Opportunity Investment Management plc

Report and Financial Statements
Year Ended 31 December 2010

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Year Ended

31 December 2010

Company Number 3794223

Opportunity Investment Management Plc

Report and financial statements
for the year ended 31 December 2010

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Directors

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

Secretary and registered office

Mrs H de Kok, Olympus House, Olympus Avenue, Leamington Spa, Warwickshire, CV34 6BF, United Kingdom

Company number

3794223

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA, United Kingdom

Bankers

HSBC Bank plc, 126 Parade, Leamington Spa, Warwickshire, CV32 4BU, United Kingdom

Legal Advisors

United Kingdom	Wright Hassall, Olympus Avenue, Leamington Spa, Warwickshire CV34 6BF
Belgium	Stibbe, Central Plaza – Loksumstraat 25 Rue de Loxum, BE-1000, Brussels

Opportunity Investment Management Plc

Report of the directors
for the year ended 31 December 2010

The directors present their report on the affairs of the Group, together with the audited financial statements, for the year ended 31 December 2010.

Results and dividends

The Group profit for the year on ordinary activities after taxation was €396,000 (2009: €782,000).

No dividend is proposed for in the year (2009: € 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 Fleischhauer 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 2010 are listed in note 14 to the accounts.

Review of business

Management has successfully listed the Company on Euronext Brussels. Trading in shares of the Company commenced on 30 September 2010. The Board of Directors added one non-executive director: Mr R. Krafft on 10 May 2010 and Mr. M. Hartung, an executive director, on 14 October 2010. During 2010, Group revenues increased slightly from €38.156 million to €39.660 million mainly due to improved revenues by the group's main trading entity, Fleischhauer GmbH & Co KG. The Group achieved gross margin of €15.667 million as compared with gross margin of €15.013 million in the previous year. Financing costs on bank borrowings and other loans amounted to €215,000 and this was lower than the interest paid in 2009 of €323,000. This review does not contain information on the impact of the business on the environment or about social and community issues.

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.

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 cost 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.

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 2010 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 has converted the shareholders' loans into equity and there is no dependence on external funding.

Charitable and political contributions

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

Directors

The directors who served during the year were as follows:

Dr J E Haag	Non-Executive Chairman
Mr M Ritskes	Chief Executive Officer
Mr M Hartung	Executive Director (appointed 14 October 2010)
Mr T V Ackerly	Non-Executive Director
Dr R Krafft	Non-Executive Director (appointed 10 May 2010

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

Compensation of key management personnel

For the financial year 2010, the total remuneration of the Directors amounts to €80,000 (2009: €48,000) for two Directors. Details of share options are included in note 7. The remuneration of one Director is based on market trends and individual performance. The other remuneration relates to consulting services provided through a related company. A remuneration committee is in place which is composed of one non-executive director and the Chief Executive Officer.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit and loss of the group for that period. The directors are also required to prepare financial statements in accordance with the rules of the Euronext Brussels Stock Exchange.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 company will continue in business.

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

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Substantial shareholdings

As at 31 December 2010, the Company was aware of the following interests in the ordinary share capital of the Company:

Name of Holder	Number	% held
HSBC Issuer Services Common Depository Nominee (UK) Limited	2,301,877	13.48%
L Westermeijer	2,667,891	15.62%
Concordimo (3)	466,666	2.73%
Mercurius Beleggingsmaatschappij BV (1)	5,851,212	34.26%
M Ritskes (2)	3,121,765	18.28%
J E Haag	500,000	2.93%
T V Ackerly	560,000	3.28%

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.

(1) Includes shares held by Mr H.H.F 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 Quivest BV, a company in the ownership of Mr. Ritskes, a director of the Company.
(3) Includes shares held by Mr W.Wilford.

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 12 April 2011

Dr.J.E.Haag
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPPORTUNITY INVESTMENT MANAGEMENT PLC

We have audited the consolidated financial statements of Opportunity Investment Management Plc for the year ended 31 December 2010 which comprise the consolidated statement of financial position and company balance sheet, the consolidated statement of comprehensive income, the consolidated and parent statements of cash flows, the consolidated and parent statements of changes in 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 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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 financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 financial statements are prepared is consistent with the 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.

James Roberts

James Roberts (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date 12 April 2011

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

Opportunity Investment Management Plc

Consolidated statement of comprehensive income
for the year ended 31 December 2010

	Note	2010 €'000	2009 €'000
Revenue	1	**39,660**	38,156
Cost of sales		**(23,992)**	(23,143)
Gross profit		**15,668**	15,013
Administrative expenses		**(15,314)**	(14,508)
Other operating income	3	**928**	918
Listing costs		**(274)**	-
Profit from operations		**1,008**	1,423
Finance costs	4	**(215)**	(323)
Finance income		**24**	18
Profit before tax		**817**	1,118
Tax expense	8	**(421)**	(336)
Profit for the year		**396**	782
Total comprehensive income		**396**	782
Profit for the year attributable to:			
Equity holders of the parent		**102**	306
Minority interest		**294**	476
		396	782
Earnings per share			
Basic and diluted (cents)	11	**1**	4

All of the above results are derived from continuing activities.

The notes on pages 15 to 37 form part of these financial statements.

Opportunity Investment Management Plc

Consolidated statement of changes in equity for the year ended 31 December 2010

	Share capital €'000	Share premium account €'000	Retained earnings €'000	revaluation reserve €'000	Total €'000	Non-Controlling interest €'000	Total equity €'000
At 1 January 2010	1,819	52,677	(51,747)	1,396	4,145	1,905	6,050
Changes in equity							
Cancellation of share premium	-	(52,677)	52,677	-	-	-	-
Acquisition of minority interest	234	3,503	(1,838)	-	1,899	(1,899)	-
Charge to revaluation reserve	-	-	98	(98)	-	-	-
Issue of share capital	57	297	-	-	354	-	354
Share issue costs	-	(43)	-	-	(43)	-	(43)
Dividend paid	-	-	-	-	-	(119)	(119)
Profit for the year	-	-	102	-	102	294	396
At 31 December 2010	**2,110**	**3,757**	**(708)**	**1,298**	**6,457**	**181**	**6,638**
At 1 January 2009	1,147	44,282	(53,405)	1,396	(6,580)	1,506	(5,074)
Changes in equity							
Shareholders' loan interest waived	-	-	1,352	-	1,352	-	1,352
Issue of share capital	672	8,395	-	-	9,067	-	9,067
Dividend paid	-	-	-	-	-	(77)	(77)
Profit for the year	-	-	306	-	306	476	782
At 31 December 2009	1,819	52,677	(51,747)	1,396	4,145	1,905	6,050

The notes on pages 15 to 37 form part of these financial statements.

Opportunity Investment Management Plc

Parent company statement of changes in equity for the year ended 31 December 2010

	Share capital €'000	Share premium account €'000	Retained earnings €'000	Total €'000
At 1 January 2010	1,819	52,677	(53,588)	908
Changes in equity				
Cancellation of share premium	-	(52,677)	52,677	-
Issue of share capital	291	3,800	-	4,091
Share issue costs	-	(43)	-	(43)
Total comprehensive income	-	-	(583)	(583)
At 31 December 2010	**2,110**	**3,757**	**(1,494)**	**4,373**
At 1 January 2009	1,147	44,282	(54,715)	(9,286)
Changes in equity				
Shareholders' loan interest waived	-	-	1,352	1,352
Issue of share capital	672	8,395	-	9,067
Total comprehensive income	-	-	(225)	(225)
At 31 December 2009	1,819	52,677	(53,588)	908

The notes on pages 15 to 37 form part of these financial statements.

Opportunity Investment Management Plc

Consolidated statement of financial position
at 31 December 2010

	Note	2010 €'000	2009 €'000
Non current assets			
Property, plant and equipment	12	**4,609**	5,003
Intangible assets	13	**248**	275
Investments	14	**50**	50
Deferred tax	21	**72**	121
Total non-current assets		**4,979**	5,449
Current assets			
Inventories	15	**1,390**	1,181
Trade receivables	16	**8,877**	6,997
Other receivables	16	**939**	1,323
Cash and cash equivalents		**1,813**	2,131
Total current assets		**13,019**	11,632
Total assets		**17,998**	17,081
Non-current liabilities			
Trade and other payables	19	**350**	417
Other financial liabilities		**1,989**	2,417
Total non-current liabilities		**2,339**	2,834
Current liabilities			
Trade and other payables	18	**8,339**	7,524
Other financial liabilities		**447**	444
Current tax	21	**235**	229
Total current liabilities		**9,021**	8,197
Total liabilities		**11,360**	11,031
Net assets		**6,638**	6,050

Opportunity Investment Management Plc

Consolidated statement of financial position
at 31 December 2010 *(continued)*

	Note	2010 €'000	2009 €'000
Equity attributable to equity holders of the parent			
Called up share capital	22	**2,110**	1,819
Share premium account	22	**3,757**	52,622
Profit and loss account		**(708)**	(51,622)
Revaluation reserve		**1,298**	1,396
		6,457	4,145
Minority interest		**181**	1,905
Total equity		**6,638**	6,050

The financial statements were approved and authorised for issue by the Board of Directors on 12 April 2011 and were signed below on its behalf by:

Dr.J.E.Haag
Director

The notes on pages 15 to 37 form part of these financial statements

Opportunity Investment Management Plc

Company balance sheet at 31 December 2010

Company number 3794223	Note	2010 €'000	2009 €'000
Assets			
Non-current assets			
Investments		**3,669**	-
Other receivables	17	**1,007**	1,440
		4,676	1,440
Current assets			
Other receivables		**163**	-
Cash and cash equivalents		**30**	-
Total current assets		**193**	-
Total assets		**4,869**	1,440
Equity and liabilities			
Equity attributable to equity holders of the parent			
Called up share capital	22	**2,110**	1,819
Share premium account	22	**3,757**	52,677
Profit and loss account		**(1,494)**	(53,588)
Total equity		**4,373**	908
Current liabilities			
Trade and other payables	18	**496**	532
Total current liabilities		**496**	532
Total equity and liabilities		**4,869**	1,440

The financial statements were approved and authorised for issue by the Board of Directors on 12 April 2011 and were signed below on its behalf by:

Dr.J.E.Haag
Director

The notes on pages 15 to 37 form part of these financial statements.

Opportunity Investment Management Plc

Consolidated statement of cash flows
for the year ended 31 December 2010

	2010 €'000	2009 €'000
Cashflows from operating activities		
Profit for the year	817	1,254
Finance costs	215	323
Depreciation of non-current assets	757	662
Interest and investment income received	(24)	(18)
Loss on disposal of fixed assets	14	-
	1,779	2,221
Movements in working capital		
(Increase)/decrease in inventories	(209)	20
Decrease/(increase) in trade and other receivables	(1,142)	(240)
(Decrease)/increase in trade and other payables	748	174
Cash generated from operations	1,176	2,175
Interest paid	(215)	(323)
Corporation and income tax payments	(348)	(279)
Net cash generated by operating activities	613	1,573
Cash flows from investing activities		
Issue of shares	(43)	-
Payment of dividend	(119)	(77)
Purchase of property, plant and equipment	(368)	(452)
Interest and investment income received	24	68
Net cash generated/(used) by investing activities	(506)	(461)
Cash flows from financing activities		
Receipts from new bank and other loans	3	63
Repayment of bank and other loans	(428)	(628)
Net cash (absorbed by)/generated in financing activities	(425)	(565)
Net increase/(decrease) in cash and cash equivalents	(318)	547
Cash and cash equivalents at start of the year	2,131	1,584
Cash and cash equivalents at end of the year	1,813	2,131

The notes on pages 15 to 37 form part of these financial statements.

Opportunity Investment Management Plc

Parent company cash flow statement
for the year ended 31 December 2010

	2010 €'000	2009 €'000
Cashflows from operating activities		
(Loss)/profit for the year	**(583)**	(225)
Recognised in (loss)/profit)	**-**	-
Other non cash income/(expenses)	**-**	-
	(583)	(225)
Movements in working capital		
(Increase)/decrease in trade and other receivables	**(163)**	-
(Decrease)/increase in trade and other payables	**(35)**	(74)
(Increase)/decrease in receivables from group companies	**433**	-
Cash generated from operations	**(348)**	(299)
Interest paid	**-**	-
Net cash generated by operating activities	**(348)**	(299)
Cash flows from financing and investing activities		
Issue of shares	**4,407**	-
Repayment of loans	**-**	172
Other receipts	**-**	127
Investment in subsidiary	**(3,669)**	-
Net cash generated in financing activities	**378**	299
Net increase/(decrease) in cash and cash equivalents	**30**	-
Cash and cash equivalents at start of the year	**-**	-
Cash and cash equivalents at end of the year	**30**	-

The notes on pages 15 to 37 form part of these financial statements.

1 Accounting policies

Statement of compliance

The Group financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs").

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.

Basis of consolidation

The Group accounts consolidate the accounts of Opportunity Investment Management Plc and its subsidiary undertakings drawn up to 31 December 2010. 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. Maintenance revenues are recognised rateably over the contract period. There is no material software revenues included in total revenues.

In respect of long-term contracts, revenue is recognised according to the percentage completion method. These are evaluated on the basis of the agreed revenues from contracts and the level of completion attained. The level of completion is determined by using output processes. Expected contractual losses are taken into account through provisions.

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.

1 Accounting policies *(continued)*

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 buildings - other	-	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

Minority holdings in the nature of investments are carried at fair value.

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)*

Deferred Taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/ (assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company; or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

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 is 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. Rental payments on operating leases are included in the income statement as incurred on an accruals basis.

Retirement benefits: Defined benefit schemes

The Group operates a defined benefit scheme for its employees. The principal scheme is in Germany. Retirement benefit schemes in Germany are unfunded. A 10% corridor approach is used for actuarial movements.

Functional currency

The Group's operating subsidiaries operate in Europe and so the Board considers the functional currency of the company and group to be Euros. The Sterling exchange rate used in the accounts is euro 1.1675.

1 Accounting policies *(continued)*

Share based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a nonvesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have not been applied in preparing these consolidated financial statements. These are to be applied in preparing these consolidated financial statements with periods commencing on or after the following dates:

Standard and interpretation	**Effective date**
Revised IAS 24 Related Party disclosures	1 January 2011
Improvements to IFRs (2010)	Generally 1 January 2011 *
Disclosures – Transfers of Financial Assets (Amendments to IFRS7)	1 July 2011
Deferred Tax: Recovery of Underlying Assets (Amendments to IAS12)	1 January 2012
IFRS9 Financial Instruments	1 January 2013

* The amendments to IFRS 3(R), IAS21 and IAS 28 were effective from 1 July 2010.

Key accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates, and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1 Accounting policies *(continued)*

Pension assumptions

The costs, assets and liabilities of the defined benefit schemes operating by the Group are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions are set out in note 20. The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the consolidated statements of comprehensive income and the consolidated statements of financial position.

Stage of completion of long term contracts

Maintenance revenues are recognised rateably over the contract period. There is no material software revenues included in total revenues. In respect of long-term contracts, revenue is recognised according to the percentage completion method. These are evaluated on the basis of the agreed revenues from contracts and the level of completion attained. The level of completion is determined by using output processes. Expected contractual losses are taken into account through provisions.

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. Sales outside Germany, but within Western Europe, were €144,000 (2009: €170,000).

3 Other operating income

	2010 €'000	2009 €'000
Other income	**928**	918

4 Finance costs

	2010 €'000	2009 €'000
Interest payable and similar charges		
Bank loans and overdrafts	**(215)**	(305)
Other loans	**-**	(18)
	(215)	(323)

5 Profit on ordinary activities before taxation

	2010 €'000	2009 €'000
Profit on ordinary activities before taxation is stated after Charging/(crediting):		
Depreciation of tangible fixed assets	**580**	599
Amortisation of patents and trademarks	**79**	63
Auditors remuneration		
Paid to group auditors:		
- Audit fees of the group and company audit	**30**	27
- Other services	**35**	-
Paid to associates of BDO LLP	**60**	59

6 Staff costs

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

	2010 Number	2009 Number
Service	**263**	258
Sales	**49**	47
Administration	**49**	48
	361	353

Their aggregate remuneration comprised:

	2010 €'000	2009 €'000
Wages and salaries	**12,787**	12,302
Social security costs	**2,456**	2,381
	15,243	14,683

7 Directors' remuneration, interests and transactions

	2010 €'000	2009 €'000
Directors' emoluments	**80**	48

Directors' interests

The directors who held office at 31 December 2010 had the following interests in the 10p ordinary shares of the company.

	Number of 10p shares	
	2010	2009
Mr T V Ackerley	**560,000**	790,000
Dr J E Haag	**500,000**	500,000
Mr M Ritskes	**3,121,765**	3,067,465
Dr R Krafft	**-**	-
Mr M Hartung	**-**	-

The holdings of Mr M.Ritskes include those of Quivest B.V, a company controlled by him. In addition, Mr T.V.Ackerly held interest in 100,000 options over ordinary shares of 10p and Quivest B.V held warrants in respect of 410,000 ordinary shares of 10p (see note 22).

8 Taxation

	2010 €'000	2009 €'000
Analysis of tax charge in the year		
Current tax		
UK Corporation tax	**-**	-
Foreign taxation	**421**	336
	421	336
Deferred tax	**-**	-
	421	336

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:

	2010 €'000	2009 €'000
Group profit before tax	**915**	1,254
Corporation tax at 28% (2009: 28%)	**256**	351
Effects of:		
(Income)/expenditure not deductible for tax purposes	**12**	(15)
Under provision of tax in prior period	**-**	-
Unrelieved tax losses carried forward	**202**	63
Other timing differences	**(49)**	17
Utilisation of tax losses	**-**	(80)
Total tax charge	**421**	336

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 2010 dealt with in the accounts of the parent company, Opportunity Investment Management plc, was a loss of €583,000 (2009: Loss of €225,000) As permitted by Section 408 of the Companies Act 2006, 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 by the Company – Opportunity Investment Management plc during the year (2009: €nil). During the year, the Company's subsidiary, G. Fleischhauer Ingenieur-Büro GmbH & Co KG paid a dividend amounting to €300,000 (2009: € 222,000).

11 Earnings per share

The profit calculations for earnings per share are based on the profit for the financial year of €102,000 (2009: profit of €223,000) and the weighted average number of shares in issue during the year, which are as follows:

	2010 €'000	**2009 €'000 Restated**
Basic earnings per share		
Weighted average number of 10p shares	**15,978,386**	8,598,166
Profit for the financial year	**102**	306
Basic and diluted earnings per share	**€0.01**	€0.04

Options and warrants in issue have no material dilutive effect. The par value of shares is 10p each.

12 Property, plant and equipment

	Land and buildings €'000	Computer office and other equipment €'000	Leasehold improve-ments €'000	Group Total €'000	Company computer office and other equipment €'000
Cost or valuation					
At 1 January 2010	7,000	4,983	222	12,205	72
Additions	-	316	-	316	-
Disposals	-	(198)	-	(198)	(72)
At 31 December 2010	7,000	5,101	222	12,323	-
Depreciation					
At 1 January 2010	3,001	3,979	222	7,202	72
Charge for the year	153	427	-	580	-
Disposals	-	(184)	-	(184)	(72)
Charge to revaluation reserve	116	-	-	116	-
At 31 December 2010	3,270	4,222	222	7,714	-
Net book value					
At 31 December 2010	3,730	879	-	4,609	-
At 31 December 2009	3,999	1,004	-	5,003	-

12 Property, plant and equipment *(continued)*

	Land and buildings €'000	Computer office and other equipment €'000	Leasehold improvements €'000	Group Total €'000	Company computer office and other equipment €'000
Cost or valuation					
At 1 January 2009	7,000	5,160	222	12,382	72
Additions	-	373	-	373	-
Disposals	-	(550)	-	(550)	(72)
At 31 December 2009	7,000	4,983	222	12,205	-
Depreciation					
At 1 January 2009	2,731	4,063	222	7,016	72
Charge for the year	153	446	-	599	-
Disposals	-	(530)	-	(530)	(72)
Charge to revaluation reserve	117	-	-	117	-
At 31 December 2009	3,001	3,979	222	7,202	-
Net book value					
At 31 December 2009	3,999	1,004	-	5,003	-

The freehold and leasehold properties were subject to a full revaluation by Schmidt & Partners, Independent Valuers, as at 13 June 2005. The valuation was on an "open market basis" in accordance with a yield index. The directors have considered the valuation on an annual basis thereafter and remain of the view that it is appropriate, given the location and condition of the property.

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

12 Property, plant and equipment *(continued)*

	Group Property plant and equipment €'000
Cost or valuation	
At 1 January 2010	1,069
At 31 December 2010	1,069
Depreciation	
At 1 January 2010	918
Charge for the year	107
At 31 December 2010	1,025
Net book value	
At 31 December 2010	**44**
At 31 December 2009	151

	Group Property plant and equipment €'000
Cost or valuation	
At 1 January 2009	1,027
Additions	42
At 31 December 2009	1,069
Depreciation	
At 1 January 2009	770
Charge for the year	148
At 31 December 2009	918
Net book value	
At 31 December 2009	151

13 Intangible fixed assets – Patents and Trademarks

	Group €'000
Cost or valuation	
At 1 January 2010	983
Additions	52
Disposals	-
At 31 December 2010	**1,035**
Amortisation	
At 1 January 2010	708
Charge for the year	79
On disposal	-
At 31 December 2010	**787**
Net book value	
At 31 December 2010	**248**
At 31 December 2009	275

	Group €'000
Cost or valuation	
At 1 January 2009	948
Additions	79
Disposals	(44)
At 31 December 2009	983
Amortisation	
At 1 January 2009	686
Charge for the year	50
On disposal	(41)
At 31 December 2009	708
Net book value	
At 31 December 2009	275

14 Fixed asset investments

	Group Other investments €'000	Company Subsidiary undertakings €'000
Investments	**50**	**3,669**

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%
MySPARTA AG	Germany	Software development and sales	75%
G. Fleischhauer Ingenieur-Büro GmbH & Co KG	Germany	Systems installation	95.9%

All subsidiary undertakings have been included in the consolidated accounts.

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 9th July 2010, the group holding of G. Fleischhauer Ingenieur-Büro GmbH & Co KG was increased from 60.33% to 95.9%, and the resultant adjustment has been dealt with in equity as a transaction between shareholders.

15 Inventories

	Group 2010 €'000	Group 2009 €'000	Company 2010 €'000	Company 2009 €'000
Raw materials and consumables	**1,390**	1,181	**-**	-

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

16 Other receivables

	Group 2010 €'000	Group 2009 €'000	Company 2010 €'000	Company 2009 €'000
Other receivables	**848**	569	**163**	-
Prepayments	**91**	754	**-**	-
	939	1,323	**163**	-

16 Other receivables *(continued)*

As at 31 December 2010 other receivables included amounts overdue but not impaired of €770,000. (2009: €732,000.). They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	Group 2010 €'000	Group 2009 €'000	Company 2010 €'000	Company 2009 €'000
Up to 3 months	**544**	516	-	-
3 to 6 months	**194**	185	-	-
6 to 12 months	**32**	31	-	-

Non current receivables are due after three years from balance sheet date.

Trade receivables

	Group 2010 €'000	Group 2009 €'000	Company 2010 €'000	Company 2009 €'000
Trade receivables	**8,877**	6,997	-	-

As at 31 December 2010 trade receivables of € 2,497,000. (2009: €1,381,000) were past due, these are not impaired as they relate to customers with no default history.

The aging analysis of these receivables is as follows:

	Group 2010 €'000	Group 2009 €'000	Company 2010 €'000	Company 2009 €'000
Up to 3 months	**6,380**	5,615	-	-
3 to 6 months	**1,953**	1,263	-	-
6 to 12 months	**544**	119	-	-

17 Other non current receivables

	Group 2010 €'000	Group 2009 €'000	Company 2010 €'000	Company 2009 €'000
Amount owed by Group undertakings	-	-	**1,007**	1,440

18 Trade and other payables

	Group 2010 €'000	Group 2009 €'000	Company 2010 €'000	Company 2009 €'000
Trade payables	**1,708**	1,770	**-**	-
Other payables	**4,460**	3,128	**211**	322
Accruals and deferred income	**2,171**	2,626	**285**	210
	8,339	7,524	**496**	532

As at 31 December 2010 other payables included amounts overdue of € nil. (2009: €nil)

As at 31 December 2010, the ageing of trade payables of € 1,708,000. (2009: €1,770,000) was as follows:

	Group 2010 €'000	Group 2009 €'000	Company 2010 €'000	Company 2009 €'000
Up to 3 months	**1,649**	1,748	**-**	-
3 to 6 months	**3**	6	**-**	-
6 to 12 months	**56**	16	**-**	-

Other payables included in the Group Balance sheet at 31st December 2009 above includes a balance of €322,500 in respect of legal settlement due to the landlord of property in Bremen, Germany. This liability has been settled via an issue of 215,000 shares at a price of €1.50 per share in 2010.

19 Non current liabilities – Trade and Other payables

	Group 2010 €'000	Group 2009 €'000	Company 2010 €'000	Company 2009 €'000
Trade payables	**-**	85	**-**	-
Pension payables	**349**	332	**-**	-
	349	417	**-**	-

20 Pension provisions

Pension provisions concern benefit-related 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.

In relation to mortality and invalidity, the Heubeck actuarial guideline tables 2005G were used. An interest rate of 4.19% (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. This means that provisions at 31 December 2010 are € 47,000 (2009: €47,000) lower than the projected unit credit method.

	2010 €'000	**2009 €'000**
Reconciliation of plan reserves		
Position at start of the year	**332**	321
Pension costs	**37**	28
Committed pension payments	**(20)**	(19)
Position at end of the year	**349**	332

The balance sheet pension provisions are calculated as follows:

	2010 €'000	**2009 €'000**
Projected unit credit on benefit entitlements	**483**	390
Adjustment for unrealised actuarial profits and losses	**(147)**	(66)
Subsidiary company staff expenses	**13**	8
Pension provisions	**349**	332

21 Deferred tax

The deferred tax liabilities at 31 December 2010 are € 209,000 (2009: €228,000) 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. Deferred tax assets on subsidiary tax losses carried forward is €231,000 (2009: €302,000). Calculation of the deferred tax assets was based on a 3-year forecasting horizon.

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 €72,000 (2009: €121,000) and deferred tax liabilities of € nil (2009: €nil).

In addition to the German Trade Tax losses referred to above, there are losses in excess of €9 million which have arisen in the UK for which no deferred tax asset has been established, as there is uncertainty over recovery.

21 Deferred tax *(continued)*

	2010 €'000	2009 €'000
Deferred tax liability on revaluation	**(209)**	(228)
Losses available	**231**	302
Other temporary differences	**50**	47
	72	121

22 Called up share capital

	2010 €'000	2009 €'000
Authorised		
250,000,000 Ordinary shares of 10p each	**35,460**	35,460
Allotted, called up and fully paid		
17,075,795 (2009: 14,625,948) Ordinary shares of 10p each	**2,110**	1,819

	Nominal value €'000	Share premium €'000
At 1 January 2010	1,819	52,677
Allotments	291	3,800
Cancellation of share premium	-	(52,677)
Share issue expenses	-	(43)
At 31 December 2010	**2,110**	**3,757**
At 1 January 2009	1,147	44,282
Allotments	672	8,395
At 31 December 2009	1,819	52,677

On 21 April 2010 court order was obtained in connection with the cancellation of the share premium account of the company which has been reflected in the financial statements.

22 Called up share capital *(continued)*

Options to subscribe for the 10p ordinary shares of the Company have been issued as follows with exercise periods starting from the dale of admission being 30 September 2010:

Option holder	Year of original grant	Number of Shares under option	Exercise Price Per share	Exercise period
Mr Leo Westermeijer	2001	12,500	US$ 10.00	12 months from admission
Mercurius Beleggingsmaatschappij B.V.	2001	12,500	US$10.00	12 months from admission
Mercurius Beleggingsmaatschappij B.V.	2001	40,000	US$8.50	24 months from admission
T V Ackerly	2007	100,000	€2.50	To 31 December 2012
Firmament Investments Limited	2007	100,000	€2.50	To 31 December 2012
Arne Bar	2009	25,000	€2.20	3 year from 7 December 2009
Wolfgang Gallin	2009	50,000	€2.20	3 year from 7 December 2009
Lothar Hemme	2009	25,000	€2.20	3 year from 7 December 2009
Michael Hartung	2009	75,000	€2.20	3 year from 7 December 2009
Total		440,000		

Warrants to subscribe for the 10p ordinary shares of the Company were issued in 2002 as follows:

Warrant holder	Number of Shares under warrant	Subscription Price per share Euro	Exercise period
Mercurius Beleggingsmaatschappij B.V.	120,000	1.88	From 12 to 36 months from admission
Quivest B.V.	410,000	1.88	36 months from admission

Quivest B.V is controlled by Mr.M. Ritskes, a director of the company.

Admission refers to start of the listing of the company's shares on Euronext Brussels which took place on 30 September 2010

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	503	463	-
Buildings	354	290	-

In 2009 the outlook was as follows:

	Up to 1 year €'000	1 to 5 years €'000	Over 5 years €'000
Vehicles	484	492	-
Buildings	327	250	-

In the last financial year payments totalling €972,000 were made on the basis of fixed-term leases.

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

	Up to 1 year €'000	1 to 5 years €'000	Over 5 years €'000
Lease payments	82	4	-
Discounting amounts	2	-	-
Cash values	80	4	-

In 2009 the outlook was as follows:

	Up to 1 year €'000	1 to 5 years €'000	Over 5 years €'000
Lease payments	153	87	-
Discounting amounts	7	2	-
Cash values	146	85	-

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, which 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, overdrafts, 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.

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".

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

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

Other financial instruments

The 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 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 capital risk, liquidity risk, interest rate risk, credit risk, market risk and other price risks.

24 Financial risk management *(continued)*

(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.

As at 31 December 2010 cash and cash equivalents were held in the following currency:

Euro (EUR) 1,812,662

(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 2009 and the year ended 31 December 2010.

(c) Liquidity risk

At 31 December 2010 the consolidated cash position was €1,812,662 (2009: €2,131,000) and there is currently no procedure to centralise and manage cash by a treasury manager. 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 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 no external debt. Hence there is little potential impact on its financial position from interest 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 as a means of mitigating the risk of financial loss from defaults. The group's exposure and the credit ratings of its counterparties are continuously monitored.

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.

24 Financial risk management *(continued)*

(f) Market risk - economic downturn

The success of the business is ultimately 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.

Market risk - 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.

(g) Other price risk – 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.