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Opus Trust Investments Limited

Annual report and financial statements

For the period ended 31 March 2016

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Opus Trust Investments Limited

Company Information

Directors	P C De Haan (appointed 23 December 2014) S C Johnson (appointed 23 December 2014) M G Greville (appointed 9 September 2016)
Company secretary	S J Ghysen
Registered number	09366065
Registered office	The Woolyard 54 Bermondsey Street London SE1 3UD
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Handlesbanken 5th Floor 13 Charles II Street London SW1Y AQU
Solicitors	Taylor Wessing LLP 5 New Street Square London EC4A 3TW

Opus Trust Investments Limited

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Opus Trust Investments Limited

Group strategic report For the period ended 31 March 2016

Business review

The results for the group showed a small operating loss for the year of £161,000, after interest costs, compared to the previous year's profit of £307,000. The results for the prior year are further impacted by the reporting of the demerger of Opus Trust Marketing in 2015 with the restatement of the prior year results now showing an £11.4m Loss for the year compared to the £5.6m loss reported by Opus Trust Group Limited.

Group results

	<u>Returns for the year to</u> <u>31 March 2016</u>			<u>Capital allocated</u> <u>At 31st March 2016</u>		
	<u>Realised</u>	<u>Unrealised</u>	<u>Total</u>	<u>Gross</u>	<u>Debt</u>	<u>Net</u>
<u>Property - Residential</u>	<u>(203)</u>	<u>168</u>	<u>(35)</u>	<u>10,004</u>	<u>(1,897)</u>	<u>8,107</u>
<u>- Commercial</u>	<u>30</u>	<u>0</u>	<u>30</u>	<u>242</u>	<u>0</u>	<u>242</u>
<u>Investment portfolio</u>	<u>519</u>	<u>(21)</u>	<u>498</u>	<u>10,976</u>	<u>0</u>	<u>10,976</u>
<u>Group activities</u>	<u>(614)</u>	<u>0</u>	<u>(610)</u>	<u>224</u>	<u>(828)</u>	<u>(604)</u>
<u>Property finance</u> <u>(discontinued)</u>	<u>(44)</u>	<u>0</u>	<u>(44)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Operating Results</u>	<u>(311)</u>	<u>147</u>	<u>(161)</u>	<u>21,446</u>	<u>(2,725)</u>	<u>18,721</u>

Investment returns were £498,000 in the year (2015: £1.1m). The OEIC suffered a small fall in value across the period but this was offset by continued strong returns from the private equity investments. Overall the return was equivalent to 4.6% which is reasonable in a time of uncertainty and negative bond yields.

Residential property produced a loss of £35,000 (2015: £318,000 loss). This was again impacted by further provisions for a non-London holding to resolve remedial works necessary to push ahead with the long term divestment plan. The core London properties performed well with the refurbishment of one property producing the only void for rental income.

Commercial property investment is held through long term syndicate which produced a 12% return in the year of £30,000. This is non-core activity but is a long term hold as the liquidity for these investments is limited. Property Finance has incurred further costs in attempting to gain better security on old debts, this has given rise to the loss of £44,000 for the year as legal fees have been incurred. The debts have been fully provided for in the balance sheet but it is hoped that improved security will lead to the release of some of the provisions in the future and recovery of part of the amounts outstanding. The prior year saw repayments of the loans secured and gave rise to a £387,000 profit.

Group activities have fallen from £998,000 in 2015 to £614,000 in the current year. These activities are the costs for running the central office and providing shareholder support.

Opus Trust Investments Limited

Group strategic report (continued) For the period ended 31 March 2016

Group reorganisation

During the year to 31 March 2015 Opus Trust Marketing Limited left the group and is now held by another company under common ownership, the shareholders considered it in the best interest of the group that distinct business activities are held separately to enable the management teams to concentrate on growing each business. The departure of this business realised a £3.7m loss on disposal taking into account the profits up to the demerger.

As part of the demerger Opus Trust Investments Limited was created as the new parent company of Opus Trust Group Limited, these are the first consolidated results for the revised group. The accounts use merger accounting to consolidate the results however the impact of this is that Opus Trust Marketing Limited has been treated as an investment rather than a trading group business. The investment was held at £9.5m and therefore this crystallised as a loss with no consideration being received by the company in the demerger process.

Reported Loss for 2015	(£5.6m)
Add back:	
Profit from discontinued operations	(£1.3m)
Remove:	
Loss on disposal of group entity	£5.0m
Loss on investment	(£9.5m)
Restated Loss for 2015	<u>(£11.4m)</u>

This restatement has no impact on the reported net assets of the group at the end of the last accounting year, they remained at £23.1m.

Principal risks and uncertainties

Global markets

The group is exposed to movements in global financial markets. This risk is managed by the group's Investment Committee which is composed of the group's board of directors and a trustee of the Peter De Haan Charitable trust. This group meets at least quarterly and seeks advice from its investment advisors. The Investment Committee has designed an investment policy which is diverse across asset classes and geographies, the actual position is monitored regularly.

House prices

The group is exposed to movements in UK house prices. The group's policy is to invest in the UK residential market for the long term. The board of directors continues to monitor the long term market trends and has adopted a conservative approach to gearing with a target of no more than 50% on residential property.

Liquidity risk

The group manages its liquidity risk by ensuring that it has sufficient cash and banking facilities to meet its immediate needs. The group's main investment, the OEIC, has been structured to provide liquidity if necessary.

Opus Trust Investments Limited

**Group strategic report (continued)
For the year ended 31 March 2016**

Future

The strategy for the group is to continue to simplify operations where we can and improve the quality of the assets held to provide long term returns for the shareholders. The investment portfolio is performing better in uncertain market conditions and the selling of non-core property assets has improved the overall quality of the investments with focus necessary on disposing of non-London assets.

Finally I would like to thank all of our directors, employees and advisors for their part in what has been achieved this year.

This report was approved by the board on 21 September 2016 and signed on its behalf



P C De Vries
Director

Opus Trust Investments Limited

Directors' report

For the period ended 31 March 2016

The directors present their report and the financial statements for the period ended 31 March 2016

Principal activity

The principal activities of the group during the year were to

- Hold and manage a broad range of investments for long term capital growth,
- Hold and manage a portfolio of residential property for the long term,
- Invest in a range of syndicated commercial property interests, and
- Invest in a number of residential property development opportunities,

Results and dividends

The loss for the period, after taxation, amounted to £165,000 (2015 - loss £11,193,000)

The directors do not propose the payment of a dividend

Directors

The directors who served during the period were

P C De Haan (appointed 23 December 2014)

S C Johnson (appointed 23 December 2014)

Financial instruments

For details of the group's financial risk management approach see note 21

Matters covered in the strategic report

For information regarding future developments, principal risks and uncertainties please refer to the Strategic Report

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information

Opus Trust Investments Limited

**Directors' report (continued)
For the year ended 31 March 2016**

Post balance sheet events

There have been no significant events affecting the Group since the year end

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 21 September 2016 and signed on its behalf



S C Johnson
Director

Opus Trust Investments Limited

Directors' responsibilities statement For the period ended 31 March 2016

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies for the Group financial statements and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opus Trust Investments Limited

Independent auditors' report to the shareholders of Opus Trust Investments Limited

We have audited the financial statements of Opus Trust Investments Limited for the period ended 31 March 2016, set out on pages 9 to 37. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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

As explained more fully in the Directors' responsibilities statement on page 6, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2016 and of the Group's profit or loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Opus Trust Investments Limited

Independent auditors' report to the shareholders of Opus Trust Investments Limited (continued)

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

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

Date *22 September 2016*

Opus Trust Investments Limited

**Consolidated statement of comprehensive income
For the period ended 31 March 2016**

	Note	2016 £000	2015 £000
Turnover	4	3,630	7,738
Cost of sales		(1,396)	(6,187)
Gross profit		2,234	1,551
Administrative expenses		(2,490)	(1,889)
Fair value movements		147	796
Operating (loss)/profit	5	(109)	458
Disposal of subsidiary		-	(9,500)
Interest payable and expenses	9	(52)	(151)
Loss before taxation		(161)	(9,193)
Tax on loss	10	-	(2,211)
Loss for the period		(161)	(11,404)
Owners of the parent company		(161)	(11,404)
		(161)	(11,404)

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income

There were no other comprehensive income for 2016 or 2015

The notes on pages 17 to 37 form part of these financial statements

Opus Trust Investments Limited
Registered number: 09366065

Consolidated balance sheet
As at 31 March 2016

	Note	£000	2016 £000	£000	2015 £000
Fixed assets					
Investments	13		11,220		11,491
Investment property	14		10,004		11,055
			<u>21,224</u>		<u>22,546</u>
Current assets					
Debtors	15	1,021		2,474	
Cash at bank and in hand	16	1,206		1,770	
		<u>2,227</u>		<u>4,244</u>	
Creditors amounts falling due within one year	17	(2,974)		(1,001)	
Net current (liabilities)/assets			<u>(747)</u>		<u>3,243</u>
Total assets less current liabilities			<u>20,477</u>		<u>25,789</u>
Creditors amounts falling due after more than one year	18		(1,756)		(2,672)
Net assets			<u><u>18,721</u></u>		<u><u>23,117</u></u>
Capital and reserves					
Called up share capital			621		687
Capital redemption reserve	24		66		-
Investment property reserve	24		5,862		4,938
Profit and loss account	24		12,172		17,492
Equity attributable to owners of the parent company			<u><u>18,721</u></u>		<u><u>23,117</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2016


P C De Haan
 Director


S C Johnson
 Director


The notes on pages 17 to 37 form part of these financial statements

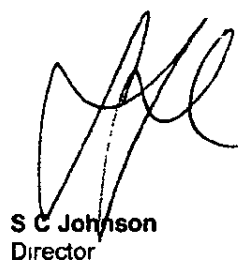
Opus Trust Investments Limited
Registered number. 09366065

Company balance sheet
As at 31 March 2016

	Note	£000	2016 £000	£000	2015 £000
Fixed assets					
Investments	13		23,124		-
Current assets					
Debtors	15	100		-	
Net current assets			100		-
Net assets			<u>23,224</u>		<u>-</u>
Capital and reserves					
Called up share capital			621		-
Capital redemption reserve	24		66		-
Merger reserve	24		22,438		-
Profit and loss account	24		99		-
			<u>23,224</u>		<u>-</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2016


P C De Haan
 Director


S C Johnson
 Director

Opus Trust Investments Limited

Consolidated statement of changes in equity
For the period ended 31 March 2016

	Called up share capital £000	Capital redemption reserve £000	Non distributable reserve £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Total equity £000
At 1 April 2015	687	-	4,938	17,492	23,117	23,117
Comprehensive income for the period						
Loss for the period	-	-	-	(161)	(161)	(161)
Other comprehensive income for the period						
	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(161)	(161)	(161)
Purchase of own shares	-	66	-	(4,235)	(4,169)	(4,169)
Shares issued during the period	66	-	-	-	66	66
Shares cancelled during the period	(131)	-	-	-	(131)	(131)
Transfer to/from profit and loss account	-	-	-	(924)	(924)	(924)
Transfer between other reserves	-	-	924	-	924	924
Total transactions with owners	(65)	66	924	(5,159)	(4,234)	(4,234)
At 31 March 2016	622	66	5,862	12,172	18,722	18,722

**Consolidated statement of changes in equity
For the period ended 31 March 2015**

	Called up share capital £000	Non distributable reserve] £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Total equity £000
At 1 April 2014	687	5,710	28,125	34,522	34,522
Comprehensive income for the year					
Loss for the year	-	-	(11,404)	(11,404)	(11,404)
Other comprehensive income for the year					
	-	-	-	-	-
Total comprehensive income for the year					
Transfer to/from profit and loss account	-	-	771	771	771
Transfer between other reserves	-	(772)	-	(772)	(772)
Total transactions with owners					
	-	(772)	771	(1)	(1)
At 31 March 2015	687	4,938	17,492	23,117	23,117

The notes on pages 17 to 37 form part of these financial statements

**Company statement of changes in equity
For the period ended 31 March 2016**

	Called up share capital £000	Non share distributable reserve £000	Merger reserve £000	Profit and loss account £000	Total equity £000
Comprehensive income for the year					
Profit for the period	-	-	-	4,334	4,334
Other comprehensive income for the period					
	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,334	4,334
Contributions by and distributions to owners					
Purchase of own shares	-	66	-	(4,235)	(4,169)
Shares issued during the period	687	-	-	-	687
Shares cancelled during the period	(66)	-	-	-	(66)
Merger reserve in year	-	-	22,438	-	22,438
Total transactions with owners	621	66	22,438	(4,235)	18,890
At 31 March 2016	621	66	22,438	99	23,224

Opus Trust Investments Limited

**Company statement of changes in equity
For the period ended 31 March 2015**

	Total equity £000
Other comprehensive income for the year	-
Total comprehensive income for the year	-
Total transactions with owners	-

Opus Trust Investments Limited

Consolidated statement of cash flows
For the period ended 31 March 2016

	2016 £000	2015 £000
Cash flows from operating activities		
Loss for the financial period	(161)	(11,404)
Adjustments for		
Depreciation of tangible assets	-	43
Impairments of fixed assets	-	132
Interest paid	52	151
Taxation	-	2,211
Decrease in debtors	1,395	882
Increase/(decrease) in creditors	2,028	(148)
Net fair value losses/gains recognised in P&L	(147)	(796)
Loss on disposal of subsidiary	-	9,500
Net cash generated from operating activities	3,167	571
Cash flows from investing activities		
Sale of investment properties	1,219	5,766
Purchase of listed investments	-	(2,913)
Sale of unlisted and other investments	238	445
Net cash from investing activities	1,457	3,298
Cash flows from financing activities		
Issue of ordinary shares	66	-
Purchase of ordinary shares	(4,235)	-
Repayment of loans	(967)	(3,118)
Interest paid	(52)	(151)
Net cash used in financing activities	(5,188)	(3,269)
Cash and cash equivalents at beginning of period	1,770	1,170
Cash and cash equivalents at the end of period	1,206	1,770
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,206	1,770
	1,206	1,770

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

1 General information

Opus Trust Investments Limited is a limited liability company incorporated in England and Wales

The company's registered office is Woolyard, 54 Bermondsey Street, London, SE1 3UD

The principal activity of the company is to act as the ultimate parent holding company for a group whose activities during the year were

- Hold and manage a broad range of investments for long term capital growth,
- Hold and manage a portfolio of residential property for the long term,
- Invest in a range of syndicated commercial property interests, and
- Invest in a number of residential property development opportunities

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention investments and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006

The company's functional and presentational currency is Pound Sterling

The company's financial statements are presented to the nearest thousand

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the company's accounting policies (see note 3)

The following principal accounting policies have been applied

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

2. Accounting policies (continued)

2.2 Basis of consolidation

Opus Trust Investments Limited was incorporated on 23 December 2014 and therefore its first period of account is from the date of incorporation until 31 March 2016

On 26 January 2015, Opus Trust Investments Limited purchased the share capital of Opus Trust Group Limited as part of a group reorganisation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full

In the opinion of the directors, the creation of the group was a group reconstruction rather than an acquisition, since the equity holders of the company remain the same as the former equity holders and the rights of the equity holders are unchanged and no minority interest in the net assets of the group has arisen. In addition, the purpose of the transaction was not to move the net asset value out of the group and return it to the equity holder, but rather to reorganise the assets and liabilities within the existing individual entities. Therefore, the directors consider that to record the transaction as an acquisition by the company, attributing fair values to the assets and liabilities of the group and reflecting only the post transaction results within these financial statements would fail to give a true and fair view of the group's results and financial position.

The directors have adopted the merger accounting principles in drawing up these financial statements. The main consequence of adopting merger rather than acquisition accounting is that the balance sheet of the merged group includes the assets and liabilities of each of the group's combining entities at their carrying values prior to the merger, subject to any adjustments to achieve uniformity of accounting policies, rather than at their fair values at the date of the merger. The group's comparative information is that of the combined entities as listed in note 13.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- over the minimum lease duration
Fixtures and fittings	- 3 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

2. Accounting policies (continued)

2.4 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and loss account.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Foreign exchange gains and losses arising on investments held at fair value are included in the changes in their fair values.

Syndicated investments in properties are held at their fair value.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

**Notes to the financial statements
For the period ended 31 March 2016**

2. Accounting policies (continued)

2.8 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured

- at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably,
- at cost less impairment for all other investments

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

2 Accounting policies (continued)

2.10 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the period in which they are incurred.

**Notes to the financial statements
For the period ended 31 March 2016**

2. Accounting policies (continued)

2.15 Taxation

Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

Lease commitments

The group has entered into a range of lease commitments in respect of property. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the group has acquired the risks and rewards associated with the ownership of the underlying assets.

The following are the group's key sources of estimation uncertainty:

Investment properties

The group holds investment property with fair value of £10,004,000 at the year end (see note 14). In order to determine the fair value of investment property the group has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Unquoted equity investments

The fair value of unquoted equity investments held by the group at the reporting date was £2,146,000 (see note 13). This valuation is subject to uncertainty due to the lack of observable market prices for these investments.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £000	2015 £000
Investment income	3,630	7,738
	<u>3,630</u>	<u>7,738</u>

All turnover arose within the United Kingdom.

Opus Trust Investments Limited

**Notes to the financial statements
For the period ended 31 March 2016**

5 Operating loss

The operating loss is stated after charging

	2016 £000	2015 £000
Depreciation of tangible fixed assets	-	44
Impairment of tangible fixed assets	-	(189)
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	31	24
Other operating lease rentals	685	773
Defined contribution pension cost	1	1
	<u>1</u>	<u>1</u>

6 Auditors' remuneration

	2016 £000	2015 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	31	24
	<u>31</u>	<u>24</u>

7. Employees

Staff costs, including directors' remuneration, were as follows

	2016 £000	2015 £000
Wages and salaries	575	470
Cost of defined contribution scheme	1	1
	<u>576</u>	<u>471</u>

The average monthly number of employees, including the directors, during the period was as follows

	2016 No.	2015 No
Employees	6	6
	<u>6</u>	<u>6</u>

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

8 Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	295	253
Company contributions to defined contribution pension schemes	1	1
	<u>296</u>	<u>254</u>

During the period retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £167,000 (2015 - £137,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2015 - £1,000)

9. Interest payable and similar charges

	2016 £000	2015 £000
Bank interest payable	52	151
	<u>52</u>	<u>151</u>

10 Taxation

	2016 £000	2015 £000
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	2,211
Total deferred tax	<u>-</u>	<u>2,211</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>2,211</u>

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

10 Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%) The differences are explained below

	2016 £000	2015 £000
Profit on ordinary activities before tax	(165)	(9,193)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(33)	(1,839)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(38)	12
Capital allowances for period/year in excess of depreciation	(17)	(7)
Utilisation of tax losses	(3)	(24)
Unrecognised deferred tax	-	2,211
Capital gains	(29)	1,731
Dividends from UK companies	(20)	(9)
Unrelieved tax losses carried forward	189	136
Group relief	(49)	-
Total tax charge for the period/year	-	2,211

Factors that may affect future tax charges

The group has unutilised trading and related losses of approximately £18m carried forward for offset against future taxable income. No deferred tax has been recognised in respect of these losses due to the uncertainty as to when they will be utilised.

In addition the group has unutilised capital losses of approximately £29m for which no deferred tax asset has been recognised.

11. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent company for the period/year was £4,334,000 (2015 - £NIL).

Opus Trust Investments Limited

**Notes to the financial statements
For the period ended 31 March 2016**

12 Tangible fixed assets

Group

	Leasehold property £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At 1 April 2015	3,412	253	3,665
Disposals	(2,763)	(89)	(2,852)
At 31 March 2016	<u>649</u>	<u>164</u>	<u>813</u>
Depreciation			
At 1 April 2015	3,412	253	3,665
Disposals	(2,763)	(89)	(2,852)
At 31 March 2016	<u>649</u>	<u>164</u>	<u>813</u>
Net book value			
At 31 March 2016	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>

Opus Trust Investments Limited

**Notes to the financial statements
For the period ended 31 March 2016**

13 Fixed asset investments

Group

	Listed investments £000	Unlisted investments £000	Total £000
Cost or valuation			
At 1 April 2015	9,307	2,184	11,491
Disposals	-	(238)	(238)
Revaluations	(230)	210	(20)
At 31 March 2016	<u>9,077</u>	<u>2,156</u>	<u>11,233</u>
Impairment			
Charge for the period	-	10	10
At 31 March 2016	<u>-</u>	<u>10</u>	<u>10</u>
Net book value			
At 31 March 2016	<u>9,077</u>	<u>2,146</u>	<u>11,223</u>
At 31 March 2015	<u>9,307</u>	<u>2,184</u>	<u>11,491</u>

The fair value of the listed investments at 31 March 2016 was £9,077,000 (2015 - £9,310,000)

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

13 Fixed asset investments (continued)

Direct subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Country of incorporation	Class of shares	Holding	Principal activity
Opus Trust Group Limited	England and Wales	Ordinary	100 %	Intermediate holding company

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Country of incorporation	Class of shares	Holding	Principal activity
Opus 102 Limited	England and Wales	Ordinary	100 %	Investment company
Opus Trust Limited*	England and Wales	Ordinary	100 %	Intermediate holding company
Opus Property Investments Limited	England and Wales	Ordinary	100 %	Property investment
DH Property Investments Limited	England and Wales	Ordinary	100 %	Property ownership
Opus Nominees Limited	England and Wales	Ordinary	100 %	Nominee
Opus Property Finance Limited*	England and Wales	Ordinary	100 %	Property finance
Tavern Apartments Limited*	England and Wales	Ordinary	100 %	Property investment
Stanley Grove Limited*	England and Wales	Ordinary	100 %	Property development
Arca Homes (Collingwood) Limited*	England and Wales	Ordinary	100 %	Property development
Opus Property Ventures Limited*	England and Wales	Ordinary	100 %	Dormant
Opus Residential Investments	England and Wales	Ordinary	100 %	Dormant
Opus 2011 Limited	England and Wales	Ordinary	100 %	Dormant
Opus 2013 Limited	England and Wales	Ordinary	100 %	Dormant
Opus 2014 Limited	England and Wales	Ordinary	100 %	Dormant
Opus Property Construction Limited*	England and Wales	Ordinary	100 %	Dormant
Opus Corporate Trustees Limited	England and Wales	Ordinary	100 %	Corporate trustee

* These subsidiary undertakings have taken advantage of audit exemption in accordance with Section 479A Companies Act 2009 See note 24 for further details

Opus Trust Investments Limited

**Notes to the financial statements
For the period ended 31 March 2016**

13. Fixed asset investments (continued)

Company

**Investments
in
subsidiary
companies
£000**

Cost or valuation

Additions

23,124

At 31 March 2016

23,124

Net book value

At 31 March 2016

23,124

At 31 March 2015

-

14. Investment property

Group

**Freehold
investment
property
£000**

Valuation

At 1 April 2015

11,055

Disposals

(1,219)

Surplus on revaluation

168

At 31 March 2016

10,004

The investment properties are based on the directors' valuations, having regard to local agent's views on resale values

Opus Trust Investments Limited

**Notes to the financial statements
For the period ended 31 March 2016**

15. Debtors

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Due after more than one year				
Other debtors	-	716	-	-
	-	716	-	-
Due within one year				
Trade debtors	17	31	-	-
Amounts owed by group undertakings	-	-	100	-
Other debtors	463	1,337	-	-
Prepayments and accrued income	541	390	-	-
	1,021	2,474	100	-

The group has advanced short term loans to third parties with a gross value of £2,126,729 (2015 £2,126,729) and which have been fully provided for (2015 provision £2,126,729)

16 Cash and cash equivalents

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Cash at bank and in hand	1,206	1,770	-	-
	1,206	1,770	-	-

17 Creditors. Amounts falling due within one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Bank loans	140	192	-	-
Trade creditors	173	72	-	-
Taxation and social security	56	19	-	-
Other creditors	2,038	1	-	-
Accruals and deferred income	567	717	-	-
	2,974	1,001	-	-

18. Creditors: Amounts falling due after more than one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Bank loans	1,756	2,672	-	-
	1,756	2,672	-	-

Opus Trust Investments Limited

**Notes to the financial statements
For the period ended 31 March 2016**

19. Loans

Analysis of the maturity of loans is given below

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Amounts falling due within one year				
Bank loans	140	192	-	-
	140	192	-	-
Amounts falling due 2-5 years				
Bank loans	421	625	-	-
	421	625	-	-
Amounts falling due after more than 5 years				
Bank loans	1,335	2,047	-	-
	1,335	2,047	-	-

The bank loans relates to a loan from Svenska Handelsbanken AB (publ)

The bank loans are repayable by quarterly instalments over a period of 20 years and interest will be charged at 1.45% above the banks LIBOR rate

The bank loans are secured by a first charge on the group's investment properties and a guarantee provided by fellow group companies Opus 102 Limited and Opus Residential Investments

Opus Trust Investments Limited

**Notes to the financial statements
For the period ended 31 March 2016**

20 Financial instruments

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Financial assets				
Financial assets measured at fair value through profit or loss	11,223	11,491	-	-
Financial assets that are debt instruments measured at amortised cost	938	1,642	100	-
	12,161	13,133	100	-
Financial liabilities				
Financial liabilities measured at amortised cost	(2,430)	(3,339)	-	-
	(2,430)	(3,339)	-	-

Financial assets measured at fair value through profit or loss comprise of listed and unlisted shares

Financial assets measured at amortised cost comprise trade debtors, accrued income and other debtors

Financial Liabilities measured at amortised cost comprise trade creditors, accruals and bank loans

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

21 Financial risk management approach

The group has exposure to three main areas of risk – foreign exchange exposure, liquidity risk and customer credit exposure. The group has established a risk and financial management framework whose primary objective is to mitigate the company's exposure to risk in order to protect the group from events that may hinder its performance.

Foreign exchange exposure

The company is exposed to currency exchange risk, but as the number and value of transactions in non-sterling currencies is minimal it is the opinion of the directors that the risk is not significant and no active management of the risk is undertaken.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due. The group's objective in managing liquidity risk is to ensure that this does not arise. Having assessed future cash flow requirements the company expects to be able to meet its financial obligations through the cash flows that are generated from its operating activities. In the event that these cash flows would not be sufficient to enable the group to meet all of its obligations the company has available credit facilities provided by its bankers. With these facilities in place the company is in a position to meet its commitments and obligations as they fall due.

Customer credit exposure

The group regularly offers credit terms to its customers which allow for payment of the debt after delivery services or provision of finance. The group is at risk to the extent that a customer may be unable to pay the debt within those terms. This risk is mitigated by the strong on-going customer relationships and by only granting credit to customers who are able to demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the group's trade debtors and loans given to individuals are shown in note 15.

22 Deferred taxation

Group

	2015 £000
At beginning of year	2,211
Charged to the profit or loss	(2,211)
At end of year	-

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

23. Share capital

	2016 £000
Share classified as equity	
Allotted, called up and fully paid	
1,110,592 Ordinary shares of £0 25 each	277
1,374,407 Deferred shares of £0 25 each	344
	<hr/> 621 <hr/>

Upon incorporation the company issued 1,372,971 ordinary shares and 1,374,407 deferred shares each with a nominal value of £0 25

During the year the company repurchased 262,379 ordinary £0 25 shares with a nominal value of £65,595. The aggregate consideration paid for these shares was £4,234,570. This is equivalent to 9.6% of the issued share capital of the company at the beginning of the period.

24. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Merger Reserve

This reserve comprises the additional cost of the investment over the nominal value of the company's share capital.

Profit and loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

Non-distributable reserve

To assist with the identification of profits available for distribution this reserve represents changes in the fair value of the company's fixed asset investments to the extent that they are not considered to be distributable to the company's shareholders, less any related provision for current or deferred tax.

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

25. Contingent liabilities

Group banking arrangements

Opus Trust Group, a subsidiary undertaking of the company, has guaranteed the facilities of all the companies within the Opus Trust Group along with Opus Trust Marketing Limited, a company under common control. The group had no exposure under this liability at the balance sheet date or in the previous year.

Subsidiary undertakings and audit exemption

Opus Trust Investments Limited has a number of subsidiary undertakings which have taken advantage of audit exemption in accordance with Section 479A Companies Act 2006. These subsidiary undertakings are shown in note 13. As part of the requirements for doing so the company has provided guarantees over all the liabilities of these subsidiary undertakings as at 31 March 2016. These guarantees will remain in place until such time as these liabilities are settled in full. The total recorded liabilities of those subsidiary undertakings for which guarantees have been provided as at 31 March 2016, including intra-group debt, was £11,134,619 (2015: £11,792,453). In the prior year this guarantee was provided by Opus Trust Group Limited. The directors are not aware of any circumstances which may indicate that the company will be required to settle any liabilities of subsidiary undertakings in accordance with the guarantees that have been provided.

26. Commitments under operating leases

At 31 March 2016 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £000	Group 2015 £000
Not later than 1 year	580	710
Later than 1 year and not later than 5 years	1,596	1,796
Total	2,176	2,506

Opus Trust Investments Limited

Notes to the financial statements For the period ended 31 March 2016

27. Related party transactions

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 March 2016 for the group, are as follows

	2016 £000	2015 £000
Amounts due to companies under common control	12	-
Amounts due from companies under common control	3	716
Amounts due from directors and close family	52	1,043
Amounts due from connected trusts	5	-
Amounts due from ultimate beneficial owners	189	-
Sales to companies under common control	995	196
Purchases from companies under common control	537	246
Sales to connected charities	765	833
Amounts due to directors	2,034	-

Sales and purchases between related parties are made at normal market prices

Loans due to directors are unsecured, carry no interest and are repayable on demand

During the year the company repurchased 262,379 ordinary shares from P C De Haan. See note 23 for further details.

Key management comprises solely the directors of the company. See note 8 for disclosure of directors' remuneration and key management compensation.

The group is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.