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Opus Capital Limited

and controlled entities

ABN: 53 095 039 366

Annual Financial Report

Year ended 30 June 2013

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DIRECTOR'S REPORT

Your Directors present their report on the group (referred to hereafter as the **Group** or **Consolidated Entity**) consisting of Opus Capital Limited (**OCL** or **Company**) and the entities it controlled at the end of, or during, the year ended 30 June 2013.

INFORMATION ON DIRECTORS

The Directors of Opus Capital Limited at any time during or since the end of the financial year are:

Current Directors

Mr Matthew Madsen *Chairman (appointed 22 September 2011)*

Experience and Special Responsibilities

Matthew Madsen has over 15 years' experience in the funds management industry, predominantly in Director Roles. Matthew has specific experience in both property funds management and mortgage funds management.

Matthew also has significant property and property finance experience and is principal of Madsen Finance, a Brisbane-based property finance intermediary focused on larger construction and property investment funding typically arranging $300m of funding annually.

Matthew has also been actively involved in the structuring of numerous new property offerings ($300,000,000 of assets) as well as stock exchange listings (ASX and BSX) and merger and takeover activity.

Matthew is chairman of the Advisory Board for Trask Development Corporation, Chairman of the Compliance Committee for another AFSL holder, Blue Sky Private Equity Limited and holds further ongoing advisory engagements with other fund managers.

Matthew holds a Diploma in Financial Services, a Diploma in Financial Markets, is an affiliate member of the Securities Institute of Australia and has undertaken other studies focused on property investment and finance and shopping centre management.

Mr Rowan Ward *Non-Executive Director (appointed 25 January 2011)*

Experience and Special Responsibilities

Rowan Ward has a strong track record of corporate and trustee Board representation with excellent knowledge of legal, accounting and governance responsibilities which makes him an outstanding addition to the company.

Rowan enjoys an enviable reputation as a passionate advocate for the protection of the interests of all classes of beneficiaries whether unit holders, policy owners or members of superannuation funds created over a 25 year career with Suncorp.

Commencing in 1984 as its General Insurance Actuary, he grew through the roles of Manager Corporate Superannuation, General Manager Investments and Chief Actuary Life Insurance to become its Executive General Manager Actuarial Services.

As part of his responsibilities at Suncorp, he was chairman of Suncorp public offer superannuation funds of $2,000m, Chairman of Trustees of the Suncorp Staff Superannuation Fund with net assets in excess of $700m, and advisor to the Suncorp Board on prudential matters governing over $2,000m of assets relating to Suncorp Life and Superannuation Limited.

In his final role before leaving Suncorp in 2010, Rowan led a team of 120 professional staff with a budget of $14m.

Rowan has an impressive skill set with experience as an executive and non-executive director with a proven track record with public and private companies.

He has attained a Bachelor of Science degree and is a Fellow of the Institute of Actuaries of Australia.

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INFORMATION ON DIRECTORS (continued)

Mr Mark Hallett *Non-Executive Director (appointed 31 January 2011)*

Experience and Special Responsibilities

A qualified solicitor and Notary Public, Mark Hallett is a well-connected, influential member of Queensland's property, investment and legal industry.

Mark brings to Opus an impressive range of diverse industry and life experiences, coupled with extensive professional credentials across all aspects of corporate litigation and restructuring, commercial property and town planning.

Currently Director of new firm Hallett Legal, Mark has a great depth of skills and experience in business ownership and strategic management, having practiced in partnership before establishing his own firm in 1990. Under Mark's leadership, the Brisbane-based firm evolved into one of the largest sole practices in Australia.

Hallett's expanded throughout that decade, working with leading property brands before being sold in 1997 when it merged with Nicholson Robinson Kidd.

Mark is highly active in managing successful property syndicates for business associates and continues to advise the industry on property investment, legal and corporate restructuring. He remains one of the state's leading lawyers in property law, insolvency, investment management and innovative business management.

MEETING OF DIRECTORS

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors during the year were:

	Director Meetings	
Directors	Attendance	Meeting held during office
Matthew Madsen	31	36
Rowan Ward	36	36
Mark Hallett	33	36

COMPANY SECRETARY

Mr Leylan Neep *Company Secretary (appointed 30 July 2012)*

Leylan Neep has over 15 years' experience in the financial services industry with a strong track record in accounting, finance, and funds management.

He was most recently the Chief Operating Officer at Blue Sky Alternative Investments Limited, and was responsible for all the operational activities of the group, including accounting, funds administration, information technology, and compliance.

Leylan has worked for a broad range of fund managers and financial institutions including positions as an Associate Director at UBS Investment Bank and as an Analyst with GLG Partners, a London based hedge fund. Leylan also has extensive experience as a Product Accountant with Bankers Trust, NatWest Markets and HSBC.

Leylan holds a Bachelor of Commerce from Bond University and is a qualified Certified Practising Accountant (CPA). Leylan is a member of the Chartered Secretaries Australia, and also the Australian Institute of Company Directors.

PRINCIPAL ACTIVITY

The principal activity of the Group during the financial year was acting as responsible entity (**RE**) for and managing property trusts and associated real estate agency activities of property management, leasing and sales activity.

There were no significant changes in the nature of the Group's activities during the year.

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REVIEW AND RESULTS OF OPERATIONS

The net profit of the Group for the period ended 30 June 2013 was $802,720 (2012: 92,473) on revenue generated of $5,082,793 (2012: $5,376,469). The Company generated a positive operating cash flow of $458,883 (2012: ($1,060,936) for the 2013 year.

Operating Revenue has reduced during the year in line with a continued reduction in assets under management. Such reductions in revenue have resulted from the closure of schemes that have reached their maturity dates and also from sales of assets in continuing schemes. This is expected to continue into the foreseeable future.

Total gross assets under management have reduced from $308 million to $215 million over the year and will continue to fall over the near term.

Accordingly the Company has undertaken a sustained expense reduction program during the year in a continued response to the difficult operating environment.

During the year, the Group repaid it's borrowings with the Commonwealth Bank of Australia of $1,500,000 and $550,000 (including $10,000 to Opus Capital Limited) to Integra convertible note holders, thereby significantly reducing the loans payable by the Group.

A Replacement Prospectus was issued in February 2013 for a non-renounceable rights issue (**Rights Offer**) to eligible shareholders of the Company for 2,250,000,000 shares at an issue price of $0.0008889 per share on the basis of 20 shares being offered for every 1 share held on the record date to raise approximately $2,000,000 before expenses. $1,045,770 was raised under the offer.

The Australian Securities and Investment Commission (**ASIC**) notified the Company in May 2013 that it had concluded their investigation relating to certain related party transactions that were put in place by former directors of the Company, such directors having resigned as directors in the year ended 30 June 2010. ASIC has decided that it will not take any enforcement action, but may recommence its investigation, or commence enforcement action, if circumstances change.

DIVIDENDS

No dividends were paid or declared during the year or since the end of the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Directors are of the reasonable opinion that the Group will be able to meet its liabilities as and when they fall due.

As at 30 June 2013 the Group's current assets exceeded its current liabilities by $34,161 (2012: current liabilities exceeded current assets $2,116,379) and total assets exceeded total liabilities by $51,733 (2012: total liabilities exceeded total assets by $1,796,757).

During the period, $1,045,770 of equity was raised from the Rights Offer. The major participant in the Rights Offer was M3SIT Pty Ltd (**M3SIT**), whose percentage holdings in the Company went from 51% to approximately 93%.

The going concern of the Group is principally dependent on the ongoing support of the controlling shareholder. As a result the Directors believe that the going concern basis of preparation is appropriate, and accordingly have prepared the financial report on the basis.

EVENTS AFTER THE REPORTING PERIOD

Opus Capital Limited has been provided with notice that the major shareholder in the Company, M3SIT, in compliance with the requirements of Part 6A.2 of the Corporations Act 2001 (Cth) has proposed to compulsory acquire all shares on issue in the Company. Members of the Company were posted a notice of compulsory acquisition, copy of an expert's report, and an objection form from M3SIT in September 2013.

There have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial periods.

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FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Future prospects of the Company are directly attributable to the management of the continuing registered managed investment schemes currently managed by OCL.

The Company currently manages four property asset Schemes, namely:

a) Opus Income & Capital Fund No 21 (**Opus 21**)
b) Opus Magnum Fund;
c) Opus Property Trust No 8; and
d) Opus Development Fund 1.

Of these schemes, Opus 21 is the only continuing scheme, the others are either in the process of being wound up, or intended to be wound up in the future subject to the sale of remaining assets.

The majority of revenue for OCL and its subsidiaries is derived from both fund management fees and real estate agency fees derived predominantly from Opus 21. During the year, OCL as RE of Opus 21 was able to secure a new senior debt facility for the scheme of $128 million which was settled with GE Capital Real Estate (**GE**) for a term of four (4) years. This period will allow OCL appropriate time to continue to execute on all of the key components of Opus 21's asset improvement strategy. This is a substantial result for Opus 21, as well as OCL in its own right given revenue streams.

In addition the management of the Company's debt position in relation to its corporate lender will be paramount to the success or otherwise of the Company into the future. While the Company repaid a substantial amount of debt during the period, it is yet to secure an extension to the expired facility from M3SIT, which remains a priority for the Company.

The Group intends to continue to operate as a property trust manager and will pursue the management of and the establishment of additional property trusts subject to the favourable conditions in the operating environment.

Opus Capital Limited, as responsible entity of a number of registered managed investment schemes (**Schemes**), in a prior period received invoices from the Public Trustee of Queensland (**Public Trustee**), as custodian for the Schemes, for costs invoiced to the Public Trustee for legal services procured from Clayton Utz and one other law firm on behalf of the Schemes. Opus on behalf of the Schemes disputes the liability of the Schemes to pay the majority of these costs and, if there was a liability to pay, the quantum of such costs.

An Application for Cost Assessment was filed and served by OCL in February 2013. This is concurrently being heard by the Court as a matter of liability, and was before the Court on 8 May 2013, with supplementary submissions heard on 27 August 2013. OCL received judgement on the matter on 30 September 2013.

The judgement is being considered by both parties. Accordingly at this time, OCL continues to not accept the amounts claimed by The Public Trustee on behalf of the Schemes to this point, and no amounts are disclosed within this note as such disclosure may unreasonably prejudice the scheme in this matter. It is duly noted that a contingent liability exists as at 30 June 2013 in respect of this matter.

Further information as to likely developments in the operations of the entity and the expected results of those operations in subsequent financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL ISSUES

The Group's operations were not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Directors believe that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

OPTIONS

At the date of this report there are no unissued ordinary shares of Opus Capital Limited.

There have been no options issued during or since the end of the financial year. There are nil options on issue as at the date of this report.

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REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for the directors and key management personnel of Opus Capital Limited.

Remuneration Policy

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board.

Executive pay

The executive pay and reward framework has three components:

- base pay and benefits, including superannuation
- short-term performance incentives, and
- long-term performance incentives

The combination of these comprises the executive's total remuneration.

Base pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. The Group receives advice to ensure base pay is set to reflect the market for a comparable role. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

Benefits

Executives may receive benefits including car parking.

Short-term incentives

Key management personnel are entitled to certain bonuses depending on the satisfaction of performance criteria. Each year the Board sets the key performance indicators (KPIs) for the key management personnel and the minimum standard that must be achieved. The KPIs generally include measures related to the company performance, and include financial, people, customer, strategy and risk measures.

The Board compares the actual performance of the company, and that of the individual against the KPIs.. Where the individual has satisfied the minimum standard for the KPIs the Board approve the payment of the bonus. No bonus is awarded where performance falls below the minimum. The method of assessment was chosen as it provides the Board with an objective assessment of the individual's performance.

Long-term incentives

Long-term incentives can be provided to certain employees via the Opus Capital Group Employee Share Scheme (refer to note 15 of the Financial Statements for further information).

Neither current directors nor current employees have been granted any long term share incentives.

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REMUNERATION REPORT (Audited) (continued)

Remuneration Policy (continued)

Details of Directors and Key Management Personnel

Directors

Matthew Madsen	Chairman (appointed 22 September 2011)
Rowan Ward	Non-Executive Director (appointed 25 January 2011)
Mark Hallett	Non-Executive Director (appointed 31 January 2011)

Key Management Personnel

Anthony Boyd	Chief Executive Officer (appointed 31 January 2012 & resigned 29 May 2013)
Leylan Neep	Chief Financial Officer and Company Secretary (appointed 30 July 2012)
Philip Anthon	Company Secretary (appointed 31 January 2011 & resigned 30 July 2012)

Directors and Key Management Personnel Remuneration

2013	Short Term			Post-Employment	Termination benefits	Share-based Payments			
	Salary & Fees	Consultant Fees	Non-cash benefits	Superannuation		Options/ Shares	Total	Bonus (included in short-term)	Performance Related %
Directors									
Matthew Madsen	-	185,000	-	-	-	-	185,000	-	-
Rowan Ward	99,241	-	-	8,932	-	-	108,173	-	-
Mark Hallett	-	48,750	-	-	-	-	48,750	-	-
Key Management									
Anthony Boyd[1]	220,881	-	4,364	19,879	-	-	245,124	-	-
Philip Anthon[2]	-	-	-	-	-	-	-	-	-
Leylan Neep	138,462	-	-	12,461	-	-	150,923	-	-
	458,584	223,750	4,364	41,272	-	-	737,970		

[1]Resigned 29 May 2013
[2]Resigned 30 July 2012

2012	Short Term			Post-Employment	Termination benefits	Share-based Payments			
	Salary & Fees	Consultant Fees	Non-cash benefits	Superannuation		Options/ Shares	Total	Bonus (included in short-term)	Performance Related %
Directors									
Matthew Madsen	-	120,000	-	-	-	-	120,000	-	-
Rowan Ward	137,615	-	3,341	12,385	-	-	153,341	-	-
Mark Hallett	-	45,000	-	-	-	-	45,000	-	-
Maurice Kluge [1]	-	37,500	-	-	-	-	37,500	-	-
Stephen Gosling[2]	-	189,375	3,341	-	-	-	192,716	-	-
Dean Palmer[3]	-	-	-	-	40,682	-	40,682	-	-
Key Management									
Anthony Boyd	92,000	-	1,500	8,280	-	-	101,780	-	-
Philip Anthon	-	97,464	-	-	-	-	97,464	-	-
Leylan Neep	-	-	-	-	-	-	-	-	-
	229,615	489,339	8,182	20,665	40,682	-	788,482	-	-

[1] Resigned 22 September 2011
[2] Resigned 9 September 2011
[3] Resigned 31 January 2011

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REMUNERATION REPORT (Audited) (continued)

Service Agreements

It is the Group's policy that service contracts for key management personnel are unlimited in term but capable of termination with notice by either party. The notice period is 4 weeks unless otherwise agreed as and is detailed below. The Group retains the right to terminate the contract immediately without notice if the key management personnel is at any time guilty of serious, wilful or persistent misconduct. On termination, directors and executives are entitled to receive their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. No amount was paid in 2013 in this regard however $40,682 was paid in 2012. Unless otherwise stated, service agreements do not provide for pre-determined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy outlined above. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Board.

Remuneration and other terms of employment for directors and key management personnel are set by the Board. The terms may include fees, salary and provide for the provision of performance-related cash bonuses, other benefits including car parking and participation, when eligible, in the Opus Capital Group Employee Share Scheme. Key terms of the appointment of each of the key management personnel are described below:

Current Directors and Key Management Personnel

Matthew Madsen Non-Executive Chairman
- Term of agreement: no fixed term, on-going.
- Base Fee as at 30 June 2013 of $120,000 p.a. plus GST, to be reviewed annually.
- Termination notice period is 90 days' notice.

Mark Hallett Non-Executive Director
- Term of agreement: no fixed term, on-going.
- Base Fee as at 30 June 2013 of $45,000 p.a. plus GST, to be reviewed annually.
- Termination notice period is 90 days' notice.

Rowan Ward Non-Executive Director
- Term of agreement: no fixed term on-going part-time.
- Base remuneration, inclusive of superannuation, as at 30 June 2013 of $75,000 p.a., to be reviewed annually in June. The annual remuneration reduced from $150,000 pa to $75,000 pa with effect from 1 December 2012.
- Termination notice period is 90 days' notice.

Leylan Neep Chief Financial Officer and Company Secretary
- Term of agreement: no fixed term, on-going.
- Base remuneration as at 30 June 2013 of $150,000 p.a. (plus superannuation and phone), to be reviewed annually.
- Termination notice period is 4 weeks' notice.

Former Directors and Key Management Personnel

Anthony Boyd Chief Executive Officer (resigned 29 May 2013)
- Term of agreement: no fixed term, on-going.
- Base remuneration as at his date of resignation was $230,000 p.a. (plus superannuation, professional memberships, car park and phone), to be reviewed annually in January of each year.
- Short Term Incentive is a bonus payable which is equal to a maximum of 50% of base salary (excluding super) payable within 90 days of the calendar year end. Long Term Incentive is a bonus payable which is equal to a maximum of 50% of base salary (excluding super) payable within 90 days of the calendar year end of the second year of service. Payment of termination benefit on redundancy by the Company, other than for gross misconduct, equal to six months base salary if in the first 12 months of service and four months base salary thereafter.
- Termination notice period is 3 months' notice.

Philip Anthon Company Secretary (resigned 30 July 2012)
- Consultancy Agreement with Governance Worx Pty Ltd.
- Term of agreement - on-going, commencing effective 31 January 2011
- Hourly fee rates of up to $250 per hour

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REMUNERATION REPORT (Audited) (continued)

Share Based Compensation

Shares in Opus Capital Limited were historically granted under the Opus Capital Group Employee Share Scheme which was implemented in September 2007. The Opus Capital Group Employee Share Scheme is designed to provide long-term incentives for executives and staff to deliver long-term shareholder returns. There are no vesting conditions attached to the entitlement under any of the schemes. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

No ordinary shares in the Company were provided as remuneration to any of the directors or key management of Opus Capital Limited in the current or prior period.

Consequences of performance on shareholder wealth

The overall level of key management personnel's compensation takes into account the performance of the group and in particular the profits derived and dividends paid by the company. Such performance dictates the level of short term incentives (i.e. bonuses) paid to key management personnel in any given financial year. This policy has been consistently applied over a number of years and takes into consideration:

Measures	2013 $	2012 $	2011 $	2010 $	2009 $
Profit/(loss) for the financial year	802,720	92,473	(6,337,303)	8,815,881	(11,689,979)
Dividends paid	-	-	-	-	-
Dividends per share (cents)	-	-	-	-	-
Return of Capital	-	-	-	-	-

Based upon the profit performance and dividends paid, no short term incentives have been paid to any of the key management personnel in the current or prior year in respect of purely profit driven performance. Short term incentives in the form of monetary bonuses have been paid where executives have met performance hurdles such as debt renegotiation and sale of key properties under management.

END OF REMUNERATION REPORT.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITOR

The Group has agreed to indemnify current and former Directors against all liabilities to another person (other than the Group or related entity) that may arise from their position of Directors of the Group, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

In addition, the Group has agreed to indemnify certain key officers against all liabilities to another person (other than the Group or related entity) that may arise from their position in the Group, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

The indemnities were limited as required under the *Corporations Act 2001.*

The Group has paid premiums in respect of their officers for liability and legal expenses for the year ended 30 June 2013. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been officers of the Group.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contract.

The Group has not indemnified its auditor.

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PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purposes of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Under the OCL complaints handling procedures there are various complaints that OCL as Responsible Entity of various Schemes has received. OCL has dealt with or is in the process of dealing with these matters. Some of these matters may potentially be considered by the Financial Ombudsman Service.

NON-AUDIT SERVICES

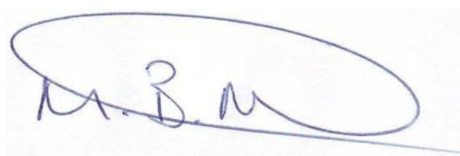
Non audit services in the form of taxation and other regulatory services were provided by the Group's auditor during the year, refer to note 19 for details.

The directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Director's Report and can be found on page 12.

This report is signed in accordance with a resolution of the Board of Directors of Opus Capital Limited.



Mr Matthew Madsen
Director

Dated at Brisbane on 30 September 2013

BDO

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DECLARATION OF INDEPENDENCE BY P A GALLAGHER TO THE DIRECTORS OF OPUS CAPITAL LIMITED

As lead auditor of Opus Capital Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect Opus Capital Limited and the entities it controlled during the period.

P A Gallagher

Director

BDO Audit Pty Ltd

Brisbane, 30 September 2013

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 7 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK comp limited by guarantee, and form part of the international BDO network of independent member firms.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2013

	Note	2013 $	2012 $
Revenue and other income	4	5,082,793	5,376,469
Employee benefits expense		(1,365,260)	(1,834,887)
Professional costs		(371,181)	(560,272)
Facilities management costs		(166,465)	(287,806)
Depreciation of plant and equipment		(10,336)	(24,331)
Amortisation of intangibles		-	(94,457)
Insurance		(172,526)	(186,087)
Postage, printing and stationery costs		(16,505)	(22,912)
Occupancy costs		(1,451)	(286,440)
Communications		(21,176)	(44,965)
Other expenses		(260,112)	(274,066)
Finance costs		(1,042,363)	(1,095,994)
Impairment of receivables		(344,260)	(142,282)
Impairment of intangible assets		-	(283,370)
Wind Up Costs		(160,485)	-
Loss on disposal of assets		(699)	(152,238)
Profit before income tax		1,149,974	86,362
Income tax (expense)/benefit	6	(347,254)	6,111
Profit for the year after income tax		802,720	92,473
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to: Owners of Opus Capital Limited		802,720	92,473

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

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Consolidated Statement of Financial Position
As at 30 June 2013

	Note	2013 $	2012 $
CURRENT ASSETS			
Cash and cash equivalents	23	2,151,031	3,342,894
Trade and other receivables	7	701,472	959,011
TOTAL CURRENT ASSETS		2,852,503	4,301,905
NON-CURRENT ASSETS			
Deferred tax assets	6	115,989	441,890
Property, plant and equipment	8	50,322	34,068
Financial assets available for sale	9	13,300	13,300
Intangible assets	10	79,061	79,061
TOTAL NON-CURRENT ASSETS		258,673	568,319
TOTAL ASSETS		3,111,176	4,870,224
CURRENT LIABILITIES			
Trade and other payables	11	434,444	997,503
Interest bearing loans and borrowings	12	2,176,071	5,176,215
Provisions	13	186,474	244,566
Provision for income tax		21,353	-
TOTAL CURRENT LIABILITIES		2,818,342	6,418,284
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	12	239,914	-
Provisions	13	1,187	248,697
TOTAL NON-CURRENT LIABILITIES		241,101	248,697
TOTAL LIABILITIES		3,059,443	6,666,981
NET ASSETS / (DEFICIENCY)		51,733	(1,796,757)
EQUITY			
Contributed equity	14	1,387,555	341,785
Retained earnings		(1,335,822)	(2,138,542)
TOTAL EQUITY / (DEFICIENCY)		51,733	(1,796,757)

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

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OPUS CAPITAL GROUP

Consolidated Statement of Changes in Equity
For the year ended 30 June 2013

	Contributed Equity	Retained Earnings	Total
	$	$	$
Balance at 1 July 2011	341,785	(2,231,015)	(1,889,230)
Comprehensive income			
Profit for the year	-	92,473	92,473
Other comprehensive income, net of tax	-	-	-
Total comprehensive income for the year	-	92,473	92,473
Transactions with owners in their capacity as owners			
Rights Issue	-	-	-
Balance at 30 June 2012	341,785	(2,138,542)	(1,796,757)
Balance at 1 July 2012	341,785	(2,138,542)	(1,796,757)
Comprehensive income			
Profit for the year	-	802,720	802,720
Other comprehensive income, net of tax	-	-	-
Total comprehensive income for the year	-	802,720	802,720
Transactions with owners in their capacity as owners			
Rights Issue	1,045,770	-	1,045,770
Balance at 30 June 2013	1,387,555	(1,335,822)	51,733

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

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Consolidated Statement of Cash Flows
For the year ended 30 June 2013

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,797,644	6,562,944
Cash payments in the course of operations		(4,000,248)	(4,867,278)
Interest received		85,704	118,846
Distributions received		1,499	6,149
Interest paid		(1,132,594)	(545,558)
GST received/(paid)		(293,123)	(214,167)
Net cash provided by/(used in) operating activities	23	458,883	1,060,936
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments from property, plant and equipment		(27,290)	(28,946)
Payments for other financial assets		-	(13,300)
Proceeds from the sale of plant and equipment		775	13,365
Net cash provided by/(used in) investing activities		(26,515)	(28,881)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,500,000)	(521,993)
(Repayment)/Proceeds from shareholder loan		(630,000)	2,500,000
Repayment of convertible notes		(540,000)	-
Proceeds from rights issued		1,045,770	-
Repayment of finance leases		-	(132,942)
Net cash (used in)/provided by financing activities		(1,624,230)	1,845,065
Net increase/(decrease) in cash held		(1,191,863)	2,877,120
Cash at the beginning of the financial year		3,342,894	465,774
Cash at the end of the financial year	23	2,151,031	3,342,894

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

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NOTE 1 GENERAL INFORMATION

Introduction

These financial statements cover Opus Capital Limited (**OCL** or **Company**) and its controlled entities (together referred to as the **Group** or **Consolidated Entity**). Opus Capital Limited is an unlisted public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of these financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Operations and principal activities

The principal activity of the group during the financial year was acting as rresponsible entity for and managing property trusts. There were no significant changes in the nature of the Group's activities during the year.

Currency

The financial report is presented in Australian dollars. The financial report is rounded to the nearest dollar.

Registered office

The registered office and principal place of business of the Group is situated at Level 20, 444 Queen St, Brisbane Qld 4000.

Authorisation of financial report

The financial report was authorised for issue on 30 September 2013 in accordance with a resolution of the directors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for the financial reporting purposes under Australian Accounting Standards.

Compliance with IFRS

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except intangible assets which have been measured at fair value less costs to sell.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Group. These estimates and judgements made assume a reasonable expectation of future events but actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period and future periods if the revision affects both current and future periods.

Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers.

No impairment has been recognised in respect of the intangible assets comprising of the licence (Targeted Funds Management Limited) at the end of the reporting period. As the licence is currently not in use a separate assessment has been performed for this asset. The assessment has been performed based on fair value less costs to sell. The fair value has been determined based on the known costs to obtain or acquire an Australian financial services licence. It is the intention of the Directors to use this licence in future business activities. Based on this assessment the Directors have concluded that there is no impairment to the licence.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation (continued)

Key judgements – indefinite life of licence
Included in intangible assets is an asset relating to the Australian financial services licence held by Targeted Funds Management Limited. This asset arose when Opus Capital Limited acquired Targeted Funds Management Limited in 2011. The Directors have determined that this asset has an indefinite life as the licence does not have an expiry. The licence will remain in place until it is forgone or there is a breach in the requirements of the licensing requirements of such a nature that the regulator determines to remove the licence. Therefore, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Currently the licence is not in use however the Directors do have plans in the near future to commence use of the licence.

Key judgements – recognition of deferred tax asset
A deferred tax asset has been recognised to the extent that it relates to deductible temporary differences. The Directors believe that it is probable that sufficient taxable profits against which the deductions can be offset will occur in the same period as the expected reversal of the deductible temporary difference.

Key judgements – classification of borrowings as current verse non-current
All of the borrowings are classified as current based on the maturity of the facilities.

Accounting policies

a. Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Opus Capital Limited at the end of the reporting period. A controlled entity is any entity over which Opus Capital Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 22 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Where the group loses control of a subsidiary but retains significant influence, joint control, or an available-for-sale investment, the retained interest is remeasured to fair value at the date that control is lost and the difference between fair value and the carrying amount is recognised in profit or loss. This fair value is the initial carrying amount for the retained investment in associate, jointly controlled entity or available-for-sale financial asset. If no ownership interest is retained, or if any remaining investment is classified as available-for-sale, any amounts previously recognised in other comprehensive income in respect of the entity are accounted for as if the group had directly disposed of the related assets or liabilities and may be recognised in profit or loss. To the extent that the group retains significant influence or joint control, balances of other comprehensive income relating to the associate or jointly controlled entity will only be reclassified from other comprehensive income to profit or loss to the extent of the reduced ownership interest so that the balance of other comprehensive represents the group's proportionate share of other comprehensive income of the associate/jointly controlled entity.

Business combinations
Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Consolidation (Continued)

All transaction costs incurred in relation to the business combination are expensed to the profit or loss. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

b. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

<u>Tax Consolidation</u>
Opus Capital Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Opus Capital Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right. In addition to its own current and deferred tax amounts, Opus Capital Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Income Tax (Continued)

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Opus Capital Limited for any current tax payable assumed and are compensated by Opus Capital Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Opus Capital Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

c. Finance costs

Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangements of borrowings and finance charges in respect of finance leases.

Interest payments in respect of financial instruments classified as liabilities are included in finance costs.

Loan establishment costs are offset against financial liabilities in accordance with the effective interest method and amortised over the term of the facility to which they relate.

d. Revenue & Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

Provision of services
Revenue from providing services is recognised in the profit and loss in proportion to the stage of completion of the service to be performed at the reporting date. Invoices raised for services not yet completed are recognised as deferred income on the Statement of Financial Position.

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST).

Interest income
Interest income is recognised using the effective interest method.

Distributions
Distribution income is recognised as revenue when the right to receive payment is established.

e. Financial Instruments

Recognition and initial measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial Instruments (Continued)

Classification and subsequent measurement
Finance instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost less impairment. Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses) as part of the available for sale reserve. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as non-current assets.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment
A financial asset is assessed for impairment at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cashflows of that asset. In the case of available for sale financial assets, a significant or prolonged decline in the value of the instrument below cost is considered to determine whether an impairment has arisen.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cashflows discounted as the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of available for sale financial assets recognised previously in equity is reclassified to profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available for sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available for sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial Instruments (Continued)

The carrying amount of receivables is reduced by the use of an allowance account where there is objective evidence that the entity will not be able to recover all amounts due. Evidence of impairment may include indications that the customer is experiencing significant financial difficulty, where debt collection procedures have been commenced; there is a fair probability that the customer will be put into administration or liquidation.

The amount of the provision is the difference between the carrying amount of the receivable and the present value of the estimated future cashflows, discounted at the effective interest rate.

When receivables for which impairment has previously been recognised are determined to be uncollectible, they are written off against the allowance account. If no provision for impairment was previously recognised, the impairment is written off against the receivable directly. Impairment losses arising from the use of allowance accounts or bad debts are recognised in the profit or loss.

Receivables are determined to be uncollectible only when there is no expectation of recovering any additional cash. This may occur when a final distribution has been made from administrators / liquidators, or where unsuccessful attempts have been made to recover the debt through legal actions or debt collection agencies and the prospect of recovering any additional cash is remote.

Financial guarantees
Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. Cash & Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset is:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10 – 33%
Leasehold Improvements	10%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

j. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation
Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

l. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be requested to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

m. Intangibles

Property management rights
Property management rights acquired as part of a business combination are recognised separately from goodwill. The management rights are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated on a straight line basis, based on the forecast term of the management rights currently 4 years.

Licence
The licence was acquired as part of a business combination and has been recognised separately from goodwill. The licence is carried at fair value at the date of acquisition less any impairment losses. The licence is not amortised as it has been determined that it has an indefinite useful life.

Sale and Performance Fees
Under the constitutions of the various property trusts to which the Company acts in the capacity as responsible entity, the Company is entitled to receive sale and performance fees at the time of disposal of properties under management, where certain criteria are met. This right to future benefits (where certain conditions are met) is an intangible asset of the Company which is carried at amortised cost, being zero.

Revenue in relation to these assets is recognised at the time of sale, being when the fee is due and payable under the constitution of the relevant scheme.

n. Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

o. Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Adoption of New Accounting Standards & Interpretations

New and amended standards and interpretations that are mandatory for the first time for the financial year beginning 1 July 2012 have been adopted. The adoption of these standards and interpretations did not have any material impact on the current or any prior period and is not likely to materially affect future periods. However, the adoption of the amendments to AASB 101 Presentation of Financial Statements, effective for annual periods beginning on or after 1 July 2012, has resulted in the renaming of the 'statement of comprehensive income' to the 'statement of profit or loss and other comprehensive income' and also requires items of other comprehensive income to be grouped into those that are not permitted to be reclassified to profit or loss in a future period, and those that may be reclassified if certain conditions are met.

q. New and Amended Accounting Standards and Interpretations Not Yet Adopted

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

<u>AASB 9 Financial Instruments (effective from 1 January 2015)</u>

The AASB aims to replace AASB 139 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (AASB 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2015. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of AASB 9 have been published and they can comprehensively assess the impact of all changes.

<u>Consolidation Standards</u>

A package of consolidation standards that are effective for annual periods beginning or after 1 January 2013. Information on these new standards is presented below. The Group's management have yet to assess the impact of these new and revised standards on the Group's consolidated financial statements.

AASB 10 Consolidated Financial Statements (AASB 10)

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and Interpretation 112 Consolidation – Special Purpose Entities. It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

AASB 11 Joint Arrangements (AASB 11)

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AASB 131). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

AASB 12 Disclosure of Interests in Other Entities (AASB 12)

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

Consequential amendments to AASB 127 and AASB 128 Investments in Associates and Joint Ventures (AASB 128)

AASB 127 now only deals with separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New and Amended Accounting Standards and Interpretations Not Yet Adopted (Continued)

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this new standard.

r. Going Concern

As at 30 June 2013 the Consolidated Entity's current assets exceeded its current liabilities by $34,161 (2012: current liabilities exceeded current assets $2,116,379) and total assets exceeded total liabilities by $51,733 (2012: total liabilities exceeded total assets by $1,796,757). The Consolidated Entity also had net operating cash inflows of $458,883 (2012: $1,060,936) for the year and made a net profit of $802,720 (2012: $92,473).

The Directors are of the reasonable opinion that the Consolidated Entity will be able to meet its liabilities as and when they fall due.

During the current period, a loan of $1,500,000 was repaid to the Commonwealth Bank of Australia (CBA) and Integra Asset Management Pty Ltd (IAM), a subsidiary of Opus Capital Limited, repaid convertible notes which totalled $550,000 (including $10,000 to Opus Capital Limited).

This leaves one remaining significant debt being a loan of $2,500,000 advanced to Opus Capital Limited by shareholder, M3 SIT Pty Ltd (M3). An amount of $530,000 of this loan was repaid during August 2012. This loan facility expired on 19 September 2012. The Company has entered into a Deed of Forbearance with M3 until 30 November 2012. Where all or part of this loan is required to be repaid (and is eligible to be so repaid under the terms of the operative deed of subordination) subsequent to the expiry date of the deed of forbearance of 30 November 2012, such repayment may be to the detriment of the Consolidated entity's ability to continue as a going concern.

The going concern of the Consolidated entity is therefore principally dependent on the ongoing support of the controlling shareholder. As a result the Directors believe that the going concern basis of preparation is appropriate, and accordingly have prepared the financial report on the basis.

The going concern basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

	2013 $	2012 $
NOTE 3 DIVIDENDS		
Dividends paid or declared during the year	-	-
Franking credits available	3,334,836	3,107,972

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax,
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

NOTE 4 REVENUE AND OTHER INCOME

	2013 $	2012 $
Operating revenue		
Management fees – Opus Property Trusts	1,367,283	1,692,989
Management fees – property management	929,015	1,185,267
Management fees – facilities management	203,659	252,863
Facilities income	-	109,310
Projects income	16,552	8,117
Real estate commission	1,027,800	826,615
Leasing fees	553,935	498,760
Recovery of accounting expense	231,145	185,070
Registry costs	60,750	-
Other fees for services	-	11,550
Asset sale fee	-	34,500
Capital works fee	60,275	253,249
Performance fee	-	192,000
Settlement of onerous lease	267,581	-
	4,717,995	5,250,281
Non-Operating revenue		
Interest	84,751	115,761
Distributions received	1,499	6,149
Sundry income	277,773	4,278
	364,023	126,188
Other income		
Profit on disposal of assets	775	-
	775	-
Total Revenue and Other Income	5,082,793	5,376,469

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	2013 $	2012 $

NOTE 5 PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax includes the following specific expenses:

	2013 $	2012 $
Employee benefits expense:		
- Contributions to defined contribution superannuation funds	102,915	96,435
Other expenses:		
Rental expense on operating leases		
- Minimum lease payments	1,451	282,779

NOTE 6 INCOME TAX

	2013 $	2012 $
The components of income tax expense comprise:		
Current tax	21,353	(11,706)
Deferred tax – origination and reversal of temporary differences	325,901	5,595
	347,254	(6,111)
The prima facie tax on profit/loss before income tax is reconciled to income tax as follows:		
Profit/(loss) before income tax	1,149,974	86,362
Prima facie tax payable on profit/(loss) before income tax at 30% (2011: 30%)	344,992	25,909
Amortisation of intangibles	-	113,348
Entertainment	1,199	693
Due diligence	-	(15,126)
Loss on debt forgiveness	-	55,821
Other non-deductible items	1,063	572
	347,254	181,217
Tax losses not recognised as an asset		-
Recognition of prior year tax losses not previously recognised as a deferred tax asset	-	(187,328)
Income tax expense	347,254	(6,111)
Composition of deferred tax balances		
Tax losses	-	218,067
Provision for employee benefits	9,874	15,433
Provision for impaired receivables	-	11,539
Provision for onerous contracts	-	98,584
Accrued expenses	31,039	68,691
Lease incentives	-	29,576
Provision for windups	55,942	-
Legal fees (blackhole) expensed	19,134	-
	115,989	441,890

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NOTE 6 INCOME TAX (continued)

Movements in deferred tax balances

2013	Opening balance $	Charged to income statement $	Closing balance $
Tax losses	218,067	(218,067)	-
Provision for employee benefits	15,433	(5,559)	9,874
Provision for impaired receivables	11,539	(11,539)	-
Provision for onerous contracts	98,584	(98,584)	-
Accrued expenses	68,691	(37,652)	31,039
Lease incentives	29,576	(29,576)	-
Provision for windups	-	55,942	55,942
Legal fees (blackhole) expensed	-	19,134	19,134
Deferred tax asset	441,890	(325,901)	115,989

2012	Opening balance $	Charged to income statement $	Closing balance $
Tax losses	620	217,447	218,067
Provision for employee benefits	70,510	(55,067)	15,433
Provision for impaired receivables	229,409	(217,870)	11,539
Provision for onerous contracts	75,422	23,162	98,584
Accrued expenses	22,317	46,374	68,691
Lease incentives	38,027	(8,451)	29,576
Deferred tax asset	436,305	5,595	441,890

As at the 30 June 2013 all revenue losses have been brought to account as a review has been performed in the current year as to whether the group satisfies the requirements of the same business test and have concluded that these tests can be met. Further the directors are of the belief that there is reasonable probability that profits will be made in the future for which the losses can be utilised. As at the 30 June 2013 there are carried forward losses of $Nil (2012: $726,897).

Deferred tax assets not brought to account

The benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur:

	2013 $	2012 $
Tax losses: operating losses	-	-
Tax losses: capital losses	2,873,061	2,873,061
	2,873,061	2,873,061

NOTE 7 TRADE AND OTHER RECEIVABLES

Trade receivables	562,417	710,605
Receivable from Opus Property Trusts & Funds	-	48,000
Prepayments	135,333	225,216
Sundry receivables	3,722	13,653
Provision for impairment	-	(38,463)
	701,472	959,011

Loans to controlled entities and Opus Property Trusts and Funds are subject to an interest rate of 5.75% (2012: 5.75%). These loans have a yearly repricing linked to the standard benchmark interest rate as published from time to time.

All other receivables are non-interest bearing. Refer to Note 16 for details of the credit quality of trade and other receivables.

Movements in provision for impairment for the period

	2013 $	2012 $
Opening balance	38,463	764,697
Charge for the year	344,260	142,282
Amounts written off	(382,723)	(868,516)
Closing balance	-	38,463

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NOTE 8 PROPERTY, PLANT AND EQUIPMENT

	2013 $	2012 $
Plant and equipment		
Plant and equipment at cost	200,789	247,019
Accumulated depreciation	(164,967)	(213,622)
	35,822	33,397
Leasehold improvements		
Leasehold improvements at cost	16,593	1,363
Accumulated amortisation	(2,093)	(692)
	14,500	671
Total property, plant and equipment	50,322	34,068

Movements during the period

	Plant and equipment $	Leasehold improvements $	Total $
Balance at 1 July 2011	50,607	144,449	195,056
Additions	29,081	-	29,081
Disposals	(32,891)	(132,847)	(165,738)
Depreciation expense	(13,400)	(10,931)	(24,331)
Balance at 30 June 2012	33,397	671	34,068
Balance at 1 July 2012	33,397	671	34,068
Additions	12,060	15,230	27,290
Disposals	(700)	-	(700)
Depreciation expense	(8,935)	(1,401)	(10,336)
Balance at 30 June 2013	35,822	14,500	50,322

NOTE 9 FINANCIAL ASSETS AVAILABLE FOR SALE

	2013 $	2012 $
Units in unit trusts	59,790	59,790
Provision for impairment	(46,490)	(46,490)
	13,300	13,300

Available for sale financial assets comprise investments in the units of various trusts which are related parties. Opus Capital Limited is the responsible entity for these trusts. The units are measured at cost. The unit trusts invest in commercial and industrial properties and fixed interest securities in accordance with the provisions of the various fund constitutions. The units are not publicly traded. Due to the absence of a ready market a market value is not able to be determined readily. There are no fixed returns or fixed maturity dates attached to these investments. No intention to dispose of any of the units existed at 30 June 2013.

NOTE 9 FINANCIAL ASSETS AVAILABLE FOR SALE (continued)

Movements during the period

	2013 $	2012 $
Balance at beginning of year	13,300	-
Additions	-	13,300
Disposals	-	-
Impairment	-	-
Balance at end of year	13,300	13,300

Movements in the provision for impairment for the period

	2013	2012
Balance at beginning of year	46,490	46,490
Charge for the year	-	-
Balance at end of year	46,490	46,490

NOTE 10 INTANGIBLE ASSETS

	2013	2012
Property management rights at cost	755,654	755,654
Accumulated amortisation and impairment	(755,654)	(755,654)
	-	-
License	79,061	79,061
	79,061	79,061

Movements during the period

	Property Management Rights $	Licence $	Total $
Balance at 1 July 2011	377,827	79,061	456,888
Impairment expense	(283,370)	-	(283,370)
Amortisation expense	(94,457)	-	(94,457)
Balance at 30 June 2012	-	79,061	79,061
Balance at 1 July 2012	-	79,061	79,061
Impairment expense	-	-	-
Amortisation expense	-	-	-
Balance at 30 June 2013	-	79,061	79,061

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NOTE 11 TRADE AND OTHER PAYABLES

	2013 $	2012 $
Trade payables	159,229	533,220
Sundry creditors and accruals	174,707	213,098
Annual leave accrual	31,725	38,892
Revenue in advance	68,783	113,705
Rent incentive liability	-	98,588
	434,444	997,503

NOTE 12 INTEREST BEARING LOANS AND BORROWINGS

	2013 $	2012 $
Current		
Shareholder loan (unsecured)	-	100,871
Shareholder loan (secured)	2,176,071	3,041,984
Convertible notes (unsecured)	-	540,000
Bank loans (secured)	-	1,493,360
	2,176,071	5,176,215
Non-Current		
Shareholder loan (secured)	239,914	-
	239,914	-

Shareholder Loan

As at the 30 June 2013 the company had only one remaining loan facility which had been advanced to the Group by the major shareholder, M3SIT Pty Ltd (M3) in the 2012 financial year. The original facility amount advanced in 2012 was $2,500,000. An amount of $530,000 of this loan was repaid during August 2012. This loan facility expired on 19 September 2012. The Company entered into a Deed of Forbearance with M3 until 30 November 2012. The Company has not been able to negotiate a further deed of forbearance at this time.

Interest outstanding as at 30 June 2013 is $206,071 (2012: $292,810) and is payable at a rate of 18%. A late fee of 1% per month is payable, the fee outstanding at being $239,914 (2012: $249,174) accrued to the 30 June 2013. The security for this loan is a registered fixed and floating charge over all the assets of the Company.

The other facility provided by M3 was repaid during the year. It had a principal of $100,000 with interest outstanding of $871 as at 30 June 2012. The loan was unsecured. The facility had a limit of $325,000 of which $224,129 was undrawn at 30 June 2012. Interest was payable at 10.43% and the facility had an expiry date of 10 June 2012.

Convertible Notes

Integra Asset Management Pty Ltd, a subsidiary of Opus Capital Limited issued convertible notes in November 2008.

Interest was payable monthly in arrears at 11.25% p.a.

The convertible unsecured notes were to be redeemed at face value at the redemption date (November 2011). The Company wrote to note holders in 2011 requesting that they extend the expiry date of these notes for a further twelve months. These were repaid to the note holders during the year.

Bank Loan

OCL repaid its remaining bank loan owing to the CBA of $1,500,000 during the current financial year. This facility was due for repayment at its expiration during May 2012 however OCL entered into a deed forbearance dated 4 September 2012 the required full repayment by 31 March 2013. There are no remaining financial covenants attaching to the debt facility with the Commonwealth Bank of Australia.

The loan facility was subject to a floating interest rate of 10.43%. The loan facility was fully drawn at 30 June 2012 and there no unused facilities available.

NOTE 12 INTEREST BEARING LOANS AND BORROWINGS (continued)

The carrying amounts of non-current assets pledged as security are:

	2013 $	2012 $
Plant and equipment	-	-
Equitable charge of units held	-	-
	-	-

Collateral provided

The shareholder loan is secured by a registered fixed and floating charge over all the assets of Opus Capital Group. There are no covenants imposed.

Financial assets that have been pledged as part of the total collateral for the benefit of the shareholder loan are as follows:

	2013 $	2012 $
Cash and cash equivalents	2,151,031	3,342,894
Trade receivables	701,472	959,011
Total financial assets pledged	2,852,503	4,301,905

The collateral over cash and cash equivalents represents a floating charge.

NOTE 13 PROVISIONS

	2013	2012
Current		
Provision for windup costs	186,474	-
Provision for bonus	-	150,000
Provision for onerous contract	-	94,566
	186,474	244,566
Non-Current		
Provision for employee entitlements	1,187	14,650
Provision for onerous contract	-	234,047
	1,187	248,697

Movements in provision for bonus

	2013	2012
Opening balance at beginning of year	150,000	150,000
Write back of provision during the year	(150,000)	-
Balance at end of year	-	150,000

A provision for bonus has been recognised to reflect bonus payments that have been estimated and advised to employees based on the criteria agreed with the board and management.

Movements in provision for onerous contract

	2013	2012
Opening balance at beginning of year	328,613	251,408
Amount (used) provided during the year	(328,613)	77,205
Balance at end of year	-	328,613

During the 2009 financial year, the Group decided to relocate from Levels 1 and 2 of 283 Elizabeth Street, Brisbane to the Lower Ground floor of that building. As part of the move, a decision was taken to sub-lease the vacated floors. A provision for an onerous contract has arisen as the income receivable from the sub-leases is less than the contractual rent obligations owed under the Group's lease agreement with the landlord.

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NOTE 13 PROVISIONS (continued)

The provision recognised at 30 June 2012 relates to the present value (discount rate of 2.56%) of the difference between the rental income receivable under the sub-leases and the rental expense payable over the remaining term of the lease.

A deed of forbearance and settlement was entered into on the 31 October 2012 with the owner of the building releasing the Group of all past, present and future obligations of this lease. Therefore at this time the provision was written back.

NOTE 14 CONTRIBUTED EQUITY

	2013 $	2012 $
1,288,975,860 ordinary shares (2012: 112,500,000)	1,387,555	341,785

	2013 Number	2012 Number	2013 $	2012 $
Movements during the year				
Balance at beginning of year	112,500,000	112,500,000	341,785	341,785
Shares issued	1,176,475,860	-	1,045,770	-
Issue costs	-	-	-	-
Balance at end of year	1,288,975,860	112,500,000	1,387,555	341,785

Ordinary Shares

All ordinary shares are fully paid.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and meet external capital requirements such as its Australian financial services licence.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.The Board's policy is to maintain a strong capital base so as to ensure compliance with the requirements of its Australian financial services licence AFSL and the Corporations Act 2001.

The Company is required under the terms of its AFSL to meet the base level financial requirements. That is, the licensee must:

a) be able to pay all its debts as and when they become due and payable; and
b) either:
   (i) have total assets that exceed total liabilities as shown in the licensee's most recent balance sheet lodged with ASIC and have no reason to suspect that the licensee's total assets would currently not exceed its total liabilities; or
   (ii) have adjusted assets that exceed adjusted liabilities calculated at the balance date shown in the licensee's most recent balance sheet lodged with ASIC and have no reason to suspect that the licensee's adjusted assets would currently not exceed its adjusted liabilities

Under the Corporations Act 2001, OCL as a responsible entity must also meet minimum net tangible asset cash needs requirements.

Opus Capital Ltd complies with all of these requirements.

The Board and management effectively manage the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders, if any, and share issues.

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NOTE 14 CONTRIBUTED EQUITY (continued)

Capital Risk Management (continued)

The Group monitors capital on the combination of a number of factors. These include:
a) AFSL requirements;
b) Responsible entity requirements under the Corporations Act 2001; and
c) cash flow requirements.

NOTE 15 SHARE BASED PAYMENTS

In September 2007, the Group established a share scheme that entitled all personnel in permanent employment at the time to acquire shares in Opus Capital Limited. Three new schemes were implemented:

- a Base scheme offered to at least 75% of all permanent employees;
- a Select scheme for senior and long-serving personnel; and
- an Executive scheme that entitled members of the Executive to purchase shares in the parent entity.

In June 2008 the executive scheme terms were modified to the same terms as the select scheme.

Employees are prohibited from selling or otherwise dealing with the shares for a minimum period of three years from the date of issue.

All shares were transferred from the existing shareholders to employees. Accordingly, no new capital was issued and no funding was required by the Group. All shares have equal rights.

Shares granted are recognised as an employee benefit expense with a corresponding increase in retained earnings. There is therefore no impact to the net assets of the parent entity or the Group.

No shares were issued to employees during the 2013 and 2012 financial years.

The following amounts relate to former directors and staff only. No current director or staff member have participated in any share based payments.

30 June 2013

Share Scheme	Fair Value Per Share	Opening Balance	Granted During Year	Closing Balance	Benefit Provided
Base	$0.9945	32,818	-	32,818	-
Select	$0.9943	2,727,500	-	2,727,500	-
Select - Executive	Nil	12,950,000	-	12,950,000	-
		15,710,318	-	15,710,318	-

30 June 2012

Share Scheme	Fair Value Per Share	Opening Balance	Granted During Year	Closing Balance	Benefit Provided
Base	$0.9945	32,818	-	32,818	-
Select	$0.9943	2,727,500	-	2,727,500	-
Select - Executive	Nil	12,950,000	-	12,950,000	-
		15,710,318	-	15,710,318	-

NOTE 16 FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from related parties, investments in unit trusts, bank loans and shareholder loans.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

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NOTE 16 FINANCIAL RISK MANAGEMENT (Continued)

	Note	2013 $	2012 $
Financial assets			
Cash and cash equivalents	23	2,151,031	3,342,894
Trade and other receivables	7	701,472	959,011
Available for sale financial assets – at cost	9	13,300	13,300
Total financial assets		2,865,803	4,315,205
Financial liabilities – at cost			
Trade and other payables	11	434,444	997,503
Interest bearing loans	12	2,415,985	5,176,215
Total financial liabilities		2,850,429	6,173,718

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 June 2013.

The Board and senior executives of the Group meet on a regular basis to analyse financial risk exposure. The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects of financial performance.

Specific Financial Risk Exposures and Management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk relating to interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and maturity analysis for liquidity risk.

The Board have overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period. Further details regarding these policies are set out below:

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when trade and other receivables fail to settle their obligations owing to the Group.

Credit risk is reviewed regularly by the Board of OCL. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the regular monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating. Where the Group is unable to ascertain a satisfactory credit risk profile in relations to a customer or counterparty, the risk may be further managed through obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of default. No collateral is held by the Group securing receivables.

The credit quality of cash and cash equivalents is considered strong. The counterparty to these financial assets is large financial institutions with strong credit ratings. Credit risk related to balances with banks is managed by management in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's (S&P) rating of at least AA-. All cash and cash equivalents are currently with AA- rated banks.

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NOTE 16 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. They are summarised below:

	Note	2013	2012
		$	$
Cash and cash equivalents	23	2,151,031	3,342,894
Trade and other receivables (net of impairment)	7	701,472	959,011
		2,852,503	4,301,905

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and detailed below. The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Ageing of receivables	2013	2012
	$	$
Not past due	673,008	553,824
Past due 31-60 days	21,303	130,149
Past due >60 days	7,161	275,038
Impaired	-	38,463
	701,472	997,474

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Group did not have any financing facilities available at balance date. In 2012 an amount of $224,129 was available from its major shareholder.

The table below reflects the contractual maturity of fixed and floating rate financial liabilities. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 30 June 2013. The amounts disclosed represent undiscounted cash flows.

The remaining contractual maturities of the financial liabilities are:

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NOTE 16 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (continued)

	Note	2013	2012
		$	$
Less than one year			
Trade and other payables	11	434,444	997,503
Convertible notes		-	540,000
Bank loans		-	1,493,360
Shareholder loans	12	2,176,071	3,142,855
		2,610,515	6,173,718
Between one and five years			
Shareholder loans	12	239,914	-
		239,914	-

(c) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments which primarily expose the Group to interest rate risk are borrowings and cash equivalents.

Floating rate instruments	2013	2012
	$	$
Cash and cash equivalents	2,151,031	3,342,894
Borrowings	-	(1,493,360)
	2,151,031	1,849,534

Interest rate risk is managed by constant monitoring of interest rates.

Interest rates over the 12 month period were analysed and a sensitivity determined to show the effect on profit and equity if the interest rates at reporting date had been 100 basis points higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date, namely variable rate cash holdings and borrowings.

At 30 June 2013, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit and equity would have been affected as follows:

	Profit Higher/(Lower)		Equity Higher/(Lower)	
Judgments of reasonably possible movements:	2013	2012	2013	2012
	$	$	$	$
+1.00% (100 basis points)	21,510	18,495	21,510	18,495
-1.00% (100 basis points)	(21,510)	(18,495)	(21,510)	(18,495)

(d) Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the statement of financial performance and in the notes to the financial statements.

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NOTE 17 KEY MANAGEMENT PERSONNEL

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2013.

Key management personnel compensation

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2013	2012
	$	$
Short-term employee benefits	696,698	727,135
Post-employment benefits	41,272	20,665
Termination payments	-	40,682
Equity based compensation	-	-
	737,970	788,482

Key Management Personnel share holdings (number of shares)

2013	Held at the beginning of the reporting period	Granted during the year	Disposals	Held at the end of the reporting period
Directors				
Matthew Madsen	-	-	-	-
Rowan Ward	-	-	-	-
Mark Hallett[1]	-	-	-	-
Key Management				
Anthony Boyd[2]	-	-	-	-
Philip Anthon	-	-	-	-
Leylan Neep	-	-	-	-
Total	-	-	-	-

2012	Held at the beginning of the reporting period	Granted during the year	Disposals	Held at the end of the reporting period
Directors				
Matthew Madsen	-	-	-	-
Rowan Ward	-	-	-	-
Mark Hallett	-	-	-	-
Maurice Kluge[3]	-	-	-	-
Stephen Gosling[4]	-	-	-	-
Key Management				
Anthony Boyd	-	-	-	-
Philip Anthon	-	-	-	-
Leylan Neep	-	-	-	-
Total	-	-	-	-

No shares are held nominally by any of the directors or other key management personnel.

1 Mark Hallett is a director of M3 SIT Pty Ltd which owned 1,204,763,553 (2012: 57,369,693) shares in OCL at 30 June 2013.

2 Anthony Boyd resigned on the 29 May 2013.

3 Maurice Kluge was a director of M3 SIT Pty Ltd which owns shares in OCL as described above and also held 19,350,000 shares through his superannuation fund. He also resigned on the 22 September 2011.

4 Stephen Gosling resigned on the 9 September 2011.

NOTE 18 RELATED PARTY TRANSACTIONS

The related parties that exist are key management personnel, entities which Opus Capital acts as the responsible entity for and other related parties which includes entities over which key management personnel have significant influence over.

For details of disclosures relating to key management personnel, refer to note 17. Trade receivables are made to the funds and trusts that Opus Capital Limited acts as the responsible entity for on an arm's length basis. Repayment terms are on normal terms and conditions being payment within 30 days with no interest being charged. Transactions between related parties are on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

Loans to controlled entities and Opus property trusts and funds are subject to an interest rate of 5.75% (2012: 5.75%). These loans have a yearly repricing linked to the standard benchmark interest rate as published from time to time. They are repayable with no fixed term.

Entities for which Opus Capital is the responsible entity

Amounts receivable	2013 $	2012 $
Trade and other receivables	157,824	632,371
	157,824	632,371

Loans receivable	2013 $	2012 $
Opening balance	48,000	33,000
Loans advanced	-	48,000
Loan repayment received	(48,000)	(33,000)
Interest charged	-	1,706
Interest received	-	(1,706)
Closing balance	-	48,000

Transactions with related parties	2013 $	2012 $
Responsible entity management and administration fees	1,367,283	1,692,989
Property and facility management fees	911,712	1,185,267
Facility maintenance and project charges	203,659	252,863
Leasing commissions	553,935	498,760
Asset sale fee	-	34,500
Capital works fee	60,275	253,249
Real estate commission	-	826,615
Recovery of accounting expenses	231,145	185,070
Registry costs	60,750	-
Projects income	12,965	8,117
Performance fee	-	192,000
Investment income	547	5,114
Interest on loans	-	1,706
	3,402,271	5,136,250

The Group paid expenses on behalf of the trusts/funds that it acts as responsible entity during the year of $655,896 (2012: $346,495). These costs are on-charged to the relevant entity and reimbursed at no mark-up.

Registered charges
In its capacity as responsible entity the Group has entered into a number of registered charges in relation to borrowings of the trusts. The liability in relation to these charges is limited and enforceable to the extent to which it can be satisfied out of the property of the scheme to which the charge relates.

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NOTE 18 RELATED PARTY TRANSACTIONS (continued)

Other related parties

As at 30 June 2013, a loan facility exists with M3 SIT Pty Ltd, being the majority shareholder in the company. The amount outstanding under this facility at 30 June 2013 was $2,415,984 (2012: $3,142,855). The terms of this facility are disclosed in Note 12.

During the 2011 year the shareholders of the company resolved to issue 100,000,000 options to M3 SIT Pty Ltd. The options were exercisable at $0.02667 and expired on the 25 April 2012 without being exercised. During the financial year ended 30 June 2012, 100,000,000 options expired, which were exercisable at $0.02667 and entitled the holder to 100,000,000 shares had they executed the options.

Hallett Legal Pty Ltd, a law firm in which Mark Hallett is a director, provided legal services to the Consolidated Entity during the year. Fees of $66,393 (2012: $89,278) were paid by the Consolidated Entity for these services. These transactions were entered into on normal commercial terms. As at 30 June 2013 the Consolidated Entity owed $35,152 (2012: $30,766) to Hallett Legal Pty Ltd.

During the year, OCL in its own right secured a first ranking mortgage over the property of the Fund in respect of advances made from OCL to the Fund to cover ongoing creditor payments for the Fund. The mortgages were registered on standard commercial terms.

	2013 $	2012 $
NOTE 19 AUDITORS' REMUNERATION		
Remuneration of the auditor for:		
Audit and review of the financial report	44,000	45,000
Compliance audit	2,600	-
	46,600	45,000

NOTE 20 COMMITMENTS

	2013 $	2012 $
Operating leases		
Future minimum lease payments receivable:		
Within one year	28,240	661,423
One year to five years	-	1,209,414
Later than five years	-	-
	28,240	1,870,837
Sub-lease payments expected to be received in relation operating leases	-	939,938

The Group leases office and storage space under non-cancellable operating leases expiring within one month to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The prior period comparatives relate to sub-leases the Group had at previous premises located at 283 Elizabeth Street, Brisbane. A deed of forbearance and settlement was entered into on the 31 October 2012 with the owner of the building releasing the Group of all past, present and future obligations of this lease. Therefore there was a substantial reduction in commitments in the current period.

NOTE 21 CONTINGENT LIABILITIES

Opus Capital Limited, as responsible entity of the scheme and a number of other related schemes (**Schemes**), received invoices from the Public Trustee of Queensland (**Public Trustee**), as custodian for the Schemes, for costs invoiced to the Public Trustee for legal services procured from Clayton Utz and one other law firm on behalf of the Schemes. Opus on behalf of the Schemes disputes the liability of the Schemes to pay the majority of these costs and, if there was a liability to pay, the quantum of such costs.

An Application for Cost Assessment was filed and served by OCL in February 2013. This is concurrently being heard by the Court as a matter of liability, and was before the Court on 8 May 2013, with supplementary submissions heard on 27 August 2013. OCL received judgement on the matter on 30 September 2013.

NOTE 21 CONTINGENT LIABILITIES (continued)

The judgement is being considered by both parties. Accordingly at this time, OCL continues to not accept the amounts claimed by The Public Trustee on behalf of the Schemes to this point, and no amounts are disclosed within this note as such disclosure may unreasonably prejudice the scheme in this matter. It is duly noted that a contingent liability exists as at 30 June 2013 in respect of this matter.

There are no other contingent assets or contingent liabilities as at 30 June 2013.

NOTE 22 PARENT ENTITY INFORMATION

The Parent Entity of the Group is Opus Capital Limited.

Parent Entity Financial Information	2013 $	2012 $
Current assets	2,402,512	3,277,450
Non-current assets	408,107	508,874
Total assets	2,810,619	3,786,324
Current liabilities	2,273,302	4,988,857
Non-current liabilities	239,914	-
Total liabilities	2,513,216	4,988,857
Net assets	297,403	(1,202,535)
Contributed equity	1,387,555	341,785
Retained earnings	(1,090,152)	(1,544,320)
Total equity	297,403	(1,202,535)
Profit/(loss) after income tax	454,168	(154,362)
Other comprehensive income	-	-
Total comprehensive income	454,168	(154,362)

Controlled Entities of the Parent Entity

	Percentage Owned		
	2013 %	2012 %	Country of Incorporation
Integra Consolidated Pty Ltd	100%	100%	Australia
Integra Asset Management Pty Ltd	100%	100%	Australia
Integra Facilities Management Pty Ltd	100%	100%	Australia
Opus Capital Services Pty Ltd	100%	100%	Australia
Targeted Funds Management Limited	100%	100%	Australia

Contingent Liabilities

Refer to Note 21 for details of the contingent liabilities of the parent.

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NOTE 23 CASH FLOW INFORMATION

	2013 $	2012 $
Reconciliation of cash flow from operations with profit/(loss)		
Profit/(loss)	802,700	92,473
Non-cash items in profit/(loss)		
Impairment of receivables	344,260	142,282
Impairment of intangible assets	-	283,370
(Profit) / loss on disposal of assets	(76)	152,238
Amortisation of borrowing costs	6,640	107,151
Amortisation of intangibles	-	94,457
Depreciation	10,336	24,331
Interest accrued	445,114	550,436
Movements in assets and liabilities		
Trade and other receivables	(86,721)	157,027
Provisions	(305,602)	76,958
Provision for income tax	21,353	-
Deferred tax balances	325,901	(5,585)
Revenue in advance	(44,922)	88,447
Trade and other payables	(518,137)	(702,649)
Interest capitalised	(541,984)	-
	458,883	1,060,936
Reconciliation to cash at the end of the year		
Cash at bank	2,151,031	3,342,894

For details of loan facilities refer to Note 12. No other facilities are held.

NOTE 24 EVENTS AFTER THE REPORTING PERIOD

Opus Capital Limited or has been provided with notice that the major shareholder in the Company, M3SIT Pty Ltd (M3SIT), in compliance with the requirements of Part 6A.2 of the Corporations Act 2001 (Cth) has proposed to compulsory acquire all shares on issue in the Company. Members of the Company were mailed a notice of compulsory acquisition, copy of an expert's report, and an objection form from M3SIT in September 2013.

There have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial periods.

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DIRECTOR'S DECLARATION

The directors of Opus Capital Limited (the "consolidated entity") declare that:

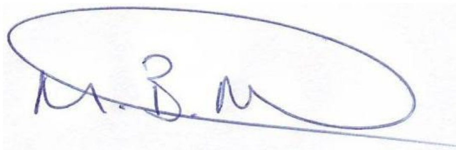
1. The attached financial statements and notes thereto set out on pages 13 to 44 comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements and give a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date;

2. The consolidated entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards;

3. In the director's opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

4. The remuneration disclosures on pages 6 to 10 of the directors report (as part of the audited remuneration report) for the year ended 30 June 2013 comply with s300A of the Corporations Act 2001.

Signed in accordance with a resolution of directors of Opus Capital Limited made pursuant to section 295(5) of the Corporations Act 2001.



Mr Matthew Madsen
Director

Dated at Brisbane on 30 September 2013

BDO

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INDEPENDENT AUDITOR'S REPORT

To the members of Opus Capital Limited

Report on the Financial Report

We have audited the accompanying financial report of Opus Capital Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which

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has been given to the directors of Opus Capital Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Opus Capital Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

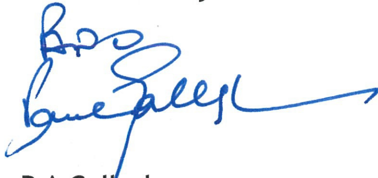
Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Opus Capital Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd



P A Gallagher
Director

Brisbane, 30 September 2013

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