

REGISTERED NUMBER: 4112266 (England and Wales)

OPUS ARTE UK LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill, Mill Lane
Chilworth
Guildford
Surrey
GU4 8RU

WEDNESDAY



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OPUS ARTE UK LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	10
Trading and Profit and Loss Account	22

OPUS ARTE UK LIMITED

COMPANY INFORMATION
for the year ended 31 December 2006

DIRECTORS: J J R Petri
Mrs P J Petri-Clark

SECRETARY: R Kaye

REGISTERED OFFICE: Silveroaks Farm
Waldron
Heathfield
East Sussex
TN21 0RS

REGISTERED NUMBER: 4112266 (England and Wales)

AUDITORS: Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill, Mill Lane
Chilworth
Guildford
Surrey
GU4 8RU

OPUS ARTE UK LIMITED

REPORT OF THE DIRECTORS for the year ended 31 December 2006

The directors present their report with the financial statements of the company for the year ended 31 December 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of multimedia production

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

During 2006, Opus Arte released 47 new titles - 27 titles on the main Opus Arte label and 20 on the mid-price sub-label Faveo, which strengthened the catalogue to 133 titles

2006 was a transition year for the DVD market. Many high street music shops worldwide closed down or were in significant difficulties due to the drastic recession of CD sales, mainly in the pop departments. For this reason sales of Opus Arte DVDs in the most important market, the US, decreased by more than 60%.

Of course Opus Arte's core market is still vibrant but has to re-orientate to other specialised shops and the internet. 2006 already saw an increase in internet sales and this trend is expected to continue and grow significantly in 2007.

An increasing number of classical music DVD labels are appearing on the market but Opus Arte has maintained its leading position, winning several awards including the Gramophone Award, the BBC Music Magazine award, Diapason d'or de l'année and the prestigious Edison.

2006 has shown a significant increase in alternative distribution and licensing and this growth is expected to continue in 2007. In December 2006 a substantial license contract with TDK in Japan was signed.

In April 2007, Opus Arte will release the world's first classical music HD DVD. Opus Arte has not chosen between the two rivaling HD formats, HD DVD and Blu Ray, and will initially release its extensive HD catalogue on both formats until it is clear which format will prevail. Five HD products are planned for release by the end of the year.

During 2007, together with other partners, Opus Arte will begin to supply Video on Demand as well as other download formats.

In March 2007, a 5 year agreement was reached with the European full HDTV channel BRAVA HDTV for Opus Arte to supply HD content for their classical music HD channel.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2006

OPUS ARTE UK LIMITED

REPORT OF THE DIRECTORS for the year ended 31 December 2006

DIRECTORS

JJR Petri Esq and Mrs PJ Petri-Clark held office as directors during the financial year

They did not hold any beneficial interest in the issued share capital of the company at 1 January 2006 or 31 December 2006

Opus Arte UK Limited is a wholly owned subsidiary of Opus Arte BV, a company registered in The Netherlands. The beneficial interests of the directors holding office on 31 December 2006 in the issued share capital of the parent company were as follows

Ordinary voting €45 38 shares

	31 12 06	1 1 06
JJR Petri	381	324
Mrs PJ Petri-Clark	0	0

The total number of shares issued in Opus Arte BV as at 31 December 2006 was 1,262 shares (2005 790 shares)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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,
- 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

OPUS ARTE UK LIMITED

**REPORT OF THE DIRECTORS
for the year ended 31 December 2006**

AUDITORS

The auditors, Bessler Hendrie, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:



R Kaye - Secretary

Date

18/5/07

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF OPUS ARTE UK LIMITED

We have audited the financial statements of Opus Arte UK Limited for the year ended 31 December 2006 on pages seven to twenty one. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
OPUS ARTE UK LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill, Mill Lane
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Surrey
GU4 8RU

Date

21 May 2007

OPUS ARTE UK LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 December 2006

		2006	2005
	Notes	£	as restated £
TURNOVER		2,763,294	2,844,792
Cost of sales		(1,903,736)	(1,845,376)
Exceptional item	4	<u>184,167</u>	<u>-</u>
GROSS PROFIT		1,043,725	999,416
Administrative expenses		<u>(839,382)</u>	<u>(735,248)</u>
OPERATING PROFIT	3	204,343	264,168
Interest receivable and similar income		<u>19</u>	<u>50</u>
		204,362	264,218
Interest payable and similar charges	5	<u>(49,606)</u>	<u>(45,302)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		154,756	218,916
Tax on profit on ordinary activities	6	<u>(29,331)</u>	<u>(44,142)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>125,425</u>	<u>174,774</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

OPUS ARTE UK LIMITED**BALANCE SHEET****31 December 2006**

		2006	2005
		£	as restated £
FIXED ASSETS	Notes		
Tangible assets	8	24,932	44,982
Investments	9	<u>2,229,840</u>	<u>2,199,844</u>
		<u>2,254,772</u>	<u>2,244,826</u>
 CURRENT ASSETS			
Stocks	10	884,482	849,611
Debtors	11	1,467,700	1,241,415
Cash at bank and in hand		<u>1,504</u>	<u>1,324</u>
		2,353,686	2,092,350
CREDITORS			
Amounts falling due within one year	12	<u>(2,337,034)</u>	<u>(2,196,798)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>16,652</u>	<u>(104,448)</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		2,271,424	2,140,378
 CREDITORS			
Amounts falling due after more than one year	13	(1,320,907)	(1,313,918)
PROVISIONS FOR LIABILITIES	17	<u>-</u>	<u>(1,368)</u>
NET ASSETS		<u>950,517</u>	<u>825,092</u>

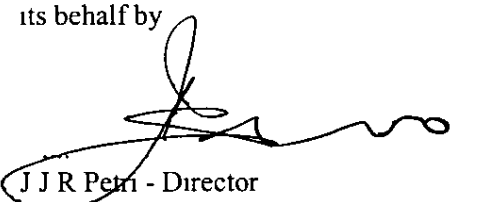
The notes form part of these financial statements

OPUS ARTE UK LIMITED

BALANCE SHEET - continued
31 December 2006

		2006	2005
		£	as restated £
CAPITAL AND RESERVES	Notes		
Called up share capital	18	500,000	500,000
Profit and loss account	19	<u>450,517</u>	<u>325,092</u>
SHAREHOLDERS' FUNDS	22	<u>950,517</u>	<u>825,092</u>

The financial statements were approved by the Board of Directors on *18 May 2007* and were signed on its behalf by


J J R Petri - Director


Mrs P J Petri-Clark - Director

The notes form part of these financial statements

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

The turnover and profit before tax is attributable to the principal activity of the company and arose in the United Kingdom

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease over the lease term, whichever is the shorter

Fixtures & fittings	- 15% to 33% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2006

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Investment in programming

Investment in programming is capitalised and amortised over the expected useful life, principally restricted to 10 years. These assets are reviewed for impairment in all periods where events or changes in circumstances indicate that the carrying value may not be recoverable. Any anticipated losses on individual projects are recognised in the accounts immediately.

Royalties

Royalty income is included on a receivable basis calculated on sales of DVDs arising during each accounting period as reported by licensees. Where licensees sales reports are not available, advances are carried forward and recognised as income over the expected life of each individual licence.

Royalties payable are expensed on an accruals basis. Royalty advances payable are expensed on a paid basis except that they are carried forward and recognised as an asset where it is estimated that sufficient future royalties will be earned for recoupment of those advances.

2 STAFF COSTS

	2006	2005 as restated
	£	£
Wages and salaries	372,296	336,683
Social security costs	41,616	37,617
Other pension costs	<u>12,281</u>	<u>5,281</u>
	<u>426,193</u>	<u>379,581</u>

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2006

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	2006	2005 as restated
Directors	2	2
Finance & administration	3	3
Production & sales	<u>7</u>	<u>6</u>
	<u>12</u>	<u>11</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2006	2005 as restated
	£	£
Depreciation - owned assets	14,273	22,042
Depreciation - assets on finance leases	8,391	321
Auditors' remuneration	8,000	3,500
Amortisation of investment in programming	587,941	506,945
Operating lease rentals - hire of plant and machinery	462	462
Operating lease rentals - other operating leases	<u>22,296</u>	<u>26,157</u>
Directors' emoluments	140,214	130,278
Directors' pension contributions to money purchase schemes	<u>7,534</u>	<u>3,622</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>2</u>	<u>2</u>
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4 EXCEPTIONAL ITEMS

The Directors identified that an accrual amounting to £184,167 in respect of MCPS costs and profit share due to a third party on specific projects was no longer due. As a result this has been credited to cost of sales in the year, increasing gross profits by this amount.

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2006

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005 as restated
	£	£
Bank interest	48,277	44,391
Finance lease interest	<u>1,329</u>	<u>911</u>
	<u>49,606</u>	<u>45,302</u>

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2006	2005 as restated
	£	£
Current tax		
UK corporation tax	32,700	42,000
Over provision in prior years	<u>(128)</u>	<u>(414)</u>
Total current tax	32,572	41,586
Deferred tax	<u>(3,241)</u>	<u>2,556</u>
Tax on profit on ordinary activities	<u>29,331</u>	<u>44,142</u>

UK corporation tax has been charged at 19% (2005 - 19%)

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2006

6 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2006	2005 as restated
	£	£
Profit on ordinary activities before tax	<u>154,756</u>	<u>218,916</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%)	29,404	41,594
Effects of		
Disallowed expenses	1,291	1,624
Depreciation in excess of capital allowances	1,957	(1,395)
Over provision in prior years	(128)	(414)
Rounding	<u>48</u>	<u>177</u>
Current tax charge	<u>32,572</u>	<u>41,586</u>

7 PRIOR YEAR ADJUSTMENT

Seven projects treated as "Work in Progress" in 2005 have been identified as licenses in perpetuity. The 2005 balance sheet has been restated to show these projects as "Investments in Programming". This restatement had no impact on the profit and loss account.

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2006

8 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2006	44,030	114,908	158,938
Additions	<u>1,077</u>	<u>1,538</u>	<u>2,615</u>
At 31 December 2006	<u>45,107</u>	<u>116,446</u>	<u>161,553</u>
DEPRECIATION			
At 1 January 2006	40,464	73,493	113,957
Charge for year	<u>1,328</u>	<u>21,336</u>	<u>22,664</u>
At 31 December 2006	<u>41,792</u>	<u>94,829</u>	<u>136,621</u>
NET BOOK VALUE			
At 31 December 2006	<u>3,315</u>	<u>21,617</u>	<u>24,932</u>
At 31 December 2005	<u>3,566</u>	<u>41,415</u>	<u>44,981</u>

Fixed assets, included in the above, which are held under finance leases are as follows

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2006	26,772	5,535	32,307
Transfer to ownership	<u>(26,772)</u>	<u>19,637</u>	<u>(7,135)</u>
At 31 December 2006	<u>-</u>	<u>25,172</u>	<u>25,172</u>
DEPRECIATION			
At 1 January 2006	26,772	5,535	32,307
Charge for year	-	8,391	8,391
Transfer to ownership	<u>(26,772)</u>	<u>2,856</u>	<u>(23,916)</u>
At 31 December 2006	<u>-</u>	<u>16,782</u>	<u>16,782</u>
NET BOOK VALUE			
At 31 December 2006	<u>-</u>	<u>8,390</u>	<u>8,390</u>
At 31 December 2005	<u>-</u>	<u>-</u>	<u>-</u>

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2006

9 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2006	4,095,853
Additions	674,857
Disposals	<u>(5,539)</u>
At 31 December 2006	<u>4,765,171</u>
PROVISIONS	
At 1 January 2006	1,896,009
Provision for year	<u>639,322</u>
At 31 December 2006	<u>2,535,331</u>
NET BOOK VALUE	
At 31 December 2006	<u>2,229,840</u>
At 31 December 2005 (as restated)	<u>2,199,844</u>

10 STOCKS

	2006 £	2005 as restated £
Stocks	210,515	256,661
Work-in-progress	<u>673,967</u>	<u>592,950</u>
	<u>884,482</u>	<u>849,611</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 as restated £
Trade debtors	511,335	628,160
Other debtors	2,322	5,201
Deferred tax asset		
Temporary timing differences	1,873	-
Prepayments and accrued income	<u>952,170</u>	<u>608,054</u>
	<u>1,467,700</u>	<u>1,241,415</u>

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2006

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005 as restated
	£	£
Bank loans and overdrafts (see note 14)	716,212	414,507
Finance leases (see note 15)	8,394	-
Trade creditors	1,027,677	1,009,943
Tax	32,700	42,000
Social security and other taxes	46,762	11,199
Other creditors	1,256	260,985
Accruals and deferred income	504,033	458,164
	<u>2,337,034</u>	<u>2,196,798</u>

The bank loans and overdrafts are secured by a fixed and floating charge on the assets of the company

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005 as restated
	£	£
Finance leases (see note 15)	6,989	-
Amounts due to group undertaking	<u>1,313,918</u>	<u>1,313,918</u>
	<u>1,320,907</u>	<u>1,313,918</u>

14 LOANS

An analysis of the maturity of loans is given below

	2006	2005 as restated
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>716,212</u>	<u>414,507</u>

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2006

15 OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2006	2005
	£	as restated £
Gross obligations repayable		
Within one year	9,780	-
Between one and five years	<u>7,942</u>	<u>-</u>
	<u>17,722</u>	<u>-</u>
Finance charges repayable		
Within one year	1,386	-
Between one and five years	<u>953</u>	<u>-</u>
	<u>2,339</u>	<u>-</u>
Net obligations repayable		
Within one year	8,394	-
Between one and five years	<u>6,989</u>	<u>-</u>
	<u>15,383</u>	<u>-</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2006	2005	2006	2005
	£	as restated £	£	as restated £
Expiring				
Within one year	22,296	26,687	-	-
Between one and five years	<u>-</u>	<u>-</u>	<u>462</u>	<u>462</u>
	<u>22,296</u>	<u>26,687</u>	<u>462</u>	<u>462</u>

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2006

16 SECURED DEBTS

The following secured debts are included within creditors

	2006	2005 as restated
	£	£
Bank overdrafts	716,212	414,507
Finance leases	<u>15,383</u>	<u>-</u>
	<u>731,595</u>	<u>414,507</u>

The bank overdrafts are secured by the assignment of keyman insurance on the life of Mr JJR Petri in the sum of £1,000,000 and a letter of Cross Guarantee from the parent company, Opus Arte BV

17 PROVISIONS FOR LIABILITIES

	2005 as restated £
Deferred tax	
Temporary timing differences	<u>1,368</u>
	Deferred tax £
Balance at 1 January 2006	1,368
Decelerated capital allowances	<u>(3,241)</u>
Balance at 31 December 2006	<u>(1,873)</u>

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2006

18 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2006 £	2005 as restated £
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2006 £	2005 as restated £
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

19 RESERVES

	Profit and loss account £
At 1 January 2006	325,092
Profit for the year	<u>125,425</u>
At 31 December 2006	<u>450,517</u>

20 ULTIMATE PARENT COMPANY

The directors regard Opus Arte BV, a company incorporated in The Netherlands, as the ultimate parent company and ultimate controlling party

21 RELATED PARTY DISCLOSURES

The company is a 100% subsidiary of Opus Arte BV

During the year there were no movements in the loan balance and at the year end Opus Arte UK Limited owed Opus Arte BV £1,313,918 (2005 £1,313,918) This loan is interest free and repayable after five years

OPUS ARTE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2006

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005 as restated
	£	£
Profit for the financial year	<u>125,425</u>	<u>174,774</u>
Net addition to shareholders' funds	125,425	174,774
Opening shareholders' funds	<u>825,092</u>	<u>650,318</u>
Closing shareholders' funds	<u>950,517</u>	<u>825,092</u>