Opportunity Investment Management plc

Report and Financial Statements
Year Ended 31 December 2008

OPPORTUNITY INVESTMENT MANAGEMENT PLC

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

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OPPORTUNITY INVESTMENT MANAGEMENT PLC

DIRECTORS AND ADVISERS

YEAR ENDED 31 DECEMBER 2008

Directors

Mr T.V. Ackerly	Non-Executive
Dr J. E. Haag	Non-Executive Chairman
Mr M. Ritskes	Chief Executive Office

Secretary and registered office

30 Old Burlington Street
London W1S 3NL
United Kingdom

Company number

3794223

Auditors

BDO LLP
2 City Place
Beehive ring Road
Gatwick
West Sussex
RH6 0PA

Bankers

Fortis Bank
Nederland N.V. 3100
AC Schiedam,
Netherlands

Legal Advisers

London	Davenport Lyons	30 Old Burlington Street, London W1S 3NL
Brussels	Stibbe	Rue Henri Wafelaertsstraat 47-51, 1060 Brussels
Berlin	Lovells	Schlüterstrasse 37, 10629 Berlin

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ALGV

OPPORTUNITY INVESTMENT MANAGEMENT PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report on the affairs of the Group, together with the audited financial statements, for the year ended 31 December 2008.

RESULTS AND DIVIDENDS

The Group profit for the year on ordinary activities after taxation was €1.71 million (2007: €1.71 million).

No dividends have been paid during the year and none are proposed (2007: € nil).

PRINCIPAL ACTIVITIES

The principal activity is that of an investment holding company. The majority of the Group's activity is generated from its investment in Fleischauer Ingenieur-Büro GmbH & Co KG, which performs service activities in the building technology industry (information, security, media and electricity).

The subsidiary undertakings principally affecting the results and net assets of the Group in the year to 31 December 2008 are listed in note 14 to the accounts.

REVIEW OF BUSINESS

During the financial year 2008, the company has continued its progress both in terms of trading activities and net results (excluding the loss on partial disposal of investment), as well as the restructuring of OIM Plc and repositioning of the company for a listing on a recognised Stock Exchange such as Euronext. As part of the restructuring, the Directors plan to achieve conversion of the majority of its shareholder loans into an equity holding in the Company. This proposal has been discussed with the loan holders and it is expected that an agreement will be signed in the near future. During 2008, Group revenues increased by over 4% from €36.321 million to €37.791 million due to improved revenues by the group's main trading entity, Fleischhauer GmbH & Co KG. As a result of increased productivity and efficiencies, the Group achieved lower cost of sales relative to revenues and gross margins increased by 10% from €13.646 million to €14.983 million. Financing costs on bank borrowings and other loans amounted to €385k and this was significantly lower in comparison with €1.070 million in 2007. There was a loss on the partial deemed disposal of the subsidiary Fleischhauer GmbH & Co KG of €0.801 million during the year, as a result of the dilution of OIM Plc's shareholding in that company, due to the conversion of a shareholder loan to capital on 1 January 2008, which has been reflected within the retained earnings of the Group.

FUTURE DEVELOPMENTS

The directors recognise that general economic conditions as well as increased competition continue to put pressure on the business. We believe our continued investment in people and latest technologies, with particular emphasis on quality, retaining and attracting key people with the relevant expertise, will enable us to both maintain and improve our market position.

RISKS

The directors have set out below the principal risks facing the business.

The directors' are of the opinion that an appropriate risk management process is in place which involves the formal review of all the risks identified below in order to monitor and mitigate such risks.

Economic downturn

The success of the business is reliant on consumer spending. An economic downturn, resulting in reduction of consumer spending will have a direct impact on the revenues and profits achieved by the Group and the Company.

In response to this risk, management aims to keep abreast of economic conditions. In cases of severe economic downturn, marketing strategies are modified to reflect the new market conditions.

RISKS (continued)

High proportion of fixed overheads

A large proportion of the company's overheads are fixed, primarily in manpower and related costs. There is the risk that any significant changes in revenue may lead to the inability to cover such costs.

Management closely monitor fixed overheads against budget on a monthly basis and costs saving exercises are implemented when there is an anticipated decline in revenues.

Competition

The market in which the company operates is very competitive. As a result there is ongoing pressure to win new customers and to keep existing customers with consequent downwards pressure on margins. Policies of sale price monitoring and ongoing market research are in place to mitigate such risks.

Fluctuations in currency exchange rates

Group revenues and majority of its costs are denominated in Euro's. As a result, the Group results are reported in euros. Any transactions between the parent company based in the UK and its foreign subsidiaries gives exposure to exchange rate risk. The Group does not operate any type of hedging program to mitigate this risk; as a result the financials of the Group may be adversely impacted by foreign currency fluctuations.

People

The success of the company is dependent upon the recruitment and retention of our employees. There are training and motivational programmes in place to mitigate the risk of absence of suitable staff resources.

RESEARCH AND DEVELOPMENT

The Group does not undertake any significant research and development activity since this is not considered to be essential or relevant, taking into consideration the nature of the business.

CAPITAL EXPENDITURE

There has been no significant investment in capital expenditure during 2008 and this position is likely to remain the same for the coming period.

SUPPLIER PAYMENT POLICY

The Group and the Company's policy is that payments to suppliers are made in accordance with those terms and conditions agreed with the suppliers, provided that all terms and conditions have been complied with.

FINANCIAL INSTRUMENTS

The Group has financed its operations in recent years using loans from the Company's shareholders and bank loans. However, it is planned to convert the shareholders loan into equity and dependence on external funding is expected to decrease in the coming periods.

DIRECTORS

The directors who served during the year were as follows:

Mr. T. V. Ackerly	Non-Executive Director
Dr J. E. Haag	Non-Executive Chairman
Mr M. Ritskes	Chief Executive Officer

Directors' interests are disclosed in note 7 to the accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with IFRSs as adopted by the EU.

The group financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the group; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The parent company financial statements are required by law to give a true and fair view of the state of affairs of the parent company.

In preparing each of the group and parent company financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the group and parent company financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the parent company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Director's Report to comply with that law and those regulations.

In determining how amounts are presented within terms in the profit and loss account and balance sheet, the Directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are not aware of; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group made no charitable or political contributions during the year.

SUBSTANTIAL SHAREHOLDINGS

As at 31 December 2008, the Company was aware of the following interests in the ordinary share capital of the Company:

Name of Holder	Number	Percentage Held
HSBC Issuer Services Common Depository Nominee (UK) Limited	2,302,347	26.83%
Mr Leo Westermeijer	897,891	10.46%
Dr J E Haag	500,000	5.83%
Mayfair Trust Company Limited	601,189	7.01%
Mercurius Beleggingsmaatschappij BV [1]	472,391	5.50%
Quivest BV [3]	1,816,764	21.17%
Parklane Holding B.V. [3]	70,000	0.82%
Marius Ritskes [3]	1,386,764	16.16%
Concordimo n.v. [2]	299,999	3.50%
Thomas V Ackerly	790,000	9.21%
Firmament Investments Limited	220,000	2.56%

Because HSBC Issuer Services Common Depository Nominee (UK) Limited acts as custodian and nominee of shares held in the Euroclear System, the above notifications may result in duplication of interests where shares are held in Euroclear.

Mayfair Trust Company Limited holds shares as trustee of the Company's employee benefit trust. All the shares that it holds were acquired for no cash consideration as part of the arrangements for the sale of subsidiaries during the year. The trust has not made any awards of shares from its holdings.

[1] Includes shares held by Mr H Stienstra, director and controlling shareholder of Mercurius Beleggingsmaatschappij BV. The shares are registered in the name of HSBC Global Custody Nominee (UK) Limited.

[2] Includes shares held by Mr W Wilford, director and controlling shareholder of Concordimo n.v.

[3] Quivest and Parklane Holding are in the common ownership of Mr. Ritskes, a director of the Company and the figure shown for his interest is the sum of the interests of Quivest and Parklane Holding.

SHARE ISSUES

Details of share issues during the year are set out in note 22 of the accounts.

AUDITORS

The auditors, BDO LLP, have indicated their willingness to continue in office.

By order of the Board on 7th December 2009

Dr J. E. Haag

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OPPORTUNITY INVESTMENT MANAGEMENT PLC

We have audited the group and parent company financial statements (the "financial statements") of Opportunity Investment Management Plc for the year ended 31 December 2008 which comprise the Consolidated Income Statement, Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purposes and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted for use in the European Union, of the state of the group's affairs as at 31 December 2008 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted for use in the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 December 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

BDO LLP
Chartered Accountants and Registered Auditors
Gatwick
United Kingdom

7th December 2009

BDO is a limited liability partnership registered in England and Wales (with registered number OC305127)

OPPORTUNITY INVESTMENT MANAGEMENT PLC

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 €'000	2007 €'000
Revenue	1	37,791	36,321
Cost of sales		(22,808)	(22,675)
Gross profit		14,983	13,646
Administrative expenses		(13,441)	(11,338)
Other operating income	3	869	728
Finance costs	4	(385)	(1,070)
Profit before tax		2,026	1,966
Income tax expense	8	(313)	(254)
Profit for the year		1,713	1,712
Attributable to:			
Equity holders of the parent		1,194	1,584
Minority interests – equity		519	128
		1,713	1,712
Earning per share			
Basic and diluted	11	0.17	0.27

All of the above results are derived from continuing activities.

The accompanying notes on pages 14 to 28 form an integral part of this consolidated income statement.

OPPORTUNITY INVESTMENT MANAGEMENT PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

	Share Capital €'000	Share Premium Account €'000	Retained Earnings €'000	Revaluation Reserve €'000	Total €'000	Minority Interest €'000	Total Equity €'000
At 1 January 2008	837	44,282	(53,726)	1,396	(7,211)	225	(6,986)
Changes in Equity							
Loss on property revaluation	-	-	-	(72)	(72)	(39)	(111)
Net expense recognised directly in equity	-	-	-	(72)	(72)	(39)	(111)
Profit for year	-	-	1,194	-	1,194	519	1,713
Adjustment for deemed disposal of investment	-	-	(801)	-	(801)	801	-
Total recognised income and expense for the year	-	-	393	(72)	321	1,281	1,602
Issue of share capital	310	-	-	-	310	-	310
At 31 December 2008	1,147	44,282	(53,333)	1,324	(6,580)	1,506	(5,074)
At 1 January 2007	802	43,812	(55,310)	1,447	(9,249)	110	(9,139)
Changes in Equity							
Loss on property revaluation	-	-	-	(51)	(51)	(13)	(64)
Net expense recognised directly in equity	-	-	-	(51)	(51)	(13)	(64)
Profit for year	-	-	1,584	-	1,584	128	1,712
Total recognised income and expense for the year	-	-	1,584	(51)	1,533	115	1,648
Issue of share Capital	35	470	-	-	505	-	505
At 31 December 2007	837	44,282	(53,726)	1,396	(7,211)	225	(6,986)

OPPORTUNITY INVESTMENT MANAGEMENT PLC

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

	Share Capital €'000	Share premium Account €'000	Retained Earnings €'000	Total €'000
At 1 January 2008	837	44,282	(54,354)	(9,235)
Changes in Equity				
Loss for year	-	-	(361)	(361)
Issue of share capital	310	-	-	310
At 31 December 2008	1,147	44,282	(54,715)	(9,286)
At 1 January 2007	802	43,812	(56,243)	(11,629)
Changes in Equity				
Profit for year	-	-	1,889	1,889
Issue of share capital	35	470	-	505
At 31 December 2007	837	44,282	(54,354)	(9,235)

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2008

	Notes	2008 €'000	2007 €'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	5,366	5,525
Other intangible assets	13	262	271
Investments	14	50	50
		5,678	5,846
CURRENT ASSETS			
Inventories	15	1,200	1,160
Trade receivables		6,686	8,043
Other receivables	16	1,394	1,465
Deferred tax	21	111	122
Cash and cash equivalents		1,584	458
		10,975	11,248
TOTAL ASSETS		16,653	17,094
EQUITIES AND LIABILITIES			
Equities attributable to equity holders of the parent			
Called up share capital	22	1,147	837
Share premium account	22	44,282	44,282
Profit and loss account		(53,333)	(53,726)
Revaluation reserve		1,324	1,396
		(6,580)	(7,211)
Minority interests – equity		1,506	225
TOTAL EQUITY		(5,074)	(6,986)
NON-CURRENT LIABILITIES			
Trade and other payables	19	521	570
Other financial liabilities		3,045	3,307
TOTAL NON-CURRENT LIABILITIES		3,566	3,877
CURRENT LIABILITIES			
Trade and other payables	18	7,247	7,791
Other financial liabilities		381	2,007
Current tax		162	104
Deferred tax	21	1	44
Shareholder loans		10,370	10,257
TOTAL CURRENT LIABILITIES		18,161	20,203
TOTAL LIABILITIES		21,727	24,080
TOTAL EQUITY AND LIABILITIES		16,653	17,094

The accompanying notes on pages 14 to 28 form an integral part of this consolidated balance sheet.

The financial statements were approved and authorised for issue by the Board of Directors on 7th December 2009 and were signed below on its behalf by:

Dr J.E. Haag
Director

OPPORTUNITY INVESTMENT MANAGEMENT PLC

COMPANY BALANCE SHEET

AT 31 DECEMBER 2008

	Notes	2008 €'000	2007 €'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	-	-
Other receivables	17	-	-
		-	-
CURRENT ASSETS			
Other receivables	16	-	-
Cash and cash equivalents		-	4
		-	4
TOTAL ASSETS		-	4
EQUITIES AND LIABILITIES			
Equities attributable to equity holders of the parent			
Called up share capital	22	1,147	837
Share premium account	22	44,282	44,282
Profit and loss account		(54,715)	(54,354)
TOTAL EQUITY		(9,286)	(9,235)
CURRENT LIABILITIES			
Trade and other payables	18	764	749
Shareholder loans		8,522	8,490
TOTAL CURRENT LIABILITIES		9,286	9,239
TOTAL EQUITY AND LIABILITIES		-	4

The accompanying notes on pages 14 to 28 form an integral part of this consolidated balance sheet.

The financial statements were approved and authorised for issue by the Board of Directors on 7th December 2009 and were signed below on its behalf by:

Dr J.E. Haag
Director

OPPORTUNITY INVESTMENT MANAGEMENT PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 €'000	2007 €'000
Cash flows from operating activities		
Profit for the year	2,026	1,966
Finance costs recognised in profit	385	1,092
Depreciation of non-current assets	666	730
Interest and investment income received	(17)	(22)
Other non cash expenses	207	84
	3,267	3,850
Movements in working capital		
Increase in inventories	(40)	(45)
Decrease/(increase) in trade and other receivables	1,458	(1,561)
Decrease in trade and other payables	(2,133)	(677)
Cash generated from operations	2,552	1,567
Interest paid	(402)	(550)
Corporation and income tax payments	(302)	(232)
Net cash generated by operating activities	1,848	785
Cash flows from investing activities		
Payments to acquire financial assets	-	(290)
Proceeds on disposal of equipment	20	62
Purchase of property, plant and equipment	(627)	(539)
Interest and investment income received	71	22
Net cash used by investing activities	(536)	(745)
Cash flows from financing activities		
Receipts from new bank and other loans	275	489
Repayment of bank and other loans	(461)	(712)
Net cash generated in financing activities	(186)	(223)
Net increase/(decrease) in cash and cash equivalents	1,126	(183)
Cash and cash equivalents at start of the year	458	641
Cash and cash equivalents at end of the year	1,584	458

OPPORTUNITY INVESTMENT MANAGEMENT PLC

PARENT COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 €'000	2007 €'000
Cash flows from operating activities		
(Loss)/profit for the year	(361)	1,889
Finance costs recognised in (loss)/profit	18	517
Other non cash income/(expenses)	264	(2,445)
	(79)	(39)
Movements in working capital		
Decrease in trade and other receivables	-	-
Decrease in trade and other payables	(75)	(3)
Cash generated from operations	(154)	(42)
Interest paid	-	-
Net cash generated by operating activities	(154)	(42)
Cash flows from investing activities		
Interest and investment income received	-	-
Net cash used by investing activities	-	-
Cash flows from financing activities		
Receipts from new bank and other loans	150	6
Repayment of bank and other loans	-	-
Net cash generated in financing activities	150	6
Net increase/(decrease) in cash and cash equivalents	(4)	(36)
Cash and cash equivalents at start of the year	4	40
Cash and cash equivalents at end of the year	-	4

1. ACCOUNTING POLICIES

Statement of compliance

The Group financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the EU and effective at 31 December 2008.

Basis of preparation

The accounts have been prepared under the historical cost convention except for the revaluation of certain non-current fixed assets and financial instruments.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that the company will continue to receive financial assistance from its shareholders as and when required. Shareholders have indicated they will continue to make available current loan facilities until at least 12 months from the date of approval of these financial statements, subject to conversion as below. As set out in the Directors' Report on page 2 above, the company is anticipating that the majority of shareholder loans outstanding to the company will be converted into equity, although no binding agreement is yet in place to effect this conversion.

Basis of consolidation

The Group accounts consolidate the accounts of Opportunity Investment Management plc and its subsidiary undertakings drawn up to 31 December 2008. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

All subsidiary companies are consolidated in these accounts as set out in note 14.

Revenue

Revenue represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue arising from software sales is only recognised on customer acceptance and services revenue is recognised rateably with its provision.

In respect of long-term contracts, revenue represents the value of the work carried out in the year, including amounts not invoiced.

1. ACCOUNTING POLICIES (continued)

Intangible assets – Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the purchase consideration given over the fair value of the identifiable assets and liabilities acquired, is recognised at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss.

Intangible assets – Patents and trademarks

Patents and trademarks are stated at cost less accumulated amortisation and any provision for impairment. Amortisation is provided on a straight line basis over the estimated useful life of the assets, estimated at between five to eight years.

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold land and buildings	25 years
Leasehold improvements	period of lease
Computer and office equipment	3 – 13 years
Other operating equipment	4 – 5 years

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

Assets acquired under leases have been capitalised and depreciated in accordance with IAS 17, if the conditions of a financial lease are fulfilled

It is Group Policy to undertake full external valuation of all properties with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the end of the accounting period. The last full valuation was performed on 13 June 2005.

Investments

Investments are shown at cost less provision for impairment.

Inventories and long-term contracts

Inventories are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and the attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Long-term contracts are accounted for using the percentage of completion method of revenue recognition. Profits on individual contracts are taken only when their outcome can be assessed with reasonable certainty, based on the lower of the percentage margin earned to date and that forecast at completion. Full provision is made for all known or anticipated losses on individual contracts.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

1. ACCOUNTING POLICIES (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations and on foreign currency borrowings, to the extent that they hedge the Group's investment in such operations, are dealt with through reserves. All other exchange differences are included in the profit and loss account.

Leases

Assets held under finance leases, where substantially all the benefits and risks of ownership are assumed, are capitalised in the balance sheet and are depreciated over their expected useful lives. The capital element of future obligations under such leases are included as liabilities in the balance sheet. The interest element of the lease payments is charged to the profit and loss account in proportion to the outstanding capital element of the total lease obligation.

Pension costs

Provisions for pension liabilities are valued in accordance with the projected unit credit method taking into account the future trend in annuities. For reasons of materiality, the recognition in accordance with the projected unit credit method takes place exclusively in G. Fleischhauer Ingenieur-Büro GmbH & Co KG. The pension liabilities of employees of a subsidiary are valued in accordance with the rules of German tax law.

Functional currency

The greater part, by value, of the group's assets and liabilities are denominated in euros. The Group's operating subsidiaries operate in Europe and so the Board considers the functional currency of the company and group to be euros.

Share based payments

The Directors of the company receive remuneration in the form of equity-settled share based payment transactions, whereby services are rendered in exchange for equity ("equity settled transactions"). The cost of equity-settled transactions with the Directors is measured by reference to the fair value at the date at which the shares are issued. The fair value was determined by reference to a subsequent share issue, further details of which are given in note 7 to the Financial Statements.

2. SEGMENT INFORMATION

In the opinion of the directors, the operations of the Group comprise one class of business, the provision of Systems Solutions and related activities. The Group operates in one geographical market, Western Europe.

3. OTHER OPERATING INCOME

	2008 €'000	2007 €'000
Other income	869	728

4. FINANCE COSTS

	2008 €'000	2007 €'000
Interest payable and similar charges		
Bank loans and overdrafts	(384)	(501)
Other loans	(18)	(591)
	(402)	(1,092)
Interest received	17	22
Finance costs	(385)	(1,070)

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2008 €'000	2007 €'000
Depreciation of tangible fixed assets	616	737
Amortisation of patents and trademarks	172	128
Auditors' remuneration	26	20
Gain on foreign exchange	(4)	(442)

6. STAFF COSTS

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

	2008 Number	2007 Number
Service	252	241
Sales	45	39
Administration	47	44
	344	324

Their aggregate remuneration comprised:

	2008 €'000	2007 €'000
Wages and salaries	12,426	10,943
Social security costs	2,321	2,237
	14,747	13,180

7. DIRECTORS' REMUNERATION, INTERESTS AND TRANSACTIONS	**2008 €'000**	**2007 €'000**
The total amounts for directors' remuneration and other benefits were as follows:		
Emoluments	809	523

Directors' interests

The directors who held office at 31 December 2008 had the following interests in the 10p ordinary shares the company.

	Number 10p shares	
	2008	**2007**
Mr. T V. Ackerly	790,000	290,000
Dr. J. E. Haag	500,000	-
Mr. M. Ritskes	1,386,764	886,764

On 4 September 2008, in the form of a equity-settled share-based payment transaction, the company issued at par 500,000 10p shares credited as fully paid to each of T Ackerly, M Ritskes and J Haag in consideration of the provision of services as directors. The fair value of the issue has been fully expensed in the year, based on the price of a subsequent share issue. The details of this share issue are set out in note 22.

8. TAXATION	**2008 €'000**	**2007 €'000**
(a) Analysis of tax charge in the year		
Current tax:		
UK corporation tax	-	-
Foreign taxation	325	268
	325	268
Deferred tax	(12)	(14)
	313	254

(b) The tax assessed for the year equates to that resulting from applying the standard rate of corporation tax in the UK of 28%. The calculation is explained below:

Group profit before tax	2,026	1,966
Corporation tax at 28% (2007: 30%)	567	590
Effects of		
(Income)/expenditure not deductible for tax purposes	(13)	209
Under-provision of tax in prior period	-	83
Unrelieved tax losses carried forward	323	-
Other timing differences	(178)	-
Utilisation of tax losses	(374)	(614)
Total tax charge	325	268

(c) Factors that may affect future tax charges

Certain group companies have tax losses carried forward that may reduce future tax charges.

9. (LOSS)/PROFIT ATTRIBUTABLE TO OPPORTUNITY INVESTMENT MANAGEMENT PLC

The (loss)/profit for the year ended 31 December 2008 dealt with in the accounts of the parent company, Opportunity Investment Management plc, was a loss of €361,000 (2007: Profit of €1,889,000) As permitted by Section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent Company.

10. DIVIDENDS PAID AND PROPOSED ON EQUITY SHARES

No dividends have been paid during the year and none are proposed (2007: €nil).

11. EARNINGS PER SHARE

The profit calculations for earnings per share are based on the profit for the financial year of €1,194,000 (2007: profit of €1,584,000) and the weighted average number of shares in issue during the year, which are as follows:

	2008 €'000	2007 €'000
Basic earnings per share		
Weighted average number of 10p shares	6,864,393	5,924,939
Profit for the financial year	1,194	1,584
Basic earnings per share	0.17	0.27

Options and warrants in issue have no dilutive effect.

12. PROPERTY, PLANT AND EQUIPMENT

	Group				Company
	Land and Buildings €'000	Computer, office and other equipment €'000	Leasehold Improvements €'000	Total €'000	Computer and office equipment €'000
Cost or valuation					
At 1 January 2008	7,000	4,988	222	12,210	72
Additions	-	585	-	585	-
Disposals	-	(340)	-	(340)	(72)
Reallocation	-	(73)	-	(73)	-
At 31 December 2008	7,000	5,160	222	12,382	-
Depreciation					
At 1 January 2008	2,462	4,001	222	6,685	72
Charge for year	153	463	-	616	-
Disposals	-	(328)	-	(328)	(72)
Charge to revaluation reserve	116	-	-	116	-
Reallocation	-	(73)	-	(73)	-
At 31 December 2008	2,731	4,063	222	7,016	-
Net Book Value					
At 31 December 2008	4,269	1,097	-	5,366	-
At 31 December 2007	4,538	987	-	5,525	-

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The freehold and leasehold properties were subject to a full revaluation by Schmidt & Partners, Independent Valuers, as at 13 June 2005. The valuation is on an "open market basis" in accordance with a yield index.

Included in other operating equipment within the Group are assets under finance leases with cost, depreciation and net book value as follows:

	Property, Plant and Equipment €'000
Cost or valuation	
At 1 January 2008	883
Additions	144
At 31 December 2008	1,027
Depreciation	
At 1 January 2008	598
Charge for the year	172
At 31 December 2008	770
Net book value	
At 31 December 2008	257
At 31 December 2007	285

13. INTANGIBLE FIXED ASSETS – PATENTS AND TRADEMARKS

	Group €'000	Company €'000
Cost or valuation		
At 1 January 2008	907	-
Additions	41	-
At 31 December 2008	948	-
Amortisation		
At 1 January 2008	636	-
Charge for the year	50	-
At 31 December 2008	686	-
Net book value		
At 31 December 2008	262	-
At 31 December 2007	271	-

14. FIXED ASSET INVESTMENTS

	Group Other Investments €'000	Company Subsidiary undertakings €'000
Cost and net book value		
At 1 January 2008 and 31 December 2008	50	-

Group

Subsidiary undertakings

The Company and the Group had investments in the following subsidiary undertakings which principally affect results or net assets of the Group:

Subsidiary undertakings	Country of Incorporation	Principal activity	Group holding %
Algo Vision Systems GmbH	Germany	Holding Company	100
My Sparta AG Bilanz	Germany	Software development and sales	75
G. Fleischhauer Ingenieur-Büro GmbH & Co KG	Germany	Systems installation	60.33

All subsidiary undertakings have been included in the consolidated accounts.

G Fleischhauer Ingenieur-Büro GmbH & Co KG has taken advantage of the exemption conferred under SS264(b) HGB of German Company Law from producing separate financial statements in Germany. The share capital of German private limited companies is not divided into a specified number of shares with a nominal value per share; rather a nominal value is attributed to the total proportion of a shareholder's investment in the capital of a company.

On 1st January 2008, the group holding of G. Fleischhauer Ingenieur-Büro GmbH & Co KG was diluted from 80% to 60.33%, on the conversion of a shareholders loan to shares in the company. As a result there was a loss on the deemed disposal of €0.801 million as shown below:

Company holding of subsidiary as at 1st January 2008 at 80% holding of net assets	€3,258,000
Company holding of subsidiary as at 1st January 2008 at 60.33% holding of net assets	€2,457,000
Loss on deemed disposal of investment	€801,000

On 31 December 2008, Algo Vision Communication A.G. was liquidated.

15. INVENTORIES

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Raw materials and consumables	1,200	1,160	-	-

There is no material difference between the balance sheet value of stocks and their replacement cost.

16. OTHER RECEIVABLES

	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Other receivables	697	736	-	-
Prepayments	697	729	-	-
	1,394	1,465	-	-

17. OTHER NON-CURRENT RECEIVABLES	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Amount owed by Group undertakings	-	-	-	-

18. TRADES AND OTHER PAYABLES	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Trade payables	1,390	2,537	59	62
Amounts owed to group undertakings	-	-	174	183
Taxes and social security costs	-	688	-	-
Other payables	3,332	2,986	-	392
Accruals and deferred income	2,525	1,580	531	112
	7,247	7,791	764	749

Other creditors included in the Group Balance sheet at 31st December 2008 above includes a balance of €322,500 (2007: €1.27m) in respect of legal settlement due to the landlord of property in Bremen, Germany. This liability is to be settled via an issue of 215,000 shares at a price of €1.50 per share.

At 31st December 2008, the full balance of €322,500 was recognised in the Company balance sheet, however in 2007, €885,000 of this balance was recognised by the subsidiary company, Algovision Systems GmbH and €385,000 in the parent company balance sheet.

Shareholder loans of €8.522 million (2007: €8.490 million) included within current liabilities on the balance sheet are repayable on demand.

19. NON-CURRENT LIABILITIES TRADE AND OTHER PAYABLES	Group 2008 €'000	Group 2007 €'000	Company 2008 €'000	Company 2007 €'000
Trade payables	200	125	-	-
Pension provisions	321	309	-	-
Other payables	-	136	-	-
	521	570	-	-

20. PENSION PROVISIONS

Pension provisions concern benefit-related (direct) staff commitments; they are valued using the projected unit credit method, taking account in actuarial terms of future developments for the subsidiary company's staff. Pension provisions for subsidiary company staff were calculated on the basis of materiality considerations under the provisions of German tax law. In relation to mortality and invalidity, the Heubeck actuarial guideline tables 2005G were used.

An interest rate of 5.75% (previous year: 5.75%) and a pension trend of 1.75% annually (previous year: 1.75%) were assumed. An income trend was not taken into account, as benefits are independent of income.

The projected unit credit shows staff benefit entitlements according to the circumstances prevailing on the accounting date. By contrast, the provision is based on long-term actuarial assumptions, which do not take account of fluctuations relating to the accounting date within the limits laid down by IAS 19 (+/- 10% of the projected unit credit). This means that provisions at 31 December 2008 are €69,000 (previous year: €64,000) lower than the projected unit credit.

20. PENSION PROVISIONS (continued)

	2008 €'000	2007 €'000
The balance-sheet pension provisions are calculated as follows:		
Projected unit credit of benefit entitlements	380	364
Adjustment for unrealised actuarial profits and losses	(68)	(64)
Subsidiary company staff expenses	9	9
Pension provisions	321	309

21. DEFERRED TAX

The deferred tax liabilities at 31 December 2008 are €247,000 (2007: €265,000) arising from the creation of the revaluation surplus in 2005 following the revaluation of buildings at the current market value. The deferred tax liability will be released over a period of approximately 16 years. The calculation was based on the applicable tax rate of 16%. There are also significant losses carried forward for the subsidiary companies. No deferred tax asset has been recognised in relation to the parent company tax losses due to the uncertainty over the period in which these losses can be utilised. Deferred tax assets on subsidiary tax losses carried forward is €305,000 (2007: €315,000). Calculation of the deferred tax assets was based on a 3-year forecasting horizon.

The tax losses carried forward at 31 December 2008 were:

Corporation tax	£283,000
Trade tax	£3,046,000

Deferred tax assets and liabilities are offset to the extent that they relate to the same company and the same tax authority, following which the balance sheet includes deferred tax assets of €111,000 and deferred tax liabilities of €1,000.

22. CALLED UP SHARE CAPITAL

	2008 €'000	2007 €'000
Authorised		
250,000,000 Ordinary shares of 10p each	35,460	35,460
20,000,000 Redeemable preference shares of £1	23,365	23,365
Allotted, called up and fully paid		
8,581,606 (2007: 6,081,606) Ordinary shares of 10p each	1,147	837

	Nominal value €'000	Share premium €'000
At 1 January 2008	837	44,282
Allotments	310	-
At 31 December 2008	1,147	44,282

On 4 September 2008, in the form of a equity-settled share-based payment transaction, the company issued at par 500,000, 10p shares credited as fully paid to each of T Ackerly, M Ritskes and J Haag in consideration of the provision of services as directors. The total cost of £150,000 has been charged to the income statement during the year. The fair value of the equity-settled share-based payment transaction was based on the share price used on a subsequent share issue on the 15 September 2008, performed at arm's length.

On 15 September 2008, Opportunity Investment Management Plc issued 1,000,000 10p shares to Quivest BV at an issue price of €0.1262 per share (€126,200) being the GBP equivalent of 10p per share at the HMRC €/£ exchange rate for VAT purposes in September 2008 as per HMRC web site on 15 September 2008. This represented capitalisation of part of the funds advanced by Quivest to OIM plc for payment of costs associated with the preparation and audit of the accounts for 2004, 5, 6 and 7.

22. CALLED UP SHARE CAPITAL (continued)

Options to subscribe for the 10p ordinary shares of the Company have been issued as follows:

Option holder	Number of shares under option	Subscription price Per share US$	Exercise period
Mr Leo Westermeijer	12,500	10.00	12 months from admission
Mercurius Beleggingsmaatschappij B.V.	12,500	10.00	12 months from admission
Mercurius Beleggingsmaatschappij B.V.	40,000	8.50	24 months from admission
T.V. Ackerly	100,000	Greater of €25 for each £1 of nominal value or par	31 December 2012
Firmament Investments Limited	100,000	GBP1 for each GBP1 of nominal value or par	31 December 2012
Total	265,000		

Warrants to subscribe for the 10p ordinary shares of the Company have been issued as follows:

Warrant holder	Number of shares under warrant	Subscription Price per share US$	Exercise period
Mercurius Beleggingsmaatschapij B.V.	200,000	0.50	24 months from admission
Mercurius Beleggingsmaatschapij B.V.	250,000	0.20	22 Dec 2004 to 21 Dec 2009
Parklane Holding B.V.	20,000	0.50	6 months from admission
Parklane Holding B.V.	20,000	0.60	7 months from admission
Parklane Holding B.V.	20,000	0.60	8 months from admission
Parklane Holding B.V.	20,000	1.40	9 months from admission
Parklane Holding B.V.	20,000	1.45	10 months from admission
Parklane Holding B.V.	20,000	0.90	11 months from admission
Parklane Holding B.V.	20,000	0.80	12 months from admission
Parklane Holding B.V.	20,000	0.68	12 months from admission
Parklane Holding B.V.	40,000	1.00	6 months from admission
Parklane Holding B.V.	40,000	1.25	6 months from admission
Parklane Holding B.V.	140,000	2.25	6 months from admission
Parklane Holding B.V.	200,000	0.20	12 months from admission
Parklane Holding B.V.	200,000	0.50	12 months from admission
Parklane Holding B.V.	50,000	0.50	24 months from admission
Parklane Holding B.V.	120,000	0.75	24 months from admission
Total	**1,400,000**		

Certain options and warrants to subscribe for ordinary shares of the Company require approval for listing from the Belgian Banking and Finance Commission, the CBFA, and Euronext. Until such shares are approved and admitted to trading, the exercise period of the underlying option or warrant cannot be stated precisely.

23. OTHER FINANCIAL LIABILITIES

Future minimum lease payments based on fixed-term operating leases are due in the followings periods as shown below:

	Up to 1 year €'000	1 to 5 years €'000	Over 5 years €'000
Vehicles	404	344	-
Buildings	329	277	-

In 2007 the outlook was as follows:

	Up to 1 year €'000	1 to 5 years €'000	Over 5 years €'000
Vehicles	379	342	-
Buildings	293	227	-

In the last financial year payments totalling €825,000 were made on the basis of fixed-term leases.

In the following periods, the lease payments indicated below will be due under the finance leases:

	Up to 1 year €'000	1 to 5 years €'000	Over 5 years €'000
Lease payments	221	208	-
Discounting amounts	13	8	-
Cash values	208	200	-

In 2007 the outlook was as follows:

	Up to 1 year €'000	1 to 5 years €'000	Over 5 years €'000
Lease payments	171	131	-
Discounting amounts	11	6	-
Cash values	160	125	-

24. FINANCIAL RISK MANAGEMENT

The group's activities give rise to a number of financial risks. The group has in place risk management policies that seek to limit the adverse effects on the financial performance. The objectives, policies and processes for managing the risks and the methods used to manage the risks, that are set out below, have not changed from the previous accounting period.

Financial instruments
The group does not use derivative financial instruments. The company finances its operations simply using bank balances and overdraft, plus debtors and creditors. The cash flow is regularly monitored and there is an overdraft facility available to meet requirements as they arise.

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the notes to the financial statements.

24. FINANCIAL RISK MANAGEMENT (continued)

Accounting policies for financial instruments are applied on the following Balance Sheet items:

All of the group's liabilities have been classified as other financial liabilities. The group does not have liabilities which are classified as "Liabilities at Fair value through profit and loss".

Fair value of financial instruments

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market price.

The group applied the following methods and assumptions during the estimation of fair value of financial instruments:

Receivables and deposits at banks
For assets which mature within 3 months, carrying value is similar to fair value due to shortness of these instruments. The Group do not hold any longer-term assets.

Loan liabilities
Fair value of short term liabilities is similar to its carrying value due to shortness of these instruments. For long term liabilities, contracted interest rates do not significantly defer from current market interest rates, and due to that their fair value is similar to its carrying value.

Other financial instruments
Financial instruments of the group which are not valuated at fair value are trade accounts receivable, other receivables, trade accounts payable and other payables. Historic carrying value of assets and liabilities, including the provisions, which are in accordance with the usual business conditions, is similar to its fair value.

Financial risk management objectives

The group's management monitors and manages the financial risks relating to the operations of the group through the budgetary process. These risks include foreign exchange risk, capital risk, liquidity risk, interest rate risk, credit risk, market risk and other price risks.

a) Foreign exchange risk

The group has no transactional currency exposures arising from sales or purchases by operating subsidiaries in currencies other than the subsidiaries' functional currency. Therefore the Group has not implemented a specific policy to protect against currency fluctuations.

The main impact of foreign exchange risk on the group's results arises from the translation into euro's of the results of operations in another currency.

As at 31 December 2008 cash and cash equivalents was held in the following currencies:

Euro (EUR)	1,580,000
Swiss Franc (CHF)	6,000

b) Capital risk

The group manages capital and for the purpose of proper capital structure, in accordance with the economic conditions present on the market, decides if the retained earnings should be distributed to shareholders. If the capital needs increase or decrease, etc. Goals, policies and processes have not been changed during the year ended 31 December 2008 nor for the year ending 31 December 2007.

24. FINANCIAL RISK MANAGEMENT (continued)

c) Liquidity risk

At 31 December 2008 the consolidated cash position was £1,584,000 and there is currently no procedure to centralise and manage cash by a treasury manager. The available cash is managed by the main trading subsidiaries (G. Fleischhauer Ingenieur-Büro GmbH & Co KG), Head of the Accounting Department under supervision of the Chief Manager who together decide the optimum use of available cash. No short term investments are made and there are no banking guarantees within the Group.

There is a risk that the restricted access to credit generated by the global credit crunch may impact negatively upon current banking arrangements. The Group do not anticipate the need for additional credit facilities in the foreseeable future to support our existing operations.

The group finances itself through retained earnings. The group is cash-generative and manages its liquid resources so as to obtain the best available rates of return on cash investments, whilst retaining access to those resources.

d) Interest rate risk

The Group has debt subject to rate indexation. Hence there is a potential impact on the finances from potential rate variations.

e) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The group only transacts with entities with good credibility. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transaction concluded is spread amongst approved counterparties.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The group defines counterparties as having similar characteristics if they are related entities.

f) Market Risk

Economic downturn

The success of the business is reliant on consumer spending. An economic downturn, resulting in reduction of consumer spending will have a direct impact on the revenues and profits achieved by the Group and the Company. In response to this risk, management aims to keep abreast of economic conditions. In cases of severe economic downturn, marketing strategies are modified to reflect the new market conditions.

Competition

The market in which the company operates is very competitive. As a result there is ongoing pressure to win new customers and to keep existing customers with consequent downwards pressure on margins. Policies of sale price monitoring and ongoing market research are in place to mitigate such risks.

24. FINANCIAL RISK MANAGEMENT (continued)

g) Other Price Risks

High proportion of fixed overheads

A large proportion of the company's overheads are fixed, primarily in manpower and related costs. There is the risk that any significant changes in revenue may lead to the inability to cover such costs. Management closely monitor fixed overheads against budget on a monthly basis and costs saving exercises are implemented when there is an anticipated decline in revenues.

25. POST BALANCE SHEET EVENTS

Post year end the shareholder loans holders were given the right to convert the capital element of the shareholder loans into ordinary shares at a rate of €1.50 per share. Accrued interest relating to the shareholder loans was waived.