acquired control of Amino Communications AB (formerly Tilgin IPTV AB), a company specialising in IPTV software technologies and hardware platforms.

The company is a public limited company which is listed on the Alternative Investment Market of the London Stock Exchange and is incorporated and domiciled in the United Kingdom. The address of its registered office is given on page 8.

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 EU, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention basis except for certain financial assets and financial liabilities (including 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 1 December 2006.

Adoption of new accounting standards

For the purposes of the preparation of these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 December 2008.

The following interpretations effective in the Group accounts from 1 December 2008 are not relevant to the operations of the Group:

- IFRIC 12 "Service Concession Arrangements"
- IFRIC 14 "Defined Benefit Pension Schemes"

Future announcements

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods, and which the Group had not adopted early:

- IAS 1 (amended) "Presentation of Financial Statements"
- IAS 23 (revised) "Borrowing costs"
- IAS 27 (amended) "Consolidated and Separate Financial Statements"
- IAS 32 (amended) "Financial instruments: presentation" – classification of rights issues
- IAS 32 (amended) "Financial instruments: presentation" – puttable financial instruments
- IAS 39 (amended) "Financial instruments: recognition and measurement" – eligible hedged items

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

2 Summary of significant accounting policies (continued)

- IFRS 2 (amended) "Share-based Payment" – vesting conditions and cancellations
- IFRS 3 (revised) "Business Combinations"
- IFRS 7 (amended) "Financial instruments: Disclosures"
- IFRS 8 "Operating Segments"
- IFRIC 13 "Customer Loyalty Programmes"
- IFRIC 15 "Agreements for the Construction of Real Estate"
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"
- IFRIC 17 "Distributions of non-cash assets to owners"
- IFRIC 18 "Transfers of Assets from Customers"

The Directors do not anticipate that the adoption of these standards and interpretations, where relevant, in future periods will have a material impact on the Group's financial statements with the exception of IFRS 8, which may impact the way in which the Group's segmental reporting is presented as it adopts a management segment approach to such reporting. IFRS 8 is not effective until the Group presents its results for the year ending 30 November 2010, and a detailed impact assessment will be performed based on the Group's management reporting structure at that time.

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 licensed products, and support and maintenance, stated exclusive of value added tax.

- Income from the sale of products is recognised when goods are delivered in accordance with the terms and conditions of sale agreed with the customer. Income from development and integration work required with product sales is recognised on completion of the relevant project.
- Licence revenues under non-cancellable licence agreements are recognised once the economic benefit of the licenced hardware and/or software has been transferred to the customer and no further material 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.

2 Summary of significant accounting policies (continued)

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.

(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 17.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the income statement 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 12 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 13 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.

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.

(iii) Intellectual property

Intellectual property acquired through business combinations is capitalised at fair value on acquisition and is amortised over its useful economic life on a straight line basis. For the intellectual property held at the balance sheet dates this is four years.

Impairment of tangible and intangible fixed assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset (being the higher of fair values less costs to sell and value in use) is estimated in order to determine the extent of any impairment.

Any impairment loss is recognised as an expense in the income statement in the period in which it was identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

2 Summary of significant accounting policies (continued)

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.

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 7 November 2002 which were outstanding at 1 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.

Restructuring provisions

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

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance. Transactions which may give rise to exceptional items are principally restructuring and impairment costs.

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 13).

2 Summary of significant accounting policies (continued)

Critical accounting estimates and judgements (continued)

Fair values for employee share schemes
The establishment of fair values in respect of employee services received in exchange for share options require the exercise of judgement and estimation in respect of the life of the option, the expected 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. Furthermore the useful economic lives of capitalised development costs are based on management's knowledge of the life cycle of the Group's products and technology.

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

Fair value of acquired intellectual property
When calculating the fair value of intellectual property acquired through business combinations the directors based their judgements on current sales forecasts.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Group's finance department under policies approved by the board of directors. These policies permit the use of financial instruments such as 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. The Group considers foreign exchange risk to be its principal risk and seeks to minimise its effects 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 2009	**Dollars $**	**Euros €**
Trade and other receivables denominated in foreign currency	**8,883,688**	**2,575,008**
Cash balances denominated in foreign currency	**977,456**	**168,864**
Trade and other payables denominated in foreign currency	**(6,605,052)**	**(57,444)**
Net current assets denominated in foreign currency	**3,256,092**	**2,686,428**
Outstanding forward contracts	**17,000,000**	**-**
Percentage of current assets not matched by forward contracts	**0%**	**100%**

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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

3 Financial risk management (continued)

Market Risk (continued)

At 30 November 2009 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 £0.3m (2008: £1.0m) higher.

(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 rate of 1.42 per cent (2008: 5.31 per cent).

Credit risk
Credit risk is managed on a 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 'AA' 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 (which has been analysed into four revenue streams as shown in the table below). All revenues, costs, assets and liabilities relate to this segment.

The secondary, geographical analysis of revenue is as follows:

	Year to 30 November 2009 £	Year to 30 November 2008 £
United Kingdom, Europe and Africa	**18,476,668**	19,015,627
North America	**5,617,734**	9,707,217
South America	**(56,770)**	1,437,554
Asia Pacific	**1,253,271**	1,741,677
	25,290,903	31,902,075

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

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

	Year to 30 November 2009 £	Year to 30 November 2008 £
United Kingdom, Europe and Africa	**26,831,544**	28,700,326
North America	**2,826,243**	5,908,182
South America	**142,458**	589,348
Asia Pacific	**221,191**	4,218,413
	30,021,436	39,416,269

4 Segmental analysis (continued)

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

	Year to 30 November 2009 £	Year to 30 November 2008 £
United Kingdom, Europe and Africa	**663,841**	225,525
North America	**2,749**	2,891
Asia Pacific	**29,148**	-
	695,738	228,416

Further analysis of revenue by streams is given below.

	Year to 30 November 2009 £	Year to 30 November 2008 £
Product	**24,181,542**	29,726,573
Licence	**370,806**	1,786,724
Support	**548,176**	363,291
Expert services	**190,379**	25,487
	25,290,903	31,902,075

5 Exceptional items

	Year to 30 November 2009 £	Year to 30 November 2008 £
Restructuring costs (included within selling, general and administrative expenses)	**768,744**	-
Restructuring costs (included within research and development expenses)	**391,829**	-
Impairment costs (included within selling, general and administrative expenses)	**1,694,508**	140,000
	2,855,081	140,000

The restructuring costs in the period amounting to £1,160,573 are in relation to three tranches of restructuring within the Group, which primarily comprise redundancy costs. The first tranche was to streamline the sales and administrative functions of Amino Communications AB on acquisition. The second and third tranches related to additional redundancy costs at the end of the period to realign the Group's cost base.

Impairment costs of £1,694,508 relate to the write down of goodwill to its recoverable amount. Please refer to note 13 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

6 Net financial income

	Year to 30 November 2009 £	Year to 30 November 2008 £
Interest receivable and similar income	**56,849**	870,016
Other interest payable	**-**	(6,857)
Finance costs	**-**	(6,857)
Net financial income	**56,849**	863,159

7 (Loss)/profit before corporation tax

(Loss)/profit before corporation tax is stated after charging:

	Year to 30 November 2009 £	Year to 30 November 2008 £
Depreciation of owned property, plant and equipment	**485,343**	379,322
Amortisation of intangible fixed assets	**939,748**	385,874
Impairment of intangible fixed assets	**1,867,959**	140,000
Loss on disposal of property, plant and equipment	**-**	1,597
Loss on disposal of intangible fixed asset	**9,052**	-
Operating lease rentals		
- Land and buildings	**639,450**	563,500
- Plant and machinery	**1,752**	2,820
Auditors remuneration:		
Audit services		
- Fees payable to Company auditor for the audit of the Company and consolidated financial statements	**34,000**	30,000
Other services		
- The auditing of the Company's subsidiaries pursuant to legislation	**38,500**	21,500
- Other services	**27,814**	39,600
Gain on foreign exchange	**(591,047)**	(779,403)
Movements in inventory provision	**178,621**	(9,556)
(Gain)/loss on derivative financial instruments	**(59,017)**	10,862

8 Staff costs

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

	As at 30 November 2009 Year end Number	As at 30 November 2008 Year end Number	Year to 30 November 2009 Average Number	Year to 30 November 2008 Average Number
Selling, general and administration	**56**	67	**68**	61
Research & development	**82**	66	**86**	58
	138	133	**154**	119

	Year to 30 November 2009 £	Year to 30 November 2008 £
Their aggregate remuneration comprised:		
Wages and salaries	**8,265,804**	6,163,205
Social security costs	**1,198,216**	617,996
Other pension costs (see note 30)	**496,882**	306,038
Expense of share based payments	**100,818**	104,486
	10,061,720	7,191,725

9 Key management compensation

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

	Year to 30 November 2009 £	Year to 30 November 2008 £
Salaries and other short term employee benefits	**1,332,908**	1,052,972
Termination benefits	**53,239**	-
Amounts paid to third parties for directors' services	**19,770**	83,595
Company contributions to personal pension schemes	**183,724**	149,613
Expense for share based payments	**88,991**	96,926
	1,678,632	1,383,106

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 2009, key management comprised 11 people (2008: 14).

Directors' emoluments are disclosed in the Directors' remuneration report on page 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

10 Corporation tax expense

	Year to 30 November 2009 £	Year to 30 November 2008 £
Corporation tax credit for the year	**915,817**	16,377
Adjustment in respect of prior years	**-**	24,715
Total current tax	**915,817**	41,092
Deferred tax	**(903,878)**	-
Total tax in income statement	**11,939**	41,092

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 2009 £	Year to 30 November 2008 £
(Loss)/profit on ordinary activities before corporation tax	**(8,730,558)**	2,162,046
At the standard rate of corporation tax in the UK	**(2,444,556)**	605,373
Effects of:		
Amounts not allowable for tax purposes	**269,681**	167,771
Enhanced deduction for research and development expenditure	**(814,986)**	(508,775)
Surrender of losses for research and development tax credit	**950,817**	-
Adjustment in respect of prior years	**-**	(24,715)
Difference between capital allowances and depreciation	**17,044**	15,473
Net losses utilised during the period	**45,619**	(319,509)
Tax calculated at domestic tax rates applicable to profits in the respective country	**473,252**	26,275
Unrelieved tax losses	**636,644**	-
Permanent timing differences	**-**	1,357
Other short term timing differences	**(49,332)**	(4,342)
Deferred tax	**903,878**	-
Tax credit	**(11,939)**	(41,092)

11 (Loss)/earnings per share

	Year to 30 November 2009 £	Year to 30 November 2008 £
(Loss)/earnings attributable to ordinary shareholders	**(8,718,619)**	2,203,138
Weighted average number of shares (Basic)	**54,588,041**	55,373,030
Weighted average number of shares (Diluted)	**54,588,041**	58,512,459
(Loss)/earnings per share basic	**(15.97p)**	3.98p
(Loss)/earnings per share diluted	**(15.97p)**	3.77p

11 (Loss)/earnings per share (continued)
The calculation of basic earnings per share is based on (loss)/profit after taxation and the weighted average of ordinary shares of 1p each in issue during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two categories of dilutive potential ordinary shares; those share options where the exercise price is less than the average market price of the Company's ordinary shares during the year and deferred ordinary shares in respect of the acquisition of SJ Consulting Limited (see note 24). There is no dilutive effect in respect of the year ended 30 November 2009 as the Group was loss making.

12 Dividends
The directors have not declared a dividend for the current financial year (2008: £nil).

13 Intangible assets

	Goodwill £	Intellectual Property £	Software Licences £	Development Costs £	Total £
Cost					
At 1 December 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 26)	(15,916)	-	-	-	(15,916)
At 30 November 2008	1,937,208	-	1,627,693	1,110,697	4,675,598
Additions	2,206,544	290,831	279,871	1,565,810	4,343,056
Disposals	-	-	(59,577)	(266,712)	(326,289)
Change in value of shares to be issued (see note 26)	(5,125)	-	-	-	(5,125)
At 30 November 2009	**4,138,627**	**290,831**	**1,847,987**	**2,409,795**	**8,687,240**
Amortisation					
At 1 December 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
Impairment charge	1,694,508	-	-	173,451	1,867,959
Charge for the year	-	72,708	406,512	460,616	939,836
Disposals	-	-	(50,525)	(266,712)	(317,237)
At 30 November 2009	**1,932,083**	**72,708**	**1,336,782**	**393,347**	**3,734,920**
Net book amount					
At 30 November 2009	**2,206,544**	**218,123**	**511,205**	**2,016,448**	**4,952,320**
At 30 November 2008	1,699,633	-	646,898	1,084,705	3,431,236

Development costs relate to a number of projects with varying start dates. All of these projects are being amortised evenly over two years subject to impairment review.

The carrying amount of development costs has been reduced to its recoverable amount through recognition of an impairment loss. This loss has been included within research and development expenses in the income statement.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

13 Intangible assets (continued)

The carrying amounts of goodwill by CGU at 30 November 2009 are summarised below:

	Group £
Goodwill relating to SJ Consulting Limited	-
Goodwill relating to AssetHouse Technology Limited	-
Goodwill relating to Amino Communications AB	2,206,544
	2,206,544

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 £0.27m impairment for SJ Consulting Limited and £1.42m impairment for AssetHouse Technology Limited. No impairment was noted in respect of Amino Communications AB.

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 10%. 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 Amino Communications AB.

Please refer to note 33 for further details on the addition to goodwill in the financial year.

14 Property, plant and equipment

	Computer Software and Equipment £	Office and Other Equipment £	Leasehold Improvements £	Total £
Cost				
At 1 December 2007	1,112,890	276,752	1,012,486	2,402,128
Foreign exchange adjustment	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
Foreign exchange adjustment	(1,740)	(2,823)	(1,780)	(6,343)
Additions	460,899	42,045	92,681	595,625
Additions through business combinations	92,688	7,425	-	100,113
Disposals	(55,073)	(1,301)	-	(56,374)
At 30 November 2009	**1,717,283**	**328,534**	**1,142,299**	**3,188,116**
Depreciation				
At 1 December 2007	828,832	151,434	302,971	1,283,237
Foreign exchange adjustment	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
Foreign exchange adjustment	(1,922)	(2,468)	(1,234)	(5,624)
Charge for the year	306,400	56,288	122,656	485,344
Disposals	(55,073)	(1,301)	-	(56,374)
At 30 November 2009	**1,198,192**	**258,095**	**539,190**	**1,995,477**
Net book amount				
At 30 November 2009	**519,091**	**70,439**	**603,109**	**1,192,639**
At 30 November 2008	271,722	77,612	633,630	982,964

15 Inventories

	As at 30 November 2009 £	As at 30 November 2008 £
Raw materials	**791,697**	2,184,637
Finished goods	**2,899,560**	2,874,990
	3,691,257	5,059,627

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

	2009 £	2008 £
Charged in the year	**178,621**	9,556
Provision at the year end	**374,074**	195,453

The cost of inventories recognised as an expense and included in cost of sales amounted to £15.00m (2008: £14.53m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

16 Trade and other receivables

	As at 30 November 2009 £	As at 30 November 2008 £
Current assets:		
Trade receivables	**8,353,234**	12,232,520
Less: provision for impairment of receivables	**(73,215)**	-
Trade receivables (net)	**8,280,019**	12,232,520
Other receivables	**90,981**	176,649
Corporation tax receivable	**951,170**	41,369
Prepayments	**923,672**	1,126,221
	10,245,842	13,576,759
Non current assets:		
Other receivables	**172,696**	203,101

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 2009 £	As at 30 November 2008 £
Under 60 days	**6,525,535**	10,728,491
Over 60 days and fully provided for	**73,215**	-
Over 60 days but not provided for	**1,754,484**	1,504,029
	8,353,234	12,232,520

Standard credit terms vary from customer to customer largely based on territory. At the year end, £2.21m of debts were past due (2008: £1.30m). Of this £1.83m (2008: £0.30m) was greater than 60 days past due and the remainder was less than 60 days overdue. As shown above, at 30 November 2009 and 30 November 2008 trade receivables more than two months old but not provided for amounted to £1,754,484 and £1,504,029 respectively. Of these amounts, £556,258 (2008 : £535,359) 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 2009 £	As at 30 November 2008 £
At 1 December	-	284,634
Provision for receivables impaired	**90,000**	216,366
Receivables written off during year as uncollectible	**(16,785)**	(500,000)
At 30 November	**73,215**	-

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

17 Derivative financial instruments

	As at 30 November 2009 £	As at 30 November 2008 £
Fair value of open forward foreign exchange contracts held for trading – asset/(liability)	**48,155**	(10,862)

These forward foreign exchange contracts were taken out to hedge current and future US Dollar receivables of $17m (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 $1.65 (2008: $1.62).

18 Cash and cash equivalents

	As at 30 November 2009 £	As at 30 November 2008 £
Cash at bank and in hand	**9,047,378**	14,443,582

Included within cash is £230,165 (2008: £nil) of funds restricted against duty payments to HM Revenue and Customs and royalty payments.

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

19 Trade and other payables

	As at 30 November 2009 £	As at 30 November 2008 £
Trade payables	**5,001,020**	4,307,050
Social security and other taxes	**225,129**	215,729
Other payables	**267,082**	6,838
Accruals	**2,094,829**	3,579,174
Deferred income	**106,347**	623,624
	7,694,407	8,732,415

20 Borrowings

Current	As at 30 November 2009 £	As at 30 November 2008 £
Other loans	**12,502**	12,502
Total borrowings	**12,502**	12,502

Other loans comprise unsecured borrowings from a third party at a fixed interest rate of 5% (2008: 5%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 November 2009 (CONTINUED)

21 Provisions for other liabilities and charges

Current	Restructuring costs £
At 1 December 2008	-
Charged/(credited) to the income statement:	
- Provision for restructuring costs (see note 5)	1,160,573
- Utilised in the year	(788,410)
At 30 November 2009	372,163

The restructuring provision relates to redundancy costs to realign the Group's cost base and is expected to be utilised in the first six months of the next financial year (see note 5).

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

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

	As at 30 November 2009		As at 30 November 2008	
	Amount recognised £	**Amount unrecognised £**	Amount recognised £	Amount unrecognised £
Tax effect of timing differences because of:				
Differences between capital allowances and depreciation	**-**	**548,099**	-	550,229
Tax losses carried forward [(1)]	**605,599**	**8,943,813**	1,637,422	6,830,564
Equity-settled share options	**65,550**	**-**	81,578	-
Other short term timing differences	**-**	**49,776**	-	34,190
Deferred tax asset (see note 10)	**671,149**	**9,541,688**	1,719,000	7,414,983

[(1)] The amount recognised for 30 November 2009 is shown net of £143,973 relating to the future tax liability on business combinations.

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.

24 Share capital

	As at 30 November 2009 £	As at 30 November 2008 £
Authorised		
100,000,000 (2008: 100,000,000) ordinary shares of 1p each	1,000,000	1,000,000
Allotted, called up and fully paid		
57,893,052 (2008: 57,843,050) ordinary shares of 1p each	578,930	578,430

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), 49,999 ordinary shares on 20 January 2008 (the second anniversary of the date of acquisition) and 50,002 ordinary shares were issued on 20 January 2009 (the third anniversary of the date of acquisition). These shares were all issued at no further consideration. The share price at the date the shares were issued was £0.6425, £0.50 and £0.4625 respectively.

24 Share capital (continued)

No shares (2008: 50,000) were forfeited during the year due to certain employees leaving the Company. This resulted in a decrease of £nil (2008: £17,334) in the value of 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 26).

25 Share based payments

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

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

The number of shares held by the Employee Benefit Trust is as follows: -	**Year to 30 November 2009 Number**	Year to 30 November 2008 Number
Shares held by the Employee Benefit Trust:		
At start of financial period	**3,304,241**	2,335,453
Purchased	**-**	2,049,335
Issued to employees	**(9,150)**	(1,080,547)
At end of financial period	**3,295,091**	3,304,241

	As at 30 November 2009 Number	As at 30 November 2008 Number
The number of subsisting options are as follows:		
Current and former employees and non-executive directors	**5,868,442**	6,615,455
Other options granted	**118,812**	118,812
	5,987,254	6,734,267

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

	As at 30 November 2009 Number	As at 30 November 2008 Number
Granted: -		
- Unapproved Share Option Scheme	**4,192,467**	4,930,330
- Enterprise Management Incentive Scheme	**614,414**	623,564
- Individual share option schemes	**1,180,373**	1,180,373
	5,987,254	6,734,267

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 November 2009 (CONTINUED)

25 Share based payments (continued)
The number of options relating to current and former employees and non-executives over ordinary shares of 1p each, granted, lapsed or cancelled during the year was as follows.

Date granted	Exercise price	As at 1 December 2008 Number	Granted Number	Exercised Number	Lapsed Number	**As at 30 November 2009 Number**	Notes
June 2008	£0.00	1,738,892	-	-	-	**1,738,892**	(g)
September 2003	£0.20	867,550	-	(8,400)	-	**859,150**	(a)
February 2004	£0.32	430,078	-	(750)	-	**429,328**	(a)
January 2008	£0.49	30,000	-	-	-	**30,000**	(d)
January 2007	£0.50	130,000	-	-	-	**130,000**	(d)
June 2008	£0.55	500,000	-	-	(500,000)	**-**	(h)
June 2008	£0.62	100,000	-	-	-	**100,000**	(i)
July 2008	£0.62	715,000	-	-	(53,136)	**661,864**	(j)
July 2008	£0.62	400,674	-	-	(155,727)	**244,947**	(f)
October 2007	£0.62	315,000	-	-	-	**315,000**	(b)
May 2004	£0.70	20,000	-	-	-	**20,000**	(a)
September 2006	£0.72	100,000	-	-	-	**100,000**	(c)
March 2002	£0.77	30,000	-	-	-	**30,000**	(a)
January 2007	£1.25	50,000	-	-	-	**50,000**	(e)
June 2008	£1.50	1,159,261	-	-	-	**1,159,261**	(g)
February 2006	£1.64	22,333	-	-	(22,333)	**-**	
February 2006	£2.45	6,667	-	-	(6,667)	**-**	
		6,615,455	-	(9,150)	(737,863)	**5,868,442**	

Notes:

(a) Following Amino Technologies plc's admission to the Alternative Investment Market on 9 June 2004, these options have vested in full and are exercisable until expiry, being 10 years from date of grant.

(b) Vest in equal tranches on first, second and third anniversaries from date of grant.

(c) 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.

(d) Vest in full on the first anniversary of grant

(e) Vest in full on the second anniversary of grant

(f) 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 that the option holder is an employee at the end of each relevant month.

(g) 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% per annum in the period 9 June 2008 to 30 November 2011.
- 50% when Earnings per Share equals or exceeds 40% per annum in the period 1 December 2008 to 30 November 2011.

25 Share based payments (continued)

(h) These options vested on the date of grant and are exercisable at any time during the option period of 1 December 2008 to 30 November 2009.

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

- 50% when Total Shareholder Return equals or exceeds 30% per annum in the period 9 June 2008 to 9 June 2009.
- 50% when Earnings per Share equals or exceeds 40% per annum in the period 1 December 2008 to 30 November 2009.

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

- 50% when Total Shareholder Return equals or exceeds 30% per annum in the period 1 July 2008 to 30 November 2010.
- 50% when Earnings per Share equals or exceeds 40% per annum in the period 1 December 2008 to 30 November 2010.

No share options were granted during the year. The weighted average fair value of options granted in 2008 was £0.57. The weighted average share price at the date of exercise in 2008 was £0.21 (2008: £0.54).

The options outstanding at the end of the year have a weighted average contractual life of 1.8 years (2008: 2.5 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 202 pence per share for a period of seven years commencing from 9 June 2004, the date of the Company's admission to AIM.

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

Grant date	July 2008	June 2008	January 2008
Weighted average share price £	0.62	0.55	0.49
Weighted average exercise price £	0.62	0.55	0.49
Expected volatility	40%	40%	40%
Expected option life	1 to 3 years	1 to 4 years	3 years
Risk-free interest rate	5.3%	5.3%	5.3%
Expected dividend yield	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 £100,818 (2008: £104,486).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

26 Statement of changes in equity

	Share Capital £	Share premium £	Shares to be issued £	Other reserves £	Capital redemption reserve £	Profit and loss £	Total £
At 1 December 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
Loss for the year	-	-	-	-	-	(8,718,619)	(8,718,619)
Issue of ordinary shares – shares to be issued	500	22,126	(22,626)	-	-	-	-
Impact of movement in share price on shares to be issued	-	-	(5,125)	-	-	-	(5,125)
Exercise of employee share options	-	-	-	-	-	1,918	1,918
Share option compensation charge	-	-	-	-	-	100,818	100,818
Foreign exchange on consolidation	-	-	-	-	-	(97,120)	(97,120)
At 30 November 2009	**578,930**	**126,376**	**-**	**16,388,755**	**6,200**	**4,842,103**	**21,942,364**

Investment in own shares

Offset within the Group profit and loss reserve at 30 November 2009 is an amount of £281,656 (2008: £2,083,435) representing the cost of own shares held.

27 Cash generated from operations

	Year to 30 November 2009 £	Year to 30 November 2008 £
(Loss)/profit before corporation tax	**(8,730,558)**	2,162,046
Adjustments for:		
Amortisation charge	**939,846**	385,874
Depreciation charge	**485,344**	379,322
Impairment charge	**1,867,959**	140,000
Loss on disposal of property, plant and equipment	**-**	1,597
Loss on disposal of software intangibles	**9,052**	-
Share-based payment charge	**100,818**	104,486
(Gain)/loss on derivative financial instruments	**(59,017)**	10,862
Financial income – net (see note 6)	**(56,849)**	(863,159)
Exchange differences	**(38,481)**	262,149
Decrease/(increase) in inventories	**2,172,923**	(2,399,968)
Decrease/(increase) in trade and other receivables	**4,578,968**	(2,741,446)
Increase in provisions	**372,163**	-
(Decrease)increase in trade and other payables	**(1,842,468)**	2,714,096
Cash (used in)/generated from operations	**(200,300)**	155,859

28 Operating lease commitments

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

Group	**Property 2009 £**	**Plant and machinery 2009 £**	Property 2008 £	Plant and machinery 2008 £
Leases which expire within one year	**529,773**	**1,755**	554,567	5,269
Leases which expire within one to five years	**1,762,346**	**4,246**	1,190,495	2,635
Leases which expire after five years	**-**	**-**	275,000	-
	2,292,119	**6,001**	2,020,062	7,904

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.

29 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.

30 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 £496,882 (2008: £306,038). A debtor of £8,605 is included within the taxation and social security creditor at 30 November 2009 (2008: creditor of £20,655) in respect of the final month's contributions.

31 Financial commitments

At 30 November 2009 the Group, in accordance with the terms of a contractual agreement with a manufacturing partner, had a financial commitment totalling £4.0m (2008: £3.2m). The Group had also committed to £1.0m (2008: £nil) in respect of silicon chips under non-cancellable orders.

32 Capital commitments

No capital expenditure was committed to as at 30 November 2009 (2008: £nil).

33 Business combinations

On 1 December 2008, the Group acquired 100% of the share capital of Tilgin IPTV AB, a company specialising in IPTV software technologies and hardware platforms, for a cash consideration of £2.77m.

The acquisition has been accounted for using the purchase method as required by IFRS 3.

The acquisition contributed revenues of £4,656,925 and net loss of £786,788 for the period 1 December 2008 to 30 November 2009.

Details of net assets acquired and goodwill are as follows:

	£
Purchase consideration:	
- Cash paid	2,527,444
- Direct cost relating to the acquisition	238,247
Total purchase consideration	2,765,691
Fair value of net assets acquired (see below)	(559,147)
Goodwill	2,206,544

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

33 Business Combinations (continued)

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

	Book value £	Fair value adjustment £	Accounting policy adjustment £	Fair value £
Cash and cash equivalents	4,330	-	-	4,330
Intangible fixed assets	2,009,360	-	(1,718,618)	290,742
Tangible fixed assets	21,263	78,850	-	100,113
Inventories	917,440	(112,887)	-	804,553
Trade and other receivables	307,843	-	-	307,843
Trade and other payables	(788,383)	(16,078)	-	(804,461)
Deferred tax	-	(143,973)	-	(143,973)
	2,471,853	(194,088)	(1,718,618)	559,147

The fair value adjustments include an adjustment to capitalised development costs to align accounting policies and a write down of inventories.

The intangible fixed asset balance relates to acquired technology.

The goodwill arising on the acquisition of Tilgin IPTV AB is attributable to the technical skills of the acquired business workforce and anticipated future operating synergies from the combination.

34 Related party transactions

There were no related party transactions during the year.

35 Events after the balance sheet date

There were no significant events after the balance sheet date.

INDEPENDENT AUDITOR'S REPORT
to the members of Amino Technologies plc

We have audited the parent company financial statements of Amino Technologies plc for the year ended 30 November 2009 which comprise the Company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors
As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the parent company financial statements:

- Give a true and fair view of the state of the Company's affairs as at 30 November 2009
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

Other matter
We have reported separately on the Group financial statements of Amino Technologies plc for the year ended 30 November 2009.

Paul Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes

COMPANY BALANCE SHEET
as at 30 November 2009

	Notes	30 November 2009 £	30 November 2008 £
Fixed assets			
Investments	3	**848,527**	1,756,834
Current assets			
Debtors: amounts falling due after more than one year	4	**19,835,242**	20,736,273
Cash at bank and in hand		**90**	500
Net current assets		**19,835,332**	20,736,773
Creditors: amounts falling due after more than one year	5	**(664,477)**	(666,397)
Net assets		**20,019,382**	21,827,210
Capital and reserves			
Called-up share capital	6	**578,930**	578,430
Shares to be issued		**-**	27,751
Share premium		**126,375**	104,249
Capital redemption reserve		**6,200**	6,200
Retained earnings		**19,307,877**	21,110,580
Total equity	8	**20,019,382**	21,827,210

The financial statements were authorised for issue by the board of directors on 8th February 2010 and were signed on its behalf by:

Andrew Burke
Director

Stuart Darling
Director

Registered number: 05083390

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

for the year ended 30 November 2009

1 Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the 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 publically 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 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The parent company's loss after tax was £1,905,440 (2008: £nil).

Directors emoluments are disclosed in the Director's remuneration report on page 11. The Company has no employees in either year. The audit fee for the parent company was £3,000 (2008: £3,000)

3 Fixed asset investments

	Year to 30 November 2009 £	Year to 30 November 2008 £
Cost at 1 December 2008	**1,756,834**	1,611,253
Additions in the year (relating to acquisition of AssetHouse Technology Limited)	**-**	57,011
Capital contributions arising from FRS20 share-based payments charge	**100,818**	104,486
Change in value of shares to be issued (see note 8)	**(5,125)**	(15,916)
Impairment charge	**(1,004,000)**	--
Cost at 30 November 2009	**848,527**	1,756,834

An impairment charge has been recognised during the year ended 30 November 2009 to fully impair the Company's investments in AssetHouse Technology Limited and SJ Consulting Limited.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

for the year ended 30 November 2009 (CONTINUED)

3 Fixed asset investments (continued)

Interests in group undertakings

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of shares held by the Group
Amino Holdings Limited	England and Wales	Ordinary shares of 1p each	100%
Amino Communications Limited	England and Wales	Ordinary shares of £1 each	100% *
Amino Communications 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%
Ilumic Limited (formerly 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% *
Amino Communications AB	Sweden	Ordinary shares of SEK 100	100% *

* indirectly held

All of the above subsidiaries are included within the consolidated financial statements of Amino Technologies plc for the years ended 30 November 2009 and 30 November 2008 with the exception of AssetHouse Technology Limited and Amino Communications AB who are included within the consolidation from the date of acquisition (being 9 June 2008 and 1 December 2008 respectively).

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.

Ilumic Limited (formerly 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.

The principal activity of Amino Communications AB is to develop core software technologies and hardware platforms for the IPTV market.

4 Debtors: amounts falling due after more than one year

	Year to 30 November 2009 £	Year to 30 November 2008 £
Amounts owed by Group undertakings	**19,835,242**	20,736,273

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 due after more than one year

	Year to 30 November 2009 £	Year to 30 November 2008 £
Amounts owed to Group undertakings	**664,477**	666,397

6 Share capital

	As at 30 November 2009 £	As at 30 November 2008 £
Authorised		
100,000,000 (2008: 100,000,000) ordinary shares of 1p each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
57,893,052 (2008: 57,843,050) ordinary shares of 1p each	**578,930**	578,430

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), 49,999 ordinary shares on 20 January 2008 (the second anniversary of the date of acquisition) and 50,002 ordinary shares were issued on 20 January 2009 (the third anniversary of the date of acquisition). These shares were all issued at no further consideration. The share price at the date the shares were issued was £0.6425, £0.50 and £0.4625 respectively.

No shares (2008: 50,000) were forfeited during the year due to certain employees leaving the Company. This resulted in a decrease of £nil (2008: £17,334) in the value of shares to be issued.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
for the year ended 30 November 2009 (CONTINUED)

7 Share based payments
Information on share options which have been granted to Directors and employees are given in note 25 to the consolidated financial statements.

8 Reconciliation of movements in shareholders' funds

	Share Capital £	Share premium £	Shares to be issued £	Capital redemption reserve £	Profit and loss £	Total £
At 1 December 2007	584,130	79,749	68,667	-	21,059,098	21,791,644
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	-	-	-	-	269,396	269,396
Repurchase and cancellation of own shares	(6,200)	-	-	6,200	(322,400)	(322,400)
Share option compensation charge	-	-	-	-	104,486	104,486
At 30 November 2008	578,430	104,249	27,751	6,200	21,110,580	21,827,210
Loss for the year	-	-	-	-	(1,905,440)	(1,905,440)
Issue of ordinary shares – shares to be issued	500	22,127	(22,626)	-	-	-
Impact of movement in share price on shares to be issued	-	-	(5,125)	-	-	(5,125)
Exercise of employee share options	-	-	-	-	1,919	1,919
Share option compensation charge	-	-	-	-	100,818	100,818
At 30 November 2009	**578,930**	**126,376**	**-**	**6,200**	**19,307,877**	**20,019,382**

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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