

OPUS PORTFOLIO LIMITED

Report and Financial Statements

30 September 2000



OPUS PORTFOLIO LIMITED

REPORT AND FINANCIAL STATEMENTS 2000

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OPUS PORTFOLIO LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P C De Haan – Chairman
I D Bowen
J D Randall
P J Stone – Non-Executive Director

SECRETARY

J D Randall

REGISTERED OFFICE

Unit 3
Eurogate Business Park
Ashford
Kent
TN24 8XW

SOLICITORS

Nabarro Nathanson
Lacon House
Theobald's Road
London
WC1X 8RW

BANKERS

The Bank of Scotland plc
The Mound
Edinburgh
EH1 1YZ

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London
EC2A 2HA

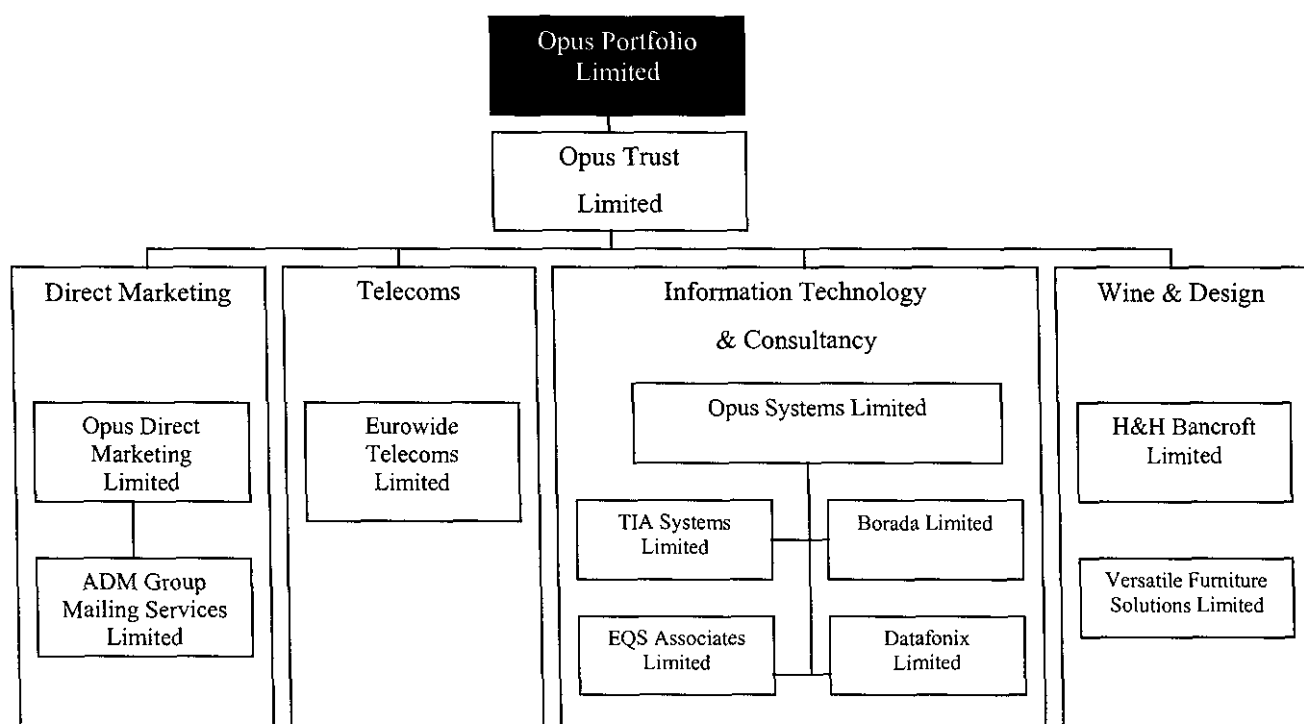
National Westminster Bank plc
Kent Corporate Business Centre
37 Old Dover Road
Canterbury
Kent
CT1 3BJ

AUDITORS

Deloitte & Touche
63 High Street
Crawley
West Sussex
RH10 1BQ

GROUP STRUCTURE

Opus Portfolio Group Structure



OPUS PORTFOLIO LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 30 September 2000.

INCORPORATION

The company was incorporated on 4 June 1999.

ISSUE OF SHARES AND CAPITALISATION

On incorporation, one subscriber share of £1 was issued which was subsequently split into four 25p shares on 18 August 1999. On 18 August 1999, 1,055,389 shares of 25p each were issued as part of a share exchange transaction to form the initial capital of the company. The fair value of this capitalisation was £25,182,262 and a share premium of £24,918,414 resulted. The High Court gave permission for this share premium to be cancelled on 3 November 1999, which was subsequently actioned on 15 November 1999 and gave rise to the creation of a 'Special Reserve'. Further details are shown in notes 16 and 17 to these accounts.

ACTIVITIES

The company started to trade on 18 August 1999. The principal activity of the company is to act as the parent company for a group of companies involved in business services.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results for the year are shown on page 5. The directors expect business to grow rapidly in the year to 30 September 2001 across all segments of the group's activities.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and their beneficial interest in the shares of the company at 30 September 2000 were as follows:

		Ordinary shares of £1 each at incorporation or subsequent date of appointment
	Ordinary shares of 25p each 30 September 2000	
Mikjon Limited	(Appointed 25 June 1999, Resigned 3 August 1999)	-
I D Bowen	(Appointed 15 June 2000)	-
P C De Haan	(Appointed 3 August 1999)	967,889
J D Randall	(Appointed 20 September 1999)	-
P J Stone	(Appointed 21 August 2000)	-

* Included in this amount are 384,684 held in family trusts. P C De Haan has no beneficial interest in the shares held in these Trusts.

AUDITORS

Deloitte & Touche were appointed as auditors by the directors during the period and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

J D Randall
Secretary

28 February 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OPUS PORTFOLIO LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 22 which have been prepared under the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

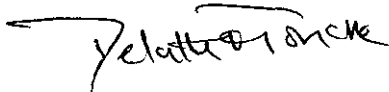
BASIS OF OPINION

We conducted our audit in accordance with United Kingdom auditing standards 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 circumstances of the group and company, 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 financial statements give a true and fair view of the state of affairs of the company and the group as at 30 September 2000 and of the loss of the group for the period from 4 June 1999 to 30 September 2000 and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and
Registered Auditors

63 High Street
Crawley
West Sussex
RH10 1BQ

18 April 2001

OPUS PORTFOLIO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Period from 4 June 1999 to 30 September 2000

	Note	Period from 4 June 1999 to 30 September 2000 £
TURNOVER	2	6,680,315
Cost of sales		(4,986,448)
GROSS PROFIT		1,693,867
Administrative expenses		(10,026,685)
OPERATING LOSS	4	(8,332,818)
SHARE OF PARTICIPATING INTEREST OPERATING PROFIT		1,010,218
TOTAL OPERATING LOSS		(7,322,600)
Other interest receivable and similar income		437,484
Interest payable and similar charges	6	(32,671)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,917,787)
Tax credit on loss on ordinary activities	7	105,467
RETAINED LOSS FOR THE FINANCIAL PERIOD		(6,812,320)
 TRANSFER FROM SPECIAL RESERVE		 17,929,779
RETAINED LOSS IN PERIOD		(6,812,320)
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		11,117,459

The company commenced to trade on 18 August 1999 hence there are no comparative figures. All turnover and the operating loss derives from continuing activities. There are no recognised gains and losses for the current period other than the loss retained for the period.

OPUS PORTFOLIO LIMITED

CONSOLIDATED BALANCE SHEET 30 September 2000

	Note	£	2000 £
FIXED ASSETS			
Intangible assets	9		1,828,481
Tangible assets	10		3,901,842
Investments	11		7,577,209
			<u>13,307,532</u>
CURRENT ASSETS			
Freehold property for resale		105,000	
Stocks	12	1,584,664	
Debtors	13	4,109,568	
Cash at bank and in hand		4,258,562	
		<u>10,057,794</u>	
CREDITORS: amounts falling due within one year	14	<u>(4,455,874)</u>	
NET CURRENT ASSETS			<u>5,601,920</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,909,452</u>
CREDITORS: amounts falling due after more than one year	15		<u>(539,510)</u>
TOTAL NET ASSETS			<u><u>18,369,942</u></u>
CAPITAL AND RESERVES			
Called up share capital	16, 17		263,848
Share premium	17		-
Special reserve	17		6,988,635
Profit and loss account	17		11,117,459
TOTAL EQUITY SHAREHOLDERS' FUNDS	17		<u><u>18,369,942</u></u>

These financial statements were approved by the Board of Directors on 28 February 2001.

Signed on behalf of the Board of Directors

P C De Maan
Director

J D Randall
Director

OPUS PORTFOLIO LIMITED

COMPANY BALANCE SHEET 30 September 2000

	Note	£	2000 £
FIXED ASSETS			
Tangible assets	10		2,333,557
Investments	11		17,539,164
			<u>19,872,721</u>
CURRENT ASSETS			
Debtors	13	5,228,281	
Cash at bank and in hand		668,993	
		<u>5,897,274</u>	
CREDITORS: amounts falling due within one year	14	(1,185,315)	
NET CURRENT ASSETS			<u>4,711,959</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>24,584,680</u>
CAPITAL AND RESERVES			
Called up share capital	16, 17		263,848
Share premium	17		-
Special reserve	17		6,988,635
Profit and loss account	17		17,332,197
TOTAL EQUITY SHAREHOLDERS' FUNDS	17		<u>24,584,680</u>

These financial statements were approved by the Board of Directors on 28 February 2001.

Signed on behalf of the Board of Directors

P C De Haan
Director

J D Randall
Director

OPUS PORTFOLIO LIMITED

CONSOLIDATED CASH FLOW STATEMENT Period from 4 June 1999 to 30 September 2000

	Note	Period from 4 June 1999 to 30 September 2000 £	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	19	(8,738,103)	
DIVIDEND FROM PARTICIPATING INTEREST		18,559,016	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(20,865)	
Interest element of finance lease rentals		(11,806)	
Interest received		437,484	
		<hr/>	404,813
TAXATION			
UK corporation tax paid			(34,000)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets			(2,610,154)
ACQUISITIONS	22		
Purchase of subsidiary undertakings		(2,842,990)	
Net cash acquired with subsidiaries		(340,983)	
		<hr/>	(3,183,973)
Net cash inflow before financing			4,397,599
FINANCING			
Capital element of finance lease rentals		(75,839)	
Repayment of bank loans		(135,438)	
		<hr/>	(211,277)
Net cash outflow from financing			(211,277)
INCREASE IN NET CASH IN PERIOD	20,21		<u>4,186,322</u>

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all subsidiary undertakings for the financial period ended 30 September 2000.

Tangible fixed assets

Depreciation is provided by equal instalments on cost over the estimated useful lives of assets as follows:

Short-term leasehold improvements	Over the minimum lease duration
Plant and machinery	5 – 10 years
Motor vehicles	4 years
Fixtures, fittings and equipment	3 – 10 years

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Leases and hire purchase contracts

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Pension funds

The company operates a group personal pension scheme to which it makes no employer contributions. Certain group companies also operate other forms of defined contribution pension schemes. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

1. ACCOUNTING POLICIES (continued)

Acquisitions and disposals

On acquisition of a business, including a participating interest, fair market values are attributable to the group's share of the net separable assets. Where the cost of acquisition exceeds the fair market values attributable to such net assets, the difference is treated as purchased goodwill and is capitalised and amortised over its estimated useful life.

The profit or loss on the disposal or closure of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business not previously charged through the profit and loss account.

The results and cash flow relating to a business are included in the consolidated profit and loss account and the consolidated cash flow statement from the date of acquisition or up to the date of disposal.

Deferred consideration if it arises, is discounted to its fair value.

Goodwill and intangible fixed assets

Intangible assets comprise purchased goodwill, which is being amortised over its estimated useful life which the directors consider to be three years.

2. TURNOVER

Analysis by class of business of turnover is stated below:

Class of Business	Turnover 2000 £
Direct marketing	3,044,113
Computer software and telecommunications	1,225,190
Wine merchandising	2,300,079
Other	110,933
	<hr/>
	6,680,315
	<hr/>

Turnover represents the invoiced value of goods and services supplied and work done during the year, excluding value added tax, and relates wholly to sales in the United Kingdom.

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

3. ACQUISITIONS, DISPOSALS AND GOODWILL

The following companies were acquired by Opus Trust Limited and its subsidiary companies during the period:

Name of company	Effective date of acquisition	Acquisition cost £
ADM Group Mailing Services Limited	19 May 2000	1,781,804
Proteus Information Management Limited (subsequently renamed Borada Limited)	31 December 1999	15,746
EQS Associates Limited	10 March 2000	160,000
Adam Bancroft and Associates Limited	30 November 1999	1,030,000
H & H Fine Wines Limited	14 December 1999	375,000
		<u>3,362,550</u>

- (i) all acquisitions have been dealt with by way of acquisition accounting and are registered in England and Wales.
- (ii) all subsidiaries are wholly owned with investments held by way of ordinary shares.
- (iii) consideration was by way of cash except for ADM Group Mailing Services Limited where the acquisition cost includes deferred consideration of £751,300 payable in equal instalments to December 2010.
- (iv) the following table explains the adjustments made to the book value of the assets and liabilities acquired to arrive at the fair values included in the consolidated financial statements at the date of acquisition. The cash flow effects of the acquisitions are given in note 22.

	Book amount £	Revaluation £	Fair value to the group £
ADM Group Mailing Services Limited	132,978	(116,109)	16,869
Borada Limited (formerly Proteus Information Management Limited)	15,746	-	15,746
EQS Associates Limited	72,649	(30,000)	42,649
Adam Bancroft and Associates Limited	628,275	-	628,275
H & H Fine Wines Limited	101,146	-	101,146
			<u>804,685</u>
Consideration			3,362,550
Goodwill			<u>2,557,865</u>

OPUS PORTFOLIO LIMITED

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

3. ACQUISITIONS, DISPOSALS AND GOODWILL (continued)

An analysis of the net assets acquired at fair value by major category is shown below:

	£
Fixed assets	1,071,770
Stocks	869,707
Debtors	2,426,638
Cash	88,798
Bank loans and overdrafts	(565,221)
Creditors	(3,087,007)
Total	<u>804,685</u>

Results of the above companies prior to acquisition:

Profit/(loss) after tax	Previous financial year end	From previous financial year end to date of acquisition £	For previous financial year end £
ADM Group Mailing Services Limited*	31 December 1999	(473,953)	147,262
Proteus Information Management Limited (subsequently renamed Borada Limited)	31 March 1999	51,060	40,470
EQS Associates Limited	30 April 1999	9,944	735
Adam Bancroft Associates Limited	30 November 1999	122,310	163,163
H & H Fine Wines Limited	31 March 1999	<u>2,513</u>	<u>12,080</u>

* The result in the period to acquisition included exceptional directors' emoluments of £358,742.

4. OPERATING LOSS

	Period from 4 June 1999 to 30 September 2000 £
Operating loss is stated after charging:	
Amortisation of goodwill	
Charge for the period	429,466
Impairment	299,918
Hire of plant and machinery	186,469
Exceptional costs incurred on business acquisition	424,158
Depreciation of tangible fixed assets	
Own assets	433,789
Assets held under hire purchase contracts	43,315
Auditors' remuneration	
Audit fees	58,000
Other services	<u>11,100</u>

OPUS PORTFOLIO LIMITED

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Period from 4 June 1999 to 30 September 2000 £
Staff costs (including directors):	
Wages and salaries	4,763,558
Social security costs	495,931
Other pension costs	24,548
	<u>5,284,037</u>
	No.
Number of persons employed at period end:	
Production	287
Sales and distribution	25
Administration	96
	<u>408</u>
	£
Staff costs include the following in respect of the directors:	
Directors' salaries	507,470
Directors' fees	8,333
	<u>515,803</u>
Highest paid director:	£
Salary	<u>351,932</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 4 June 1999 to 30 September 2000 £
On bank loans and overdrafts	14,123
Finance leases and hire purchase contracts	11,806
Other interest payable	6,742
	<u>32,671</u>

OPUS PORTFOLIO LIMITED

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

7. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	Period from 4 June 1999 to 30 September 2000 £
Taxation recoverable on losses	59,559
Deferred taxation	69,676
	<hr/>
	129,235
Adjustment in respect of provisions on acquisition	32,487
	<hr/>
	161,722
Participating interest	(56,255)
	<hr/>
	105,467
	<hr/>

The tax charge is low because the group has made losses for which there is no tax relief available immediately. The losses are being carried forward for offset in future periods.

8. RESULTS OF THE PARENT UNDERTAKING

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent undertaking is not presented as part of these accounts. The parent company's loss for the financial period amounted to £597,582.

9. INTANGIBLE ASSETS

	Group £
Goodwill	
Cost	
Subsidiaries acquired in the period	2,557,865
	<hr/>
Accumulated amortisation	
Charge for the period	429,466
Impairment	299,918
	<hr/>
	729,384
	<hr/>
Net book value at 30 September 2000	1,828,481
	<hr/>

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

10. TANGIBLE FIXED ASSETS

THE GROUP	Short leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
Additions	1,024,577	32,714	655,586	1,594,499	3,307,376
Acquired with subsidiaries	82,649	1,520,782	337,946	498,827	2,440,204
Disposals	-	-	-	(1,000)	(1,000)
At 30 September 2000	1,107,226	1,553,496	993,532	2,092,326	5,746,580
Accumulated depreciation					
Charge for the period	51,379	39,836	108,267	277,622	477,104
Acquired with subsidiaries	59,964	748,472	236,538	323,460	1,368,434
Disposals	-	-	-	(800)	(800)
At 30 September 2000	111,343	788,308	344,805	600,282	1,844,738
Net book value					
At 30 September 2000	995,883	765,188	648,727	1,492,044	3,901,842

The net book value of the group's plant and machinery, motor vehicles and fixtures and fittings includes assets with a cost of £666,851 and net book value of £451,818 held under hire purchase and finance lease arrangements. Depreciation charged in the period was £43,315.

THE COMPANY	Short Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
Additions	1,024,577	-	655,586	850,640	2,530,803
At 30 September 2000	1,024,577	-	655,586	850,640	2,530,803
Depreciation					
Charge for the period	44,515	-	89,591	63,140	197,246
At 30 September 2000	44,515	-	89,591	63,140	197,246
Net book value					
At 30 September 2000	980,062	-	565,995	787,500	2,333,557

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

11. INVESTMENTS HELD AS FIXED ASSETS

GROUP: PARTICIPATING INTERESTS

	Total £
Cost	
Additions	25,182,262
At 30 September 2000	<u>25,182,262</u>
Impairment	
Charge for the period and at 30 September 2000	<u>17,605,053</u>
Net book value	
At 30 September 2000	<u><u>7,577,209</u></u>

The above investment represents the company's interest in 100% of the ordinary 'A' shares of Opus 101 Limited which is accounted for by the equity method in the consolidated accounts as the directors believe that there is a severe long term restriction over the control of this company. The investment was originally recorded at fair value based upon the discounted cash flows the directors expect to receive from it. Opus 101 has an investment of 2,110,777 preferred ordinary shares of 25p each in Saga Leisure Limited. These preferred ordinary shares carry rights to 7 annual payments of £4.285m commencing 30 June 2002 and a further total amount of £9.0m payable on a reducing balance basis over the period to June 2008. The preferred ordinary shares, which are not redeemable, carry no voting rights unless scheduled payments fall into arrears. There is a further contingency right to payment in the event that certain ordinary shares of Saga Leisure Limited are sold to a third party. The 'A' ordinary shares of Opus 101 Limited in turn carry the right fixed cumulative preferred dividends of £19.0m on a reducing balance basis over the period to June 2008:

During the period the company received dividends from Opus 101 Limited amounting to £18,559,016.

The directors have recognised an impairment of the investment by reference to the projected future discounted cashflows they expect to derive from it.

COMPANY	Participating interests £	Subsidiary undertaking £	Total £
Cost			
Additions	25,182,262	10,000,000	35,182,262
At 30 September 2000	<u>25,182,262</u>	<u>10,000,000</u>	<u>35,182,262</u>
Impairment			
Charge for the period	17,643,098	-	17,643,098
At 30 September 2000	<u>17,643,098</u>	<u>-</u>	<u>17,643,098</u>
Net book value			
At 30 September 2000	<u><u>7,539,164</u></u>	<u><u>10,000,000</u></u>	<u><u>17,539,164</u></u>

In the company accounts the participating interest (shares in Opus 101 Limited) is accounted for at fair value on acquisition less provision for any impairment in value.

The company owns 100% of the ordinary shares in Opus Trust Limited, a company incorporated in England and Wales whose principal activity is to act as a holding company.

OPUS PORTFOLIO LIMITED

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

12. STOCKS

	Group 2000 £
Raw materials and consumables	203,116
Finished goods and goods for resale	1,381,548
	<u>1,584,664</u>

13. DEBTORS

	Group 2000 £	Company 2000 £
Trade debtors	2,673,211	-
Amounts owed by subsidiary undertakings	-	4,900,823
Other debtors	377,366	129,377
Corporation tax repayable	72,847	-
Prepayments and accrued income	986,144	198,081
	<u>4,109,568</u>	<u>5,228,281</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2000 £	Company 2000 £
Bank loans and overdrafts	72,240	-
Obligations under finance lease and hire purchase contracts	180,977	-
Trade creditors	2,264,908	491,303
Current corporation tax	47,158	-
Other taxes and social security	406,412	209,638
Other creditors	121,660	48,989
Accruals and deferred income	1,298,085	435,385
Deferred acquisition consideration	64,434	-
	<u>4,455,874</u>	<u>1,185,315</u>

OPUS PORTFOLIO LIMITED

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2000 £
Obligations under finance leases and hire purchase contracts (payable in 2 – 5 years)	64,458
Deferred acquisition consideration	455,126
Deferred government grants (payable in 2 – 5 years)	19,926
	<u>539,510</u>
Finance leases and hire purchase contracts are secured by the related assets financed.	
Deferred acquisition consideration is analysed between amounts payable:	
	£
In one year	64,434
In two to five years inclusive	228,269
After five years	226,857
	<u>519,560</u>

16. CALLED UP SHARE CAPITAL

	2000 £
Authorised	
1,055,393 ordinary shares of 25p each	263,848
Called up, allotted and fully paid	
1,055,393 ordinary shares of 25p each	<u>263,848</u>

On incorporation, one subscriber share of £1 was issued which was subsequently split into four 25p shares on 18 August 1999.

On 18 August 1999 1,055,389 ordinary shares of 25p each were issued to the shareholders in exchange for certain interests in Opus 101 Limited. The fair value of the exchange was £25,182,262 resulting in a share premium of £24,918,414 being created.

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

17. COMBINED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

	Share capital £	Share premium £	Special reserve £	Profit and loss account £	Total £
THE GROUP					
Issue of shares	263,848	24,918,414	-	-	25,182,262
Cancellation of share premium	-	(24,918,414)	24,918,414	-	-
Reserve transfer	-	-	(17,929,779)	17,929,779	-
Loss retained for the period	-	-	-	(6,812,320)	(6,812,320)
Balance at 30 September 2000	<u>263,848</u>	<u>-</u>	<u>6,988,635</u>	<u>11,117,459</u>	<u>18,369,942</u>
THE COMPANY					
	£	£	£	£	£
Issue of shares	263,848	24,918,414	-	-	25,182,262
Cancellation of share premium	-	(24,918,414)	24,918,414	-	-
Reserve transfer	-	-	(17,929,779)	17,929,779	-
Loss retained for the period	-	-	-	(597,582)	(597,582)
Balance at 30 September 2000	<u>263,848</u>	<u>-</u>	<u>6,988,635</u>	<u>17,332,197</u>	<u>24,584,680</u>

At an extraordinary general meeting of the company held on 1 October 1999 a resolution was passed that the sum standing to the credit of the share premium account be cancelled. The resolution was confirmed by an order of the High Court on 3 November 1999 and registered on 15 November 1999. The purpose of the cancellation of the share premium account was to create a special reserve which shall be applied in setting off the amount of any deficit to the profit and loss account arising out of the impairment of the Opus 101 Limited shares.

18. OPERATING LEASE COMMITMENTS

At 30 September 2000 the group was committed to making the following payments during the next year in respect of operating leases:

Leases which expire:	Land and buildings £	Other £
Within one year	-	141,745
Within two to five years	745,665	179,626
After five years	179,750	19,496
	<u>925,415</u>	<u>340,867</u>

OPUS PORTFOLIO LIMITED

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

19. RECONCILIATION OF CONSOLIDATED OPERATING LOSS TO GROUP NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2000 £
Operating loss	(8,332,818)
Depreciation charge	477,104
Amortisation of goodwill	729,384
Increase in stock	(714,957)
Increase in debtors	(1,617,305)
Increase in creditors	720,489
Net cash outflow from operating activities	<u>(8,738,103)</u>

20. RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS

	2000 £
Increase in cash in period	4,186,322
Cash outflow from decrease in hire purchase financing	75,839
Change in net funds resulting from cash flows	4,262,161
Hire purchase contracts acquired with subsidiaries	(321,274)
Total movement in net funds in the period	3,940,887
Net funds at 4 June 1999	-
Net funds at 30 September 2000	<u>3,940,887</u>

OPUS PORTFOLIO LIMITED

NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

21. ANALYSIS OF NET FUNDS

	2000 £
Cash at bank	4,258,562
Bank overdraft	(72,240)
	<hr/>
	4,186,322
Obligations under hire purchase contracts	(245,435)
	<hr/>
	3,940,887
	<hr/>

22. PURCHASE OF SUBSIDIARY UNDERTAKINGS

	£
Net assets acquired:	
Cash	88,798
Debtors and work in progress	1,837,237
Other current assets	688,029
Stocks	869,707
Tangible fixed assets	1,071,914
Bank loans	(135,438)
Provisions	(69,517)
Trade creditors	(1,437,687)
Bank overdraft	(429,781)
Other current liabilities	(1,357,303)
Other long term liabilities	(321,274)
	<hr/>
	804,685
Goodwill	2,557,865
	<hr/>
	3,362,550
	<hr/>
Satisfied by:	
Cash	2,842,990
Deferred consideration	751,300
Less discounted element of deferred consideration	(231,740)
	<hr/>
	3,362,550
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NOTES TO THE ACCOUNTS

Period from 4 June 1999 to 30 September 2000

23. ADDITIONAL INFORMATION ON SUBSIDIARIES

The principal subsidiary undertakings, all of which are incorporated in England and Wales are shown below.

Subsidiary undertakings	Activity	Percentage of shares and voting rights held %
Opus Trust Limited*	Holding company	100
TIA Systems Limited	Insurance software	100
Borada Limited	IT consultancy	100
Datafonix Limited	Telecommunications and networking systems	100
EQS Associates Limited	Telecommunications consultancy	100
Opus Systems Limited	IT holding company	100
ADM Group Mailing Services Limited	Direct marketing	100
Opus Direct Marketing Limited	Direct marketing holding company	100
Versatile Furniture Solutions Limited	Office furniture	100
H & H Bancroft Limited	Wine merchants	100
Eurowide Telecoms Limited	Telephone services	100
Opus 101 Limited	Investment company	50.0002

* held directly by Opus Portfolio Limited

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr P C DeHaan, the Chairman of Opus Portfolio Limited.

25. POST BALANCE SHEET EVENTS

On 6 April 2001 Opus Portfolio Limited subscribed for a further 10,000,000 Ordinary £1 shares in Opus Trust Limited. Consideration was by way of cancellation of inter-company indebtedness and cash.