amino

CONNECTING THE ENTERTAINMENT EXPERIENCE

Amino Technologies plc
Annual Report and Accounts 2010

ABOUT
AMINO TECHNOLOGIES

Amino is a world leading IPTV and hybrid/OTT innovator – bringing new entertainment products and solutions to a global market. With over three million devices sold to 850 customers in 85 countries, Amino's award-winning solutions are deployed by major network operators and service providers worldwide. Amino's speed-to-market, agility and leading-edge technology has secured important partnerships with global vendors, including Intel and Ericsson, to deliver the rich entertainment experience consumers are demanding. Amino Technologies plc is listed on the London Stock Exchange Alternative Investment Market (AIM: symbol AMO). It is headquartered near Cambridge, in the UK, with offices in the US, China and Sweden.

HIGHLIGHTS

FINANCIAL **PERFORMANCE**

- Revenues up 74% to £44.0m (2009: £25.3m)
- Gross profit up 52% to £12.6m (2009: £8.3m)
- Gross margins 4.3 percentage points down to 28.6% (2009: 32.9%) largely due to adverse foreign exchange markets and larger customer orders
- EBITDA before exceptional items of £3.3m (2009: loss of £5.0m)
- Operating profit before exceptional items of £1.8m (2009: loss of £6.4m) with operating loss after exceptional items of £0.9m (2009: loss of £8.8m)
- H2 2010 operating profit after exceptional items of £0.1m (H1 2010: operating loss of £1.0m)
- Year-end cash lower at £3.6m (2009: £9.0m) due to the cost of stock built to fulfil major tier 1 order which commenced delivery in December 2010
- Net assets of £21.8m (2009: £21.9m)

OPERATIONAL **PROGRESS**

- Strong performance in core IPTV market with recovery in key markets and launch of new product portfolio gaining immediate traction
- Investment in securing leadership in the emerging OTT TV market paying off with the launch, in December 2010, by a tier 1 Western European network operator of entertainment services based on the Company's hybrid/OTT technology
- Further OTT product developed and launched, after the year-end, targeting adjacent pay-TV market with initial technical trials underway with major operators
- Strengthened management team through appointment of experienced Chief Operating Officer and Finance Director

TURNOVER
£44.0m
(2009: £25.3m)

GROSS PROFIT
£12.6m
(2009: £8.3m)

EBITDA BEFORE EXCEPTIONAL ITEMS*
£3.3m
(2009: £5.0m loss)

NET ASSETS
£21.8m
(2009: 21.9m)

GROSS MARGIN
28.6%
(2009: 32.9%)

OPERATING PROFIT
£1.8m
(2009: £6.4m loss)

* Earnings before interest, taxation, depreciation and amortisation

CHAIRMAN'S **REPORT**

Keith Todd - Non-executive Chairman

Amino has made good progress this year with the strategic initiatives put in place at the end of last year benefitting the entire business. Across a number of key metrics in its core IPTV market – revenues, sales orders and unit sales – the Company has had a record year. The launch of new IPTV products, a streamlining of core technology and traction in the emerging hybrid/OTT market represents a solid platform on which to build.

The sales momentum identified at the end of 2009 has continued throughout the year and into 2011 with a strong order book. The return to profitability in the second half of the year is a further indication of the Company's progress during the year.

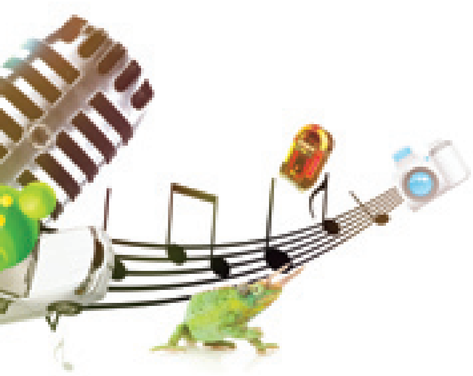
Amino can be best analysed as offering both a profitable IPTV portfolio addressing the needs of tier 2 and 3 network operators and an emerging OTT product suite focusing on the more significant tier 1 market opportunity.

In 2010, the Company sought to maximise shareholder value by re-investing the profits from the IPTV business to further develop Amino's market leadership in OTT and its ability to rapidly bring new products to market.

In core IPTV, revenues at £44m increased 74% year on year (2009: £25.3m) as the Company benefited from higher volume orders, particularly from tier 2 operators. Unit shipments are up 81%, with over 80% comprising MPEG-4 high definition (HD) devices. However, as Amino scales successfully to target this type of higher volume customer, margins erode as the volume and value of such orders increases. When combined with foreign exchange rate movements, margins have reduced to 28.6% (2009: 32.9%).

The new OTT proposition has been in accelerated start-up mode and has achieved a great deal in a short time. This has required significant investment in order to maximise the future market potential and take advantage of an emerging opportunity ahead of the competition. Operating costs, after exceptional costs, were therefore higher than planned at £13.5m (2009: £17.1m).

The Company is now starting to see the benefits of this investment with encouraging traction in the hybrid/OTT market, where it is working closely with Intel® on the development of the MeeGo™ Linux platform for OTT. The first customer – a tier 1 Western European network operator – deployed a multimedia entertainment offering based on this technology shortly after the financial year-end. The Company will recognise these unit sales in financial year 2010/11. The stock build to fulfil this order has impacted the cash balance, which at the year-end, was £3.6m (2009: £9.0m). Furthermore, fulfilling this first contractual order resulted in an exceptional loss of £1.7m. However, these costs underwrite the experience and expertise in delivering this type of product and help drive the Company's leading position in this exciting and sizable market opportunity.



"Across a number of key metrics in its core IPTV market – revenues, sales orders and unit sales – the Company has had a record year."

To underline the progress and speed with which the Company is able to innovate, after the year-end a new product was launched that adds a new layer of OTT content to existing pay-TV devices. Initial market reaction has been strong with a number of technical trials with tier 1 operators underway.

Following the appointment of Donald McGarva to Chief Operating Officer, the focus on improvements in supply chain management and operational execution to reduce costs and manage margins is progressing well and is expected to show results in the second half of 2011.

OUTLOOK:
Amino moves into 2011 with an order book of 157k units representing £13.9m in revenues. The market for IPTV set-top boxes is forecast by industry analysts to remain stable in the coming year and the Company will strive to exploit its market-leading position in the hybrid/OTT market, where demand is expected to grow strongly next year, albeit from a small base.

The Company is confident that, with its new product portfolio addressing core and new markets plus a clear focus on margin management, it can continue to build on the solid platform it has created during 2010.

Keith Todd

KEITH TODD CBE
Non-executive Chairman

"The launch of new IPTV products, a streamlining of core technology and traction in the emerging hybrid/OTT market represents a solid platform on which to build."

CHIEF EXECUTIVE **OFFICER'S REPORT**

Andrew Burke - Chief Executive Officer

DELIVERING AGAINST STRATEGY

During 2010, Amino has made significant strides in executing to its stated strategy. First, the Company has worked hard to drive scale, selling more of its products to a broader range of customers. This has been evidenced by strong growth in its core IPTV market. At the same time, the Company has taken the financial contribution derived from this profitable core and reinvested to gain market traction for new hybrid/OTT technology.

Continued growth in the deployment of IPTV set-top boxes by tier 2 operators in Western and Eastern Europe has been particularly encouraging. The availability of the new portfolio of products has been well-received by the market, as operators support the move to high definition entertainment services by their customers. This move has continued in the North American market, where Amino has recovered well.

The development and launch of a new IPTV portfolio based on the latest STi7105 MPEG-4 HD decoder offers improved performance at reduced cost and has been well received by the market.

The delivery of a hybrid/OTT product for the tier 1 operator market during the year was followed, after the year-end, by the launch of a new "companion" OTT device – the Freedom Jump – for the pay-TV market. The rapid pace in product development – and strong working partnership with Intel® - has enabled the Company to target a number of opportunities, with a major tier 1 Western European operator launching services based on this technology after the year-end.

OPERATIONS

The improved Company performance has been underpinned by a number of important operational initiatives during the year.

The restructuring initiated in 2009 was completed early in the year with re-focused sales, marketing and customer support teams and more streamlined senior management. In engineering, the transition to a single core IPTV technology from multiple permutations has improved efficiency, cost-effectiveness and the ability to provide improved levels of customer support.

Revitalising the Amino brand was a major objective for the year. The launch ahead of the Company's presence at the IBC show in September was successfully and cost-effectively executed. Product launches have also been well-received by customers and the broader market – with two major industry awards secured for the Amino Freedom hybrid/OTT product.

Security of component supply has been a key objective during 2010. Availability improved and pricing stabilised as the year progressed, however, to meet order deadlines a limited amount of spot buying was necessary. Improvements to the supply chain have been made and the Company remains sharply focused on cost reduction and improved efficiency.

This process is being driven by Donald McGarva, previously a non-executive director of the Company, who joined as Chief Operating Officer in September and now oversees operations, logistics, engineering

"This new product – the Freedom Jump - enhances existing set-top boxes by working alongside them to offer access to the wealth of additional content available on the open Internet such as applications, movie-on-demand services, catch-up TV, music services and social networking."

and research and development functions. He brings a wealth of experience in global logistics and supply chain management to the executive team.

In December 2010 Julia Hornby joined the Company as Finance Director, joining the Amino Board on 7 February 2011. With a background in high growth media companies, Julia will strengthen both the Board and executive team.

MARKET TRACTION

Amino's core IPTV market continues to show a positive outlook. Industry analysts forecast a stable market in the coming year with traditional markets in Eastern and Central Europe and North America holding up well against a background of challenging economic conditions.

The Company's new product range is closely aligned with evolving consumer demand towards high definition (HD) TV-based entertainment and has been very well received by the market.

Continued strong sales by the Company's Central European IPTV customers have been boosted by Vodafone Iceland who became one of the first operators to deploy the new IPTV product range. There were good sales volumes in Eastern Europe, particularly in the Russian market.

The North American market has shown rates of improvement with revenues up 35% on 2009. The combination of new products and a clear customer and technical support focus has proved successful in securing contracts in a number of competitive pitches. These include Canby Telecom, Lennox Municipal Utilities, City of Salisbury, Mahaska Communications and CDE Lightband.

Latin America is emerging as a new IPTV growth market as regulatory changes enable network operators to deploy a wider range of communications and entertainment services. Securing a contract with Costa Rican tier 2 operator ICE is an important landmark contract in the region.

The market for hybrid/OTT products is also developing. The technology behind the Amino Freedom product is now powering the deployment shortly after the year-end by a Western European operator of a range of entertainment services.

While Amino has historically focused on IPTV, there are growing opportunities in adjacent and larger markets including pay-TV – particularly with the development of a complementary OTT device, the Freedom Jump. This new product enhances existing set-top boxes by working alongside them to offer access to the wealth of additional content available on the open Internet such as applications, movie-on-demand services, catch-up TV, music services and social networking. Initial market feedback to the product, which was launched at the CES show in January 2011, has been positive and the Company is now engaged in a number of technical trials.

MARKET PROSPECTS

Amino moves into 2011 better positioned than at the start of the year. The advanced next generation IPTV product range, growing hybrid/OTT product portfolio, strengthened management and clear brand is a step change for the Company.

Economic conditions are improving but fragile and the Company remains vigilant to sensitivities within emerging markets and the supply and pricing of key components. However, with a backlog of orders for 157k units going into 2011, Amino has a strong platform on which to build in the year ahead.

ANDREW BURKE
Chief Executive Officer

FINANCE DIRECTOR'S REPORT

Julia Hornby -
Finance Director

RESULTS FOR THE YEAR

The Group has delivered record sales revenues and unit sales during the year. Device shipments increased by 81% to 619k units (2009: 341k) with MPEG-4 devices now accounting for over 80% of sales. Order intake in the second half of the year was 307k units (H2 2009: 280k) with 157k units as backlog into 2011.

Revenue increased 74% to £44m driven by strong sales of IPTV products.

Within gross profit, realised foreign exchange losses totalled £0.8m during the year, an adverse swing of £1.2m compared to last year where a favourable variance of £0.4m was experienced. Adjusting for this impact, gross margin would have been 30.5%, some 0.7% lower than last year. This remaining variance was largely due to increased business from tier 2 operators at lower margin. Including the foreign exchange impact, overall gross margin has declined by 4.3% to 28.6%.

It is expected that margins will continue to come under pressure as Amino scales its business to meet the requirements of the tier 1 and tier 2 markets. However, the Group is focused on operational improvement and supply chain management to help to mitigate the effect going forward.

Gross profit increased by £4.3m to £12.6m reflecting the improved volumes and absorbing the adverse foreign exchange swing of £1.2m noted above.

Operating costs excluding restructuring, a loss on the Company's first OTT contract and impairment costs totalled £11.6m - £2.7m better than 2009 (2009: £14.3m) - largely due to the benefits of the restructuring implemented in 2009.

- Research and development costs expensed excluding restructuring costs reduced by £0.3m to £5.2m (2009: £5.5m). During the year, £2.4m (2009: £1.6m) research and development costs were capitalised which included £1.2m relating to the hybrid/OTT product
- Sales, general and administrative expenses excluding exceptional costs decreased by £2.4m to £6.4m (2009: £8.8m)
- At the year-end, headcount was 126 (2009: 138). The average number of employees during the year was 125 (2009: 154).

During the year, exceptional items totalling £2.7m (2009: £2.4m) were incurred which largely comprised £1.7m relating to an onerous contract provision for the loss to be incurred on the Company's first OTT contract, resulting largely from the requirement to spot buy and meet contractual obligations. Revenues are expected to be recognised during the first half of 2011. In addition, foreign exchange losses totalling £0.9m were incurred (2009: profit £0.5m).

The increase in pre-exceptional gross profit of £5.5m combined with lower pre-exceptional operating costs of £2.7m resulted in the Group generating an operating profit before exceptional items of £1.8m (2009: loss of £6.4m). After exceptional items, the result for the year was an operating loss of £0.9m (2009: loss of £8.8m).

"Revenue increased 74% to £44m driven by strong sales of IPTV products."

Corporation tax receivable of £0.5m (2009: £0.01m) includes research and development tax credits receivable of £0.5m.

While the Group returned to profit in the second half of 2010, loss after tax for the year is £0.3m (2009: loss of £8.7m) and basic loss per share is 0.61p (2009: loss per share of 15.97p).

BALANCE SHEET

Total equity was £21.8m at the year-end (2009: £21.9m) which is equivalent to 38p per share (2009: 38p) of which £3.6m (2009: £9.0m) or 6p per share (2009: 16p per share) is represented by net cash balances.

Net current assets are £13.5m (2009: £15.0m), the principal components of which are net cash balances of £3.6m (2009: £9.0m), trade receivables of £10.7m (2009: £8.3m), stock of £12.0m (2009: £3.7m) and trade and other payables of £14.6m (2009: £7.7m).

- 40% of trade receivables at 30 November are insured. Trade receivables over 60 days at 30 November but not provided for amounted to £1.2m (2009: £1.8m) of which, as at 1 February 2011, all but £0.2m had been collected, demonstrating the Group's strong debt collection during the year.

- The increase in stock levels at the year-end was largely due to the build of £7m of inventory required to fulfil an order for hybrid/OTT technology for a tier 1 Western European operator, which launched services shortly after the financial year-end. The Company will recognise these units as sales in the first half of 2011.

- The increase in trade and other payables is largely due to the growth in the business and high IPTV volumes built and shipped towards the end of the year.

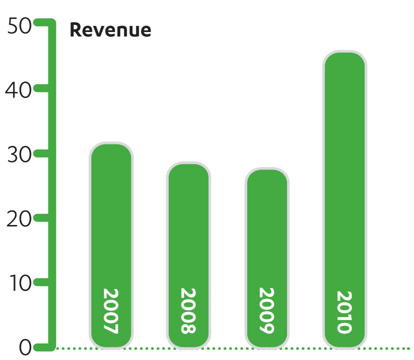
Net cash balances at £3.6m (2009: £9.0m) were impacted by the stock build requirements for the tier 1 Western European contract. At the balance sheet date, the Group had forward foreign exchange contracts of £11.2m at average conversion rates of $1.58 and €1.19. £2.6m (2009: £2.0m) of net current assets is denominated in US dollars and £2.4m (2009: £2.2m) in Euro.

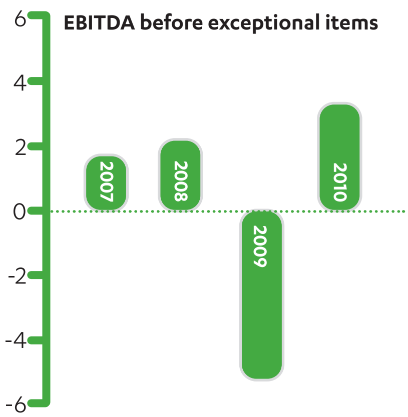
At 30 November 2010, the Group has approximately £36.3m of tax losses available to carry forward to set against future taxable profits, of which losses of £2.5m are recognised by the deferred tax asset of £0.7m and £35m of tax losses remain unrecognised. At the current taxation rates, the unrecognised deferred tax asset is £9.5m.

EQUITY

The issued share capital of the Group is 57.9m (2009: 57.9m) ordinary shares, of which 5.7% were held by the Employee Benefits Trust. The number of subsisting options at the year-end, granted primarily to current and former employees, was 6.4m (2009: 6.0m) at an average exercise price of 51p per share.

JULIA HORNBY
Finance Director





BOARD OF **DIRECTORS**

Keith Todd, CBE

KEITH TODD, CBE -
Non-executive Chairman and Director

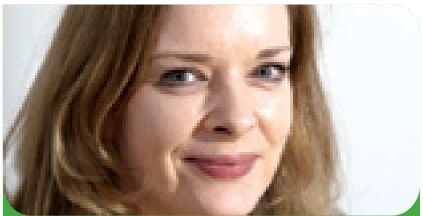
Aged 57, Keith joined Amino in January 2007. He is also executive Chairman of FFastFill PLC; a software and services company focused on the capital markets and non-executive Chairman of Magic Lantern, a new media company supplying the broadband market.

Keith served as non-executive Chairman of the UK Broadband Stakeholder Group for three years from February 2002. The Group included the key stakeholders, both from the public sector and industry and is focused on identifying actions that will accelerate the adoption of broadband services in the UK. He was also non-executive Chairman of Easynet PLC, a broadband services company, until January 2006 when it was sold to B Sky B and of E C Soft which was sold to Cyber Inc. in January 2003. He was previously Chief Executive of ICL PLC from 1996 to 2000 (now Fujitsu Services). He held a number of other senior executive positions in ICL and GEC Marconi defence businesses.

Andrew Burke

ANDREW BURKE -
Chief Executive Officer

Age 49, Andrew Burke joined Amino as a non-executive director in June 2007 and was appointed CEO in June 2008. He is Chairman of Crisp Thinking and a non-executive director at Staffshare Limited. Previously, he was CEO BT Entertainment where he devised and ran the company's IPTV initiative (BT Vision), chaired their Premium Rate Services activity, pioneered their Digital Media Services and led BT's relationships with the media world. Prior to that Andrew was Director Online Services and was responsible for all value-added services developed to complement Broadband in the UK - including VoIP, security and payment services. Before joining BT, Andrew was founder & CEO of eVerger, an eMarketing focused venture fund created in April 2000 by Aegis Group, a leading communications and marketing consultancy, and Warburg Pincus, the global private equity partnership, which together committed $100m to the venture. Before that, Andrew was COO of eVentures, the Internet incubator owned by News Corporation and Softbank. He was the founder and CEO of LineOne, the Internet service provider now known as Tiscali UK, and established News International's initial Internet presence back in 1994.



Julia Hornby

JULIA HORNBY -
Finance Director

Aged 42, Julia joined Amino as Finance Director in December 2010 and was appointed to the Amino Board in February 2011. An experienced chartered accountant with over 15 years' experience in both private equity backed businesses and listed companies, Julia was previously Chief Financial Officer at CSC Media Group, one of the UK's largest independent broadcasters, and joins Amino from Smartsense Services Limited where she worked in a consultancy capacity advising on various projects in the social networking and home shopping sectors. Her other previous roles include Group Financial Controller at Lastminute.com, during the period when the company enjoyed exceptional growth. She was also Interim Group Financial Controller at Mowlem plc, and Group Chief Financial Officer at TV Travel Group.

Donald McGarva

DONALD MCGARVA -
Chief Operating Officer

Aged 45, Donald joined Amino as a non-executive director in April 2010, becoming Chief Operating Officer in September of the same year. Previously, he was Senior Vice President, Asia Pacific, for DHL Supply Chain, the world's leading logistics company. He has spent the majority of his career in Asia and the US holding a variety of senior positions in technology, manufacturing, services, supply chain, procurement and logistics with Fujitsu, BG Group and Celestica. He is an engineering graduate from the University of Strathclyde and commenced his career in manufacturing and logistics in the UK with ICL. He is also a member of the Chartered Institute of Purchasing and Supply Chain (MCIPS).

Peter Murphy

PETER MURPHY -
Non-executive Director

Aged 54, Peter began his career at Price Waterhouse, where he qualified as a Chartered Accountant. His experience includes strategic planning, finance and business operations. He has held a variety of senior board positions in the software, manufacturing and consumer goods industries. Most recently he was Finance and Operations Director for the Lionhead Group of companies where he organised the sale of the business to Microsoft and prior to that he was a founder Director, CFO and Business Operations Director of Camelot Group PLC, The National Lottery operator.

Colin Smithers

COLIN SMITHERS - BSc, PhD, C Eng, FIEE, FIoD, LTCL
Non-executive Director

Aged 52, Colin joined Amino in March 2002. After completing PhD studies in wireless communications at the University of Surrey and being involved in its nascent microsatellite organisation he joined PA Technology in 1985. In 1989 Colin co-founded and is managing director of Plextek Limited, one of the largest independent electronics design consultancies in Europe. Plextek is particularly known for its Blighter electronic scanning radar and for delivering over 5m stolen vehicle tracking devices to TRACKER network UK and US based LoJack. In 2009 Colin led Plextek to win Queens Awards for Enterprise for both Export Achievement and Innovation. Colin also serves on the boards of Pneumacare Ltd and Redtail Telematics Ltd.

Michael Bennett

MICHAEL BENNETT -
Non-executive Director

Aged 45, Michael is Managing Partner of Azini Capital Partners LLP (www.azini.com), a fund management firm specialising in the acquisition of significant shareholdings in private and public technology companies. Michael has been a technology investor for 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.

ADVISORS

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COMPANY SECRETARY
Julia Hornby

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CORPORATE GOVERNANCE REPORT

For the year ended 30 November 2010

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 three 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 2010

Introduction

As a company listed on AIM, Amino Technologies plc is not required to present a directors' remuneration report, however a number of voluntary disclosures have been made. The Company has complied with the disclosure requirements of AIM Notice 36 that came into effect in the year.

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

(The remainder of the remuneration report is audited)

	Year to 30 November 2010						
	Salary and fees	Bonus	Benefits	Compensation for loss of office	Sub-total	Pension contributions	Total
Keith Todd	54,000	-	-	-	54,000	-	54,000
Andrew Burke	167,500	1,000	770	-	169,270	17,497	186,767
Stuart Darling [4]	113,627	1,000	700	77,659	192,986	20,664	213,650
Donald McGarva [3]	55,158	20,000	58	-	75,216	3,307	78,523
Colin Smithers	17,258	-	-	-	17,258	-	17,258
Peter Murphy	27,000	-	-	-	27,000	-	27,000
Michael Bennett	27,000	-	-	-	27,000	-	27,000
	461,543	22,000	1,528	77,659	562,730	41,468	604,198

DIRECTORS' REMUNERATION REPORT

For the year ended 30 November 2010 (CONTINUED)

Directors' detailed emoluments and compensation (continued)

	Year to 30 November 2009						
	Salary and fees	Bonus	Benefits	Compensation for loss of office	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

[1] Bob Giddy resigned on 3 December 2008.

[2] Michael Bennett was appointed on 18 November 2009.

[3] Donald McGarva was appointed as a Non-executive director on 1 April 2010. On 20 September 2010 Donald McGarva was appointed an executive director

[4] Stuart Darling resigned with effect from 8 February 2011.

Contributions were made to the personal pension schemes of three of the directors (2009: three), in accordance with their employment contracts.

Colin Smithers' fees are paid to Plextek Limited.

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

Directors and their interests in shares

The directors held the following interests in Amino Technologies plc:

	At 30 November 2010		At 30 November 2009	
	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	29,410	250,000	157,824	250,000
Andrew Burke [2]	365,922	2,928,153	365,922	2,928,153
Stuart Darling [2]	50,000	440,000	50,000	440,000
Donald McGarva	-	530,000	-	-
Peter Murphy	100,000	30,000	100,000	30,000
Colin Smithers [1]	40,000	109,959	40,000	109,959
Michael Bennett [3]	-	30,000	-	-

[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 and their interests in shares (continued)

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

Director	Date	Exercise Price	**At 30 November 2010 Number**	At 30 November 2009* 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 [a]	**100,000**	100,000
			250,000	250,000
Andrew Burke	22 January 2007	£0.50	**30,000**	30,000
	9 June 2008	£0.00 [b]	**1,738,892**	1,738,892
	9 June 2008	£1.50 [b]	**1,159,261**	1,159,261
			2,928,153	2,928,153
Stuart Darling	19 September 2003	£0.20	**290,000**	290,000
	1 February 2004	£0.20	**37,497**	37,497
	1 February 2004	£0.32	**22,503**	22,503
	1 July 2008	£0.62 [a]	**90,000**	90,000
			440,000	440,000
Donald McGarva	30 June 2010	£0.435 [c]	**30,000**	-
	29 July 2010	£0.40 [d]	**500,000**	-
			530,000	-
Peter Murphy	24 January 2008	£0.49	**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
Azini 1 LP	30 July 2010	£0.435 [e]	**30,000**	-
			30,000	-

* or date of appointment if later

(a) 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.

(b) 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 growth equals or exceeds 40% per annum in the period 1 December 2008 to 30 November 2011.

(c) These options vest in two equal instalments; 15,000 on 30 June 2011 and 15,000 on 30 June 2012.

(d) 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 40% per annum in the period 29 July 2010 to 30 November 2013.
- 50% when measured Earnings per Share growth equals or exceeds 40% per annum in the period 1 December 2010 to 30 November 2013.

(e) These options vest in two equal instalments; 15,000 on 30 July 2011 and 15,000 on 30 July 2012. Michael Bennett is a director of Azini Capital Partners LLP.

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

The market price of the Company's shares at the end of the financial year was 48.5p and ranged between 26p and 50p during the year.

Peter Murphy
Chairman
Remuneration Committee

DIRECTORS' REPORT

For the year ended 30 November 2010

The directors present their report and the audited financial statements for the year ended 30 November 2010.

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 report and Finance Director's report on pages 3 to 8.

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 5 and the Finance Director's report on page 7.

Proposed dividend
The directors do not recommend the payment of a dividend (2009: £nil).

Research and development
£6,974,017 was spent on research and development in 2010 (2009: £7,023,077). Under IAS 38 "Intangible Assets" £2,449,132 of this spend was capitalised (2009: £1,565,810).

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
Stuart Darling	Chief Financial Officer and Company Secretary
Donald McGarva (appointed 1 April 2010)	Chief Operating Officer
Colin Smithers	Non-executive Director
Peter Murphy	Non-executive Director
Michael Bennett	Non-executive Director

Stuart Darling has resigned as a Director, effective from 8 February 2011.

Julia Hornby has been appointed to the Board as Finance Director and Company Secretary from 7 February 2011.

Andrew Burke retires as a director by rotation and, being eligible offers himself for re-appointment at the forthcoming Annual General Meeting. Donald McGarva and Julia Hornby were both appointed as directors by the Board after the previous Annual General Meeting and so, pursuant to the Company's Articles of Association, are also to stand for reappointment.

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 2010 were equivalent to 82 days purchases for the Group (2009: 78 days).

Substantial shareholdings
As at 26 January 2011, 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
Azini Capital Partners LLP	7,888,916	13.6%
Chase Nominees Limited	7,485,488	12.9%
Nortrust Nominees Limited	4,768,382	8.2%
Nutraco Nominees Limited	4,167,607	7.2%
Mineworkers Pension Scheme	3,714,518	6.4%
British Coal Staff Superannuation	3,673,875	6.3%
Pershing Nominees Limited	2,821,235	4.9%
BNY (OCS) Nominees Limited	2,546,200	4.4%
Barclays Wealth Trustees (Guernsey) Limited	2,254,872	3.9%
P.H. Nominees Limited	2,016,601	3.5%
	41,337,694	71.4%

DIRECTORS' REPORT

For the year ended 30 November 2010 (CONTINUED)

Political and charitable donations

The Group made charitable donations to local charities totalling £310 in the year (2009: £907).

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).

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Parent 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 disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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, Grant Thornton UK LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

By order of the Board,

Julia Hornby
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 2010 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the statement of cash flow, the consolidated statement of changes in shareholders equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 17, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 2010 and of its loss for the year then ended;
- Have been properly prepared in accordance with IFRS 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 is consistent with the group financial statements.

Matters on which we are required to report by exception

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

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

Other matters

We have reported separately on the parent company financial statements of Amino Technolgies plc for the year ended 30 November 2010.

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
7 February 2011

CONSOLIDATED INCOME STATEMENT

For the year ended 30 November 2010

	Notes	**Year to 30 November 2010 £**	Year to 30 November 2009 £
Revenue	4	**43,975,603**	25,290,903
Cost of sales		**(31,377,280)**	(16,976,265)
Gross profit		**12,598,323**	8,314,638
Selling, general and administrative expenses		**(8,220,290)**	(11,243,179)
Research and development expenses		**(5,201,972)**	(5,917,883)
Unrealised foreign exchange (losses)/gains on forward contracts	5	**(71,504)**	59,017
Operating loss		**(895,443)**	(8,787,407)
Analysed as:			
Operating profit/(loss) before restructuring, realised foreign exchange gains/losses, impairment and onerous contracts		**1,776,849**	(6,403,129)
Restructuring costs	6	**(101,667)**	(1,160,573)
Impairment costs	6	**-**	(1,694,508)
Loss on first OTT contract	6	**(1,675,993)**	-
Realised and unrealised foreign exchange (losses)/gains	6	**(894,632)**	470,803
Operating loss		**(895,443)**	(8,787,407)
Finance income	7	**13,182**	56,849
Net finance income	7	**13,182**	56,849
Loss before corporation tax	8	**(882,261)**	(8,730,558)
Corporation tax credit	11	**536,392**	11,939
Loss for the year attributable to equity holders		**(345,869)**	(8,718,619)
All amounts relate to continuing activities			
Basic (loss)/earnings per 1p ordinary share	12	**(0.61p)**	(15.97p)
Diluted (loss)/earnings per 1p ordinary share	12	**(0.61p)**	(15.97p)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 November 2010

	Year to 30 November 2010 £	Year to 30 November 2009 £
Loss for the year	**(345,869)**	(8,718,619)
Foreign exchange difference arising on consolidation	**85,998**	(97,120)
Other comprehensive income/(expense)	**85,998**	(97,120)
Total comprehensive expense for the financial year	**(259,871)**	(8,815,739)

CONSOLIDATED BALANCE SHEET

As at 30 November 2010

	Notes	**As at 30 November 2010 £**	As at 30 November 2009 £
Assets			
Non-current assets			
Property, plant and equipment	15	**1,094,020**	1,192,639
Intangible assets	14	**6,442,979**	4,952,320
Deferred income tax assets	25	**671,149**	671,149
Trade and other receivables	17	**172,964**	172,696
		8,381,112	6,988,804
Current assets			
Inventories	16	**11,962,412**	3,691,257
Trade and other receivables	17	**12,528,263**	10,245,842
Derivative financial instruments	18	**-**	48,155
Cash and cash equivalents	19	**3,587,687**	9,047,378
		28,078,362	23,032,632
Total assets		**36,459,474**	30,021,436
Capital and reserves attributable to equity holders of the business			
Called-up share capital	25	**578,930**	578,930
Share premium		**126,376**	126,376
Capital redemption reserve		**6,200**	6,200
Foreign exchange reserves		**580,101**	494,103
Other reserves		**16,388,755**	16,388,755
Retained earnings		**4,163,382**	4,348,000
Total equity		**21,843,744**	21,942,364
Liabilities			
Current liabilities			
Borrowings	21	**-**	12,502
Trade and other payables	20	**14,592,381**	7,694,407
Derivative financial instruments	18	**23,349**	-
Provisions	22	**-**	372,163
Total liabilities		**14,615,730**	8,079,072
Total equity and liabilities		**36,459,474**	30,021,436

The financial statements on pages 19 to 42 were authorised for issue by the board of directors on 7 February 2011 and were signed on its behalf by:

Andrew Burke
Director

Julia Hornby
Director

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 November 2010

	Notes	**Year to 30 November 2010 £**	Year to 30 November 2009 £
Cash flows from operating activities			
Cash (used in)/generated from operations	28	**(3,567,180)**	(200,300)
Corporation tax received/(paid)		**944,743**	32,416
Net cash (used in)/generated from operating activities		**(2,622,437)**	(167,884)
Cash flows from investing activities			
Acquisition of subsidiary – net of cash acquired		**-**	(2,761,361)
Purchases of intangible fixed assets		**(2,518,914)**	(1,845,681)
Purchases of property, plant and equipment		**(358,024)**	(595,625)
Interest received		**11,192**	56,139
Net cash used in investing activities		**(2,865,746)**	(5,146,528)
Cash flows from financing activities			
Proceeds from exercise of employee share options		**4,000**	1,919
Net cash generated from/(used) in financing activities		**4,000**	1,919
Net decrease in cash and cash equivalents		**(5,484,183)**	(5,312,493)
Cash and cash equivalents at beginning of year		**9,047,378**	14,443,582
Effects of exchange rate fluctuations on cash held		**24,492**	(83,711)
Cash and cash equivalents at end of year		**3,587,687**	9,047,378

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 30 November 2010

	Share capital £	Share premium £	Shares to be issued £	Other reserves £	Foreign exchange reserve £	Capital redemption reserve £	Profit and loss £	Total £
Shareholders' equity at 1 December 2008	578,430	104,250	27,751	16,388,755	591,223	6,200	12,963,882	30,660,491
Total comprehensive expense for the period attributable to equity holders	-	-	-	-	(97,120)	-	(8,718,619)	(8,815,739)
Issue of ordinary shares – from shares to be issued	500	22,126	(22,626)	-	-	-	-	-
Impact of movement in share price on shares to be issued	-	-	(5,125)	-	-	-	-	(5,125)
Share option compensation charge	-	-	-	-	-	-	100,818	100,818
Exercise of employee share options	-	-	-	-	-	-	1,919	1,919
Total transactions with owners	500	22,126	(27,751)	-	-	-	102,737	97,612
Total movement in shareholders' equity	500	22,126	(27,751)	-	(97,120)	-	(8,615,882)	(8,718,127)
Shareholders' equity at 30 November 2009	578,930	126,376	-	16,388,755	494,103	6,200	4,348,000	21,942,364
Total comprehensive income for the period attributable to equity holders	-	-	-	-	85,998	-	(345,869)	(259,871)
Share option compensation charge	-	-	-	-	-	-	157,251	157,251
Exercise of employee share options	-	-	-	-	-	-	4,000	4,000
Total transactions with owners	-	-	-	-	-	-	161,251	161,251
Total movement in shareholders' equity	-	-	-	-	85,998	-	(184,618)	(98,620)
Shareholders' equity at 30 November 2010	578,930	126,376	-	16,388,755	580,101	6,200	4,163,382	21,843,744

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2010

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.

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 10.

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.

IAS 1 Presentation of Financial Statements (Revised 2007) requires presentation of a comparative balance sheet as at the beginning of the first comparative period, in some circumstances. Management considers that this is not necessary this year because the 2008 balance sheet is the same as that previously published.

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. For acquisitions before IFRS3 (revised) became effective costs directly attributable to the acquisition are also included. 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.

The Group has taken the exemption not to apply IFRS 3, "Business Combinations", retrospectively to business combinations that took place before 1 December 2006.

Going concern

The Group has borrowing facilities of £2,000,000 available until 28 February 2011. These facilities are subject to a financial covenant in relation to the ratio of uninsured to insured trade debtor balances.

Whilst current economic conditions create uncertainty and notwithstanding the trading result in the current year, the Board believes it will be able to renew working capital facilities at a similar level to the extent this is considered necessary, the order book remains strong and they note that significant opportunities remain within the market. The directors believe that the Group is well positioned to manage the going concern risk.

A working capital forecast has been presented to the Board based upon sales forecasts and assumptions in relation to trading matters. Based upon this forecast the Board are satisfied that the Group has adequate working capital for at least the next 12 months and is able to meet its' financial covenant. The Board considers it appropriate to continue to use the going concern basis of preparation for the Groups' financial statements for the year ended 30 November 2010.

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 2009.

The following interpretations effective in the Group accounts from 1 December 2009 are not relevant to the operations of the Group:

- IAS 32 (amended) "Financial instruments: presentation" – classification of rights issues
- IAS 32 (amended) "Financial instruments: presentation" – puttable financial instruments
- 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"

2 Summary of significant accounting policies (continued)

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 December 2010 or later periods, and which the Group had not adopted early:

- IFRS 9 Financial Instruments (effective 1 January 2013)
- IAS 24 (revised 2009) Related Party Disclosures (effective 1 January 2011)
- Group Cash-settled Share-based Payment Transactions – Amendment to IFRS 2 (effective 1 January 2010)
- Improvements to IFRSs 2009 (various effective dates, earliest of which is 1 July 2009, but mostly 2010)
- Amendment to IAS 32 Classification of Rights Issues (effective 1 February 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Investments (effective 1 July 2010)
- Prepayments of a Minimum Funding Requirement – Amendments to IFRIC 14 (effective 1 January 2011)
- Improvements to IFRS issued May 2010 (some changes effective 1 July 2010, others effective 1 January 2011)
- Disclosures – Transfers of Financial Assets – Amendments to IFRS 7 (effective 1 July 2011)
- Deferred Tax: Recovery of Underlying Assets – Amendments to IAS 12 Income Taxes (effective 1 January 2012)

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.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Amino Technologies plc Chief Operating Decision Maker for the use in strategic decision making and monitoring of performance.

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.
- 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 the stage at completion.

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:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at the average exchange rate for the month where these approximate the exchange rate at the date of the transaction; and
- All resulting exchange differences are recognised within the foreign exchange reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2010 (CONTINUED)

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. Assets and liabilities in this category are classified as current assets or current liabilities.

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 18.

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.

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

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

Depreciation is recognised within sales, general and administrative expenses within the consolidated statement of comprehensive income.

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. Goodwill is allocated to cash generating units for the purpose of impairment testing. When testing for impairment, recoverable amounts for all of the Group's cash generating units are measured at their value in use by discounting the future expected cash flows from the assets in the cash generating units. These calculations use cash flow projections based on five year management approved forecasts and are discounted at the Group's pre-tax weighted average cost of capital. If the total net present value is in excess of the book value of the cash generating unit then no impairment is made to the goodwill.

Any impairment is recognised in the income statement in the period in which it was identified. Please refer to note 14 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. Amortisation is recognised within sales, general and administrative expenses within the consolidated income statement.

2 Summary of significant accounting policies (continued)

(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. Amortisation is recognised within research and development expenses within the consolidated income statement.

Impairment of property, plant and equipment and intangible 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 any 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.

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 on-going 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 from the date where the Board are satisfied that the development is complete; 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 November 2010 (CONTINUED)

2 Summary of significant accounting policies (continued)

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.

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 14).

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.

Assessing whether capitalised research and development costs have been impaired

The Group tests annually whether the capitalised research and development costs have been impaired by reference to expected future generation of cash from the relevant products incorporating the technologies developed. In estimating the cash the capitalised research and development costs may generate the directors make judgements, based on budgets and forecasts, about the amount of future profits from the relevant products that will be generated and the timing of when these will be realised.

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. 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 and the Euro. 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.

3 Financial risk management (continued)

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

Year ended 30 November 2010	Dollars $	Euros €
Trade and other receivables denominated in foreign currency	12,969,647	2,539,292
Cash balances denominated in foreign currency	3,764,367	463,410
Trade and other payables denominated in foreign currency	(12,751,269)	(166,461)
Net current assets denominated in foreign currency	**3,982,745**	**2,836,241**
Outstanding forward contracts	(1,834,250)	14,660,500

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	-

At 30 November 2010 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 £0.2/£0.2m (2009: £0.4m/£0.4m) higher/lower.

At 30 November 2010 if sterling had weakened/strengthened by 5% against the Euro with all other variables held constant, post-tax profit for the year would have been £0.5/£0.5m (2009: £0.1m/£0.1m) lower/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 0.76% (2009: 1.42%).

The Group has an overdraft facility with a limit of £2,000,000. Interest on funds drawn against this facility accrue interest at a rate of 2.5% over the bank's base rate, which has been an average of 0.5%.

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 debtors are covered by insurance, the Group's exposure is limited to 10% of the value of the debt. Where insurance cannot be obtained due to the territory or customer involved, where possible, the necessary terms are placed on the customer so that monies are prepaid in full or to an adequate level so that maximum exposure is equal to the margin on the sale. No credit limits were exceeded during the reporting period. Temporary increases in credit limits for specific contracts are subject to Board review and approval.

The Group's credit risk is limited to the carrying value of financial assets recognised at the balance sheet date, summarised below:

	As at 30 November 2010 £	As at 30 November 2009 £
Financial asset carrying amounts		
Non-current assets		
- trade and other receivables	**172,964**	172,696
Current assets		
- trade and other receivables	**12,528,263**	10,245,842
- derivative financial assets held at fair value	**-**	48,155
- cash and cash equivalents	**3,587,687**	9,047,378
	16,288,914	19,514,071

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2010 (CONTINUED)

3 Financial risk management (continued)

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

Management has determined that the Group has only one operating segment, being the development and sale of broadband network software and systems, including licencing and support services. All revenues, costs, assets and liabilities relate to this segment. The information provided to the Amino Technologies Plc Chief Operating Decision Maker is measured in a manner consistent with the measures within the financial statements.

Amino Technologies Plc is domiciled in the United Kingdom.

The geographical analysis of revenue from external customers generated by the identified operating segment is as follows:

Geographical external customer revenue analysis	Year to 30 November 2010 £	Year to 30 November 2009 £
United Kingdom	**1,830,656**	1,526,447
Russia	**8,935,091**	4,663,611
Netherlands	**8,187,093**	2,751,230
USA	**7,460,799**	5,525,119
Rest of the World	**17,561,964**	10,824,496
	43,975,603	25,290,903

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

The revenue from the provision of support and expert services is not considered significant and no separate analysis of category of revenue has been provided.

The location of non-current assets of the Group, other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising out of insurance contracts) is as follows:

Non-current assets by geographic area analysis	As at 30 November 2010 £	As at 30 November 2009 £
United Kingdom	**5,174,013**	3,696,518
Sweden	**2,469,454**	2,586,421
Rest of the World	**66,496**	34,716
	7,709,963	6,317,655

Revenues totalling £8,935,091 are derived from a single external customer, located in Russia (2009: £4,663,611).
Revenues totalling £6,017,058 are derived from a single external customer, located in the Netherlands (2009: £1,670,732).

5 Other (losses)/gains

	Year to 30 November 2010 £	Year to 30 November 2009 £
Foreign exchange forward contracts held for trading	**(71,504)**	59,017
	(71,504)	59,017

6 Exceptional items

	Year to 30 November 2010 £	Year to 30 November 2009 £
Restructuring costs (included within selling, general and administrative expenses)	**101,667**	768,744
Restructuring costs (included within research and development expenses)	**-**	391,829
Impairment costs (included within selling, general and administrative expenses)	**-**	1,694,508
Realised and unrealised foreign exchange loss/(gain)	**894,632**	(470,833)
Loss on first OTT contract	**1,675,993**	-
	2,672,292	2,384,248

The restructuring costs in the year ending 30 November 2009 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. The restructuring costs in the year ending 30 November 2010 relate to the restructuring of the Executive and key management.

Impairment costs in the year to 30 November 2009 of £1,694,508 relate to the write down of goodwill to its recoverable amount. Please refer to note 14 for further details.

During the year the company realised losses arising from trade denominated in foreign currencies, primarily the Euro and US Dollar, totalling £823,128 (2009 realised gains of £411,786) and had unrealised losses arising on revaluation of forward contracts of £71,504 (2009: gains of £59,017).

During the year the Group's first OTT product was developed. No revenue has been recognised during the year. Due to the need to spot-buy on the market to meet manufacturing deadlines, adverse exchange fluctuations and other costs incurred to meet contractual obligations, a loss is expected on the contract, which is expected to complete shipment by 31 May 2011. The majority of costs have been incurred at the balance sheet date, and to the extent that further costs are expected these have been included within current liabilities.

7 Finance income

	Year to 30 November 2010 £	Year to 30 November 2009 £
Interest receivable and similar income	**13,182**	56,849

8 Loss before corporation tax

Loss before corporation tax is stated after charging:

	Year to 30 November 2010 £	Year to 30 November 2009 £
Depreciation of owned property, plant and equipment	**457,508**	485,344
Amortisation of intangible fixed assets	**1,028,255**	939,836
Impairment of intangible fixed assets	**-**	1,867,959
Loss on disposal of property, plant and equipment	**3,382**	-
Loss on disposal of intangible fixed asset	**-**	9,052
Operating lease rentals		
- Land and buildings	**630,772**	639,450
- Plant and machinery	**2,976**	1,752
remuneration:		
Audit services		
- Fees payable to Company auditor for the audit of the Company and consolidated financial statements	**21,806**	34,000
Other services		
- The auditing of the Company's subsidiaries pursuant to legislation	**23,194**	38,500
- Other services	**5,000**	27,814
Loss/(gain) on foreign exchange	**823,128**	(411,786)
Movements in inventory provision	**(204,196)**	178,621
Loss/(gain) on derivative financial instruments	**71,504**	(59,017)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2010 (CONTINUED)

9 Staff costs

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

	As at 30 November 2010 Year end number	As at 30 November 2009 Year end number	**Year to 30 November 2010 Average number**	Year to 30 November 2009 Average number
Selling, general and administration	**63**	56	**60**	68
Research & development	**63**	82	**65**	86
	126	138	**125**	154

	Year to 30 November 2010 £	Year to 30 November 2009 £
Their aggregate remuneration comprised:		
Wages and salaries including termination benefits	**6,067,662**	8,265,804
Social security costs	**894,955**	1,198,216
Other pension costs (see note 31)	**390,778**	496,882
Expense of share based payments	**157,251**	100,818
	7,510,646	10,061,720

10 Key management compensation

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

	Year to 30 November 2010 £	Year to 30 November 2009 £
Salaries and other short term employee benefits	**982,350**	1,332,908
Termination benefits	**101,667**	53,239
Amounts paid to third parties for directors' services	**44,258**	19,770
Company contributions to personal pension schemes	**80,730**	183,724
Expense for share based payments	**86,200**	88,991
	1,295,205	1,678,632

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 2010, key management comprised 11 people (2009: 11).

Directors' emoluments are disclosed in the directors' remuneration report on page 12.

11 Corporation tax expense

	Year to 30 November 2010 £	Year to 30 November 2009 £
Corporation tax credit for the year	**544,118**	915,817
Adjustment in respect of prior years	**(7,726)**	-
Total current tax	**536,392**	915,817
Deferred tax	**-**	(903,878)
Total tax in income statement	**536,392**	11,939

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 2010 £	Year to 30 November 2009 £
Loss on ordinary activities before corporation tax	**(882,261)**	(8,730,558)
At the standard rate of corporation tax in the UK	**(247,033)**	(2,444,556)
Effects of:		
Amounts not allowable for tax purposes	**114,202**	269,681
Enhanced deduction for research and development expenditure	**(848,483)**	(814,986)
Surrender of losses for research and development tax credit	**514,795**	950,817
Adjustment in respect of prior years	**7,726**	-
Difference between capital allowances and depreciation	**(115,228)**	17,044
Net losses utilised during the period	**(28,101)**	45,619
Tax calculated at domestic tax rates applicable to profits in the respective country	**398,983**	473,252
Unrelieved tax losses	**120,899**	636,644
Other short term timing differences	**(454,152)**	(49,332)
Deferred tax	**-**	903,878
Tax credit	**(536,392)**	(11,939)

12 Loss per share

	Year to 30 November 2010 £	Year to 30 November 2009 £
Loss attributable to ordinary shareholders	**(345,869)**	(8,718,619)
Weighted average number of shares (Basic)	**56,420,652**	54,588,041
Weighted average number of shares (Diluted)	**56,420,652**	54,588,041
Loss per share basic	**(0.61p)**	(15.97p)
Loss per share diluted	**(0.61p)**	(15.97p)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2010 (CONTINUED)

12 Loss 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, applicable for the year ended 30 November 2009 only. There is no dilutive effect in respect of the years ended 30 November 2009 and 30 November 2010 as the Group was loss making.

13 Dividends

The directors have not declared a dividend for the current financial year (2009: £nil).

14 Intangible assets

	Goodwill £	Intellectual property £	Software licences £	Development costs £	Total £
Cost					
At 1 December 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	(5,125)	-	-	-	(5,125)
At 30 November 2009	4,138,627	290,831	1,847,987	2,409,795	8,687,240
Additions	-	-	69,782	2,449,132	2,518,914
At 30 November 2010	**4,138,627**	**290,831**	**1,917,769**	**4,858,927**	**11,206,154**
Amortisation					
At 1 December 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
Charge for the year	-	72,708	280,638	674,909	1,028,255
At 30 November 2010	**1,932,083**	**145,416**	**1,617,420**	**1,068,256**	**4,763,175**
Net book amount					
At 30 November 2010	**2,206,544**	**145,415**	**300,349**	**3,790,671**	**6,442,979**
At 30 November 2009	2,206,544	218,123	511,205	2,016,448	4,952,320

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

The carrying amount of development costs was reduced in year ended 30 November 2009 to its recoverable amount through recognition of an impairment loss. This loss has been included within research and development expenses in the income statement.

14 Intangible assets (continued)

Impairment tests for goodwill

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

The carrying amounts of goodwill by CGU at 30 November 2010 are summarised below:

	Group £
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.

Cash flows from the cash generating units have been discounted at the Group's pre-tax weighted average cost of capital of 10%. No impairment was noted in respect of Amino Communications AB.

The key assumptions in all value in use calculations are revenue and profitability, based on historical performance and expectations about future performance over a two year period. 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.

15 Property, plant and equipment

	Computer software and equipment £	Office and other equipment £	Leasehold improvements £	Total £
Cost				
At 1 December 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
Foreign exchange adjustment	9,296	6,742	3,614	19,652
Additions	299,891	40,975	17,158	358,024
Disposals	(170,660)	(30,670)	-	(201,330)
At 30 November 2010	**1,855,810**	**345,581**	**1,163,071**	**3,364,462**
Depreciation				
At 1 December 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
Foreign exchange adjustment	5,141	4,405	1,532	11,078
Charge for the year	337,781	48,951	70,776	457,508
Disposals	(167,335)	(26,286)	-	(193,621)
At 30 November 2010	**1,373,779**	**285,165**	**611,498**	**2,270,442**
Net book amount				
At 30 November 2010	**482,031**	**60,416**	**551,573**	**1,094,020**
At 30 November 2009	519,091	70,439	603,109	1,192,639

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2010 (CONTINUED)

16 Inventories

	As at 30 November 2010 £	As at 30 November 2009 £
Raw materials	**2,565,589**	791,697
Finished goods	**9,396,823**	2,899,560
	11,962,412	3,691,257

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

	2010 £	2009 £
(Utilised)/Charged in the year	**(204,196)**	178,621
Provision at the year end	**169,878**	374,074

The cost of inventories recognised as an expense and included in cost of sales amounted to £24.47m (2009: £15.00m).

17 Trade and other receivables

	As at 30 November 2010 £	As at 30 November 2009 £
Current assets:		
Trade receivables	**10,765,549**	8,353,234
Less: provision for impairment of receivables	**(73,503)**	(73,215)
Trade receivables (net)	**10,692,046**	8,280,019
Other receivables	**101,385**	90,981
Corporation tax receivable	**542,819**	951,170
Prepayments	**1,192,013**	923,672
	12,528,263	10,245,842
Non current assets:		
Other receivables	**172,964**	172,696

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 2010 £**	As at 30 November 2009 £
Under 60 days	**9,494,686**	6,525,535
Over 60 days and fully provided for	**73,503**	73,215
Over 60 days but not provided for	**1,197,360**	1,754,484
	10,765,549	8,353,234

Standard credit terms vary from customer to customer largely based on territory. At the year end £1.92m of debts were past due (2009: £2.21m). Of this £1.27m (2009: £1.83m) was greater than sixty days past due and the remainder was less than sixty days overdue. As shown above, at 30 November 2010 and 30 November 2009 trade receivables more than two months old but not provided for amounted to £1,197,360 and £1,754,484 respectively. Of these amounts, £985,312 (2009: £556,258) 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.

17 Trade and other receivables (continued)

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

	As at 30 November 2010 £	As at 30 November 2009 £
At 1 December	**73,215**	-
Provision for receivables impaired	**288**	90,000
Receivables written off during year as uncollectible	**-**	(16,785)
At 30 November	**73,503**	73,215

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

18 Derivative financial instruments

	As at 30 November 2010 £	As at 30 November 2009 £
Fair value of open forward foreign exchange contracts held for trading – (liability)/asset	**(23,349)**	48,155

These forward foreign exchange contracts 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 principle $ values of outstanding foreign exchange contracts that have not matured at the year end were $5.6m receivable and $7.4m payable (2009: $17.0m receivable). The principle € values of outstanding foreign exchange contracts that have not matured at the year end were €15.4m receivable and €0.8m payable (2009: nil). The weighted average contract rates for these forward foreign exchange contracts was $1.58 and €1.19 (2009: $1.65 and € nil).

Forward foreign exchange contracts have contractual maturities as summarised below:

	As at 30 November 2010		As at 30 November 2009	
	Less than 6 months	**6 to 12 months**	Less than 6 months	6 to 12 months
$ contracts receivable	**5,597,500**	**-**	10,000,000	7,000,000
$ contracts payable	**7,431,750**	**-**	-	-
€ contracts receivable	**15,417,500**	**-**	-	-
€ contracts payable	**757,000**	**-**	-	-

19 Cash and cash equivalents

	As at 30 November 2010 £	As at 30 November 2009 £
Cash and cash equivalents	**3,587,687**	9,047,378

Included within cash is £238,230 (2009: £230,165) 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".

20 Trade and other payables

	As at 30 November 2010 £	As at 30 November 2009 £
Trade payables	**9,529,014**	5,001,020
Social security and other taxes	**375,498**	225,129
Other payables	**10,233**	267,082
Accruals	**4,229,287**	2,094,829
Deferred income	**448,349**	106,347
	14,592,381	7,694,407

21 Borrowings

Current	As at 30 November 2010 £	As at 30 November 2009 £
Other loans	**-**	12,502
Total borrowings	**-**	12,502

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2010 (CONTINUED)

21 Borrowings (continued)

Banking overdraft facilities of £2,000,000 were made available to the Group on 10 September 2010 until 28 February 2011. The bank overdraft is secured by a cross guarantee between Amino Technologies plc, Amino Communications Limited, Amino Holdings Limited, and Assethouse Technology Limited and by a charge over the credit balance in the name of Barclays Bank plc in respect of Amino Communications Limited. The overdraft accrues interest at 2.5% above the bank's base rate (currently 0.5%).

Other loans comprised of unsecured borrowings from a third party at a fixed interest rate of 5%.

22 Provisions

Current	Restructuring costs £
At 1 December 2009	372,163
Utilised in the year	(372,163)
At 30 November 2010	-

The restructuring provision related to redundancy costs to realign the Group's cost base and was utilised in the first six months of the financial year (see note 6).

23 Financial assets and liabilities

Trade and other receivables, cash and cash equivalents, loans and trade and other payables are measured at amortised cost. All other financial assets and liabilities are stated at their fair value. The accounting policies applied subsequently are set out in note 2. The carrying amounts of financial assets and liabilities as at 30 November 2010 are categorised as follows:

Carrying value of financial assets and liabilities within the consolidated balance sheet:	As at 30 November 2010 £	As at 30 November 2009 £
Non current assets		
Trade and other receivables	**172,964**	172,696
Loans and receivables (at amortised cost)	**172,964**	172,696
Current assets		
Trade and other receivables	**12,528,263**	10,245,842
Cash and cash equivalents	**3,587,687**	9,047,378
Loans and receivables (at amortised cost)	**16,115,950**	19,293,220
Derivative financial instruments:		
Financial assets held for trading (valued at fair value)	**-**	48,155
	16,115,950	19,341,375
Current liabilities		
Borrowings	**-**	12,502
Trade and other payables	**14,592,381**	7,694,407
Financial liabilities (at amortised cost)	**14,592,381**	7,706,909
Derivative financial instruments:		
Financial liabilities held for trading (valued at fair value)	**23,349**	-
	14,615,730	7,706,909

All financial liabilities at amortised cost based on contractual undiscounted payments are due for settlement within six months.

Financial assets and liabilities are measured at fair value in the balance sheet in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted market prices included within level 1 that are observable for an asset or liability, either directly (ie as prices) or indirectly (ie derived from prices), and
- Level 3 – input for the asset or liability that are not based on observable market date (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

All non-current and current financial assets and liabilities fall within level 2 hierarchy for both years ended 30 November 2010 and 30 November 2009.

24 Deferred income tax

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

	As at 30 November 2010		As at 30 November 2009	
	Amount recognised £	**Amount unrecognised £**	Amount recognised £	Amount unrecognised £
Tax effect of temporary differences because of:				
Differences between capital allowances and depreciation	**-**	**468,643**	-	548,099
Tax losses carried forward [1]	**560,000**	**8,834,241**	605,599	8,943,813
Equity-settled share options	**111,149**	**140,888**	65,550	-
Other short term temporary differences	**-**	**45,991**	-	49,776
Deferred tax asset (see note 11)	**671,149**	**9,489,763**	671,149	9,541,688

[1] The amount recognised is shown net of £40,916 (2009:£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. No deferred tax asset is recognised on £35m trading losses and other temporary differences.

25 Share capital

	As at 30 November 2010 £	As at 30 November 2009 £
Authorised		
100,000,000 (2009: 100,000,000) ordinary shares of 1p each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
57,893,052 (2009: 57,893,052) ordinary shares of 1p each	**578,930**	578,930

26 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 2010 Number**	Year to 30 November 2009 Number
Shares held by the Employee Benefit Trust:		
At start of financial period	**3,295,091**	3,304,241
Issued to employees	**(20,000)**	(9,150)
At end of financial period	**3,275,091**	3,295,091

	As at 30 November 2010 Number	As at 30 November 2009 Number
The number of subsisting options are as follows:		
Current and former employees and non-executive directors	**6,280,037**	5,868,442
Other options granted	**118,812**	118,812
	6,398,849	5,987,254

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2010 (CONTINUED)

26 Share based payments (continued)

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

	As at 30 November 2010 Number	As at 30 November 2009 Number
Granted: -		
- Unapproved Share Option Scheme	**4,709,559**	4,192,467
- Enterprise Management Incentive Scheme	**448,917**	614,414
- Individual share option schemes	**1,240,373**	1,180,373
	6,398,849	5,987,254

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 2009 Number	Granted Number	Exercised Number	Lapsed Number	**As at 30 November 2010 Number**	Notes
June 2008	£0.00	1,738,892	-	-	-	**1,738,892**	(g)
September 2003	£0.20	859,150	-	20,000	500	**838,650**	(a)
February 2004	£0.32	429,328	-	-	94,997	**334,331**	(a)
February 2010	£0.38	-	243,330	-	23,333	**219,997**	(f)
July 2010	£0.40	-	500,000	-	-	**500,000**	(k)
July 2010	£0.44	-	60,000	-	-	**60,000**	(j)
January 2008	£0.49	30,000	-	-	-	**30,000**	(d)
January 2007	£0.50	130,000	-	-	-	**130,000**	(d)
June 2008	£0.62	100,000	-	-	-	**100,000**	(h)
July 2008	£0.62	661,864	-	-	431	**661,433**	(i)
July 2008	£0.62	244,947	-	-	72,474	**172,473**	(f)
October 2007	£0.62	315,000	-	-	80,000	**235,000**	(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)
		5,868,442	803,330	20,000	371,735	**6,280,037**	

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.

26 Share based payments (continued)

(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 growth equals or exceeds 40% per annum in the period 1 December 2008 to 30 November 2011.

(h) 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 growth equals or exceeds 40% per annum in the period 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 1 July 2008 to 30 November 2010.
- 50% when Earnings per Share growth equals or exceeds 40% per annum in the period 1 December 2008 to 30 November 2010.

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

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

- 50% when Total Shareholder Return (share price growth excluding adjustment for dividend payments) equals or exceeds 40% per annum in the period 27 July 2010 to 30 November 2013.
- 50% when Earnings per Share growth equals or exceeds 40% per annum in the period 1 December 2010 to 30 November 2013.

The weighted average fair value of options granted in the year was £0.51. No share options were granted during the year ended 30 November 2009. The weighted average share price at the date of exercise was £0.32 (2009: £0.21).

At 30 November 2010 there were 1,868,046 options that had vested and were exercisable with a weighted average exercise price of 39p (2009: 2,020,068 exercisable options with a weighted average exercise price of 37p). The options outstanding at the end of the year have a weighted average contractual life of 3.0 years (2009: 1.8 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 2010	February 2010	July 2008	June 2008	January 2008
Weighted average share price £	0.3	0.32	0.62	0.55	0.49
Weighted average exercise price £	0.44	0.38	0.62	0.55	0.49
Expected volatility	40%	40%	40%	40%	40%
Expected option life	$3^{2/3}$ to 4 years	2.5 years	1 to 3 years	1 to 4 years	3 years
Risk-free interest rate	2.5%	2.5%	5.3%	5.3%	5.3%
Expected dividend yield	2%	2%	2%	2%	2%

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

The risk-free rate was based on the gilt strip 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 £157,251 (2009: £100,818).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 November 2010 (CONTINUED)

27 Investment in own shares

Offset within the group profit and loss reserve at 30 November 2010 is an amount of £1,797,779 (2009: £1,801,779) representing the cost of own shares held.

28 Cash generated from operations

	Year to 30 November 2010 £	Year to 30 November 2009 £
Loss before corporation tax	**(882,261)**	(8,730,558)
Adjustments for:		
Amortisation charge	**1,028,255**	939,836
Depreciation charge	**457,508**	485,344
Impairment charge	**-**	1,867,959
Loss on disposal of property, plant and equipment	**3,382**	-
Loss on disposal of software intangibles	**-**	9,052
Share-based payment charge	**157,251**	100,818
Loss/(gain) on derivative financial instruments	**71,504**	(59,017)
Finance income – net (see note 7)	**(11,192)**	(56,849)
Exchange differences	**44,757**	(38,471)
(Increase)/decrease in inventories	**(8,271,155)**	2,172,923
(Increase)/decrease in trade and other receivables	**(2,691,040)**	4,578,968
(Decrease)/increase in provisions	**(372,163)**	372,163
Increase/(decrease) in trade and other payables	**6,897,974**	(1,842,468)
Cash (used in)/generated from operations	**(3,567,180)**	(200,300)

29 Operating lease commitments

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

Group	**Property 2010 £**	**Plant and machinery 2010 £**	Property 2009 £	Plant and machinery 2009 £
No later than one year	**63,189**	**-**	529,773	1,755
Later than one year and no later than five years	**653,274**	**16,599**	1,762,346	4,246
Later than five years	**3,159,000**	**-**	-	-
	3,875,463	**16,599**	2,292,119	6,001

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.

30 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. At 30 November 2010 the Group are not aware of any such claims.

31 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 £390,778 (2009: £496,882). A receivable of £13,667 is included within the taxation and social security creditor at 30 November 2010 (2009: a receivable of £8,605) in respect of the final month's contributions.

32 Financial commitments
At 30 November 2010 the Group, in accordance with the terms of a contractual agreement with a manufacturing partner, had a financial commitment totalling £4.6m (2009: £4.0m). The Group had also committed to £0.7m (2009: £1.0m) in respect of silicon chips under non-cancellable orders.

33 Capital commitments
No capital expenditure was committed to as at 30 November 2010 (2009: £nil).

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 AUDITORS' 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 2010 which comprise the parent 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).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 17, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 2010;
- 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 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 2010.

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
7 February 2011

COMPANY BALANCE SHEET

As at 30 November 2010

	Notes	**30 November 2010 £**	30 November 2009 £
Fixed assets			
Investments	3	**1,005,778**	848,527
Current assets			
Debtors: amounts falling due after more than one year	4	**19,835,242**	19,835,242
Cash at bank and in hand		**90**	90
Net current assets		**19,835,332**	19,835,332
Creditors: amounts falling due after more than one year	5	**(660,477)**	(664,477)
Net assets		**20,180,633**	20,019,382
Capital and reserves			
Called-up share capital	6	**578,930**	578,930
Share premium		**126,375**	126,375
Capital redemption reserve		**6,200**	6,200
Retained earnings		**19,469,128**	19,307,877
Total shareholder funds	8	**20,180,633**	20,019,382

The financial statements were authorised for issue by the Board of directors on 7 February 2011 and were signed on its behalf by:

Andrew Burke
Director

Julia Hornby
Director

Registered number: 05083390

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2010

1 Summary of significant accounting policies

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

Basis of preparation

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

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.

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 £nil (2009: £1,905,440).

Directors emoluments are disclosed in the Director's remuneration report on page 12. The Company has no employees in either year. The audit fee for the parent company was £3,000 (2009: £3,000).

3 Fixed asset investments

	Year to 30 November 2010 £	Year to 30 November 2009 £
Cost at 1 December	**848,527**	1,756,834
Capital contributions arising from FRS20 share-based payments charge	**157,251**	100,818
Change in value of shares to be issued (see note 8)	**-**	(5,125)
Impairment charge	**-**	(1,004,000)
Cost at 30 November	**1,005,778**	848,527

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

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%*
AssetHouse Technology Limited	England and Wales	Ordinary shares of 0.005p each Preference shares of 0.005p 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 2010 and 30 November 2009.

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.

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.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 30 November 2010 (CONTINUED)

4 Debtors: amounts falling due after more than one year

	As at 30 November 2010 £	As at 30 November 2009 £
Amounts owed by Group undertakings	**19,835,242**	19,835,242

Amounts owed to the Company are unsecured and interest free. 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

	As at 30 November 2010 £	As at 30 November 2009 £
Amounts owed to Group undertakings	**660,477**	664,477

6 Share capital

	As at 30 November 2010 £	As at 30 November 2009 £
Authorised		
100,000,000 (2009: 100,000,000) ordinary shares of 1p each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
57,893,052 (2009: 57,893,052) ordinary shares of 1p each	**578,930**	578,930

7 Share based payments

Information on share options which have been granted to Directors and employees are given in note 26 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 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	22,126	(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	126,375	-	6,200	19,307,877	20,019,382
Loss for the year	-	-	-	-	-	-
Exercise of employee share options	-	-	-	-	4,000	4,000
Share option compensation charge	-	-	-	-	157,251	157,251
At 30 November 2010	578,930	126,375	-	6,200	19,469,128	20,180,633

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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