

Registered number: 03782941

Opus Trust Group Limited

Directors' report and financial statements

For the year ended 31 March 2015

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Opus Trust Group Limited

Company Information

Directors	P C De Haan M G Greville S C Johnson
Company secretary	S J Tuson Taylor
Registered number	03782941
Registered office	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	Handelsbanken 5th Floor 13 Charles II Street London SW1Y 4QU
Solicitors	Taylor Wessing LLP 5 New Street Square London EC4A 3TW
Investment Advisors	Cambridge Associates Limited 80 Victoria Street Cardinal Place London SW1E 5JL
Brokers	Smith & Williamson 25 Moorgate London SE1 2BQ

Opus Trust Group Limited

Contents

	Page
Group strategic report	1 - 3
Directors' report	4 - 5
Directors' responsibilities statement	6
Independent auditors' report	7 - 8
Consolidated profit and loss account	9
Consolidated statement of total recognised gains and losses	10
Consolidated balance sheet	11
Company balance sheet	12
Consolidated cash flow statement	13
Notes to the financial statements	14 - 34

Opus Trust Group Limited

Group strategic report For the year ended 31 March 2015

Business review

I am pleased to report that revenue for the group has increased from £21.7m to £23.3m in the year to 31 March 2015 of which the continuing operations generated £7.7m, a £3.1m increase over the previous year. The group incurred a negative total return on operations before tax of £3.4m (2014: £0.8m profit), including unrealised gains, and a further £2.2m impact after tax with the write down of the Deferred Tax asset.

The structure of the group has changed and the results for the year are impacted by the demerger of the Business Critical Mailing company, Opus Trust Marketing Limited, to another company under common ownership. The core property and investment business generated returns of £0.3m before the impact of the loss on disposal of the Business Critical mailing business of £3.7m, net of its trading results in the period, and a write down of the deferred tax asset of £2.2m.

	Returns for the year to 31 March 2015			Capital allocated At 31 March 2015		
	Realised £000	Unrealised £000	Total £000	Gross £000	Debt £000	Net £000
Property - Residential	(15)	(303)	(318)	11,055	(2,864)	8,191
Property - Commercial	139	0	139	240	0	240
Investment portfolio	(3)	1,098	1,095	11,248	0	11,248
Group activities	(998)	0	(998)	3,441	0	3,441
Property finance (discontinued)	386	0	386	0	0	0
Core activities	(491)	795	304	25,984	(2,864)	23,120
Business critical mail						
Discontinued operations	1,271	0	1,271	0	0	0
Loss on disposal	(4,952)	0	(4,952)	0	0	0
Deferred tax write off	(2,210)	0	(2,210)	0	0	0
	(6,382)	795	(5,587)	25,984	(2,864)	23,120

Group reorganisation

During the year 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 disposal realised a loss of £4.9m in the group.

Business Critical Mailing had a further year of growth and the results are consolidated in the group to January 2015 with £1.7m operating profit in the period compared to £0.9m in the full year to March 2014. The company went on to achieve record results for the full year of £20m Turnover and Profit before Tax of £1.6m (2014: Turnover £17m, PBT £0.6m).

Following the disposal of the mailing business the group reviewed its recoverability of its trading losses against future taxable profits and considers that the Deferred Tax asset previously held is not likely to be recovered in a material way in the foreseeable future and therefore released the asset leading to a £2.2m negative impact on the year's results.

Opus Trust Group Limited

Group strategic report (continued) For the year ended 31 March 2015

Investment Returns

The investment portfolio performed significantly better than the previous year. Overall the total returns for the year are £1.2m compared to a loss of £0.5m for 2014. In summary the main areas were:

- Having made a number of fund manager changes in the OEIC during 2014 the returns have been markedly improved in 2015. The OEIC produced returns of 8.6% on the back of positive global equity markets although performance was still down against the benchmark which increased by 12.1%. The tactical positioning of the portfolio to favour UK and European funds more than the benchmark meant the total returns did not benefit in full from the US equity markets bull run in the last year although the relative positioning since the year end has seen a more favourable relative return.
- The private equity investments showed strong cash returns with two funds returning 21% and 49% in the year, these funds are in a run off period and are not part of the core portfolio.
- Commercial property had a better year with most of the syndicated investments holding their value but one of the larger investments was disposed of generating a profit of £125,000.

Residential Property

The plan to dispose of the non-prime London assets was executed with the cooling of the market at the top end, a number of sales were made which realised the carrying value of the properties in general. However, the valuation of the properties was static for the year and the stellar returns of the previous year could not be sustained by the market. Rents have remained steady with no significant void periods. The overall performance for this division was a loss of £318,000 (2014: £1,651,000 profit) which was dominated by a further write down of a non-London holding where the local market is problematic and review of the long term divestment plan is underway.

Property development and finance

The activity of development of residential property for sale through joint ventures with third parties, as noted in previous annual reports, is now discontinued. Following on from the renegotiations with one of the borrowers in 2013 the last year has seen significant repayments of this loan from the improved security position following a default. This resulted in a release of provisions that had been previously made giving rise to the £386,000 return in this division. It is uncertain at this time whether any further recoveries will be made in the future, the outstanding loans are all fully provided for.

Group activities

This consists of various assets and liabilities not specifically allocated to a business unit as well as costs for running the central office and providing shareholder support. In the drive to continue to simplify operations the costs have been managed down from £1,070,000 in 2014 to £997,000 in the current year. Assets include group cash balances and a loan to the now demerged Business Critical Mailing company that is still owned by the shareholders in a separate company.

Net debt

The aim to reduce the group's net debt position has resulted in net debt falling from £6.8m last year to £1.1m at 31 March 2015. This has been helped by the disposal of the Business Critical Mailing entity which had an opening position of £2.1m but had repaid £0.8m in the year before it left the group. The remainder of the group has seen borrowing reduce from £5.3m to £2.9m, the sale of part of the Residential Property portfolio was used to reduce debt and cash balances increased by £0.5m.

Since the year end further repayments of debt have taken place and a renegotiation of interest rates has seen the rate fall from 2.25% above LIBOR to 1.45% above LIBOR on the remaining loans.

Opus Trust Group Limited

Group strategic report (continued) For the year ended 31 March 2015

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.

Competitive and pricing risks

The business critical mailing activity is exposed to significant competitive and pricing risks which affect the ability to renew contracts and also win new work. The business manages those risks by ensuring that it is both competitive in terms of cost and leading edge in terms of products that it offers.

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.

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 trading operation, business critical mailing continues to grow and will now be able to continue its operations outside the group. 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 11 August 2015 and signed on its behalf



P C De Haan
Director

Opus Trust Group Limited

Directors' report For the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015

Principal activities

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,
- Invest in a number of residential property development opportunities, and
- Own and operate a subsidiary company involved in business critical mailing

The group disposed of its interest in business critical mailing during the year as part of a reorganisation as business critical mailing is distinctly different from the rest of the group's activities which are property and investment related and providing group services. The shareholders considered it in the best interests of the wider group that the distinct business activities are held separately which will enable the management to concentrate on growing each aspect of the business.

Dividends

The directors do not propose the payment of a dividend in relation to the year ended 31 March 2015. After the year end an interim dividend at £1.337 per share was paid in respect of the year ended 31 March 2016. See note 24 for further details.

Directors

The directors who served during the year were

P C De Haan
M G Greville
S C Johnson

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 Group Limited

**Directors' report
For the year ended 31 March 2015**

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 11 August 2015 and signed on its behalf



S C Johnson
Director

Opus Trust Group Limited

Directors' responsibilities statement For the year ended 31 March 2015

The directors are responsible for preparing the group strategic report, the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- 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.

Opus Trust Group Limited

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

We have audited the financial statements of Opus Trust Group Limited for the year ended 31 March 2015, which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 2015 and of the group's loss for the year 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 group 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 Group Limited

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

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

11 August 2015

Opus Trust Group Limited

**Consolidated profit and loss account
For the year ended 31 March 2015**

	Note	2015 £000	2014 £000
Turnover	1,3		
Continuing operations		7,741	4,587
Discontinued operations		15,539	17,096
		23,280	21,683
Cost of sales	4	(16,449)	(14,903)
		6,831	6,780
Gross profit			
Administrative expenses	4	(5,799)	(6,567)
		1,032	213
Operating profit	4,5		
Continuing operations		(350)	(641)
Discontinued operations		1,382	854
		1,032	213
Loss on disposal of investments	2	(4,952)	-
Interest payable and similar charges	8	(253)	(379)
		(4,173)	(166)
Loss on ordinary activities before taxation			
Tax on loss on ordinary activities	9	(2,210)	234
		(6,383)	68
(Loss)/profit for the financial year	22		

The notes on pages 14 to 34 form part of these financial statements

Opus Trust Group Limited

**Consolidated statement of total recognised gains and losses
For the year ended 31 March 2015**

	2015 £000	2014 £000
(Loss)/profit for the financial year	(6,383)	68
Unrealised surplus/(deficit) on revaluation of fixed asset investments	1,098	(588)
Unrealised (deficit)/surplus on revaluation of investment properties	(302)	1,353
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(5,587)	833
	<hr/>	<hr/>

The notes on pages 14 to 34 form part of these financial statements

Opus Trust Group Limited
Registered number 03782941

Consolidated balance sheet
As at 31 March 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Intangible assets	10	-	-		635
Tangible assets	11	-	-		4,405
Investment property	12		11,055		17,123
Investments	13		11,491		7,925
			<u>22,546</u>		<u>30,088</u>
Current assets					
Stocks	15	-	-	340	
Debtors	16	2,475		9,001	
Cash at bank		1,770		1,270	
		<u>4,245</u>		<u>10,611</u>	
Creditors: amounts falling due within one year	17	(999)		(5,557)	
Net current assets			<u>3,246</u>		<u>5,054</u>
Total assets less current liabilities			<u>25,792</u>		<u>35,142</u>
Creditors: amounts falling due after more than one year	18		(2,672)		(6,435)
Net assets			<u>23,120</u>		<u>28,707</u>
Capital and reserves					
Called up share capital	21		687		687
Revaluation reserve	22		4,936		5,764
Profit and loss account	22		17,497		22,256
Shareholders' funds	23		<u>23,120</u>		<u>28,707</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 August 2015

P C De Haan
Director

S C Johnson
Director

The notes on pages 14 to 34 form part of these financial statements

Opus Trust Group Limited
Registered number. 03782941

Company balance sheet
As at 31 March 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Tangible assets	11		-		233
Investments	13		491		6,491
			<u>491</u>		<u>6,724</u>
Current assets					
Debtors	16	4,289		4,789	
Cash at bank		66		875	
		<u>4,355</u>		<u>5,664</u>	
Creditors amounts falling due within one year	17	(768)		(6,362)	
Net current assets/(liabilities)			<u>3,587</u>		<u>(698)</u>
Total assets less current liabilities			<u>4,078</u>		<u>6,026</u>
Capital and reserves					
Called up share capital	21		687		687
Profit and loss account	22		3,391		5,339
Shareholders' funds	23		<u>4,078</u>		<u>6,026</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 August 2015


P C De Haan
Director


S C Johnson
Director

The notes on pages 14 to 34 form part of these financial statements

Opus Trust Group Limited

**Consolidated cash flow statement
For the year ended 31 March 2015**

	Note	2015 £000	2014 £000
Net cash flow from operating activities	25	2,372	1,430
Returns on investments and servicing of finance	26	(253)	(379)
Taxation		-	78
Capital expenditure and financial investment	26	2,952	2,037
Acquisitions and disposals	26	(666)	7
Cash inflow before financing		4,405	3,173
Financing	26	(3,905)	(1,603)
Increase in cash in the year		500	1,570

**Reconciliation of net cash flow to movement in net funds/debt
For the year ended 31 March 2015**

	2015 £000	2014 £000
Increase in cash in the year	500	1,570
Cash outflow from decrease in debt and lease financing	3,905	1,602
Change in net debt resulting from cash flows	4,405	3,172
Other non-cash changes	1,319	-
Movement in net debt in the year	5,724	3,172
Net debt at 1 April 2014	(6,818)	(9,990)
Net debt at 31 March 2015	(1,094)	(6,818)

The notes on pages 14 to 34 form part of these financial statements

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of Opus Trust Group Limited and all of its subsidiary undertakings ('subsidiaries')

The results of the subsidiary disposed of during the year have been included up to the date of disposal

1.3 Turnover

The group's revenue is derived from its business critical mailing (that left the group on 26 January 2015) and investment businesses

Business critical mailing

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty

Investment income

Revenue is recognised to the extent that the group obtains the right to its receipt. Revenue is measured at the fair value of the consideration received excluding VAT. The following criteria must also be met before revenue is recognised

- Dividend income from investments is recognised when the shareholder's right to receive payment has been established. UK dividend income is shown without any associated tax credit
- Profits on sale of investments are recognised when a sale is made under a contract. Where any unrealised gain or loss has been recognised in a previous year's accounts, such gain or loss will be dealt with by a reserve transfer
- Rental income arising from investment properties is accounted for on a straight-line basis over the lease term
- Profit on sale of investments is recognised when a sale is made under contract

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life

Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	-	over the minimum lease duration
Plant & machinery	-	3 - 12 years
Fixtures & fittings	-	3 - 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.6 Investments

(i) Subsidiary undertakings

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

(ii) Other investments

Investments are recognised or derecognised at the point at which a purchase or sale is made under a contract. Investments are initially recognised at cost.

Investments in shares are reported at closing mid-market valuation at the balance sheet date. Investments in long only funds are valued at the price released by the relevant investment manager.

Realised gains on investments since the previous balance sheet date are recognised in the profit and loss account. The realisation of gains that were recognised in prior periods are shown as a movement on reserves. Unrealised gains on investments during the year are shown in the statement of total recognised gains and losses.

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.

1.7 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the group.

Should the open market value of investment properties fall below original cost the deficit is recognised in the statement of total recognised gains and losses except to the extent that the decline in value is expected to be permanent, in which case it is recognised in the profit and loss account.

**Notes to the financial statements
For the year ended 31 March 2015**

1 Accounting policies (continued)

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Operating leases

Rentals 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.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

2. Group reorganisation

As part of a group reorganisation that took place during the year, the group disposed of its investment in Opus Trust Marketing Limited, a company whose principal activity is business critical mailing, to another company under common ownership, realising a loss on disposal of £4.9m. The shareholders of the group considered it in the best interests of the group that distinct business activities are held separately which will enable the management to concentrate on growing each aspect of the business.

3 Turnover

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

	2015 £000	2014 £000
Business critical mailing	15,539	17,096
Investment income	7,741	4,587
	<u>23,280</u>	<u>21,683</u>

During the year the group disposed of its subsidiary undertaking Opus Trust Marketing Limited. The turnover attributable to this subsidiary undertaking was £15,539,000. The remaining turnover relates to the group's continuing investment activities.

All turnover arose in the United Kingdom.

4. Analysis of operating profit

	2015		2014	
	Continuing £000	Discontinued £000	Continuing £000	Discontinued £000
Turnover	7,741	15,539	4,587	17,096
Cost of sales	(6,497)	(9,952)	(3,132)	(11,771)
Gross profit	<u>1,244</u>	<u>5,587</u>	<u>1,455</u>	<u>5,325</u>
Administrative expenses	(1,594)	(4,205)	(2,096)	(4,471)
	<u>(350)</u>	<u>1,382</u>	<u>(641)</u>	<u>854</u>

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

5. Operating profit

The operating profit is stated after charging

	2015	2014
	£000	£000
Amortisation - intangible fixed assets	77	92
Depreciation of tangible fixed assets		
- owned by the group	376	541
- held under finance leases	447	536
Impairment of fixed assets - net of related expired lease incentive	132	-
Auditors' remuneration	43	43
Operating lease rentals		
- plant and machinery	29	37
- other operating leases	451	382
	=====	=====

Auditors fees for the company were £12,000 (2014 - £12,000)

6. Staff costs

Staff costs, including directors' remuneration, were as follows

	2015	2014
	£000	£000
Wages and salaries	4,010	4,881
Social security costs	362	458
Other pension costs	160	101
	=====	=====
	4,532	5,440
	=====	=====

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

	2015	2014
	No.	No.
Production	88	98
Sales and distribution	3	3
Administration	36	43
Management	6	7
	=====	=====
	133	151
	=====	=====

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

7 Directors' remuneration

	2015 £000	2014 £000
Remuneration	<u>253</u>	<u>228</u>
Company pension contributions to defined contribution pension schemes	<u>1</u>	<u>44</u>
Amounts paid to third parties for directors' remuneration services	<u>40</u>	<u>36</u>

During the year retirement benefits were accruing to 1 director (2014 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £137,000 (2014 - £181,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,000 (2014 - £41,000)

8. Interest payable

	2015 £000	2014 £000
On bank loans and overdrafts	<u>178</u>	<u>240</u>
On finance leases and hire purchase contracts	<u>75</u>	<u>139</u>
	<u>253</u>	<u>379</u>

9 Taxation

	2015 £000	2014 £000
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on loss for the year	-	(78)
Deferred tax (see note 20)		
Origination and reversal of timing differences	<u>2,210</u>	<u>(156)</u>
Tax on loss on ordinary activities	<u>2,210</u>	<u>(234)</u>

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

9 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below

	2015 £000	2014 £000
Loss on ordinary activities before tax	(4,173)	(166)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	(876)	(38)
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12	132
Capital allowances for year in excess of depreciation	(114)	(16)
Utilisation of tax losses	(184)	25
Adjustments to tax charge in respect of prior periods	-	(78)
Capital gains	1,036	-
Dividends from UK companies	(10)	(5)
Unrelieved tax losses carried forward	136	192
Other differences leading to an increase (decrease) in the tax charge	-	(290)
Current tax charge/(credit) for the year (see note above)	-	(78)

Factors that may affect future tax charges

The group has unutilised trading and related losses of approximately £18m being carried forward for offset against future taxable income. No deferred tax asset 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.

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

10. Intangible fixed assets

Group	Goodwill £000
Cost	
At 1 April 2014	918
Disposals	(918)
At 31 March 2015	-
Amortisation	
At 1 April 2014	283
Charge for the year	77
On disposals	(360)
At 31 March 2015	-
Net book value	
At 31 March 2015	-
At 31 March 2014	635

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

11 Tangible fixed assets

Group	Leasehold Property £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2014	3,981	11,427	529	15,937
Additions	-	346	-	346
Disposals	(569)	(11,773)	(279)	(12,621)
At 31 March 2015	3,412	-	250	3,662
Depreciation				
At 1 April 2014	3,626	7,381	525	11,532
Charge for the year	84	736	3	823
On disposals	(486)	(8,117)	(279)	(8,882)
Impairment charge	188	-	1	189
At 31 March 2015	3,412	-	250	3,662
Net book value				
At 31 March 2015	-	-	-	-
At 31 March 2014	355	4,046	4	4,405

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2015 £000	2014 £000
Plant and machinery	-	3,193

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

11 Tangible fixed assets (continued)

Company	Leasehold Property £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At 1 April 2014 and 31 March 2015	649	154	803
Depreciation			
At 1 April 2014	420	150	570
Charge for the year	41	3	44
Impairment charge	188	1	189
At 31 March 2015	649	154	803
Net book value			
At 31 March 2015	-	-	-
At 31 March 2014	229	4	233

12. Investment property

Group	Freehold property £000
Valuation	
At 1 April 2014	17,123
Disposals	(5,766)
Surplus/(deficit) on revaluation	(302)
At 31 March 2015	11,055
Comprising	
Cost	8,875
Annual revaluation surplus/(deficit) 2009 - 2013	2,798
2014	(316)
2015	(302)
At 31 March 2015	11,055

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

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

13 Fixed asset investments

Group	Non group investments £000
Cost or valuation	
At 1 April 2014	7,925
Additions	2,913
Disposals	(445)
Revaluations	1,098
At 31 March 2015	<u>11,491</u>
Net book value	
At 31 March 2015	<u>11,491</u>
At 31 March 2014	<u>7,925</u>

The market value of the listed investments at 31 March 2015, included in the above, totalled £9,307,000 (2014 - £5,740,000)

Company	Shares in group undertakings £000
Cost or valuation	
At 1 April 2014 and 31 March 2015	<u>23,491</u>
Impairment	
At 1 April 2014	17,000
Revaluations	6,000
At 31 March 2015	<u>23,000</u>
Net book value	
At 31 March 2015	<u>491</u>
At 31 March 2014	<u>6,491</u>

Details of the principal subsidiaries can be found in note 34

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

14. Non group investments

Group

	Listed investments £000	Unlisted investments £000
As at 1 April 2014	5,740	2,184
Additions	2,913	-
Disposals	-	(445)
Revaluations	654	445
	9,307	2,184

15 Stocks

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Raw materials	-	340	-	-

16 Debtors

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Due after more than one year				
Amounts owed by group undertakings	-	-	2,014	2,283
Amount owed by associated company	716	-	716	-
Deferred tax asset (see note 20)	-	2,935	-	2,210
Due within one year				
Trade debtors	33	3,455	32	3
Director's loan account (see note 31)	1,003	-	1,003	-
Short term loans to third parties	-	1,147	-	-
Other debtors	332	590	242	49
Prepayments and accrued income	391	798	282	244
Deferred tax asset (see note 20)	-	76	-	-
	2,475	9,001	4,289	4,789

The group has advanced short term loans to third parties with a gross value of £2,126,729 (2014 £3,276,824) and which have been fully provided for (2014 provision £2,126,759)

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

**17. Creditors
Amounts falling due within one year**

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans and overdrafts	192	710	-	-
Net obligations under finance leases and hire purchase contracts	-	943	-	-
Trade creditors	72	1,864	60	54
Related party creditor - Group undertakings	-	-	257	5,870
Other taxation and social security	19	589	19	56
Other creditors	1	41	-	-
Accruals and deferred income	715	1,410	432	382
	999	5,557	768	6,362

Further details of related party creditors are provided in note 32

**18 Creditors
Amounts falling due after more than one year**

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	2,672	5,272	-	-
Net obligations under finance leases and hire purchase contracts	-	1,163	-	-
	2,672	6,435	-	-

Creditors include amounts not wholly repayable within 5 years as follows

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Repayable by instalments	2,047	2,795	-	-
Repayable other than by instalments	-	926	-	-
	2,047	3,721	-	-

The bank loans relate to two loans from Svenska Handelsbanken AB (publ)

A total of £2,863,783 of the bank loans are repayable by quarterly instalments over a period of 20 years and interest will be charged at 2.25% above the banks LIBOR rate

The bank loans are secured by legal charges over investment properties held within wholly owned subsidiaries together with a debenture over one of the subsidiaries' assets

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

18. Creditors
Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Between one and five years	-	1,163	-	-

19. Obligations under finance leases and hire purchase contracts

Obligations under finance leases and hire purchase contracts are analysed between amounts payable

	2015	2014
	£000	£000
Within one year	-	(943)
In two to five years	-	(1,163)
	-	(2,106)

20. Deferred taxation

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
At beginning of year	3,011	2,855	2,210	2,210
(Charge for)/released during the year	(2,210)	156	(2,210)	-
On disposal of subsidiary	(801)	-	-	-
At end of year	-	3,011	-	2,210

The deferred taxation balance is made up as follows

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Unutilised tax losses	-	3,011	-	2,210

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

21. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
1,372,971 Ordinary shares shares of £0 25 each	343	343
1,374,403 Deferred shares of £0 25 each	344	344
	<u>687</u>	<u>687</u>

The holders of deferred shares are not entitled to any participation in the profits or the assets of the company, nor do they have any right to attend and vote at any general meeting of the company

22 Reserves

	Revaluation reserve £000	Profit and loss account £000
Group		
At 1 April 2014	5,764	22,256
Loss for the financial year		(6,383)
Surplus on revaluation of other fixed assets	796	
Transfer between revaluation reserve and profit and loss account	(1,624)	1,624
	<u>4,936</u>	<u>17,497</u>
At 31 March 2015		

	Profit and loss account £000
Company	
At 1 April 2014	5,339
Loss for the financial year	(1,948)
	<u>3,391</u>
At 31 March 2015	

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

23. Reconciliation of movement in shareholders' funds

	2015 £000	2014 £000
Group		
Opening shareholders' funds	28,707	27,874
(Loss)/profit for the financial year	(6,383)	68
Other recognised gains and losses during the year	796	765
Closing shareholders' funds	<u>23,120</u>	<u>28,707</u>
Company		
Opening shareholders' funds	6,026	4,363
(Loss)/profit for the financial year	(1,948)	1,663
Closing shareholders' funds	<u>4,078</u>	<u>6,026</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The (loss)/profit for the year dealt with in the accounts of the company was £1,948,000 (2014 - £1,663,000)

24 Dividends

On 29 May 2015 the directors proposed a dividend of £1 337 per ordinary share, a total amount payable of £1,836,103

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

25 Net cash flow from operating activities

	Continuing	Discontinued	2015	2014
	£000	£000	Total	£000
	£000	£000	£000	£000
Operating profit	(350)	1,382	1,032	213
Amortisation of intangible fixed assets	-	77	77	92
Depreciation of tangible fixed assets	87	736	823	1,077
Impairments of fixed assets	132	-	132	-
Loss/(profit) on disposal of tangible fixed assets	2	-	2	(15)
Increase in stocks	-	-	-	(21)
Decrease/(increase) in debtors	(570)	4,082	3,512	(174)
(Decrease)/increase in creditors	(632)	(2,574)	(3,206)	258
Net cash outflow from continuing operating activities	(1,331)			
Net cash inflow in respect of discontinued activities		3,703		
Net cash inflow from operating activities			2,372	1,430

26 Analysis of cash flows for headings netted in cash flow statement

	2015	2014
	£000	£000
Returns on investments and servicing of finance		
Interest paid	(178)	(240)
Hire purchase interest	(75)	(139)
Net cash outflow from returns on investments and servicing of finance	(253)	(379)
	2015	2014
	£000	£000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(346)	(220)
Sale of tangible fixed assets	-	14
Purchase of investment properties	-	(449)
Sale of investment properties	5,766	3,475
Purchase of listed investments	(2,913)	(2,224)
Sale of listed investments	-	1,026
Purchase of unlisted and other investments	-	(421)
Sale of unlisted and other investments	445	836
Net cash inflow from capital expenditure	2,952	2,037

Opus Trust Group Limited

**Notes to the financial statements
For the year ended 31 March 2015**

26 Analysis of cash flows for headings netted in cash flow statement (continued)

	2015 £000	2014 £000
Acquisitions and disposals		
Cash disposed on disposal of subsidiary	(666)	-
Sale of share in associated undertakings	-	7
Net cash (outflow)/inflow from acquisitions and disposals	(666)	7
	2015 £000	2014 £000
Financing		
Increase in bank loans	-	1,104
Repayment of bank loans	(3,118)	-
Repayment of debenture loans	-	(955)
Repayment of other loans	-	(849)
Repayment of finance leases	(787)	(903)
Net cash outflow from financing	(3,905)	(1,603)

27. Analysis of changes in net debt

	1 April 2014 £000	Cash flow £000	Other non-cash changes £000	31 March 2015 £000
Cash at bank and in hand	1,270	500	-	1,770
Debt				
Finance leases	(2,106)	787	1,319	-
Debts due within one year	(710)	3,118	(2,600)	(192)
Debts falling due after more than one year	(5,272)	-	2,600	(2,672)
Net debt	(6,818)	4,405	1,319	(1,094)

28. Major non-cash transactions

On 26 January 2015 the group disposed of its investment in Opus Trust Marketing Limited. The group ceased to recognise finance lease debt amounting to £1,319,000 held by Opus Trust Marketing Limited at that time.

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

29 Contingent liabilities

Group banking arrangements

The company has guaranteed the bank facilities of all the companies within the Opus Trust Group. The company had no exposure under this liability at the balance sheet date or in the previous year.

Subsidiary undertakings and audit exemption

Opus Trust Group 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 34. As part of the requirements for doing so the company has provided guarantees over all liabilities of these subsidiary undertakings as at 31 March 2015. 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 2015, including intra-group debt, was £11,792,453 (2014 £13,199,628). 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.

30. Operating lease commitments

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings		2015 £000	Other 2014 £000
	2015 £000	2014 £000		
Expiry date:				
Between 2 and 5 years	315	315	-	27
After more than 5 years	395	395	-	-

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows

Company	Land and buildings		2015 £000	Other 2014 £000
	2015 £000	2014 £000		
Expiry date:				
After more than 5 years	395	395	-	-

As at the year end the company had the above annual property lease commitments. The company is evaluating its requirements and may vacate the leased premises, in whole or in part, within the next twelve months.

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

31 Directors' benefits: advances, credits and guarantees

During the year significant cash advances were made to Mr P De Haan, a director of the company, as follows

	2015 £000
30 June 2014	700,000
29 July 2014	79,491
19 September 2014	100,000
13 November 2014	100,000
Other minor advances	1,620
Total	<u>981,111</u>

Interest has been charged at 3.25% on the amounts advanced resulting in an interest charge of £22,250 for the year

No repayments were made during the year. At 31 March 2015 the amount owed to the group by Mr P De Haan was £1,003,361. This amount has been fully repaid since the balance sheet date.

32. Related party transactions

During the year the group disposed of its investment in Opus Trust Marketing Limited to Opus 107 Limited, a company under common ownership, for nil consideration. See note 2 for further details. At 31 March 2015 the group was owed £716,000 by Opus Trust Marketing Limited.

Bancroft Wines Limited is a company under the control of Mr P De Haan, a director of the company. During the year the group made charges to Bancroft Wines Limited of £196,013 (2014: £183,000) and purchases of £246,065 (2014: £36,000). The company also provided loans to Bancroft Wines Limited in the previous year totalling £200,000. This loan was fully repaid in the previous year and no new loans have been issued since.

The Peter De Haan Charitable Trust is a charity of which Mr P De Haan is a trustee. During the year the group made charges to The Peter De Haan Charitable Trust of £697,083 (2014: £839,000) in relation to management fees. The group was also charged £35,614 (2014: £77,000) by The Peter De Haan Charitable Trust for administrative services. The balance outstanding from The Peter De Haan Charitable Trust at the year end amounted to £12,000 (2014: £Nil).

Ideastap Limited is a subsidiary undertaking of the Peter De Haan Charitable Trust. During the year the group made charges to Ideastap Limited of £63,233 (2014: £108,000) and purchases of £3,720 (2014: £12,000). There were no outstanding balances between the entities at the year end.

During the year the group provided loans to close a family member of Peter De Haan, a director of the group, totalling £40,000 (2014: £Nil). This amount was still outstanding at the year end.

33 Ultimate parent undertaking

Since 26 January 2015, the company's ultimate parent undertaking has been Opus 108 Limited, a company incorporated in England and Wales. The first financial statements to be produced by Opus 108 Limited will be for the period ended 31 March 2016.

Opus Trust Group Limited

Notes to the financial statements For the year ended 31 March 2015

34. Principal subsidiaries

Company name	Percentage Shareholding	Description
Opus Trust Limited *	100 %	Intermediate holding company
DH Property Investments Limited	100 %	Property ownership
Opus Trust Marketing Limited+	100 %	Business critical mailing
ADM Group Mailing Services Limited+	100 %	Intermediate holding company
Optecon Limited+	100 %	Dormant
OTM Fulfilment Limited+	100 %	Dormant
OTM Mailing Limited+	100 %	Dormant
Opus Property Construction Limited *	100 %	Investment company
Opus 102 Limited	100 %	Investment company
Opus Corporate Trustees Limited	100 %	Corporate trustee
Opus Property Investment Limited	100 %	Property investment
Opus Residential Investments	100 %	Dormant
Opus Property Finance Limited *	100 %	Property finance
Opus Nominees Limited	100 %	Nominee company
Tavern Apartments Limited *	100 %	Property investment
Stanley Grove Limited *	100 %	Property development
Opus Property Ventures Limited *	100 %	Property trading venture
Arca Homes (Collingwood) Limited *	100 %	Property development
Opus 2011 Limited	100 %	Dormant
Opus 2014 Limited	100 %	Dormant
Opus 2013 Limited	100 %	Dormant

All subsidiary undertakings are incorporated in England and Wales

* The subsidiary undertakings have taken advantage of audit exemption in accordance with Section 479A Companies Act 2006 See note 29 for further details

+ These subsidiary undertakings were disposed of on 26 January 2015 following a group reorganisation See note 2 for further details