/OPUS* GROUP ANNUAL REPORT 2013/

OPUS GROUP

CONTENT FASTER SMARTER

OPUS GROUP LIMITED
AND CONTROLLED ENTITIES
A.C.N. 006 162 876

McPHERSON'S
PRINTING GROUP

Ligare

CDS

Can
print
Communications
Pty Ltd

Union
Offset
Printers

CanberraMailing&Envelopes

Cactus Imaging

Omnigraphics
New Zealand

INDEX

“FY2013 WAS A YEAR THAT SAW THE GROUP CONTINUE TO STRENGTHEN ITS MARKET POSITION”

CHAIRMAN'S LETTER

Dear shareholders,

On behalf of the Board of the OPUS Group, I am pleased to present the Company's Annual Report for the year ended 30 June 2013.

FY2013 was a year that saw the Group continue to strengthen its market position as an Asia Pacific, technology based full service provider of print and digital content production, management and distribution solutions. During the year, the Company faced an increasingly difficult economic and trading environment that was characterised by the collapse of an unprecedented number of businesses in the segments in which we operate.

In my address to shareholders at the 2012 Annual General Meeting I noted that trading conditions during the first quarter of FY2013 had been subdued, particularly in the area of government communications and services and that these conditions would likely persist through the second quarter. However, we did expect that results would be stronger in the second half of the year, an expectation that did not materialise until the final quarter of FY2013. As a result and as you will see outlined in this Report, our overall financial result fell significantly below that achieved in FY2012.

However, I believe the Group emerged stronger at the end of the year than it was at the end of FY2012. To combat the difficult trading conditions and to take advantage of the industry consolidation that occurred throughout the year, the senior management of the Group focused squarely on its core strategies:

- enhancing operational efficiency across all facilities to improve overall network efficiency and consequent cost reduction;
- the strengthening of sales resources;
- working closely with customers to integrate their traditional and digital supply chains;
- continually reviewing our operations to ensure that capital and resources are deployed in the most effective and efficient manner;
- leveraging consolidation in the global supply chain to absorb customer demand for decreased inventory holdings through shorter print runs with faster turnaround times and fuller use of the Print on Demand model; and
- continually reviewing opportunities to take advantage of the ongoing industry consolidation by enlarging the group's footprint as a supplier to government departments in Canberra by the acquisition of the Canberra operations of the Blue Star Group.

Evidence that the implementation of these strategies was beginning to show positive effects emerged in the fourth quarter of FY2013 when the Group achieved an Adjusted EBITDA 9% ahead of the Adjusted EBITDA achieved in the fourth quarter of FY2012. It has been encouraging to see that this turnaround has continued into the first quarter of FY2014 and, as a result, the Group is approaching FY2014 with considerable confidence.

The Board has consistently said in its public announcements that one of its prime objectives is to reduce the Group's debt level below the current programme of scheduled debt repayments and I reiterated this when I addressed shareholders at the last Annual General Meeting. Through the year, non-core property assets in Singapore and Maryborough were sold with proceeds of $6,500,000 used to reduce debt.

Secondly, the decision has been undertaken to divest the Group's Outdoor Media Division so that management can focus its attention and energies on its core Publishing Division where we think future opportunities are considerable. Negotiations are currently taking place with a number of interested parties for the purchase of the Outdoor Media division. Proceeds from this divestment will be used to reduce overall debt.

The Company has restructured its debt facility with the CBA in order to provide future flexibility and sustainability to support the repositioning of the business. The restructured facility will, amongst other things, extend the facility to September 2016, with progressive debt reduction to be implemented via various capital management and other initiatives over the term of the facility.

The restructuring of the Group as part of its strategic focus has positioned OPUS Group to achieve ongoing growth from improved trading and will enable it to take full advantage of the rationalisation that has already occurred and will continue to occur in the industry. The Asia Pacific platform utilising our proprietary IPALM® technology will enable the Group to provide a more efficient distribution system for both traditional and electronic books. This will enable OPUS Group to extend across the supply chain and position it well for the future.

I would like to thank my fellow Directors formally for their support and enthusiasm throughout the year in confronting the difficulties we faced and in providing encouragement to take the necessary steps needed to secure the performance turnaround currently taking place. The stronger position we now occupy has been due in no small way to the hard work and dedication of the management and staff and in this respect I would like to pay particular tribute to Cliff Brigstocke, our CEO, Bob Alexander, our CFO, David Watkins, Company Secretary, and Mark Heron, Projects Director, all of whom shouldered a substantial load in the turnaround process.

We look forward to the continuing support of you, our shareholders,
as we take the Group forward.

Yours faithfully

W.J. Mackarell

Chairman

"PRODUCING AND DISTRIBUTING PUBLISHED CONTENT AT SPEED AND SCALE"


ADSHEL
Now at
McDonald's®
Weight Watchers®
6½
POINTS VALUE
WeightWatchers
Approved by life
Each Approved Meal pictured has a POINTS® value of 6½. Available after 10.30am, at participating restaurants.

"THE OPUS GROUP HOLDS LEADING POSITIONS IN THE PUBLISHING AND OUTDOOR MEDIA MARKET SECTORS"

Our Business Model

OPUS Group is an Asia-Pacific, technology based (Australian headquartered) business services and communication group. Employing a dynamic technology platform, the OPUS Group produces and distributes published content at the speed and scale required by a range of increasingly global customers.

With a competitive advantage in the ability to deliver innovative solutions for customers, the OPUS Group has expanded to become one of the leading specialist providers in the Asia-Pacific region. Today, the OPUS Group holds leading positions in the Publishing and Outdoor Media market sectors and maintains strong, long-term relationships with customers.

The OPUS Group has expanded to become one of the leading specialist providers in the Asia-Pacific region

The OPUS Group offering includes a regional end-to-end value chain with facilities in Singapore, Sydney, Melbourne, Maryborough, Canberra and Auckland with further global reach via strategic content distribution alliances in North America, the United Kingdom, Europe, Philippines and China.

OPUS Group's key success factors include speed to market and being adaptive to customer needs by delivering a full suite of complementary services.

OPUS Group's vision is to be the partner of choice to produce and deliver published content faster and smarter via an integrated full service end-to-end value chain.

CHIEF EXECUTIVE OFFICER'S REPORT

"In FY14 we will be launching "OPUS Digital" to hold our growth and innovative assets. These include our non-traditional print elements and a growing range of products and services as part of the Group's comprehensive solution offer for the publishers' value chain."

The FY2013 financial year has been a challenging one for the industry but one which created opportunities for those best positioned to take advantage of them.

I am pleased to report that against this backdrop our reported revenues rose and we posted a strong 12% Adjusted EBITDA margin. Our Adjusted EBITDA for the final quarter was up 9% on the corresponding period in the prior year, an encouraging sign that the tough decisions we made in FY13 were positive for the Group.

FY2013 HIGHLIGHTS

Over the course of the year, we took a number of actions that will position the Group well for the future. These include but are not limited to:

- The acquisition of the Canberra Blue Star and GEON customer base and select assets into our Canberra operation taking advantage of a market consolidation opportunity created by industry instability.
- As part of realigning our cost base, we closed the Mulgrave production facility and integrated key production elements into our Maryborough and Canberra facilities.
- OPUS Group's strategy in the Government sector has been further reinforced by major contract wins with the Department of Immigration and Citizenship and the Department of Treasury.
- Continued our investment in our proprietary content management platform, IPALM® as the key enabler to our Digital strategy. IPALM® has also been embraced by the Department of Industry who awarded the Group's Canberra based business an exclusive three-year contract for the provision of traditional print communications and new digital solutions.
- Last quarter EBITDA improvement of 9% over same period last year reflected the success of our cost reduction initiatives, our increase in non print product options and a noticeable recovery in our markets.
- An ongoing network utilisation focus sees the Group leveraging the Asia Pacific regional facilities with a significant amount of joint facility production to provide our customers with best value and location offers, including Singapore, Sydney, Melbourne, Maryborough, Canberra and New Zealand.
- We reduced our debt in advance of the scheduled amortisation timetable, in part funded by the sale and lease back of our Singapore facility and other non-core asset disposals.
- Announced the proposed divestment of our Outdoor Media division. The sale will enable us to further reduce the debt levels and is part of our strategy to focus on our Publishing business.
- Post the market release of the Annual Report, we renegotiated our debt facility until September 2016.

As a result of the above, OPUS Group is well positioned to bridge the gap between traditional and digital content distribution by providing a full suite of complementary services to deliver content faster and smarter for our Publishing customers.

KEY BUSINESS FOCUS AREAS FOR FY2014

Continue to improve the efficiency of the business

We remain focused on delivering our regional strategy and building on the momentum achieved over the last year. We will continue to improve the efficiency of the business, with a continuing focus on cost reduction, network utilisation and productivity through automation.

Focus our energy and initiatives to our core publishing services customers

Our business model is designed to scale to opportunities on a global, regional and local growth basis. Our efforts have been singularly focused on increasing our products and services to integrate more closely as part of the publishers' value chain and support the trend of customers ordering shorter print runs, more often and with faster turnaround times to deliver content, faster.

The "OPUS Digital" model

In FY14 we will be launching "OPUS Digital" to hold our growth and innovative assets. These include our non-traditional print elements and a growing range of products and services as part of the Group's comprehensive solution offer for the publishers' value chain.

This service model will sit across our Publishing division framework and support OPUS to continue to service Publishing customers to deliver content faster and smarter. The OPUS Digital business model is attractive as it meets the needs of all stakeholders at each link of the value chain, including:

- Extension of our service across the supply chain
- Print on demand and print to demand optionality
- IPALM® enabling technology platform extension
- Distribution and fulfillment; and
- Publishing services

The model will leverage the publisher supply chain to move to a more efficient distribution system for both traditional and electronic books. This approach is consistent with industry feedback both internationally and locally in the Australian market and will enable OPUS Group to be the supplier of choice for Publishing customers.

Our Asia Pacific and regional platform offering

A key feature of the OPUS Group offering is the Publishing division's Asia Pacific strategy, which continues to deliver benefits to both customers and the Group. A significant volume of work is now being shared across the network, which allows for a varied cost-to-speed proposition for customers. Development of the Singapore operation as part of our regional strategy has been successful, with orders from multi-regional customers utilising our Singapore operation where appropriate.

Using our network, alliances and proprietary IPALM® technology platform across the Asia Pacific region, we offer efficient and co-ordinated product delivery. Its appeal to customers operating in the Asia-Pacific region is evidenced by activities during the year, including the renewal of a major three-year contract with CCH Australia including a new component to produce for CCH New Zealand and the option to renew this contract for a further term of three years. In addition to this, OPUS has secured an Asia Pacific contract with Wiley-Blackwell and have also renewed the contract with Harlequin Enterprises Australia.

Focus on Net Debt reduction and a recapitalisation of the balance sheet

Since the inception of the debt facility entered into in March 2012, the OPUS Group has reduced its outstanding debt with its financier by $9,616,000 (at 30 June 2013), through debt amortisation, through funds injected from the shareholder loans and non-core asset disposals including the Singapore building sale and leaseback which was completed in April 2013.

The variation agreement signed with CBA in October 2013 will allow the Board and the senior management team to focus on our Net Debt reduction strategies. This focus will position the Company to have a flexible capital structure to allow it to focus on its core business and pursue a profitable digital growth strategy.

OUTLOOK

Over the next twelve months and post our Outdoor Media Division divestment, you will see a much greater focus on the 'Digital' aspects of our business which will be supported by a more robust capital structure.

In terms of trading conditions, the last quarter of FY13 posted a 9% improvement of Adjusted EBITDA on the same period last year.

I anticipate that the improved trading conditions in the fourth quarter will continue and that the significant savings as well as investments in new technology development will underpin future profitable growth.

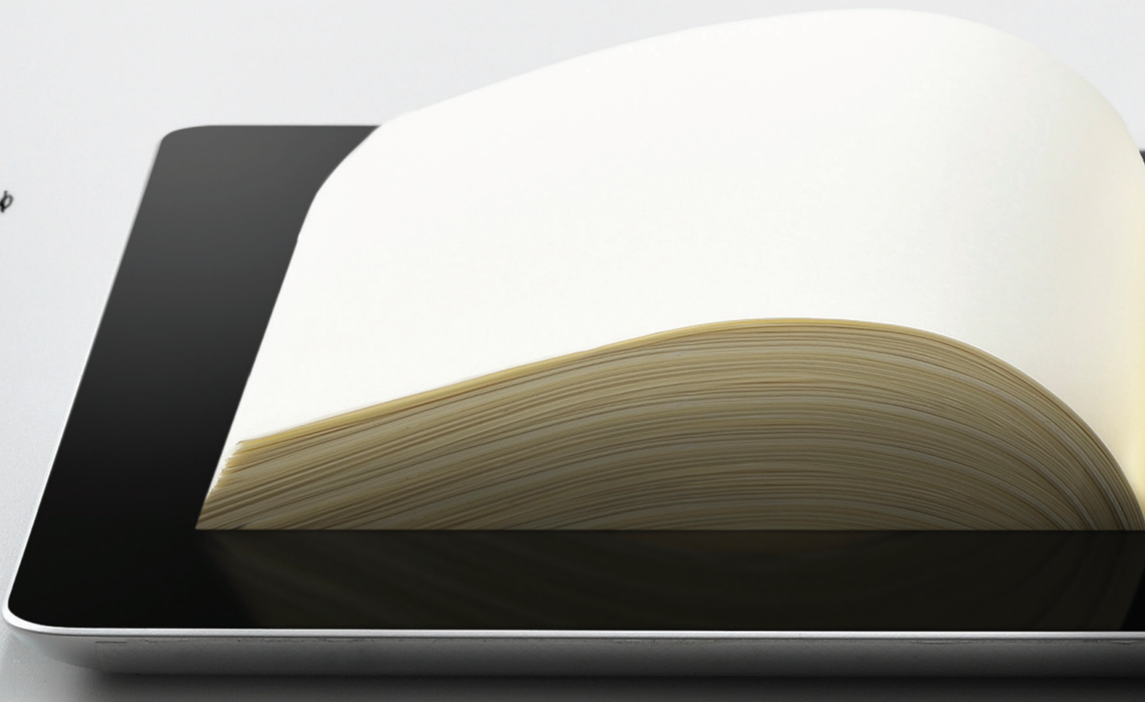
OPUS Group is well placed to deliver an improved EBITDA performance given the industry stabilisation, substantial transformative cost reduction undertaken and investments we have made over the past 12 months.

On behalf of the senior management team and the Board I thank you for your ongoing support of the Company.

Yours faithfully

Clifford D.J. Brigstocke
Chief Executive Officer

"A CONTINUING FOCUS ON COST REDUCTION, NETWORK UTILISATION AND PRODUCTIVITY THROUGH AUTOMATION"



OPUS Group is well placed to deliver an improved result for FY14

OUR DIVISIONS

Publishing division ///

The Publishing division is responsible for the production, management and distribution of printed and digital content for professional, educational, read for pleasure, Government and niche publishers.

With facilities operating in Singapore, Sydney, Melbourne, Maryborough, Canberra and Auckland, the Publishing division offer spans the electronic,digital and offset book production spectrum with a suite of complementary business services including Print on Demand, back-catalogue fulfilment, content and digital asset management, direct to consumer distribution, virtual warehousing, web storefront, EDI and mailing.

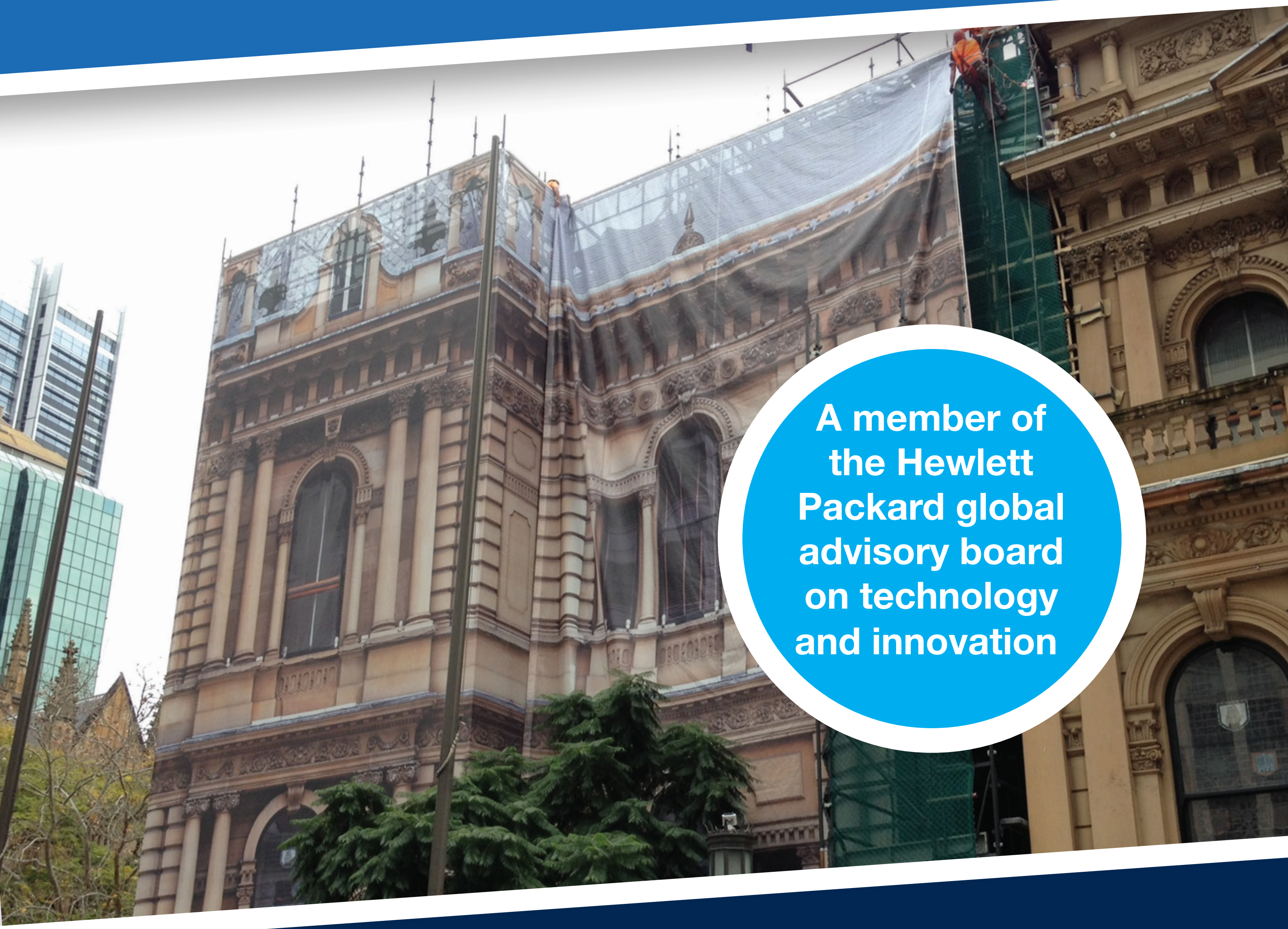
The Publishing division's core enabling strengths are speed, scale and specialisation. Speed in the ability to produce time sensitive and rapid turnaround published content; scale through the ability to offer the full book production spectrum and complementary business services across the Asia Pacific region and globally with our Content Distribution Alliance partners; and specialisation in the division's knowledge, capability and focus on providing innovative solutions to deliver content faster, smarter for our publishing customers.

Outdoor Media division

The Outdoor Media division is the largest provider of grand and large format printing for outdoor advertising with leading positions in both Australia and New Zealand.

This involves the creation, production and distribution of outdoor media advertising material and corporate signage, such as billboards, bus advertising, retail displays, building and vehicle wraps and trade exhibitions using a wide variety of flexible and rigid materials and offering a full range of in-house finishing.

The Outdoor Media division remains at the forefront of industry development for new and exciting products and technologies and is a member of the Hewlett Packard global advisory board on technology and innovation.



A member of the Hewlett Packard global advisory board on technology and innovation

Network efficiency and operating leverage

OPUS Group is undertaking a number of operational initiatives to enhance the network efficiency across all facilities in light of the consolidation activities surrounding the traditional publishing supply chain and the increasing need for rapid turnaround and direct to customer distribution. A key initiative for FY14 is the alignment of workflow and ICT systems across OPUS Group facilities to better support the growing need for regional distribution and print solutions.

Harnessing the digital value chain

The growth in digital media is changing the way content is produced and delivered to end users. As a growing sector of the global publishing market, e-books and digital media represent fresh opportunities and challenges for publishers and suppliers alike to adapt and harness the digital value chain.

With significant capital invested in digital inkjet technology, workflow automation, integrated content management and fulfilment across our Asia Pacific facilities, OPUS Group is meeting local, regional and global demands for rapid turnaround with Print on Demand, zero inventory models and at the same time, is working to extend our specialist services to the digital value chain.

Utilising our proprietary IPALM® platform and strategic alliances with digital content partners, OPUS Group is working closely with our customers to harness the digital value chain by enabling services such as web storefront and EDI, content design and management, fulfilment and digital asset management with the aim to integrate the traditional and digital supply chains and support the publishing lifecycle from creation to consumption.

Operational and strategic focus

OPUS Group is continually reviewing the markets within which it operates to ensure that operations are focused on key sectors and capital is deployed in the most effective manner.

With the growth of the digital value chain and the Publishing division representing the majority of Group earnings, OPUS Group has announced a strategic review with the objective of divesting the Outdoor Media division. This will enable a pure focus on the Publishing division, which has more opportunity for regional growth and scale.

OPUS Group's critical success factors include speed to market and being adaptive to customer needs by delivering a full suite of complementary services.

Debt reduction

As announced in previous market releases, OPUS Group intends to reduce its overall Net Debt level beyond the current scheduled debt repayments over the FY14 and FY15 years.

Since the inception of the debt facility entered into in March 2012, the OPUS Group has reduced its outstanding debt with its financier by $9,616,000, through debt amortisation, through funds injected from the shareholder loans and non-core asset disposals including the Singapore building sale and leaseback which was completed in April 2013.

The Board is continuing to review the execution of its Net Debt reduction strategy and EBITDA accretive initiatives, and have a continued focus on reducing Net Debt levels further through FY14.

BUSINESS PROSPECTS, OPPORTUNITIES AND RISKS

The FY13 results of the OPUS Group were significantly impacted by tough trading conditions in the general Publishing sector due to the macro-economic environment and a reduction in government expenditure on print due to budgetary reasons. However, OPUS Group expects to see these market conditions gradually improve post the Australian Federal Election on 7 September 2013 and for this trend to continue throughout the remainder of FY14 and beyond.

The Board's strategy is focused on minimising the impact of risks which may impact the future financial performance and financial position of the OPUS Group whilst taking advantage of the many opportunities which currently exist in the markets within which the OPUS Group operates. Significant opportunities, risks and the business prospects as a result of execution of the Board's strategy are discussed on the following pages.

The changing print media market – the digital influence

Digital media is changing the way content is produced and delivered to end users and traditional print media is facing growing competition from digital and online substitutes.

As a key partner in the publishing supply chain and working closely with our customers, OPUS Group is well positioned to bridge the gap between traditional and digital content distribution utilising:

- Asia Pacific facilities in Singapore, Australia and New Zealand;
- Content Distribution Alliance with partners in North America, the UK, Europe and China;
- strategic partnerships with digital content providers Tilt+Co in Australia and MTC in Philippines; and
- our proprietary enabling platform, IPALM®.

Shorter print run sizes, increased order frequency and the Print on Demand model

The rise of digital content is increasing the amount of published content and the speed at which they can be distributed to end-users. This is leading to consolidation in the global publishing supply chain. The impact on the traditional print supply chain and the general print industry is evident with publishing customers ordering shorter print runs, more often and requesting faster turnaround times in order to deliver content more quickly to market, which suits the OPUS Group business model.

With speed to market a core competitive advantage of the OPUS Group, we have invested in the latest digital technology by commissioning Australia's first Hewlett Packard's Onyx digital ink jet production line in March 2012. As the most sophisticated digital printer operating in the country, it is able to produce digital short run and long run books, fully bound and finished ready for distribution. Combined with our proprietary IPALM® platform, this enables OPUS to offer our publishing customers a combination of Print on Demand and Print to Demand, just in time delivery and zero inventory distribution. This means our customers save on warehousing costs and are able to manage their supply/ demand/ obsolescence equations more effectively.

Market consolidation opportunities

Due to excess capacity, reduced print pricing and reducing offset print volumes, further industry consolidation is expected in the markets within which the OPUS Group Publishing Division operates.

As one of the leading companies in the industry, OPUS Group is well placed to take advantage of this industry consolidation with the OPUS Board continually reviewing opportunities as they arise. The most recent example is OPUS Group's decisive action to embrace the consolidation in the Government publisher supply chain in Canberra, by acquiring selected assets from Blue Star Group Australia.

Government content delivery changes and outlook

In Canberra, as a leading supplier to the Federal Government and government departments, OPUS Group provides a full scale operation and proven systems to provide a secure and fast service supported by a host of other ancillary services.

During FY13, OPUS Group acquired selected assets and the revenue base of Blue Star Group Australia's Canberra business, which improved our footprint and market position in Government publishing.

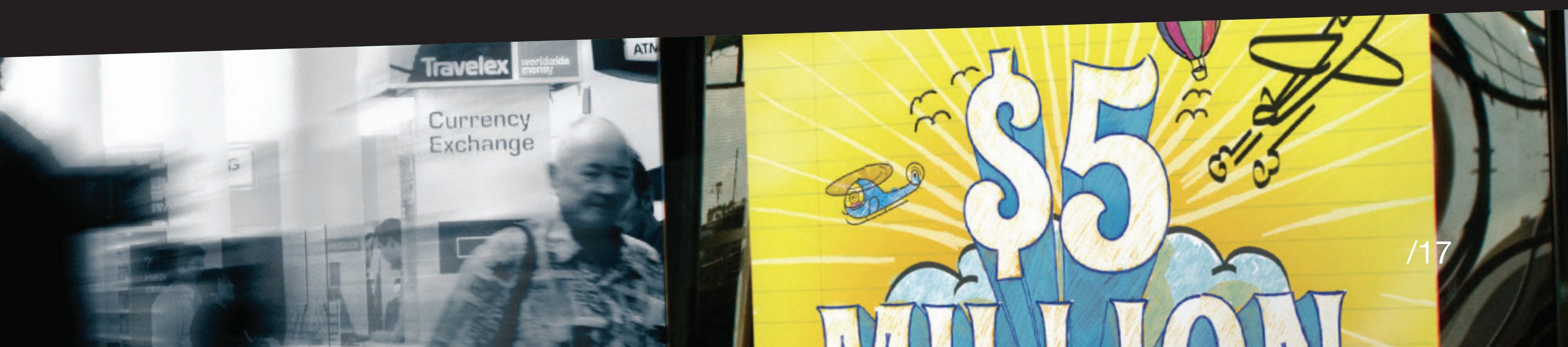
This transaction is anticipated to deliver significant revenues on an annualised basis with the full financial benefits expected to be seen in FY14. Settlement of the consideration for the acquisition will occur on a deferred basis over a two-year period, based on the actual revenue contribution with minimum thresholds in place.

Overseas competition and the need to provide geographical flexibility

Competition from offshore printers has been a sustained risk to the Australian printing industry over recent years. The strong Australian dollar has increased the threat by making imports much more price competitive.

With regional facilities in Singapore, Australia and New Zealand, and Content Alliance Partners in North America, the UK, Europe and China, OPUS Group is able to provide its publishing customers with locational flexibility for a wide range of content delivery options. The combination of onshore production in Australia and the use of the Group's lower cost hub in Singapore mean that OPUS Group has a full end-to-end service model to support publishing customers as they transition from traditional to digital and hybrid distribution models.

As global publishers consolidate their supply chains and look to partners who can extend their service offering OPUS Group is focusing on a wider role in the value chain by adding services and distribution platforms to support customer needs.



COMMUNITY AND ENVIRONMENT

Community

OPUS Group is committed to operating as a responsible corporate citizen and continually supports the economic and social vitality of local communities through sponsorships and charitable donations.

OPUS Group proudly supports industry related events and promising programs from non-profit entities that are closely aligned with the Company's commitment to its industry and communities.

Organisations we have supported this year include:

ASX Reuters Foundation for:

- Aussie Deaf Kids
- Autism Spectrum Australia (Aspect)
- The Butterfly Foundation
- Camp Quality
- Dymocks Children's Charities
- Financial Markets Foundation for Children
- Foodbank
- FSHD Global Research Foundation
- Heart Research Institute
- Hunter Medical Research Institute
- Interplast Australia & New Zealand
- The Leukaemia Foundation
- Lifeline Northern Beaches
- Lung Foundation Australia
- Meniere's Australia
- Motor Neurone Disease Assn NSW
- Neuroscience Research Institute
- Odyssey House McGrath Foundation
- Pain Management Research Institute
- Sunnyfield
- Wheelchair Sports Australia NSW

Auckland Art Fair
Clunes Booktown
Disabilities Sport & Recreation Ltd
Greenfleet
Immune Deficiencies Foundation
International Diabetes Federation, Australia
Lions Club
Macks
Maryborough Hospital
Maryborough District Health Services
Maryborough Education Centre
Maungawhau School Fair
Mooney Valley Racing Club
Movember
Salvation Army
St Giles Society Inc
St Vincent de Paul
The Basement Theatre
The Silo Theatre
NZ Fashion Week
Outdoor Media Association of NZ
Pink Party
Radio Lollipop
Rotary Club
Walk For Cancer
Snowy Hydro SouthCare
ACT Monaro Cancer Support Group
Canberra Business Council
Starlight Foundation
ACT Chamber of Women in Business

Environment

The OPUS Group is committed to minimising the impacts of the production process on the environment.
Our Outdoor Media division has introduced an Industry first light weight, black-backed vinyl that provides significant occupational health and safety benefits, is recyclable and is cost effective for customers.

We have also invested in both UV printing and Latex technology. The former uses low VOC (volatile organic chemical) inks that are less harmful to the environment and Latex technology use environmentally friendly latex inks that meet the chemical requirements of the Nordic -Ecolabel for print companies.

Our Publishing division is certified to the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification Scheme (PEFC) and where possible, we print using soy-based inks (commonly referred to as vegetable based inks).

Our ACT and Victorian facilities are certified as operating an Environmental Management System complying with the requirements of AS/NZS ISO14001:2004 and we are currently in the process of conducting Target Ethical Sourcing Code audits for all sites in the division.

/OPERATING RESULT FINANCIAL REVIEW AND COMMENTARY/

The Group reported revenue of $97,159,000 (2012: $75,240,000) from continuing operations, which was up 29% on the prior year.

However the FY12 comparative includes McPhersons Printing Pty Limited for the period 1 April 2012 to 30 June 2012 only. Revenue from continuing operations has been restated to reflect the Outdoor Media division as a discontinued operation.

The trading environment during FY13 was difficult and impacted participants across the Australian markets that OPUS Group services. In particular the impact of the Canberra market and cut backs on Federal Government spend had a significant impact on the performance of the Group.

Before reclassification of the Outdoor Media Division as a discontinued operation, the pre-tax loss for the 2013 financial year was $523,000, an improvement of 38% on the 2012 loss of $841,000. This loss is after $3,118,000 of one off items related to integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and other related costs (2012: $4,411,000) and gains of $3,465,000 (2012: $8,000) related to building disposals.

Further details in respect of these results are provided below:

Reported Financial Performance

	Year ended 30 June 2013 AUD$'000s As reported	Year ended 30 June 2012 AUD$'000s As reported	% Change Favourable /(unfavourable)
Revenue from continuing operations	97,159	75,240	29%
Operating income and expenses	(93,544)	(73,205)	(28%)
Operating profit before finance costs	3,615	2,035	78%
Net finance costs	(6,535)	(5,005)	(31%)
Share of net loss of associate	(116)	(14)	(729%)
(Loss) before tax (continuing operations)	(3,036)	(2,984)	(2%)
Profit from discontinued operation (net of tax)	1,744	1,541	13%
Income tax expense	(1,490)	(351)	(325%)
(Loss) after tax	(2,782)	(1,794)	(55%)
(Loss) per share (cents)	(5.18)¢	(4.47)¢	(16%)

Due to the rounding of figures small discrepancies may exist

Revenue amounted to $97,159,000, 29% up on the corresponding period of $75,240,000.

Operating profit before finance costs was up 78% on the comparative period. This measure is after $3,118,000 (2012: $4,411,000) of one-off costs relating to integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and other related costs, and gains of $3,465,000 (2012: $8,000) relating to building disposals.

OPUS Group's loss after tax and discontinued operations was $2,782,000 (2012: loss after tax of $1,794,000). This is after $1,490,000 of income tax expense of which $1,388,000 relates to prior year Australian tax losses expensed during the year.

Pro-forma financial performance

Given the complexity of the merger transaction in FY12 and the presentation of the Outdoor Media Division as a discontinued operation, the Board and Senior Management of the OPUS Group assess the performance of the operating segments and the business as a whole based on measures of Adjusted EBITDA as monitored by the Board and Senior Management ('Adjusted EBITDA') and Revenue on an 'Always Owned' basis as defined below.

Items excluded from Adjusted EBITDA reflect the effects of certain items such as integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and other related costs.

'Always Owned' measures include 9 months of pre-acquisition trading of McPhersons Printing Pty Ltd for FY12.

These measures are disclosed in note 5 of this preliminary Financial Report and are consistent with the presentation of financial information internally for management accounts purposes. Both are non-IFRS measures of financial performance and are not principles contemplated by Australian Accounting Standards. These measures are unaudited.

	1HFY13 AUD$'000s	2HFY13 AUD$'000s	Year ended 30 June 2013 AUD$'000s	1HFY12 AUD$'000s	2HFY12 AUD$'000s	Year ended 30 June 2012 AUD$'000s	% Change
Revenue (Always Owned)							
Publishing Division	48,686	48,473	97,159	56,890	55,353	112,243	(13%)
Outdoor Media Division	10,598	9,067	19,665	11,617	9,149	20,766	(5%)
Total Revenue (Always Owned)	59,284	57,540	116,824	68,507	64,502	133,009	(12%)
Adjusted EBITDA (Always Owned)							
Publishing Division	7,512	7,090	14,602	10,763	9,106	19,869	(27%)
Outdoor Media Division	1,971	1,464	3,435	2,395	1,223	3,618	(5%)
Corporate	(1,951)	(1,972)	(3,923)	(1,119)	(1,768)	(2,887)	(36%)
Total Adjusted EBITDA (Always Owned)	7,532	6,582	14,114	12,039	8,561	20,600	(31%)

Items excluded from Adjusted EBITDA are summarised as follows:

	Year ended 30 June 2013 AUD$'000s	Year ended 30 June 2012 AUD$'000s
Transaction and listing related costs (i)	475	1,484
Integration and restructuring costs (ii)	2,363	2,525
Closure of interest rate swaps (iii)	-	515
Other (iv)	376	47
Total items excluded from Adjusted EBITDA	3,214	4,571
Less: items excluded from Adjusted EBITDA relating to discontinued operations	(96)	(160)
Total items excluded from Adjusted EBITDA (continuing operations)	3,118	4,411

(i) Costs related to the merger transaction including advisory, legal, accounting and taxation professional fees and the costs of the ASX initial listing. The 2012 comparatives include costs related to the proposed listing on the New Zealand Stock Exchange, which did not proceed.

(ii) Costs related to the activities being undertaken to realise the synergy benefits available to the OPUS Group and over the transition phase as the businesses become integrated.

(iii) Cost of the closure of the interest rate swaps related to the OPUS Group of Companies' debt facility.

(iv) Fees related to the shareholder loan transactions entered into during the year, CBA debt facility restructuring and legal costs associated with acquisitions and strategic reviews.

A reconciliation of Adjusted EBITDA to the loss before taxation per the Statement of Comprehensive Income is as follows:

	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Adjusted EBITDA on an 'Always Owned' basis (continuing operations)	14,114	20,600
Adjusted for:		
Pre-acquisition trading for entities acquired during the year	-	(4,434)
Adjusted EBITDA	14,114	16,166
Less: adjusted EBITDA of discontinued division	(3,435)	(3,618)
Depreciation, amortisation and impairment	(7,527)	(6,124)
Gain on disposal of property, plant and equipment	3,465	8
Items excluded from Adjusted EBITDA	(3,118)	(4,411)
Finance revenue	116	74
Finance costs	(6,651)	(5,079)
Loss before taxation per the Consolidated Statement of Comprehensive Income	(3,036)	(2,984)

Publishing Division

The Publishing Division is integral to the publishing cycle of professional and educational publishers. It provides digital and offset printing, and other ancillary business services including digital asset management, content management, back-catalogue fulfilment, direct to consumer distribution and warehousing, variable data and intelligent mailing. The division operates with the brands of Ligare in Sydney and Auckland, CanPrint and Union Offset in Canberra, McPherson's Printing in Victoria and C.O.S. Printers in Singapore. Continuing reduced Government expenditure has had a direct impact on the performance of the OPUS Group's Publishing Division both directly through trading with Government customers and at a macro level with overall softer market demand in the Publishing sector. The strong financial performance of the Group's Singapore operation during the year has partially offset trading conditions for the Publishing Division in Australasia.

On an 'Always Owned' basis (as defined above), the Publishing Division generated revenue of $97,159,000 (2012: $112,243,000). Revenue and the Adjusted EBITDA of the Publishing Division decreased by 13% and 27% respectively.

Outdoor Media Division

The Outdoor Media Division produces and distributes outdoor advertising material and corporate signage for the outdoor advertising industry and corporate signage market. This market encompasses a wide range of 'out-of-home' advertising formats to reach consumers where they live, work, play, drive, shop and commute. The division operates a multi-brand strategy across Australasia through Cactus Imaging and Omnigraphics New Zealand. Trading for the Outdoor Media Division remained relatively stable with both the Australian and New Zealand operations having a strong second half to the year. Adjusted EBITDA for the second half of FY13 was 20% up on the same period in the prior year. Outdoor Media revenue of $19,665,000 was 5% below the prior year revenues. Adjusted EBITDA of $3,435,000 was 5% below the prior year.

Asset and Capital Structure (as at Balance Sheet Date)

	30 June 2013 AUD$'000s	31 Dec 2012 AUD$'000s	30 June 2012 AUD$'000s
Debt:			
Bank debt and borrowings	52,384	62,175	63,500
Convertible notes	3,137	-	-
Finance lease liabilities	3,107	3,489	3,781
Bank overdraft	1,500	1,500	-
Cash and cash equivalents	(3,163)	(3,137)	(4,443)
Net debt*	56,965	64,027	62,838
Total equity	33,181	30,790	34,548
Total capital employed	90,146	94,817	97,386
Gearing (net debt/ net debt + equity)	63%	68%	65%

Due to the rounding of figures small discrepancies may exist

* Net debt excludes off balance sheet bank guarantees and letters of credit. For bank covenant purposes the convertible notes are excluded from Net Debt.

Net debt (interest bearing liabilities and overdrafts less cash) decreased by $5,873,000 to $56,965,000 following the disposal of non-core assets, the Singapore building sale and leaseback and scheduled debt amortisation.

At 30 June 2013, due to the requirements of the debt facility in place at the balance sheet date, the Group had a requirement to repay $25,963,000 of debt to its senior financier, the Commonwealth Bank of Australia ('CBA'), in the 12 months to 30 June 2014, of which $20,000,000 was due by 30 September 2013. This amount is classified as a current liability in the 30 June 2013 financial report such that the Group has presented a net current liability position of $16,573,000 on its balance sheet.

The Group is currently continuing advanced discussions with CBA in order to restructure its debt facility, including so as to extend the date of repayment of these amounts and to revise the terms under the facility agreement.

On 30 August 2013, the Group received a proposal from CBA which has been the subject of discussion throughout the intervening period. On 9 September 2013, a conditional term sheet was executed which outlined the commercial aspects of the proposed debt facility variation but was still subject to final documentation and agreement between the parties. The conditional term sheet waived the requirement to pay the $20,000,000 due by 30 September 2013 subject to the final variation of the debt facility being executed.

On 30 September 2013, the OPUS Group Board received a further waiver from CBA which provides an extension to 2 October 2013 in order to allow additional time for an agreement with respect to a variation of the debt facility and the extension of the repayment timetable.

The proposed variation deed extends the facility to September 2016, with progressive debt reduction to be implemented via the sale of the Outdoor Media division, raising equity capital and various capital management and other initiatives over the term of the facility. The amortisation timetable provides that at least $27,500,000 is repayable throughout the period to 30 June 2014 under the revised debt facility structure. This amount includes scheduled amortisation and additional debt reduction through the initiatives described above.

As part of the extension and variation arrangements, and in consideration for CBA agreeing to them, the Company will grant CBA a warrant which upon an exit event for all OPUS Group shareholders, will entitle CBA to a 10% equity interest in the Company. The detailed terms and conditions associated with the warrant are subject to final legal documentation and any necessary regulatory approvals. This documentation and related approvals are required to be completed by 30 November 2013 and further detail will be provided in this regard before that date. The proposed variation deed is expected to revise the covenants attached to the CBA facilities. The revised covenants will be in respect to a rolling EBITDA measure, minimum cash balance requirements and limits on capital expenditure. The proposed variation deed will allow, at the option of the Company, for the capitalisation of interest on the higher margin component of the debt facility.

The Directors anticipate that an agreement on these matters will be reached with CBA by 2 October 2013, including the finalisation of associated documentation. If, however, agreement cannot be reached, CBA will become entitled to request the immediate repayment of loans under the facility agreement. An appropriate announcement will be made once discussions with CBA have been finalised.

In January 2013, the Group entered into a loan agreement for up to $3,400,000 with entities related to two existing shareholders to meet short-term working capital requirements, fund the closure costs of the Mulgrave facility and other Group reorganisation initiatives. The loan is convertible to ordinary shares in the Company at the option of the lender at any time up and until the facility maturity date of 31 March 2014. The loan agreement and conversion option was approved by shareholders on 28 March 2013 at an Extraordinary General Meeting. The Company pays interest at 15% per annum on this facility which is capitalised. As the maturity date falls within 12 months of the balance sheet date, the convertible loan note debt is classified as a current liability.

Working capital and cash flow realisation

	2013 $AUD'000s	2012 $AUD'000s
Receipts from customers (inclusive of GST)	129,040	106,976
Payments to suppliers and employees (inclusive of GST)	(120,555)	(95,637)
Adjusted for prepaid land tax relating to sale-and-leaseback transaction in Singapore operation	1,169	-
Adjusted operating cash flows before interest and tax	9,654	11,339
Adjusted EBITDA	14,114	16,166
Items excluded from Adjusted EBITDA	(3,214)	(4,571)
EBITDA after excluded items	10,900	11,595
Operating cash flow realisation before interest and tax	89%	98%

Operating cash flow realisation before interest and tax of 89% was down on the prior year reflecting significant working capital movements during the year and higher than normal cash collections from customers at the end of FY12. Employee termination and leave payout outflows during the year related to the closure of Mulgrave and other Publishing division restructuring activities also impacted the operating cash flow realisation achieved for the year.

As part of the requirements of the sale-and-leaseback transaction for the Singapore building, $1,169,000 of land tax was prepaid to the local Singaporean authority. This will provide a future benefit to the Company over the remaining lease term of 10 years.

Capital expenditure was managed with a focus on selective investment. The cash outflow for the year ended 30 June 2013 was $2,744,000 (2012: $2,249,000).

The Adjusted EBITDA presented above for 2012 includes McPherson's Printing Pty Limited for the period 31 March to 30 June 2012 only.

The Board of Directors issues the following report on the consolidated financial statements of OPUS Group Limited and its controlled entities (referred to hereafter as the OPUS Group) at the end of, and for the year ended 30 June 2013.

Directors

The names of the Directors of OPUS Group who were in office from the beginning of the financial year are as follows:

Chairman (Non-executive)
William J. Mackarell

Executive Directors
Richard F. Celarc

Non-executive Directors
Bret P. Jackson
James M. Sclater
Matthew J. McGrath (resigned 31 July 2013)
Simon A. Rowell

Directors were in office for the entire year unless otherwise stated above.

(a) Information on Current Directors

William J. Mackarell MEd, FAICD, FAIM (Chairman and Non-Executive Director)

Mr Mackarell brings considerable experience in publishing and senior executive development to the Board, including over 40 years' experience in the international publishing industry. He has served as the CEO of Law Book Company and its affiliates (Australian subsidiaries of Thomson Reuters) and CEO of Associated Book Publishers (Aust). Mr Mackarell was a board member of the Australian Publishers Association, including serving as Chairman.

For 12 years Mr Mackarell was a Group Chair of The Executive Connection and acted as a mentor to CEOs from a wide variety of industries. In 2009, he jointly founded Coraggio Pty Limited, an organisation committed to improving CEO performance and leadership skills. Mr Mackarell currently serves as a Director of Coraggio Pty Limited and Device Technologies Australia Pty Limited. He was formerly a Director of Murdoch Books Pty Limited and resigned from this position in May 2012.

Mr Mackarell is a graduate of the University of Sydney and holds a Masters Degree in Education. He is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management.

Mr Mackarell is a member of the Audit Risk Management and Compliance Committee and the Nomination and Remuneration Committee.

Richard F. Celarc (Executive Director)

Mr Celarc co-founded Ligare in 1979 and was one of the foundation shareholders of the OPUS Group. He initially served as Ligare's accountant, bringing a strong focus on costs and funding the growth of the business from its infancy. Mr Celarc acquired full ownership of Ligare Australia in 1996 and grew the business into the largest specialist book printer in New South Wales. He currently leads the OPUS Group's best practice program, working with the OPUS Group businesses to further develop operating efficiencies and ensure industry leading practice. Mr Celarc has been a key driver of the OPUS Group's cross-site production strategy, ensuring the best use of equipment across the OPUS Group to deliver optimal customer outcomes, and was instrumental in the establishment of the Ligare New Zealand operation.

Having been a print business owner for over 30 years, Mr Celarc has a wealth of industry knowledge and operational experience.

Simon A. Rowell BA (honours), CA, FAICD (Non-Executive Director)

Pre-merger with the OPUS Group of Companies, Mr Rowell was the Chairman of McPherson's Limited.
Mr Rowell was appointed director of McPherson's Limited in 2003 and was Chairman from 31 August 2007 until his retirement as a director on 19 November 2011. He is the former Chief Executive Officer of Snack Foods Limited, Australia's largest listed snackfood company, which was acquired by Arnott's Biscuits in 2002. Prior to Snack Foods, he spent 12 years as the CEO of the Jack Chia Group, a diversified business including consumer products, engineering, textiles, property and finance. He was formerly Chairman of Savcor Group Limited, Greens Foods Limited and MMC Contrarian Limited. Mr Rowell is a Chartered Accountant and has an Honours Degree in Arts.

Mr Rowell is a member of the Audit Risk Management and Compliance Committee and the Chairman of the Nomination and Remuneration Committee.

Bret P. Jackson BCom (honours), MBA (Non-Executive Director)

Mr Jackson is a co-founder of Knox Investment Partners, a Managing Director of the firm and the Chairman of Knox Funds I – V (subsidiaries of Fund III are OPUS Group shareholders). Mr Jackson is experienced in all aspects of private equity including strategic value creation, fund raising, deal origination and portfolio management and realisation.

Further experience was with the Boston Consulting Group in Sydney and London including projects across Australia, Asia and Europe in multiple industries.

Mr Jackson has a MBA from Harvard Business School and an Honours Degree in Commerce from Otago University. He is the past President of the Harvard Business School Association of New Zealand alumni.

Mr Jackson is a member of the Audit Risk Management and Compliance Committee and the Nomination and Remuneration Committee.

James M. Sclater BCom, CA (Non-Executive Director)

Mr Sclater is a professional director and trustee acting for a number of companies and investment trusts including the New Zealand listed public company Hellaby Holdings Limited and large private entities ProCare Health and Damar Industries.

Mr Sclater is a Chartered Accountant and a member of the New Zealand Institute of Chartered Accountants and Institute of Directors. Prior to 2009, Mr Sclater was Chairman of Grant Thornton Auckland, where he was a business advisory services director for 18 years, specialising in SME accounting, taxation and management advice.

Mr Sclater has a Bachelor of Commerce Degree from the University of Auckland.

Mr Sclater is the Chairman of the Audit Risk Management and Compliance Committee.

(b) Key Management Personnel

Clifford D.J. Brigstocke MA, Dip Logistics, MAICD (Chief Executive Officer)

Mr Brigstocke is the Group's Chief Executive Officer and a foundation shareholder of OPUS Group. He has led OPUS Group since its inception and has been instrumental in acquiring, integrating and developing each of the businesses in the OPUS Group.

Mr Brigstocke has extensive publishing industry experience, including 10 years in operational, sales and marketing roles, and as a member of the senior executive team, with Thomson Reuters in Australia. He is a former director of Bunzl Australia (part of Bunzl plc, a FTSE100 company) and held general manager and regional director positions within the company's outsourcing division.

He commenced his career in the Royal Australian Navy where he held senior positions in seaborne combat roles. He holds a Master of Arts degree from Macquarie Graduate School of Management and a Diploma of Logistics from the University of Technology Sydney. He is a member of the Australian Institute of Company Directors.

Robert I. Alexander BCom, CA (Chief Financial Officer and Joint Company Secretary)
Mr Alexander is a highly qualified and experienced finance professional with experience gained in the media, out of home advertising and entertainment industries both domestically and internationally.

Before joining the OPUS Group he was the Global Chief Financial Officer of Network Ten Limited's out of home media division, EYE. Previous roles also included senior positions with major organisations, including Universal Music Publishing in Australia and Europe and Hoyts Entertainment Ltd. Mr Alexander commenced his career with Ernst & Young, Sydney.

Mr Alexander has considerable finance, reporting, governance and mergers and acquisitions experience and is a Chartered Accountant. He also holds a Bachelor of Commerce degree from the University of New South Wales. Mr Alexander was appointed as the joint Company Secretary on 25 November 2012.

c) Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Director	Eligible to attend	Attended
William J. Mackarell (Chairman)	20	20
Richard F. Celarc	20	20
Bret P. Jackson	20	20
Simon A. Rowell	20	20
James M. Sclater	20	19
Matthew J. McGrath*	20	19

* resigned 31 July 2013

(d) Committee Membership

The Group has an Audit Risk Management and Compliance Committee and a Nomination and Remuneration Committee of the Board. Members acting on the committees of the Board during the year and their attendance at meetings was as follows:

Committee Meetings

	Audit Risk Management and Compliance		Nomination and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended
William J. Mackarell	5	5	2	2
Bret P. Jackson	5	5	2	2
James M. Sclater	5	5	-	-
Simon A. Rowell	5	5	2	2
Matthew J. McGrath*	-	-	2	2

* resigned 31 July 2013

(e) Principal Activities

The principal activities of the OPUS Group are the distribution of published content, operating within the following two divisions:

(i) Publishing

Production and distribution of publications including electronic delivery of online material, regional production of scientific, medical, technical and scholarly journals, loose leaf manuals and primary, secondary and higher education texts. As well as, provision of secure government communication requirements including document production, web hosting, electronic fulfilment, call centre, warehousing and logistics for the Australian Federal Government, State Governments and Local Councils.

(ii) Outdoor Media (discontinued operation)

Creation, production and distribution of outdoor advertising material and corporate signage, such as billboards, bus advertising, retail displays, vehicle wraps and trade exhibitions.

(f) Dividends

No dividends were paid or declared during the year.

(g) Consolidated Results

The consolidated loss after tax from operations of OPUS Group for the year ended 30 June 2013 was $2,782,000 (2012: $1,794,000 loss after tax).

(h) Review of Operations

The review of operations of the OPUS Group is the Review of Operations on pages 20 to 25 of the Annual Financial Report and forms part of this report.

(i) Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the OPUS Group which have not been disclosed elsewhere in the Financial Report.

(j) Events Subsequent to the Balance Sheet Date

At 30 June 2013, due to the requirements of the debt facility in place at the balance sheet date, the Group had a requirement to repay $25,963,000 of debt to CBA in the 12 months to 30 June 2014 of which $20,000,000 was due by 30 September 2013. This amount is classified as a current liability in the 30 June 2013 financial report such that the Group has presented a net current liability position of $16,573,000 on its balance sheet.

The Group is currently continuing advanced discussions with CBA in order to restructure its debt facility, including so as to extend the date of repayment of these amounts and to revise the terms under the facility agreement.

On 30 August 2013, the Group received a proposal from CBA which has been the subject of discussion throughout the intervening period. On 9 September 2013, a conditional term sheet was executed which outlined the commercial aspects of the proposed debt facility variation but was still subject to final documentation and agreement between the parties. The conditional term sheet waived the requirement to pay the $20,000,000 due by 30 September 2013 subject to the final variation of the debt facility being executed.
On 30 September 2013, the OPUS Group Board received a further waiver from CBA which provides an extension to 2 October 2013 in order to allow additional time for an agreement with respect to a variation of the debt facility and the extension of the repayment timetable.

The proposed variation deed extends the facility to September 2016, with progressive debt reduction to be implemented via the sale of the Outdoor Media division, raising equity capital and various capital management and other initiatives over the term of the facility. The amortisation timetable provides that at least $27,500,000 is repayable throughout the period to 30 June 2014 under the revised debt facility structure. This amount includes scheduled amortisation and additional debt reduction through the initiatives described above.

As part of the extension and variation arrangements, and in consideration for CBA agreeing to them, the Company will grant CBA a warrant which upon an exit event for all OPUS Group shareholders, will entitle CBA to a 10% equity interest in the Company. The detailed terms and conditions associated with the warrant are subject to final legal documentation and any necessary regulatory approvals. This documentation and related approvals are required to be completed by 30 November 2013 and further detail will be provided in this regard before that date.

The proposed variation deed is expected to revise the covenants attached to the CBA facilities. The revised covenants will be in respect to a rolling EBITDA measure, minimum cash balance requirements and limits on capital expenditure. The proposed variation deed will allow, at the option of the Company, for the capitalisation of interest on the higher margin component of the debt facility.

The Directors anticipate that an agreement on these matters will be reached with CBA by 2 October 2013, including the finalisation of associated documentation. If, however, agreement cannot be reached, CBA will become entitled to request the immediate repayment of loans under the facility agreement. An appropriate announcement will be made once discussions with CBA have been finalised.

(k) Likely Developments and Expected Results of Operations

In the opinion of the Directors, it would prejudice the interests of the OPUS Group to include additional information, except as reported in this Directors' Report and the Financial Report, which relates to likely developments in the operations of the OPUS Group and the expected results of those operations in financial periods subsequent to 30 June 2013.

(l) Information on Directors

Particulars of the qualifications, experience and special responsibilities of each Director as at the date of this report are set out on pages 26 to 28 of the Financial Report and form part of this Directors' Report. Particulars as to the number of Directors' meetings (including meetings of the Audit Risk Management and Compliance and the Nomination and Remuneration Committees of Directors) and the number of meetings attended by each of the Directors of the Company during the year are set out on page 29 of the Financial Report and form part of this Directors' Report. The interests of Directors in the share capital of the parent entity or in a related entity are contained in the register of Directors' shareholdings of the Company as at the date of this report and are set out on page 38 of the Financial Report and form part of this Directors' Report.

(m) Company Secretary

The role of Company Secretary is shared between Robert I. Alexander and David W. Watkins. The qualifications and experience of Mr Alexander are set out on page 28 of the Annual Financial Report and form part of this Directors' Report.

David W. Watkins BCom, CA, ACSA, Joint Company Secretary (Appointed 25 November 2012) and Group Financial Controller

Mr Watkins is the Group Financial Controller and a Chartered Accountant who joined the Company after working for Evolution Mining Limited, an ASX listed gold producer. Before Evolution Mining Limited, Mr Watkins worked for Ernst & Young in Australia and the United Kingdom. During his time at Ernst & Young, Mr Watkins provided specialised accounting assistance to multinational corporations in the United Kingdom, France, Australia and the United States of America.

(n) Rounding of amounts

OPUS Group Limited is a Company of the kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission. This Class Order relates to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(o) Remuneration Report

The remuneration report is set out under the following main headings:

- Key management personnel identification
- Principles used to determine the nature and amount of remuneration
- Remuneration and other transactions with key management personnel

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Key management personnel identification

The key management personnel (as defined in AASB 124 *Related Party Disclosures*) of OPUS Group are the Directors and the following executives, as they had authority and responsibility for planning, directing and controlling the activities of the OPUS Group, directly or indirectly, during the financial year:

Name	Position	Employer
Clifford D.J. Brigstocke	Chief Executive Officer	OPUS Group Australia Pty Limited
Robert I. Alexander	Chief Financial Officer/ Joint Company Secretary	OPUS Group Australia Pty Limited

In the prior year Mr Brigstocke, Mr Heron and Mr Alexander were identified as key management personnel of the OPUS Group of Companies. After internal restructuring, the role of Mr Heron changed such that he is no longer classified as key management personnel. Mr Celarc is identified as one of the key management personnel as a result of being a Director but also as a result of his capacity as a senior executive.

Principles used to determine the nature and amount of remuneration

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

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage and alignment of executive compensation;
- Transparency; and
- Capital management.

OPUS Group has a remuneration policy and structure that is equitable, competitive and consistent so as to ensure the recruitment and retention of personnel of the capability, competence and experience necessary for the achievement of the Company's strategies and goals.
Remuneration is accordingly set to the following principles:

- No individual may be involved directly in determining his or her remuneration. External advice is sought in relation to remuneration where appropriate;
- Remuneration disclosure to shareholders will at a minimum comply with the requirements of legislation and Accounting Standards; and
- Remuneration for Directors is determined by the Board and/or the Nomination and Remuneration Committee within the maximum amount determined by shareholders from time to time at the Company's Annual General Meeting. Non-executive Directors may not participate in any incentive schemes that are established.

The remuneration framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current year.

Use of remuneration consultants

The Group engaged KPMG to review and structure a long-term incentive plan for Key Management Personnel. The proposed plan has been deferred as it was not deemed appropriate at the time given business performance and current share price. Remuneration paid to KPMG in respect of this work to date for the financial year was $6,500 (2012: Nil).

Nomination and Remuneration Committee

OPUS Group has a Nomination and Remuneration Committee which has been established by the Board of Directors to annually review, evaluate and make recommendations to the Board in relation to remuneration, including:

- Director remuneration;
- Staff incentive plans proposed by the Chief Executive Officer, including bonus, share and option plans, and the basis of their application;
- Salary, benefits and total remuneration packages of the Chief Executive Officer and other senior executives; and
- Substantial changes to the principles of the OPUS Group's superannuation arrangements.

Remuneration and other transactions with key management personnel

Key management personnel remuneration

Directors' fees are determined within an aggregate Directors' fee pool limit. For the financial year ended 30 June 2013 and in respect of each financial year thereafter and until otherwise determined by a resolution of OPUS Group shareholders, the maximum aggregate remuneration payable to all Directors of the OPUS Group for their services as Directors including their services on a Board or committee or sub-committee and including superannuation is limited to $600,000 per annum (in total). Services provided which are not in the capacity as a Director (e.g. general consulting) are excluded from the limit.

The Chairman and other non-executive Directors receive additional fees for their membership of the Board's Audit Risk Management and Compliance Committee and the Nomination and Remuneration Committee. Directors may direct the OPUS Group to make superannuation guarantee contributions, or additional superannuation contributions allocated from their Directors' or committee membership fees, to any complying nominated superannuation fund.

The total fixed remuneration packages inclusive of superannuation and other benefits for Key Management Personnel of the OPUS Group at the date of this report are as follows:

Name	Term of Agreement	Total Fixed Remuneration	Notice Period by Executive	Notice Period by OPUS Group	Termination Payment
Clifford D.J. Brigstocke	Open	$467,542*	12 months	12 months	12 months
Robert I. Alexander	Open	$303,412*	6 months	9 months	6 months

*Inclusive of superannuation

Base pay is structured as a package amount which may be delivered as cash and prescribed non-cash financial benefits, including motor vehicles and additional superannuation contributions at the executive's discretion. Base pay is reviewed annually to reflect increases in responsibility and to ensure that the executive's pay is competitive in the market for a comparable role. There are no guaranteed base pay increases included in any Senior Executives' contracts.

Non-executive Directors are not entitled to participate in any incentive scheme, nor are they eligible to receive share options.

Short-term performance incentives

Short-term incentives in the form of cash bonuses are available to senior executives providing the OPUS Group or the operating division or business most closely aligned with the executive's area or areas of responsibility achieve or exceed pre-determined profit and other financial targets and that the senior executive achieve key personal performance objectives. Adjusted EBITDA performance targets consistent with those disclosed in the segment reporting note of this Annual Financial Report have been selected because this ensures that variable reward is only available when value has been created for shareholders and when financial and other targets are consistent with or exceed the business plan.

Each year the Nomination and Remuneration Committee considers the appropriate targets and key performance indicators together with the level of payout if targets are met or exceeded. Short-term incentive-based remuneration is generally set as a percentage of base salary relative to the role of the individual participating in the incentive program. Financial performance linked incentives for key management personnel were focused on Adjusted EBITDA targets and cash flow realisation and were potentially payable up to 50% of his base remuneration including superannuation.

An assessment regarding eligibility for a cash bonus is made by reference to actual performance outcomes when these are known following the conclusion of the financial year. Short-term incentives are normally payable following the end of the financial year to which the incentive relates.

Link of historical financial performance to performance incentives

For the year ended 30 June 2013, no short-term performance were paid to key management personnel due to the operating performance for the OPUS Group not meeting these targets.

Short-term incentive payments paid to Mr Brigstocke in FY13 were in relation to the achievement of the merger of the McPherson's Printing business into the OPUS Group's operational structure and the achievement of integration and synergy activities subsequent to the merger transaction.

A table summarising the short-term incentive plan payments which could have been potentially paid if the relevant targets were achieved and those that were actually paid or payable is summarised below.

KMP	Base remuneration including superannuation for the year	Total financial performance-linked incentive potential	Financial performance-linked incentive paid (% of potential)	Total non-financial performance-linked incentive potential	Non-financial performance-linked incentive paid (% of potential)	Total incentive paid to key management personnel (% of potential)
Cliff. D.J. Brigstocke	$395,500	$197,750	Nil (0%)	$51,600	$51,600 (100%)	$51,600 (21%)
Robert I. Alexander	$300,000	$150,000	Nil (0%)	Nil	Nil (0%)	Nil (0%)

Under the current operating structure financial performance specifically linked to Adjusted EBITDA is a key element of the quantification of performance incentives on a going forward basis.

As the Company became public in April 2012, historically there has not been a direct link between share price performance, shareholder dividend returns and other total shareholder return measures and the performance incentives issued to key management personnel.

A linkage to total shareholder return is expected to be built into the proposed long-term incentive plan as appropriate.

Long-term performance incentives

The OPUS Group is in the process of establishing a long-term incentive plan for key management personnel and as noted earlier in this report has been obtaining advice from KPMG in this regard.
The proposed plan has been deferred as it was not deemed appropriate at the time given business performance and current share price.

Retirement benefits

Retirement benefits are delivered by a number of superannuation funds selected by the OPUS Group or the executive. Executives may direct the OPUS Group to make superannuation guarantee contributions, or additional superannuation contributions allocated from their base package amount, to any complying nominated superannuation fund.

Performance assessment

The process for reviewing the performance of Senior Executives is undertaken by the Chief Executive Officer.

The Chairman is responsible for meeting with the individual Directors to discuss their individual performance and contribution to the Board however the Nomination and Remuneration Committee oversee this function. The performance of the Chief Executive Officer is monitored and assessed by the members of the Nomination and Remuneration Committee.

The Chairman of the Nomination and Remuneration Committee is Mr Rowell, a non-executive Director. The other members of the Committee are Mr Jackson and Mr Mackarell, both of whom are non-executive Directors. All Committee members are non-executive Directors.

Details of remuneration

Details of the remuneration of the Directors of the OPUS Group, the other key management personnel and the other highest remunerated executives of the OPUS Group are set out in the following tables. Remuneration for the Board in FY13 has increased compared to FY12 as a result of FY13 being the first year where the Company was an ASX Publicly listed company for the full year. The FY12 remuneration only includes Committee fees related to the Audit Risk Management and Compliance Committee and the Remuneration and Nomination Committee from 1 April 2012.

FY13	Short-term benefits			Post-employment benefits	Long-term benefits		Share-based payments		Proportion of remuneration linked to performance
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Super-annuation $**	**Long Service Leave $**	**Termination benefits $**	**Options $**	**Total $**	
Directors of OPUS Group Limited									
William J. Mackarell (Chairman)	102,000	-	-	9,180	-	-	-	111,180	0%
Richard F. Celarc	355,000	-	-	5,400	-	-	-	360,400	0%
Bret. P. Jackson	78,480	-	-	-	-	-	-	78,480	0%
Simon. A. Rowell	76,000	-	-	6,840	-	-	-	82,840	0%
James. M. Sclater	70,000	-	-	6,300	-	-	-	76,300	0%
Matthew J. McGrath (resigned 31 July 2013)	72,600	-	-	6,534	-	-	-	79,134	0%
Other Group Key Management Personnel									
Robert I. Alexander	277,606	-	-	24,750	-	-	-	302,356	0%
Clifford D. J. Brigstocke	416,199	51,600	29,688	24,348	1,278	-	-	523,113	10%
Total remuneration	1,447,885	51,600	29,688	83,352	1,278	-	-	1,613,803	

FY12	Short-term benefits			Post-employment benefits	Long-term benefits		Share-based payments		Proportion of remuneration linked to performance
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Super-annuation $**	**Long Service Leave $**	**Termination benefits $**	**Options $**	**Total $**	
Directors of OPUS Group Limited									
William J. Mackarell (Chairman)	76,125	-	-	2,295	-	-	-	78,420	0%
Richard F. Celarc	341,250	-	-	1,013	-	-	-	342,263	0%
Bret. P. Jackson	89,254	-	-	-	-	-	-	89,254	0%
Simon. A. Rowell	29,000	-	-	2,610	-	-	-	31,610	0%
James. M. Sclater	54,274	-	-		-	-	-	54,274	0%
Other Group Key Management Personnel									
Robert I. Alexander	148,077	55,000		14,625	-	-	-	217,702	25%
Clifford D. J. Brigstocke	357,840	48,400	100,157	36,090	2,733			545,220	9%
Mark R. Heron	195,126	23,415	-	-	-	-	-	218,541	11%
Philip R. Bennett	37,125	-	-	-	-	-	-	37,125	0%
Total remuneration	1,377,321	126,815	100,157	57,983	2,733	-	-	1,665,009	

(1) Cash salary and fees includes movements in the annual leave provision where applicable.

(2) Non-monetary benefits comprise salary sacrificed components of remuneration packages including motor vehicles and related fringe benefits tax, medical insurance premiums and private telephone expenses.

(3) Remuneration disclosed for FY13 includes $295,000 of consulting fees related to Mr Celarc's role consulting to the Publishing division for the OPUS Group. These fees are excluded from the limit of Director remuneration as disclosed on page 33.

(4) Short-term incentive payments paid to Mr Brigstocke, Mr Alexander and Mr Heron in FY13 and FY12 were in relation to the achievement of the ASX listing in April 2012, the merger of the McPherson's Printing business into the OPUS Group's operational structure and the achievement of integration and synergy activities subsequent to the merger transaction.

As a result of the reverse acquisition accounting, the remuneration of Directors and other key management personnel remuneration disclosed for FY12 are for services provided to the OPUS Group of Companies for the full year and for OPUS Group Limited for the period 31 March 2012 to 30 June 2012. Remuneration disclosed above is for the period which the above individuals provided services to the OPUS Group.

Amounts disclosed as remuneration of Directors and Executives exclude premiums paid by the consolidated entity in respect of Directors' and Officers' liability insurance contracts. Further information relating to these insurance contracts is disclosed on page 39.

Shareholdings

The number of ordinary shares in the Company held during the financial year by each Director and other Key Management Personnel of OPUS Group Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2013

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year	Balance at the date of this report
Directors of OPUS Group Limited				
William J. Mackarell (Chairman)	60,000	-	60,000	60,000
Richard F. Celarc	7,826,627	-	7,826,627	7,826,627
Bret P. Jackson[1]	18,772,623	-	18,772,623	18,772,623
Simon A. Rowell	54,381	-	54,381	54,381
James M. Sclater	50,000	16,980	66,980	66,980
Matthew J. McGrath (resigned 31 July 2013)	25,025	-	25,025	25,025
Other key management personnel of the Group				
Robert I. Alexander	-	-	-	-
Clifford D.J. Brigstocke	1,704,117	-	1,704,117	1,704,117

Convertible notes

The Group issued convertible notes during the year. The number of convertible notes held during the financial year by each Director and other key management personnel of OPUS Group Limited and other key management personnel of the Group, including their personally related parties, are set out below.

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year	Balance at the date of this report
Directors of OPUS Group Limited				
Richard F. Celarc and related entities	-	9,000	9,000	9,000
Bret P. Jackson[1] and related entities	-	21,000	21,000	21,000

[1] Mr Jackson is a director of OPUS Group Limited and a director of the following entities which hold securities in OPUS Group: Knox Investment Partners Fund III AUD 1 Limited, Knox Investment Partners Fund III AUD 3 Limited, Knox Investment Partners Fund III AUD 4 Limited, Knox Investment Partners Fund III AUD 5 Limited and Knox OPUS LP.

Consulting fees

Consulting fees paid to Mr Celarc (Director) through Angrich Pty Limited Consulting for the year ended 30 June 2013 amounted to $295,000 (2012: $300,000). These amounts are disclosed as part of Mr Celarc's remuneration noted above.

Consulting fees paid to Mr McGrath (director during the year) through JBD Investments Pty Limited for marketing and promotional activities amounted to $nil (2012: $56,000).

Other transactions with key management personnel

Other transactions with key management personnel are disclosed at note 30 of this report.

Indemnification and insurance of officers

The OPUS Group has agreed to indemnify the current Directors and certain current executive of the OPUS Group against all liabilities to another person (other than the OPUS Group or a related body corporate) that may arise from their position as Directors or officers of the OPUS Group, to the extent permitted by law. The indemnity agreement stipulates that the OPUS Group will meet the full amount of such liabilities, including costs and expenses.

The OPUS Group pays a premium to insure Directors and certain officers of the OPUS Group and controlled entities. The officers of the OPUS Group covered by the insurance policy include the current Directors and Secretary of the parent company and its subsidiaries, senior management of the OPUS Group and senior management of divisions and controlled entities of the OPUS Group. As the insurance policy operates on a claims made basis, former Directors and officers of the OPUS Group are also covered.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or controlled entities. The insurance policy outlined above does not contain details of premiums paid in respect of individual Directors and officers of the OPUS Group. The insurance policy prohibits disclosure of the premium paid.

The OPUS Group has not otherwise indemnified or agreed to indemnify an officer or of any related body corporate against a liability incurred by such officer.

(p) Environmental regulation

The OPUS Group is subject to environmental regulation in respect of its printing operations and manufacturing activities as set out below.

The OPUS Group has printing operations which are required to comply with a number of Australian pollution control and environmental regulations. The businesses concerned take all reasonable precautions to minimise the risk of an environmental incident, including the removal of solid and liquid wastes by licensed contractors, arranging environmental compliance audits by qualified external organisations and ensuring that personnel receive appropriate training. There have been no material instances of non-compliance with environmental regulations during the year.

(q) Non-audit services

The auditor of the OPUS Group was PricewaterhouseCoopers for the year ended 30 June 2013.

The OPUS Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the OPUS Group are important. Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out on the following page. The Directors are satisfied that the provision of non-audit services by the auditor, as set out on the following page, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Risk Management and Compliance Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	30 June 2013 AUD$	**30 June 2012* AUD$**
Audit services		
PricewaterhouseCoopers - Audit and review of financial reports and other audit work for OPUS Group's Australian businesses under the *Corporations Act 2011* **	266,500	182,860
PricewaterhouseCoopers - Audit and review of financial reports and other audit work for OPUS Group's New Zealand and Singapore businesses under the *Corporations Act 2011*	83,000	-
Total PricewaterhouseCoopers remuneration for audit services	349,500	182,860
Non PricewaterhouseCoopers audit and review of financial reports*	-	112,624
Other services		
PricewaterhouseCoopers – non-audit	-	30,500
Non PricewaterhouseCoopers audit firms – non-audit	-	210,245
Total remuneration for audit services and other services	349,500	536,229

* During the year ended 30 June 2012, KPMG completed the jurisdictional audits for the New Zealand and Singapore businesses within the OPUS Group.

** The 30 June 2013 fee includes the half-year review for the period ended 31 December 2012.

The remuneration for services disclosed above only includes fees paid to auditors whilst they were appointed as auditor to the Company or its subsidiaries.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 41.

This report is made in accordance with a resolution of the Directors.

William J. Mackarell
Chairman
Sydney

30 September 2013

Auditor’s Independence Declaration

As lead auditor for the audit of OPUS Group Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of OPUS Group Limited and the entities it controlled during the period.

P.J. Carney

Paddy Carney
Partner
PricewaterhouseCoopers

30 September 2013

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The OPUS Group is committed to implementing the ASX Corporate Governance Council's ("Council") Corporate Governance Principles and Recommendations. Where the OPUS Group's Corporate Governance practices do not correlate with all the practices recommended by the Council, or the OPUS Group does not consider it practicable or necessary to implement some principles due to the size and stage of development of its operations, the Board's reasoning for any departure is explained.

The OPUS Group complies with the ASX Corporate Governance Council recommendations, unless otherwise stated.

Set out below are the fundamental Corporate Governance practices of the OPUS Group.

Principle 1: The Board lays solid foundations for management and oversight

Role of the Board

The Board's role is to govern the OPUS Group and has thereby established the functions reserved to the Board. In governing the OPUS Group, the Directors must act in the best interests of the OPUS Group as a whole. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the OPUS Group.

Responsibilities of the Board and Board Processes

In general, the Board is ultimately responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the OPUS Group. The Board of Directors of the OPUS Group are responsible for establishing the Corporate Governance framework. The Board guides and monitors the business affairs of the OPUS Group on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board is required to do all things that may be necessary to be done in order to carry out the objectives of the OPUS Group. The Board delegates authority to senior executives and management to carry out delegated duties in support of the objectives of the OPUS Group.

The Board has established the following committees to assist it in discharging its functions:

- Audit Risk Management and Compliance Committee; and
- Nomination and Remuneration Committee.

The Board's functions and the functions delegated to senior executives are set out in the Board Charter which is available on the OPUS Group's website under "Corporate Governance".

The Board holds regular meetings and is expected to meet periodically throughout the year. Directors' attendance at meetings this year is set out on page 29 of this Annual Financial Report.

It is the role of senior management to manage the OPUS Group in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

Performance Review / Evaluation – The Nomination and Remuneration Committee's Role

In accordance with its Charter, the Nomination and Remuneration Committee is structured such that it consists of a majority of independent Directors, is chaired by an independent Director and has at least 3 Directors.

The Nomination and Remuneration Committee is established by the Board of Directors to annually review, evaluate and make recommendations to the Board in relation to:

- Non-executive Director remuneration.
- Staff incentive plans proposed by the Chief Executive Officer, including bonus, share and option plans, and the basis of their application amongst differing levels of staff. This is supported by an annual performance review based on key performance indicators and milestones achieved.
- Salary, benefits, and total remuneration packages of the Chief Executive Officer and senior staff reporting to the Chief Executive Officer. This is supported by an annual performance review based on key performance indicators and milestones achieved.
- Employee succession planning to ensure the continuity and quality of management.

The Nomination and Remuneration Committee is required from time to time to review, evaluate and if appropriate approve the following:

- Chief Executive Officer's recommendation for overall annual salary movements for business unit salary reviews.
- Salary, benefits, and total remuneration package of individual executives as recommended by the Chief Executive Officer.
- Substantial changes to the principles of the OPUS Group's superannuation arrangements recommended by the Chief Executive Officer.

The Chairman of the Nomination and Remuneration Committee is Mr Rowell, a non-Executive Director. The other members of the Committee are Mr Mackarell, Mr Jackson and Mr McGrath (resigned 31 July 2013) who are non-executive Directors.

Principle 2: The Board is structured to add value

Board composition and nomination

The Board currently comprises five Directors, one of whom is Mr Celarc, who is an executive Director. Three of the remaining four Directors are independent Non-executive Directors. Mr Jackson is not considered an independent director due to his substantial shareholding in the OPUS Group however he is deemed to be a Non-executive Director. Further details about the Directors including skills, experience and term of office are set out on pages 26 to 28 of this Annual Financial Report.

The OPUS Group recognises the importance of non-executive Directors and the external perspective and advice that non-executive Directors can offer. It is the approach and attitude of each non-executive Director which determines independence and this must be considered in relation to each Director, while taking into account all other relevant factors including those set out in the Board Charter (available on the OPUS Group's website under "Corporate Governance"). Determination of the independence of each Director is made with reference to the factors set out in the Board Charter that list the relationships affecting independent status. The Board is comprised of a majority of independent Directors, and the Chair of the Board is a non-executive Director. All non-executive Directors are deemed to be independent of the OPUS Group except Mr Jackson as noted above who is not independent.

The performance of non-executive directors is assessed formally by the Chairman of the Board on an annual basis.

When a new director is to be appointed a board skills matrix is prepared to review the range of skills, experience and expertise on the Board and to identify its needs. From this the committee will review potential candidates that align with the current Board composition requirements. The full Board then appoints the most suitable candidate who must stand for election at the next annual general meeting. New directors participate in an induction program which is the responsibility of the Chairman of the Board. The induction program covers the expectations of the new member, their responsibilities, rights and terms and conditions of their employment.

Independent professional advice and access to information

Each Director has the right of access to all OPUS Group information and to OPUS Group's Senior Executives. Further, each Director and the Board collectively, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at OPUS Group's expense, with the approval of the Chairman, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

Principle 3: The Board promotes ethical and responsible decision making.

Code of conduct

As part of its commitment to recognising its legal obligations, the legitimate expectations of stakeholders and promoting practices necessary to maintain confidence in the OPUS Group's integrity, the OPUS Group has established a Code of Conduct. The code aims to provide guidance to Directors, Senior Executives, management and employees on the standards of personal and corporate behaviour and the responsibility and accountability required of the OPUS Group's personnel for reporting and investigating unethical practices. The code contains practices necessary to maintain external stakeholders' confidence in the OPUS Group's integrity, the practices necessary to take into account their legal obligations and the responsibilities of individuals for reporting and investigating reports of unethical practices.

A copy of the Code of Conduct is available on the OPUS Group's website under "Corporate Governance".

Securities trading policy

The OPUS Group has adopted a securities trading policy for the Directors, Senior Executives, employees, consultants and contractors of the OPUS Group which is appropriate for an entity whose shares are admitted to trading on the ASX.

This policy was issued in April 2012 at the time of listing. To ensure there is no avoidance of doubt of compliance, Directors and other employees are directed to consult with the Company Secretary. A copy of the Securities Trading Policy is available on the OPUS Group website under "Corporate Governance".

Diversity

The OPUS Group has developed a diversity policy, a copy of which can be found on the OPUS Group website under "Corporate Governance". The Diversity Policy reflects the OPUS Group's commitment to workplace diversity and compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. A diverse workforce is one that recognises and embraces the value that different people can bring to a company through their gender, age, ethnicity, cultural background, marital status, sexual orientation and/or religious beliefs. The OPUS Group promotes a diverse workforce by aiming to ensure that all employees and applicants for employment are fairly considered according to their skills, qualifications, abilities and aptitudes without regard to factors that are irrelevant to the person's skill or ability to fulfil the inherent job requirements.

The OPUS Group has or will introduce the following initiatives to specifically assist with improving gender diversity:

(a) mentoring programs and professional development programs targeted at female employees to prepare them for management positions;
(b) promoting a safe work environment by taking action against inappropriate workplace and business behaviour (including discrimination, harassment, bullying, victimisation and vilification);
(c) networking opportunities; and
(d) supporting the promotion of women to management roles.

The OPUS Group believes that promoting a diverse workforce:

(a) enables the OPUS Group to achieve improved outcomes by benefiting from the differing perspectives and expertise that people from diverse backgrounds bring to their roles;
(b) better represents the diversity of the OPUS Group's stakeholders; and
(c) is consistent with the OPUS Group's broader Corporate Governance Principles, specifically the Ethics and Responsible Business Conduct Policy and the OPUS Group's Equal Employment Opportunity Policy.

The Board has the established the following measurable objectives for achieving gender diversity:

(a) the number of women employed throughout the OPUS Group will track to at least 30% of total employees;
(b) the OPUS Group will aim to have at least 15% of senior management positions occupied by women; and
(c) whilst it is essential the Board comprises Directors with the right blend of expertise, skills and experience it is envisaged that by 2015 the Board will have at least one female director.

The Board is committed to have an appropriate blend of diversity within the OPUS Group and especially within the Senior Executive team. Gender diversity is a key area of focus of the Board and will continue to be so. The ratio of male to female participation at all levels of the business as at 30 June 2013 is as follows:

2013	Male	Female	Total
Board	6	-	6
Senior Management	10	3	13
Operational Staff	340	119	459
Back Office Staff	34	38	72
Total Board and employees	390	160	550

2012	Male	Female	Total
Board	6	-	6
Senior Management	14	3	17
Operational Staff	362	135	497
Back Office Staff	45	54	99
Total Board and employees	427	192	619

Principle 4: The Board safeguards integrity in financial reporting

The Board has established an Audit Risk Management and Compliance Committee to assist the Board safeguard the integrity of financial reporting. The responsibilities of the Committee are set out in a formal charter approved by the Board. This charter is available on the OPUS Group's website under "Corporate Governance". The Committee currently comprises 4 non-executive Directors. Mr Sclater is the Chair of the Committee and an independent non-executive Director. Mr Jackson, Mr Mackarell and Mr Rowell are also members of the Committee. The composition of the Committee satisfies the Board's requirements in performing the Committee's function given the size and complexity of the business at present.

The Audit Risk Management and Compliance Committee Charter sets out the procedure for the selection, appointment and rotation of external audit engagement partners.

Further details of the members of the Audit Risk Management and Compliance Committee and their attendance at committee meetings are set out on page 29 of this Annual Financial Report.

At the date of this report no internal audit function has been established. The OPUS Group works closely with its external auditors in respect to process improvement and the integrity of the information reported both internally and externally.

Principles 5 and 6: The Board makes timely and balanced disclosure and the Board respects the rights of shareholders

The Board has designated the Chief Financial Officer, Chief Executive Officer and the Company Secretary as the individuals responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX.

The Board has established a written policy for ensuring compliance with ASX listing rule disclosure requirements and accountability at Senior Executive level for that compliance. This is covered by the Communications Policy, which is available on the OPUS Group's website under "Communications Policy" within "Corporate Governance".

The Board provides shareholders with information by applying this policy. The policy includes identifying matters that may have a material effect on the price of the OPUS Group's securities, notifying them to the ASX, posting them on the OPUS Group's website and issuing media releases.

The Board respects the rights of its shareholders and to facilitate the effective exercise of those rights, by promoting effective communication with shareholders and encouraging shareholder participation at Annual General Meetings. The OPUS Group has established a communications policy which is available on the OPUS Group's website under "Corporate Governance", called "Communications Policy".

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the OPUS Group's strategy and goals. Important issues are presented to the shareholders as single resolutions.

Principle 7: The Board recognises and manages risk

The OPUS Group is committed to the identification, monitoring and management of material business risks of its activities via its risk management framework. A copy of the risk management policy is available on the OPUS Group's website under "Corporate Governance", called "Summary of Risk Management Framework".

The Board assumes ultimate responsibility for the oversight and management of material business risks and satisfies itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control to manage the OPUS Group's material business risks.

The Board delegates the detailed work of this task to the Executive Management team and the Board periodically reviews this work. A key element in the risk management framework will be the reporting by management on the key risks. The Audit Risk Management and Compliance Committee will oversee the adequacy and content of risk reporting from management.

The Board has received assurances from the Chief Executive Officer and Chief Financial Officer in relation to financial reporting risks.

The Board receives regular updates from management on whether the Company's material business risks are being managed effectively. This process is informally communicated by management through the Chief Executive Officer and Chief Financial Officer and in Board reporting at regular Board Meetings.

Attestations by Chief Executive Officer and Chief Financial Officer

In accordance with recommendation 7.3 of the ASX Corporate Governance Principles and Recommendations, the Chief Executive Officer and Chief Financial Officer have stated in writing to the Board that:

- The statement given in accordance with section 295A of the Corporations Act, is founded on a sound system of risk management and internal control which implements the policies adopted by the Board; and
- The OPUS Group's risk management and internal control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

Principle 8: The Board remunerates fairly and responsibly

Nomination and Remuneration Committee

The OPUS Group has established a Nomination and Remuneration Committee which has responsibility for the formulation of remuneration policies. The role of the Nomination and Remuneration Committee is set out in a formal charter approved by the Board (available on the OPUS Group's website under "Corporate Governance"). Its responsibilities, among other responsibilities are to:

1) Determine appropriate compensation arrangements for the Directors, Senior Executives and employees;
2) Determine Senior Executive and Non-Executive remuneration policies;
3) Develop and review equity based plans; and
4) Make these recommendations for the consideration by the Board.

Remuneration Report and remuneration policies

The Board (with the assistance of the Nomination and Remuneration Committee) has established a policy to ensure that it remunerates fairly and responsibly. The remuneration philosophy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain talented and motivated Directors and employees. The Nomination and Remuneration Committee is responsible for the oversight of the OPUS Group and the establishment of a long-term incentive plan.

Directors' fees are determined within an aggregate Directors' fee pool limit, which will be periodically approved by shareholders at the Annual General Meeting. The current maximum fee pool is $600,000 for Directors. This limit excludes consulting fees for services which are not in the capacity of being a Director of the OPUS Group. Non-executive Directors of the OPUS Group are entitled to participate in any equity plan of the OPUS Group where it is considered an appropriate element of remuneration in situations when the non-executive's skills and experiences are recognised as important to the Group's future development. Non-executive Directors do not receive retirement benefits, other than statutory superannuation entitlements.

Further details on the structure of Executive Directors, Non-Executive Directors and Senior Executives remuneration are set out in the Remuneration Report of this Annual Financial Report.
Personnel of the OPUS Group are not permitted to enter into transactions with securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under any equity-based remuneration scheme, or otherwise awarded, or which will be offered by the OPUS Group in the future.

OPUS Group Limited and Controlled Entities
Consolidated Statement of Comprehensive Income for the year ended 30 June 2013

	Note	Consolidated	
		30 June 2013	**30 June 2012 (restated)**
		AUD$'000s	**AUD$'000s**
Revenue from continuing operations	5	97,159	75,240
Other Income	7	1,162	564
Changes in inventories of finished goods, materials and work in progress		(27,461)	(19,842)
Other production costs and freight		(15,455)	(11,457)
Employee benefits expense	8	(34,660)	(26,515)
Occupancy and leasing costs		(4,093)	(3,355)
Depreciation and amortisation expense		(7,527)	(6,124)
Gain on disposal of assets		3,465	8
Cost of closing interest rate swaps		-	(515)
Realised foreign exchange loss	9	(34)	(24)
Other expenses		(8,941)	(5,945)
Operating profit before finance costs		3,615	2,035
Finance revenue		116	74
Finance expenses		(6,651)	(5,079)
Net finance costs		(6,535)	(5,005)
Share of net loss of associate	17	(116)	(14)
Loss before income tax		(3,036)	(2,984)
Income tax expense	10	(1,490)	(351)
Loss after income tax		(4,526)	(3,335)
Profit from discontinued operation (net of income tax)	6	1,744	1,541
Loss after discontinued operation		(2,782)	(1,794)
Other comprehensive income			
Items that may be reclassified to profit and loss Changes in fair value of cash flow hedges (net of tax)	27a	95	(836)
Exchange differences on translation of foreign operations	27a	1,320	315
Other comprehensive income for the full year, net of tax from continuing operations		1,415	(521)
Total comprehensive income for the full year		(1,367)	(2,315)
Continuing operations		(3,080)	(3,844)
Discontinued operations	6	1,713	1,529
Total comprehensive income for the full year		(1,367)	(2,315)
		Cents	**Cents**
Basic loss per share	2	(5.18)	(4.47)
Diluted loss per share	2	(5.18)	(4.47)
Basic loss per share – continuing operations	2	(8.43)	(8.32)
Diluted loss per share – continuing operations	2	(8.43)	(8.32)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes. The 30 June 2012 reported results have been restated to present the Outdoor Media division as a discontinued operation for comparative purposes.

Consolidated Balance Sheet
as at 30 June 2013

		Consolidated	
	Note	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Current assets			
Cash	12	3,163	4,443
Trade and other receivables	13	12,641	16,088
Inventories	14	5,127	7,270
Other current assets	15	3,510	2,700
Assets classified as held for sale	16	70	98
Income tax receivable		-	272
Assets of disposal group	6	12,592	-
Total current assets		37,103	30,871
Non-current assets			
Investments accounted for using the equity method	17	782	1,038
Property, plant and equipment	19	28,132	40,006
Deferred tax assets	21	4,108	5,741
Intangibles	20	46,750	50,513
Other non-current assets	19b	1,264	-
Total non-current assets		81,036	97,298
Total assets		118,139	128,169
Current liabilities			
Bank overdraft	12	1,500	-
Trade and other payables	22	12,108	17,145
Provision for income tax		1,298	848
Derivative financial instruments	23	717	1,253
Interest bearing liabilities	24	29,963	6,176
Provisions	25	5,283	5,192
Liabilities of disposal group	6	2,807	-
Total current liabilities		53,676	30,614
Non-current liabilities			
Derivative financial instruments	23	845	543
Interest bearing liabilities	24	28,665	61,105
Provisions	25	1,042	400
Deferred tax liabilities	21	730	959
Total non-current liabilities		31,282	63,007
Total liabilities		84,958	93,621
Net assets		33,181	34,548
Equity			
Share capital	26	39,353	39,353
Reserves	27a	(315)	(1,730)
Accumulated losses	27b	(5,857)	(3,075)
Total equity		33,181	34,548

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes. The 30 June 2013 Balance Sheet presents the Outdoor Media division as a discontinued operation with the assets and liabilities of the division shown separately above. The 30 June 2012 Balance Sheet does not restate the comparatives for the assets and liabilities of the Outdoor Media division.

OPUS Group Limited and Controlled Entities Consolidated Statement of Changes in Equity for the year ended 30 June 2013

Consolidated	Note	Share Capital AUD$'000s	Reserves AUD$'000s	Accumulated losses AUD$'000s	Total AUD$'000s
Balance at 1 July 2011		24,576	(1,209)	(1,281)	22,086
Loss after income tax		-	-	(1,794)	(1,794)
Changes in fair value of cash flow hedges net of tax	27a	-	(836)	-	(836)
Exchange differences on translation of foreign operations and internal borrowings	27a	-	315	-	315
Total comprehensive income		-	(521)	(1,794)	(2,315)
Transactions with owners					
Return of capital to OPUS Group of Companies shareholders		(12,000)	-	-	(12,000)
Issue of share capital for reverse acquisition		26,777	-	-	26,777
Balance at 30 June 2012		39,353	(1,730)	(3,075)	34,548

Consolidated	Note	Share Capital AUD$'000s	Reserves AUD$'000s	Accumulated losses AUD$'000s	Total AUD$'000s
Balance at 1 July 2012		39,353	(1,730)	(3,075)	34,548
Loss after income tax		-	-	(2,782)	(2,782)
Changes in fair value of cash flow hedges net of tax	27a	-	95	-	95
Exchange differences on translation of foreign operations and internal borrowings	27a	-	1,320	-	1,320
Total comprehensive income		-	1,415	(2,782)	(1,367)
Balance at 30 June 2013		39,353	(315)	(5,857)	33,181

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

OPUS Group Limited and Controlled Entities
Consolidated Statement of Cash Flows
for the year ended 30 June 2013

		Consolidated	
	Note	**30 June 2013 AUD$'000s**	**30 June 2012 AUD$'000s**
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		129,040	106,976
Payments to suppliers and employees (inclusive of GST)		(120,555)	(95,637)
Interest received		46	58
Interest and borrowing costs paid		(6,444)	(5,206)
Net income tax paid		(663)	(1,495)
Net cash inflows from operating activities	12	1,424	4,696
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(2,744)	(2,249)
Proceeds from the disposal of property, plant and equipment		7,866	75
Return of capital to OPUS Group of Companies shareholders		-	(12,000)
Dividends received from associate	17	140	200
Cash acquired in reverse acquisition		-	4,276
Payment for security deposit		(701)	-
Net cash (outflows)/inflows from investing activities		4,561	(9,698)
Cash flows from financing activities			
Proceeds from borrowings		-	65,000
Shareholder loan repaid		17	344
Convertible note funds received, net of transaction costs		2,918	-
Repayment of borrowings		(11,116)	(56,933)
Repayment of finance leases		(674)	(218)
Net cash (outflows)/inflows from financing activities		(8,855)	8,193
Net (decrease)/increase in cash held		(2,870)	3,191
Cash and cash equivalents at beginning of the financial year		4,443	1,234
Net effect of exchange rate changes on cash		90	18
Cash and cash equivalents held at end of financial year		1,663	4,443
Comprising:			
Cash		3,163	4,443
Bank overdrafts		(1,500)	-
Cash and cash equivalents held at end of financial year	12	1,663	4,443

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

The principal accounting policies adopted in the preparation of this Annual Financial Report (referred to as the Annual Financial Report or Financial Report) are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Financial Report is for the consolidated entity consisting of OPUS Group Limited and its subsidiaries ('the OPUS Group').

(a) Basis of preparation and consolidation, accounting policies and critical accounting estimates and judgments

Basis of preparation

The Company is a Public Company listed on the Australian Securities Exchange ('ASX'). This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001* for the purpose of fulfilling the OPUS Group's obligations under the ASX Listing Rules.

OPUS Group Limited is a for profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

All financial information is prepared on an accruals basis and is based on historical costs, modified where for the revaluation of available-for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Going concern

As at 30 June 2013, the OPUS Group reported a loss after tax of $2,782,000 and had total equity of $33,181,000. Furthermore, at 30 June 2013, the Group had debt facilities totalling $56,383,000, of which the utilised portion was $54,909,000, with Commonwealth Bank of Australia ('the CBA facilities' - refer note 24).

At 30 June 2013, due to the requirements of the debt facility in place at the balance sheet date, the Group had a requirement to repay $25,963,000 of debt to CBA in the 12 months to 30 June 2014 of which $20,000,000 was due by 30 September 2013. This amount is classified as a current liability in the 30 June 2013 financial report such that the Group has presented a net current liability position of $16,573,000 on its balance sheet.

The Group is currently continuing advanced discussions with CBA in order to restructure its debt facility, including so as to extend the date of repayment of these amounts and to revise the terms under the facility agreement.

On 30 August 2013, the Group received a proposal from CBA which has been the subject of discussion throughout the intervening period. On 9 September 2013, a conditional term sheet was executed which outlined the commercial aspects of the proposed debt facility variation but was still subject to final documentation and agreement between the parties. The conditional term sheet waived the requirement to pay the $20,000,000 due by 30 September 2013 subject to the final variation of the debt facility being executed.

On 30 September 2013, the OPUS Group Board received a further waiver from CBA which provides an extension to 2 October 2013 in order to allow additional time for an agreement with respect to a variation of the debt facility and the extension of the repayment timetable.

The proposed variation deed extends the facility to September 2016, with progressive debt reduction to be implemented via the sale of the Outdoor Media division, raising equity capital and various capital management and other initiatives over the term of the facility. The amortisation timetable provides that at least $27,500,000 is repayable throughout the period to 30 June 2014 under the revised debt facility structure. This amount includes scheduled amortisation and additional debt reduction through the initiatives described above.

As part of the extension and variation arrangements, and in consideration for CBA agreeing to them, the Company will grant CBA a warrant which, upon an exit event for all OPUS Group shareholders, will entitle CBA to a 10% equity interest in the Company. The detailed terms and conditions associated with the warrant are subject to final legal documentation and any necessary regulatory approvals. This documentation and related approvals are required to be completed by 30 November 2013 and further detail will be provided in this regard before that date.

The proposed variation deed is expected to revise the covenants attached to the CBA facilities. The revised covenants will be in respect to a rolling EBITDA measure, minimum cash balance requirements and limits on capital expenditure. The proposed variation deed will allow, at the option of the Company, for the capitalisation of interest on the higher margin component of the debt facility.

The Directors anticipate that an agreement on these matters will be reached with CBA by 2 October 2013, including the finalisation of associated documentation. If, however, agreement cannot be reached, CBA will become entitled to request the immediate repayment of loans under the facility agreement. An appropriate announcement will be made once discussions with CBA have been finalised.

The divestment of the Outdoor Media division as disclosed in note 6 will be used to repay debt further and to focus the Group on its core Asian Pacific Publishing operations. This divestment is expected to complete in the 2nd quarter of FY14 and the debt reduction value will be disclosed at this time.

In January 2013, the Group entered into a loan agreement for up to $3,400,000 with entities related to two existing shareholders to meet short-term working capital requirements, fund the closure costs of the Mulgrave facility and other Group reorganisation initiatives. The loan is convertible to ordinary shares in the Company at the option of the lender at any time up and until the facility maturity date of 31 March 2014. The loan agreement and conversion option was approved by shareholders on 28 March 2013 at an Extraordinary General Meeting.

Since 30 June 2012 the OPUS Group has paid down CBA debt by $9,616,000 and has a continued focus on reducing net debt levels further through FY14. In addition, the Directors have taken a number of actions to improve the Group's profitability and expect an improvement for FY14. Efficiency gains achieved across the Group through consolidation of its production and rationalisation of its cost base together with increased leverage in digital production investments will also position the Group to meet its objectives.

The continuing viability of the Group and its ability to continue as a going concern and meet its debt and commitments as they fall due is dependent upon the Group being successful in agreeing a variation to the current debt facility, generating sufficient future cash flows through trading and the divestment of the Outdoor Media Division, raising equity capital where required, improved profitability and other initiatives to meet its debt repayments and other obligations and compliance with its debt covenants.

In considering the current bank discussions and the anticipated variation to the current debt facility, the divestment of the Outdoor Media Division, raising equity capital and the Group's current financial projections as discussed above, the Directors are of the opinion that the Group will be successful in implementing these initiatives and, accordingly, have prepared the financial report on a going concern basis. Notwithstanding this belief, there is a risk that the Group may not be successful in implementing these initiatives or the implementation of alternative options which may be available to the Group. As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Restatement of comparative information

Comparative financial information for the Statement of Comprehensive Income has been restated where necessary to be consistent with presentation of current year figures.

New standards and amendments

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period and are not likely to materially affect future periods.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

- AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards* arising from AASB 9 and AASB 2010-7 *Amendments to Australian Accounting Standards* arising from AASB 9 (December 2010) (effective from 1 January 2015)

AASB 9 *Financial Instruments* addresses the classification, measurement and de-recognition of financial assets and is likely to affect the OPUS Group's accounting for its financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the OPUS Group's accounting for available for sale financial assets if applicable in the future, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available for sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the OPUS Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the OPUS Group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The OPUS Group has not yet decided when to adopt AASB 9.

- AASB 13 *Fair Value Measurement* (effective from 1 January 2013)

AASB 13 explains how to determine fair value when required by other accounting standards. It does not introduce new fair value measurement requirements nor does it eliminate the practicability exceptions to fair value that currently exist in certain standards. It is expected that there will be no impact to the OPUS Group.

- AASB 10 *Consolidated Financial Statements* (effective from 1 January 2013)

AASB 10 requires the disclosure by parent entities of financial statements as a single economic entity. No impact expected.

- AASB 12 *Disclosure of interests in other entities* (effective 1 January 2013)

AASB 12 contains disclosure requirements for entities that have interests in subsidiaries. No impact expected.

There are no other standards that are not yet effective and that are expected to have a material impact on the OPUS Group in the current or future reporting periods and on foreseeable future transactions.

(b) Principles of consolidation

Subsidiaries

The Annual Financial Report incorporates the assets and liabilities of all subsidiaries of and the results of all subsidiaries for the year then ended. Subsidiaries are all entities (including special purpose entities) over which the OPUS Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the OPUS Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the OPUS Group. They are de consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between OPUS Group entities are eliminated. Management is required to make full disclosure of intercompany transactions during the year to ensure that all transactions of this nature are eliminated at a group level. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the OPUS Group. Non controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

Business combinations (excluding reverse acquisition accounting)

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange. Acquisition related costs are expensed as incurred. Where equity instruments are issued in an acquisition they are measured at their assessed fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the OPUS Group's share of the identifiable net assets acquired is recorded as goodwill.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

OPUS Group of Companies aggregation

The OPUS Group of Companies is an aggregation of four subgroups (collectively referred to as the 'OPUS Group of Companies') which were all subject to common control by a consistent group of shareholders until they were acquired by OPUS Group Limited on 30 March 2012.

The OPUS Group of Companies is deemed to be a separately identifiable reporting entity for which a Financial Report can be presented.

The four subgroups are:

- Cactus Imaging Holdings Pty Limited and its subsidiary named Cactus Imaging Pty Limited. These entities are domiciled in Australia.

- CanPrint Holdings Pty Limited and its subsidiaries named Union Offset Co. Pty Limited, CanPrint Communications Pty Limited and Integrated Print and Logistics Management Pty Limited. These entities are domiciled in Australia.
- OPUS Group NZ Holdings Limited and its subsidiaries named Omnigraphics Limited, Cactus Imaging Limited, F'Digital Limited, F'Displays Limited, Ligare Limited and C.O.S. Printers Pte Limited. These entities are domiciled in New Zealand and Singapore.
- OPUS Group (Australia) Pty Limited and its subsidiary named Ligare Pty Limited. These entities are domiciled in Australia.

Financial information related to the OPUS Group of Companies is an aggregation of the separate Financial Reports of each subgroup whilst they were subject to common control. All material transactions, balances and unrealised gains or losses between subgroups are eliminated on aggregation.

Reverse acquisition accounting

On 30 March 2012, OPUS Group Limited completed the acquisition of the OPUS Group of Companies.

In accordance with Australian Accounting Standards, this transaction has been accounted for as a reverse acquisition business combination.

In applying the requirements of AASB 3 Business Combinations to the OPUS Group:

- OPUS Group Limited is the legal parent of the OPUS Group; and
- The OPUS Group of Companies none of which are the legal parent or legal acquirer is deemed to be the accounting acquirer.

The consolidated financial information in this Annual Financial Report incorporates the assets and liabilities of all OPUS Group entities deemed to be acquired by the OPUS Group of Companies and the results of those entities for the period from which they are deemed to be acquired by the OPUS Group of Companies.

The assets and liabilities of OPUS Group Limited and its subsidiary McPherson's Printing Pty Limited are recorded at fair value whilst the assets and liabilities of the OPUS Group of Companies are maintained at book value. The impact of all transactions between entities in the OPUS Group has been eliminated in full.

AASB 3 *Business Combinations* and AASB 127 *Consolidated and Separate Financial Statements* requires that the Consolidated Annual Financial Report prepared following a reverse acquisition shall be issued under the name of the legal parent (OPUS Group Limited), but be a continuation of the Annual Financial Report of the legal subsidiary entities (i.e. the OPUS Group of Companies).

The implications of applying AASB 3 to the above transaction on this Annual Financial Report are as follows:

Consolidated Balance Sheet

The Consolidated Balance Sheet for 30 June 2012 reflects the combined position of OPUS Group Limited, McPherson's Printing Pty Limited and the OPUS Group of Companies.

Consolidated Statement of Comprehensive Income

The Consolidated Statement of Comprehensive Income for the year ended 30 June 2012 represents the results of OPUS Group Limited and McPhersons Printing Pty Limited for the period from 31 March 2012 to 30 June 2012 and the result of the OPUS Group of Companies for the full year.

Consolidated Statement of Changes in Equity

The loss after tax for the year ended 30 June 2012 comprises the results of the OPUS Group of Companies for the full year and the consolidated financial results of OPUS Group Limited and McPhersons Printing Pty Limited for the period 31 March 2012 to 30 June 2012.

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows for the year ended 30 June 2012 represents the cash flows of OPUS Group Limited and McPhersons Printing Pty Limited for the period from 31 March 2012 to 30 June 2012 and the cash flows of the OPUS Group of Companies for the full year.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Statements of each of the OPUS Group's entities are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The Financial Report is presented in Australian dollars being OPUS Group's functional and presentation currency.

The functional currency of New Zealand based operations is New Zealand Dollars and the functional currency of C.O.S. Printers is Singapore Dollars. These entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity in the foreign currency translation reserve.

(ii) Transactions and balances

Transactions in foreign currencies are initially translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Australian Dollars ($AUD) at exchange rates at the reporting date. The income and expenses of foreign operations are translated to $AUD at the average exchange rates between reporting dates as an approximation of the spot rate on each of the transaction dates. Foreign currency differences are recognised in equity in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount of the reserve is transferred to profit and loss.

(d) Revenue recognition

Sales revenue comprises revenue earned (net of returns, discounts, allowances, duties and taxes) from the provision of products or services to entities outside the OPUS Group.

Sale of products and goods

Sales revenue is recognised when the goods are dispatched, or when title passes to the customer, at the fair value of the consideration received or receivable. OPUS Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Provision of services

Sales revenue is recognised based on the stage of completion of the service, contract or contracts in progress at reporting date or at the time of completion of the contract and billing to the customer. Where the stage of completion cannot be estimated reliably, revenue is only recognised to the extent of the expenses recognised that are recoverable.

Other income

Other income, including dividends, is recognised when the income is received or becomes receivable.

Government grants

An unconditional government grant is recognised when the grant becomes receivable. Conditional government grants are recognised when there is reasonable assurance that they will be received and that the OPUS Group will comply with the conditions associated with the grant.

Grants that compensate for expenses incurred are recognised in profit and loss on a systematic basis in the same period in which the expenses are recognised. Grants that compensate for the cost of an asset are recognised in profit and loss on a systematic basis over the useful life of the asset.

Agency and commission arrangements

When presenting revenues in the statement of comprehensive income consideration is given to whether the OPUS Group is operating as an agent (earning a fee or commission in return for arranging the provision of goods or services on behalf of a principal) or a principal (acting on its own account when contracting with customers for the supply of goods or services in return for consideration). Whether an entity is acting as a principal or agent is a matter of facts and circumstances.

In an agency relationship the gross cash inflows include amounts collected on behalf of the principal which are not revenue. In this instance the net amount retained can only be presented as revenue.

When the transaction is such that the Group is acting as the principal to the arrangement, revenue is recognised based on the gross amount received or receivable under the sales contract.

Shipping and handling charges

The OPUS Group may sell items either FOB (free on board) or CIF (cost, insurance, freight). CIF charges is included as part of revenue. The cost of insurance and freight is included as revenue unless the OPUS Group is only acting as an agent in respect of these charges. This may be the case where there is no profit element in the insurance and freight charged to the customers, so that these charges are merely the reimbursement of expenses. In this situation any consideration attributable to these elements is netted off against the carriage costs (freight etc.) in the income statement. However where the OPUS Group is able to determine the additional margin on the CIF charges, revenue includes the full CIF selling price, as the recharge of the CIF elements is effectively a revenue-earning part of the transaction.

Volume, settlement and general discounting

The OPUS Group may offer customer discounts for either achieving a minimum threshold of purchases, for prompt settlement or a general discount for a specified arrangement. The Group’s revenue accounting policy requires the amount of revenue recognised under the transaction to be reduced by the amount of the discount at the time of the sale. At times this may require an estimation of the future discount or rebate which may be earned by the customer.

(e) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, foreign currency gains, gains on hedging instruments that are recognised in profit and loss and gains on other derivative contracts (e.g. ineffective hedges). Finance income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the right to receive payment is established.

Finance expenses comprise interest expense on borrowings, foreign currency losses, losses on disposal of available for sale financial assets, losses recognised on hedging instruments that are recognised in profit and loss and losses on other derivative contracts (e.g. ineffective hedges).

(f) Investments in associates

Associates are all entities over which the OPUS Group has significant influence but not control.

The OPUS Group has a 33⅓% shareholding in an associate company Denward Court Pty Limited which is incorporated in Australia and whose principal activity is trade print finishing. The investment in the associate is accounted for in the consolidated financial statements using the equity method of accounting after initially being recognised at cost.

Details relating to shareholding in this associate are set out in Note 17.

The OPUS Group's share of its associate's post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

When the OPUS Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the OPUS Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary difference and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where there is a legally enforceable right to offset and the intention is to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Tax consolidation

OPUS Group Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. OPUS Group 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 stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, OPUS Group 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.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate OPUS Group Limited for any current tax payable assumed and are compensated by OPUS Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to OPUS Group 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. OPUS Group Limited 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 tax consolidated 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.

(i) Goods and services tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST (or similar), except where the amount of GST incurred is not recoverable from the relevant taxation authority. 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 on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the relevant taxation authority are presented as operating cash flows.

(j) Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor substantially retains all such risks and benefits. Where a non-current asset is acquired by means of a finance lease, the lower of the fair value of leased property and the present value of the minimum lease payments is established as a non-current asset at the beginning of the lease term and amortised on a straight-line basis over its expected economic life. A corresponding liability is also established and each lease payment is allocated between the principal component and interest expense.

Operating lease payments are charged to the income statement on a straight-line basis over the period of the lease. Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(k) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment losses are recognised in profit and loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

For assets other than goodwill, impairment losses recognised in prior years are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in a debtor credit rating) the reversal of the impairment is recognised in profit or loss.

Assets classified as available-for-sale

If there is objective evidence of impairment for available for sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available for sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement.

(m) Goodwill

Recognition and nature

Goodwill represents the excess of the cost of an acquisition over the fair value of the OPUS Group's share of the net identifiable assets of the acquired business/associate at the date of acquisition. Goodwill on acquisition of businesses is included in intangible assets. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates.

Impairment of goodwill

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. An impairment loss in respect of goodwill cannot be reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(n) Cash and cash equivalents

For purposes of the cash flow statements, cash includes deposits at call, overdrafts and short-term deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts. Cash and cash equivalents generally have a three month or shorter term.

(o) Trade receivables

Trade receivables are recognised initially at fair value, less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off.

A provision for impairment of trade receivables is established when there is objective evidence that the OPUS Group will not be able to collect all amounts due according to the original terms of receivables.

(p) Inventories

Inventories (including work in progress) are valued at the lower of cost or net realisable value. Cost of produced inventories comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on the basis of normal operating capacity.

Costs of purchased inventory are determined after deducting rebates and discounts.

Cost of work in progress and finished manufactured products includes materials, labour and an appropriate proportion of factory overhead expenditure.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses.

(q) Investments and other financial assets

The OPUS Group classifies its financials assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held to maturity, re evaluates this designation at the end of each reporting period.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non current.

Held to maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the OPUS Group's management has the positive intention and ability to hold to maturity. If the OPUS Group were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held to maturity financial assets are included in non current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

Available for sale financial assets

Available for sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long-term.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the OPUS Group provides goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

Financial assets – reclassification

The OPUS Group may choose to reclassify a non derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the OPUS Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available for sale categories if the OPUS Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held to maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade date (the date on which the OPUS Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the OPUS Group has transferred substantially all the risks and rewards of ownership. When securities classified as available for sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, a financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income (equity). Changes in the fair value of other monetary and non monetary securities classified as available for sale are recognised in other comprehensive income (equity).

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the OPUS Group's right to receive payments is established. Interest income from these financial assets is included in the net gains/ (losses).

Loans and receivables and held to maturity investments are subsequently carried at amortised cost using the effective interest method.

(r) Borrowings and convertible notes

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

The component of convertible notes that exhibits characteristics of debt is recognised as a liability in the Statement of Financial Position, net of transaction costs. On the issue of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds is allocated to the equity component and is recognised in shareholders' equity. The carrying amount of the equity component is not remeasured in subsequent years.

Borrowings are classified as current liabilities unless the OPUS Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(s) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(t) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(u) Property, plant and equipment

Cost and recognition

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

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 economic benefits associated with the item will flow to the OPUS Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Land is not depreciated.

Depreciation is recognised in profit and loss on either a straight line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated lives used for depreciation purposes are generally as follows:

Leasehold factory buildings (Singapore)	31 years
Plant and equipment	2 to 20 years
Office furniture and equipment	2 to 7 years
Motor vehicles	3 to 8 years
Leasehold improvements	5 to 20 years
Computer equipment	1 to 7 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Leased assets

Leased assets in terms of which the OPUS Group assumes substantially all of the risks and rewards of ownership are classified as finance lease assets. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis or diminishing value basis over the specific useful life of the developed software.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

(v) Other intangible assets

Trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks and licences over their estimated useful lives.

Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight line basis over its useful life.

(w) Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The full fair value of a hedging derivative is classified as a non current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The OPUS Group designates its derivatives as hedges of highly probable forecast transactions (cash flow hedges).The OPUS Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The OPUS Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

(x) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance costs. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within sales. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(y) Cash flow hedges that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income, other expenses or finance costs.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

(z) Provisions

Provisions are recognised when the OPUS Group has a present legal or constructive obligation as a result of past events it is probable that an outflow of resources will be required to settle the obligations and the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of each reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(aa) Performance and financial guarantees

Performance guarantees are considered to be insurance arrangements and are accounted for as such. In this respect performance guarantees are treated as a contingent liability until such a time it becomes probable that the OPUS Group will be required to make a payment under the guarantee.

In respect of financial guarantee contracts, where the guarantor has previously asserted explicitly that is regards its financial guarantee contracts as insurance contracts and has previously accounted for them as such, then the guarantor has an accounting policy choice on a contract by contract basis. This accounting policy choice allows the guarantor to account for the financial guarantee as an insurance contract under AASB 4 *Insurance Contracts* or otherwise to recognise financial guarantee contracts as a financial liability at the time the guarantee is issued in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*.

The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

All financial guarantees are intra-group and eliminated on consolidation.

(ab) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including annual leave and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for an amount expected to be paid under short-term cash bonus or profit sharing plans if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other short-term employee benefit obligations are presented as payables.

Obligations for contributions to defined contribution plans are recognised as an expense in profit and loss as they are due.

Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits

Liabilities for termination benefits, not in connection with the acquisition of an entity or operations, are recognised when a detailed plan has been developed and a valid expectation has been raised with those employees affected, that the termination will be carried out. The liabilities for termination benefits are recognised in other creditors unless timing of the payment is uncertain, in which case they are recognised as provisions.

Liabilities for termination benefits related to an acquired entity or operation that arises as a consequence of acquisitions are recognised as at the date of acquisition if, at or before acquisition date, the main features of the terminations were planned and a valid expectation had been raised with those employees affected, that the terminations would be carried out and this is supported by a detailed plan.

(ac) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any OPUS Group company purchases the company's equity instruments, for example as the result of a share buy back or a share based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners as treasury shares until the shares are cancelled or re-issued. Where such ordinary shares are subsequently re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the owners.

(ad) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(ae) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Impact of reverse acquisition accounting on earnings per share

As the acquisition of the OPUS Group of Companies by OPUS Group Limited was accounted for as a reverse acquisition the weighted average number of shares outstanding for the period in which the combination took place is based on the weighted average number of shares of the legal subsidiary that are outstanding from the beginning of the period to the date of the combination. That number of shares is multiplied by the exchange ratio established in the acquisition agreement and added to the actual number of the shares of the legal parent entity that are outstanding in the period following the transaction. Comparative earnings per share information is based on the profit of the legal subsidiary and the legal subsidiary's historical weighted average number of shares that are outstanding, multiplied by the exchange ratio established in the acquisition agreement.

(af) Rounding of amounts

OPUS Group Limited is a company of the kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission. This Class Order relates to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Class order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(ag) Critical accounting estimates and assumptions

The OPUS Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated recoverable amount of cash-generating units

The OPUS Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 1(m). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to Note 20 for details of these assumptions.

Recognition of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognised on the Balance Sheet. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the OPUS Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable earnings in future periods, are based on forecasted taxable income. Based on current forecasts the recognised deferred tax assets will be fully utilised. To the extent that the future estimates differ to what actually eventuates, the ability of the OPUS Group to utilise tax losses may differ.

Assets and liabilities acquired in a business combination

In a business combination the assets and liabilities acquired are recognised at fair value. Fair value is determined based on a number of assumptions related to each specific asset and liability. Management use their knowledge of the industry and experience to determine the value of assets and liabilities acquired.

2. Loss per share

	Consolidated	
	30 June 2013	**30 June 2012**
Basic loss per share (cents ¢)	(5.18)¢	(4.47)¢
Diluted loss per share (cents ¢)	(5.18)¢	(4.47)¢
Basic loss per share – continuing operations (cents ¢)	(8.43)¢	(8.32)¢
Diluted loss per share – continuing operations (cents ¢)	(8.43)¢	(8.32)¢

	Consolidated	
	30 June 2013	**30 June 2012**
Loss used in calculating basic and diluted earnings per share	(2,782)	(1,794)
Loss used in calculating basic and diluted earnings per share – continuing operations	(4,526)	(3,335)
	'000s	**'000s**
Weighted average number of ordinary shares used as the denominator in calculating the basic and diluted loss per share	53,678	40,102

Refer to Note 1(ae) for the accounting policy which outlines the impact of the reverse acquisition accounting applied in these Financial Statements to the loss per share calculations above in relation to the FY12 comparatives.

3. Financial risk management

The OPUS Group's activities expose it to financial risks such as currency risk, interest rate risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the OPUS Group, derivative financial instruments, such as interest rate hedge contracts, are used to hedge certain risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or other speculative instruments.

The OPUS Group holds the following financial instruments:

30 June 2013	Loans and receivables AUD$'000s	Other amortised cost AUD$'000s	Derivatives used for hedge purposes AUD$'000s	Total carrying amount AUD$'000s	Fair value AUD$'000s
Assets					
Trade and other receivables	12,641	-	-	12,641	12,641
Loans to shareholder	1,136	-	-	1,136	1,136
Cash	3,163	-	-	3,163	3,163
Total financial assets	16,940	-	-	16,940	16,940
Liabilities (non-current)					
Loans and borrowings	-	26,421	-	26,421	26,421
Deferred consideration	-	656	-	656	656
Finance leases	-	2,244	-	2,244	2,244
Cash flow hedges	-	-	845	845	845
Total non-current liabilities	-	29,321	845	30,166	30,166
Liabilities (current)					
Bank overdrafts	-	1,500		1,500	1,500
Convertible note	-	3,137	-	3,137	3,137
Loans and borrowings	-	25,963	-	25,963	25,963
Deferred consideration	-	781	-	781	781
Finance leases	-	863	-	863	863
Cash flow hedges	-	-	717	717	717
Trade and other payables	-	12,108	-	12,108	12,108
Total current liabilities	-	44,352	717	45,069	45,069
Total financial liabilities	-	73,673	1,562	75,235	75,235

The OPUS Group holds the following financial instruments:

30 June 2012	Loans and receivables AUD$'000s	Other amortised cost AUD$'000s	Derivatives used for hedge purposes AUD$'000s	Total carrying amount AUD$'000s	Fair value AUD$'000s
Assets					
Trade and other receivables	16,088	-	-	16,088	16,088
Loans to shareholder	1,070	-	-	1,070	1,070
Cash	4,443	-	-	4,443	4,443
Total financial assets	21,601	-	-	21,601	21,601
Liabilities					
Loans and borrowings	-	58,100	-	58,100	58,100
Finance leases	-	3,005	-	3,005	3,005
Cash flow hedges	-	-	543	543	543
Total non-current liabilities	-	61,105	543	61,648	61,648
Loans and borrowings	-	5,400	-	5,400	5,400
Finance leases	-	776	-	776	776
Cash flow hedges	-	-	1,253	1,253	1,253
Trade and other payables	-	17,145	-	17,145	17,145
Total current liabilities	-	23,321	1,253	24,574	24,574
Total financial liabilities	-	84,426	1,796	86,222	86,222

AASB 7 *Financial Instruments: Disclosures requires* disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Derivative financial instruments in the above table, which are used purely for hedging purposes, are measured and recognised at fair value and are included in level 2 of the fair value measurement hierarchy.

The fair value of the derivative financial instruments is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated cash flows and the fair value of forward exchange and option contracts is determined using forward exchange market rates at the end of the reporting period.

The contingent consideration is included in level 3 of the fair value measurement hierarchy. The fair value is determined using unobservable inputs.

(a) Foreign exchange risk

The OPUS Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the functional currencies applicable to each entity. The currencies in which transactions are primarily denominated are Australian Dollars ('AUD$'), New Zealand Dollars ('NZD$') Singapore Dollars ('SGD$') and US Dollars ('US$'). Management evaluates their foreign currency risk using cash flow forecasts with the objective of keeping its exposure to a minimum. The OPUS Group may in certain circumstances use forward exchange contracts to hedge its foreign currency risk. When used, the contracts would normally have maturities or less than one year at reporting date. The OPUS Group does not hold or issue financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

As required by the Group's debt facility, the Company has hedged $45,800,000 of the bank debt held at 30 June 2013 (2012: $48,800,000).

As at 30 June 2013, the exposure to trade and other payables denominated in USD totalled AUD$34,000 and GBP totalled AUD$nil. As at 30 June 2012, the exposure to trade and other payables denominated in USD totalled AUD$124,000 and GBP totalled AUD$243,000.

Management have assessed the remaining exposure to currencies is not significant.

(b) Interest rate risk

Interest rate risk arises both where payments of floating interest are made and where the OPUS Group has fixed interest rate borrowings compared to the market. The OPUS Group monitors the current market rates and evaluates on an ongoing basis whether to borrow at fixed or floating rates with the objective of minimising interest payable.

The OPUS Group has hedged exposure to changes in interest rate on a percentage of its borrowings in a fixed rate basis, taking into account assets with exposure to changes in interest rates, by entering into interest rate swaps.

(c) Credit risk

Credit risk arises on financial assets where customers are given credit terms. In order to minimise credit exposure, management has a credit policy in place under which each new customer is individually analysed for credit worthiness before services are offered. The OPUS Group's exposure to credit risk is mainly influences by its customer base. Credit risk is measured by estimating losses incurred at each reporting date based on historical experience.

The carrying amount of financial assets represents the OPUS Group's maximum credit exposure.

The Group's maximum exposure to credit risk for trade receivables by geographic regions is as follows:

	Carrying Amount	
	30 June 2013 AUD$000s	**30 June 2012 AUD$000s**
New Zealand	61	1,103
Australia	10,694	13,359
Singapore	2,070	1,905
Trade receivables (gross)	12,825	16,367
Provision against receivable	(184)	(279)
Net trade receivables	12,641	16,088

The status of trade receivables at the reporting date is as follows:

	30 June 2013 AUD$000s	30 June 2012 AUD$000s
Neither past due, nor impaired		
Current	6,860	10,014
Past due, but not impaired		
1-30 days over standard terms	4,493	4,339
31-60 days over standard terms	843	1,081
61+ days over standard terms	445	654
Net trade receivables	12,641	16,088

(d) Liquidity risk

Liquidity risk represents the OPUS Group's ability to meet its contractual obligations. The OPUS Group evaluates its liquidity requirements on an ongoing basis using cash flow forecasting. In general, the OPUS Group generates sufficient cash flows from its operating activities and holds and retains cash to meet its obligations arising from its financial liabilities.

The following table sets out the contractual cash flows for all financial liabilities at the balance sheet date:

30 June 2013	Statement of financial position AUD$000s	Contractual cash flows AUD$000s	0-1 years AUD$000s	1-5 years AUD$000s	More than 5 years AUD$000s
Finance lease liabilities	3,107	3,497	976	2,521	-
Secured loans	52,384	56,696	26,989	29,707	-
Convertible note	3,137	3,602	3,602	-	-
Bank overdraft	1,500	1,532	1,532	-	
Cash flow hedges	1,562	1,647	724	923	-
Trade and other payables	12,108	12,108	12,108	-	-
Total financial liabilities	73,798	79,082	45,931	33,151	-
30 June 2012					
Finance lease liabilities	3,781	4,473	1,045	3,428	-
Secured loans	63,500	78,473	10,035	68,438	-
Cash flow hedges	1,796	1,913	549	1,364	-
Trade and other payables	17,145	17,145	17,145	-	-
Bank overdraft					-
Total financial liabilities	86,222	102,004	28,774	73,230	-

(e) Capital Management

The OPUS Group's capital employed includes share capital, reserves and retained earnings, bank debt and borrowings, convertible notes, finance lease liabilities and bank overdrafts net of cash.

The OPUS Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the OPUS Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The OPUS Group is not subject to any externally imposed capital requirements, other than those of its debt facility, which contains certain covenants.

The allocation of capital between its specific business segments' operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific business segment operations and activities is undertaken independently of those responsible for the operation.

The OPUS Group's policies in respect of capital management and allocation are reviewed regularly by the Directors.

At the balance sheet date the agreement under which the CBA facilities were made available contained financial covenants typical for a facility of this nature and are tested quarterly. The facility required compliance with an interest cover ratio, leverage ratio, debt service ratio and limits on the OPUS Group's capital expenditure. Compliance with covenants is highly dependent on future business performance, working capital management and capital requirements. As at the date of this report the Group has complied with these covenants.
Asset and Capital Structure (as at the Balance Sheet Date)

	30 June 2013 AUD$'000s	**31 Dec 2012 AUD$'000s**	**30 June 2012 AUD$'000s**
Debt:			
Bank debt and borrowings	52,384	62,175	63,500
Convertible notes	3,137	-	-
Finance lease liabilities	3,107	3,489	3,781
Bank overdraft	1,500	1,500	-
Cash and cash equivalents	(3,163)	(3,137)	(4,443)
Net debt*	56,965	64,027	62,838
Total equity	33,181	30,790	34,548
Total capital employed	90,146	94,817	97,386
Gearing (net debt/ net debt + equity)	63%	68%	65%

* Net debt excludes off balance sheet bank guarantees and letters of credit. For bank covenant purposes the convertible notes are excluded from net debt.

Net debt (interest bearing liabilities and overdrafts less cash) decreased by $5,873,000 to $56,965,000 following the disposal of non-core assets, the Singapore building sale and leaseback and scheduled debt amortisation. The OPUS Group has $3,163,000 of cash at 30 June 2013 and a working capital facility of $4,000,000 of which $2,526,000 has been utilised. The OPUS Group has hedged the interest payments on $45,000,000 (2012: $48,800,000) of the Commonwealth Bank of Australia Limited ('CBA') debt owing at 30 June 2013 as required by the terms of the debt facility agreement.

At 30 June 2013, due to the requirements of the debt facility in place at the balance sheet date, the Group had a requirement to repay $25,963,000 of debt to CBA in the 12 months to 30 June 2014 of which $20,000,000 was due by 30 September 2013. This amount is classified as a current liability in the 30 June 2013 financial report such that the Group has presented a net current liability position of $16,573,000 on its balance sheet.

The Group is currently continuing advanced discussions with CBA in order to restructure its debt facility, including so as to extend the date of repayment of these amounts and to revise the terms under the facility agreement.

On 30 August 2013, the Group received a proposal from CBA which has been the subject of discussion throughout the intervening period. On 9 September 2013, a conditional term sheet was executed which outlined the commercial aspects of the proposed debt facility variation but was still subject to final documentation and agreement between the parties. The conditional term sheet waived the requirement to pay the $20,000,000 due by 30 September 2013 subject to the final variation of the debt facility being executed.

On 30 September 2013, the OPUS Group Board received a further waiver from CBA which provides an extension to 2 October 2013 in order to allow additional time for an agreement with respect to a variation of the debt facility and the extension of the repayment timetable.

The proposed variation deed extends the facility to September 2016, with progressive debt reduction to be implemented via the sale of the Outdoor Media division, raising equity capital and various capital management and other initiatives over the term of the facility. The amortisation timetable provides that at least $27,500,000 is repayable throughout the period to 30 June 2014 under the revised debt facility structure. This amount includes scheduled amortisation and additional debt reduction through the initiatives described above. As part of the extension and variation arrangements, and in consideration for CBA agreeing to them, the Company will grant CBA a warrant which upon an exit event for all OPUS Group shareholders, will entitle CBA to a 10% equity interest in the Company. The detailed terms and conditions associated with the warrant are subject to final legal documentation and any necessary regulatory approvals. This documentation and related approvals are required to be completed by 30 November 2013 and further detail will be provided in this regard before that date.
The proposed variation deed is expected to revise the covenants attached to the CBA facilities. The revised covenants will be in respect to a rolling EBITDA measure, minimum cash balance requirements and limits on capital expenditure. The proposed variation deed will allow, at the option of the Company, for the capitalisation of interest on the higher margin component of the debt facility.

The Directors anticipate that an agreement on these matters will be reached with CBA by 2 October 2013, including the finalisation of associated documentation. If, however, agreement cannot be reached, CBA will become entitled to request the immediate repayment of loans under the facility agreement. An appropriate announcement will be made once discussions with CBA have been finalised.

In January 2013, the Group entered into a loan agreement for up to $3,400,000 with entities related to two existing shareholders to meet short-term working capital requirements, fund the closure costs of the Mulgrave facility and other Group reorganisation initiatives. The loan is convertible to ordinary shares in the Company at the option of the lender at any time up and until the facility maturity date of 31 March 2014. The loan agreement and conversion option was approved by shareholders on 28 March 2013 at an Extraordinary General Meeting. The Company pays interest at 15% per annum on this facility which is capitalised. As the maturity date falls within 12 months of the balance sheet date, the convertible loan note debt is classified as a current liability.

Sensitivity Analysis

In managing interest rate and currency risks the OPUS Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in foreign exchange and interest rates will have an impact on profit. At 30 June 2013 it is estimated that an increase of one percentage point in interest rates would decrease the Group's profit before income tax by approximately $58,000 (2012: $155,000).

Given that OPUS Group has limited exposure to financial assets and financial liabilities denominated in currencies other than their own functional currencies, there is no material sensitivity to foreign exchange fluctuation.

4. Business combinations

Acquisition of the revenue base of the Blue Star Group Australia's Canberra operation and certain assets thereof

On 27 March 2013 OPUS Group Limited announced that it had entered into an agreement to acquire selected assets and the revenue base of the Blue Star Group Australia's business in Canberra.

The transaction is anticipated to deliver additional revenues with the full financial benefits of this acquisition expected to be seen in FY14. Settlement of the consideration for the acquisition will occur on a deferred basis over a two year period, based on the actual revenue contribution with minimum thresholds in place. The deferred consideration is contingent on revenues generated from Blue Star customers using a contractual formula to assess the contribution of customers which were shared by the two entities.

The combined businesses will operate from the existing CanPrint facility in Canberra under the CanPrint brand.

The deemed acquisition date for the transaction was 5 April 2013.

Under Australian Accounting Standards, the OPUS Group has 12 months from the date of acquisition in which to complete its assessment of the fair value of the assets and liabilities acquired. Given the date of the transaction, the OPUS Group has provisionally recognised the fair value of the identifiable assets and liabilities acquired in the transaction based upon the best financial information available at the acquisition date. The fair values are provisional at the date of this report. Specifically, the OPUS Group is still in the process of the finalising the tax re-setting exercise, which may have an impact on the provisional acquisition accounting.

The fair value of the identifiable assets and liabilities as of the date of acquisition were as noted in the balance sheet extract below.

	Acquisition date fair value AUD$'000s
Assets	
Equipment	349
Inventory	197
Goodwill	1,438
Deferred tax asset on employee benefits	47
	2,031
Liabilities	
Employee benefits at 100%	(158)
Consideration paid and payable	
Cash (outflow)	(435)
Deferred consideration not yet paid	(1,438)

The fair value of assets and liabilities acquired approximated their carrying amounts at the acquisition date.

The goodwill recognised on acquisition represented the excess consideration paid above the fair value of the assets acquired and the deferred consideration to be paid. Goodwill relates to the synergies which result from the transaction. These benefits include increased volume of revenue with current customers and margin improvements due to improved buying power. Transactions costs were approximately $40,000 with the majority of due diligence undertaken in-house by the OPUS Group management team. These costs have been expensed. As the business combination was an asset acquisition, information related to pre-acquisition revenue and profit of the business is not available. The revenue and profit derived from the acquisition of the revenue base cannot be determined because a number of the customers of Blue Star Group Australia's Canberra operation were pre-existing customers of the OPUS Group.

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker as defined above that are used to make strategic decisions.

These individuals review the business primarily from a product and service offering perspective and have identified two distinct operating segments: Publishing and Outdoor Media.

(i) Publishing

Production and distribution of publications including electronic delivery of online material, regional production of scientific, medical, technical and scholarly journals, loose leaf manuals and primary, secondary and higher education texts. As well as, provision of secure government communication requirements including document production, web hosting, electronic fulfilment, call centre, warehousing and logistics for the Australian Federal Government, State Governments and Local Councils.

(ii) Outdoor Media (discontinued operation)

Creation, production and distribution of outdoor advertising material and corporate signage, such as billboards, bus advertising, retail displays, vehicle wraps and trade exhibitions.

(b) Segment revenue

Sales between segments are carried out on an arm's length basis and are eliminated on consolidation. The revenue from external parties reported is measured in a manner consistent with that in the Consolidated Statement of Comprehensive Income although it is presented on an 'Always Owned' basis as further explained below.

(c) Adjusted EBITDA as monitored by the Board and Senior Management

The chief operating decision makers assess the performance of the operating segments based on a measure of Adjusted EBITDA as monitored by the Board and Senior Management ('Adjusted EBITDA'). Adjusted EBITDA is a non-IFRS measure of financial performance and is not a principle contemplated by Australian Accounting Standards. This measurement basis excludes the effects of certain items from the operating segments such as integration and restructuring costs, material merger transaction costs, debt facility expenses, legal expenses and other related costs not deemed to be part of the underlying performance of the segment. It is presented internally on an 'Always Owned' basis where the full year results of each legal entity are included regardless of when they joined the OPUS Group during the year. This measure is consistent with the presentation of financial information internally for management accounts purposes.

A reconciliation of Adjusted EBITDA to the Loss before taxation per the Statement of Comprehensive Income is as follows:

	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Adjusted EBITDA on an 'Always Owned' basis (continuing operations)	14,114	20,600
Adjusted for:		
Pre-acquisition trading for entities acquired during the year	-	(4,434)
Adjusted EBITDA	14,114	16,166
Less: Adjusted EBITDA of discontinued division	(3,435)	(3,618)
Depreciation, amortisation and impairment	(7,527)	(6,124)
Gain on disposal of property, plant and equipment	3,465	8
Items excluded from Adjusted EBITDA	(3,118)	(4,411)
Finance revenue	116	74
Finance costs	(6,651)	(5,079)
Loss before taxation per the Consolidated Statement of Comprehensive Income	(3,036)	(2,984)

As a result of the reverse acquisition accounting applied, the Financial Report for the year ended 30 June 2012 represents the segments results for OPUS Group Limited and McPherson's Printing Pty Limited for the period 31 March 2012 to 30 June 2012.

The 2012 Adjusted EBITDA includes 9 months of trading for McPherson's Printing Pty Limited, which is excluded from the reported result as being pre-acquisition trading.

Interest income and expenditure is not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the OPUS Group.

(d) Segment Information

30 June 2013	Publishing AUD$'000s	Outdoor Media (Discontinued) AUD$'000s	Other AUD$'000s	Inter-Segment Eliminations AUD$'000s	Total AUD$'000s
Total external revenue	97,159	19,665	-	-	116,824
Other	1,037	3	9	-	1,049
Operating expenses	(83,594)	(16,233)	(3,932)	-	(103,759)
Adjusted EBITDA	14,602	3,435	(3,923)	-	14,114

Total segment revenue is reconciled to total revenue per the Consolidated Statement of Comprehensive Income as follows:

	30 June 2013 $AUD'000s
Segment revenue (Revenue on an 'Always Owned' basis)	116,824
Less discontinued Outdoor Media Division	(19,665)
Total revenue from continuing operations per the Statement of Comprehensive Income	97,159

30 June 2012	Publishing AUD$'000s	Outdoor Media AUD$'000s	Other AUD$'000s	Inter-Segment Eliminations AUD$'000s	Total AUD$'000s
Total external revenue	112,243	20,766	-	-	133,009
Inter segment revenue	9	-	-	(9)	-
Operating expenses	(93,746)	(17,188)	(2,887)	9	(113,812)
Other	1,363	40	-	-	1,403
Adjusted EBITDA	19,869	3,618	(2,887)	-	20,600

Total segment revenue is reconciled to total revenue per the Consolidated Statement of Comprehensive Income as follows:

	30 June 2012 $ AUD'000s
Segment revenue (Revenue on an 'Always Owned' basis)	133,009
Pre-acquisition revenue	(36,941)
Other	(62)
Revenue from discontinued Outdoor Media Division	(20,766)
Total revenue per the restated Statement of Comprehensive Income	75,240

(e) Inter-segment transactions

The inter-segment eliminations column above adjusts for the impact of internal transactions and the "Other" column represents unallocated OPUS Group and Corporate costs. Segment revenues, expenses and results include transactions between segments. Such transactions are priced on an 'arms-length' basis and are eliminated on consolidation.

(f) Segment assets and liabilities

The amounts provided to the chief operating decision maker with respect to total assets and total liabilities are not reported by operating segment.

6. Discontinued operation

On 16 May 2013, OPUS Group announced that it was undertaking a strategic review of its Outdoor Media business.

The review follows the disposal of a number of non-core assets including the recent sale and leaseback of the Group's Singapore building, as well as the sale of surplus land and buildings at Maryborough in Victoria, with the proceeds used to pay down debt.

The Outdoor Media business is classified as a discontinued operation as at 30 June 2013. Consequently, the Consolidated Statement of Comprehensive Income (both current period and prior period comparative) have been prepared with the Outdoor Media business disclosed as a discontinued operations line item. In addition, all of the Outdoor related assets and liabilities have been disclosed in the Group's 30 June 2013 Balance Sheet as separate asset and liability categories.

a) Assets and Liabilities held for sale

	30 June 2013 AUD$'000s
Current assets	
Trade receivables	2,914
Inventory	877
Other current assets	106
Non-current assets	
Property, plant and equipment	1,955
Goodwill	6,445
Deferred tax asset	289
Other non-current assets	6
Total assets of disposal group held for sale	12,592

	30 June 2013 AUD$'000s
Current liabilities	
Trade and other payables	1,992
Employee-related provisions	718
Non-current liabilities	
Employee-related provisions	97
Total liabilities of disposal group held for sale	2,807

For reporting purposes, cash and bank balances of the discontinued division at year-end are presented within continuing operations. The amounts presented above are net of intercompany loan balances with other OPUS Group entities.

b) Discontinued operation financial information and cash flow information

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Income	19,665	20,766
Expenses	(17,137)	(18,530)
Net finance costs	(15)	(93)
Profit before tax from discontinued operations	2,513	2,143
Income tax expense	(769)	(602)
Profit after tax from discontinued operations	1,744	1,541
Other comprehensive loss	(31)	(12)
Total comprehensive income attributable to discontinued operations	1,713	1,529

	Cents	Cents
Basic earnings per share	3.25	3.85
Diluted earnings per share	3.25	3.85

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Net cash inflows from operating activities	3,045	3,194
Net cash outflows from investing activities	(835)	(1,271)
Net cash outflows from financing activities	(2,300)	(1,700)
Net (decrease)/increase in cash generated	(90)	223

7. Other Income

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 (restated) AUD$'000s
Scrap recoveries	765	376
Other	397	188
Total other income	1,162	564

8. Employee benefits expense

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 (restated) AUD$'000s
Salaries and wages	32,427	25,010
Superannuation	2,233	1,505
Total employee benefits expense per the Consolidated Statement of Comprehensive Income	34,660	26,515

OPUS Group Limited and its controlled entities contribute to a number of superannuation funds. The funds provide benefits on a cash accumulation basis for employees or their dependants on resignation, retirement, total and permanent disablement or death. Benefits are based on the contributions and net income thereon held by the funds on behalf of their members. The level of these benefits varies according to the fund to which the employee belongs. OPUS Group contributions to all superannuation funds are legally enforceable. Contributions may be made by the member in addition to OPUS Group contributions, as specified by the rules of the fund. OPUS Group contributions to employee superannuation funds within continuing operations during the year totalled $2,233,000 (2012: $1,505,000).

9. Expenses

Profit before income tax for continuing operations includes the following items which require specific disclosure:

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 (restated) AUD$'000s
Bad debts expense	76	69
Minimum lease payments related to operating leases	2,674	2,164
Realised foreign exchange loss	34	24

10. Income tax

(a) Income tax expense

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Current tax expense	1,158	1,519
Deferred tax expense/(benefit)	1,112	(496)
Under/(over) provision in previous years	38	(70)
Total income tax expense	2,308	953
Attributable to discontinued operations	818	602
Attributable to continuing operations	1,490	351
Deferred income tax (benefit) included in income tax expense comprises:		
Decrease in deferred tax assets – Note 21	(1,397)	(427)
Increase in deferred tax liabilities – Note 21	285	(69)
	(1,112)	(496)

(b) Reconciliation of current income tax expense

	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Operating loss before income tax	(524)	(841)
Income tax using the OPUS Group's domestic rate of tax (30%)	(157)	(252)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share of net loss in associate	35	4
Debt forgiveness	-	(8)
Tax-exempt income	(808)	(20)
Current year tax losses not recognised	3,157	633
Tax rate difference in overseas entities	(1,164)	(380)
De-recognition of New Zealand tax losses previously recognised	-	1,149
De-recognition of Australian tax losses previously recognised	1,388	-
Under/(over) provision in prior years	38	(70)
Other	(181)	(103)
Total income tax expense	2,308	953

(c) Tax benefit relating to items of other comprehensive income

	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Cash flow hedges	52	380

(d) Tax losses

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Unused tax losses for which no deferred tax asset has been recognised	21,464	6,132
Potential tax benefit @ 28% *	2,913	1,717
Potential tax benefit @ 30%	3,318	-
Potential tax benefit at jurisdiction tax rates	6,231	1,717

* New Zealand jurisdiction tax rate

Tax losses for which no deferred tax asset has been recognised relate to the New Zealand and Australian tax jurisdictions. The 2013 tax expense includes the write-off of a previously recognised deferred tax asset to the value of $1,388,000. Given the proposed divestment of the Outdoor Media division and trading to date, there is uncertainty around the use of these tax losses in the immediate future.

The 2012 tax expense included $1,149,000 of New Zealand tax balances written off as at 30 June 2012. Given the recent changes to the OPUS Group structure there is uncertainty around the ability to utilise the New Zealand Group tax losses in the immediate future.

(e) Franking credits

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Franking credits available for subsequent financial years based on a tax rate of 30%	23,742	23,742

The above amounts represent the balance of the Australian franking account as at the end of the financial year, adjusted for franking credits which are expected to arise from the payment of current tax liabilities.

11. Auditors' Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	30 June 2013 AUD$	30 June 2012* AUD$
Audit services		
PricewaterhouseCoopers - Audit and review of financial reports and other audit work for OPUS Group's Australian businesses under the *Corporations Act 2011* **	266,500	182,860
PricewaterhouseCoopers - Audit and review of financial reports and other audit work for OPUS Group's New Zealand and Singapore businesses under the *Corporations Act 2011*	83,000	-
Total PricewaterhouseCoopers remuneration for audit services	349,500	182,860
Non PricewaterhouseCoopers audit and review of financial reports*	-	112,624
Other services		
PricewaterhouseCoopers – non-audit	-	30,500
Non PricewaterhouseCoopers audit firms – non-audit	-	210,245
Total remuneration for audit services and other services	349,500	536,229

* During the year ended 30 June 2012, KPMG completed the jurisdictional audits for the New Zealand and Singapore businesses within the OPUS Group.

** The 30 June 2013 fee includes the half-year review for the period ended 31 December 2012.

The remuneration for services disclosed above only includes fees paid to auditors whilst they were appointed as auditor to the Company or its subsidiaries.

12. Current assets – cash and cash equivalents

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 $ AUD$'000s**
Cash on hand	3,163	4,443
The above figures are reconciled to cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows as follows:		
Balances as above	3,163	4,443
Less: bank overdrafts	(1,500)	-
Balances per the Consolidated Statement of Cash Flows	1,663	4,443
Reconciliation of net cash provided by operating activities to operating loss after income tax:		
Operating loss after income tax	(2,782)	(1,794)
Share of loss of associate	(116)	(14)
Repayment of loan	17	-
Depreciation, amortisation and impairment	8,237	7,313
Cash flow hedges	-	515
Foreign exchange losses	52	30
Disposal of fixed asset	(3,412)	(9)
Operating assets and liabilities		
Increase/(decrease) in trade and other payables	(2,907)	(2,459)
Increase/(decrease) in employee entitlements	110	(330)
Increase/(decrease) in tax payable	722	1,136
(Increase)/decrease in deferred tax balances	1,116	(1,599)
(Increase)/decrease in receivables	(879)	1,606
(Increase)/decrease in inventories	1,266	301
Net cash inflow provided by operating activities	1,424	4,696

13. Current assets – trade and other receivables

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Trade receivables	12,825	16,367
Less: Allowance for doubtful debts	(184)	(279)
Total trade and other receivables	12,641	16,088

14. Current assets – inventories

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Raw materials	3,759	4,724
Spare parts	-	575
Work in progress	1,163	1,560
Finished goods	358	674
Less: Provision for inventory obsolescence	(153)	(263)
Total inventories	5,127	7,270

15. Current assets – other

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Sundry debtors and prepayments	2,374	1,630
Loans to shareholders	1,136	1,070
Total other current assets	3,510	2,700

16. Current assets - held for sale assets (excluding assets of disposal groups)

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Assets held for sale at balance sheet date	70	98

Assets held for sale at 30 June 2013 and 30 June 2012 are individual assets deemed to be non-core to the business and are in the process of being sold. These assets have been written down to their recoverable amount at the balance sheet date.

17. Non-current assets – investments accounted for using the equity method

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Shares in associate	782	1,038

The Group has a 33⅓ % shareholding in an associate company Denward Court Pty Limited which is incorporated in Australia and whose principal activity is trade print finishing. The investment in the associate is accounted for in the consolidated financial statements using the equity method of accounting after initially being recognised at cost.

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
(i) Movements in carrying amount		
Carrying amount at the beginning of the financial year	1,038	-
Acquired in business combination	-	1,252
Share of loss after income tax	(116)	(14)
Dividends received	(140)	(200)
Carrying amount at the end of the financial year	782	1,038
(ii) Share of associate's loss		
Loss before tax	(164)	(20)
Income tax credit	48	6
Loss after income tax	(116)	(14)

(iii) Summarised financial information of associate

Group's share of:				
	Assets AUD$'000s	Liabilities AUD$'000s	Revenues AUD$'000s	Losses AUD$'000s
2013	2,139	1,217	2,020	(116)
2012	2,562	1,351	444	(14)

18. Particulars in relation to controlled entities

Country of Incorporation	
OPUS Group Limited	Australia
Wholly owned subsidiaries of OPUS Group Limited	
Cactus Imaging Holdings Pty Limited *	Australia
Cactus Imaging Pty Limited *	Australia
OPUS Group (Australia) Pty Limited *	Australia
Ligare Pty Limited *	Australia
CanPrint Holdings Pty Limited *	Australia
Union Offset Co. Pty Limited *	Australia
CanPrint Communications Pty Limited *	Australia
Integrated Print and Logistics Management Pty Limited *	Australia
McPhersons Printing Pty Limited *	Australia
OPUS Group NZ Holdings Limited	New Zealand
Omnigraphics Limited	New Zealand
Cactus Imaging Limited	New Zealand
F'Digital Limited	New Zealand
F'Displays Limited	New Zealand
Ligare Limited	New Zealand
C.O.S. Printers Pte Limited	Singapore

* These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further information refer to Note 33.

All investments represent 100% ownership interest.

19. Non-current assets – property, plant and equipment

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Freehold land and buildings		
At cost	2,633	10,246
Accumulated depreciation	(280)	(2,533)
Total Freehold land and buildings	2,353	7,713
Leasehold improvements		
At cost	1,439	1,873
Accumulated depreciation	(915)	(1,085)
Total leasehold improvements	524	788
Total property assets	2,877	8,501
Plant and equipment		
At cost	66,231	72,768
Accumulated depreciation	(42,720)	(43,309)
Total plant and equipment	23,511	29,459
Office furniture and equipment		
At cost	640	773
Accumulated depreciation	(387)	(462)
Total office furniture and equipment	253	311
Motor vehicles		
At cost	613	546
Accumulated depreciation	(503)	(462)
Total motor vehicles	110	84
Computer equipment		
At cost	3,633	3,769
Accumulated depreciation	(2,252)	(2,118)
Total computer equipment	1,381	1,651
Total property, plant and equipment	28,132	40,006

(a) Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below:

	Land and buildings AUD$'000s	Plant and equipment AUD$'000s	Office furniture and equipment AUD$'000s	Motor Vehicles AUD$'000s	Leasehold improvements AUD$'000s	Computer equipment AUD$'000s	Total AUD$'000s
Carrying amount							
Balance at 1 July 2011	4,745	17,834	107	128	889	965	24,668
Acquisitions through the reverse acquisition	3,142	16,105	145	-	3	275	19,670
Other additions	-	1,504	97	-	19	1,197	2,817
Disposals	-	(80)	-	(1)	-	(2)	(83)
Transfers between categories	-	72	13	-	-	(85)	-
Transfer to assets held for sale	-	(98)	-	-	-	-	(98)
Effect of movements in exchange rates	114	228	2	1	2	(2)	345
Impairment during the period	-	(114)	-	-	-	-	(114)
Depreciation for the year	(288)	(5,992)	(53)	(44)	(125)	(697)	(7,199)
Balance at 30 June 2012	7,713	29,459	311	84	788	1,651	40,006
Carrying amount							
Balance at 1 July 2012	7,713	29,459	311	84	788	1,651	40,006
Other additions	3	1,967	61	84	69	823	3,007
Disposals	(4,956)	(124)	(5)	(1)	(2)	(2)	(5,090)
Reclassified to discontinued operations	-	(1,514)	(64)	(17)	(221)	(139)	(1,955)
Effect of movements in exchange rates	(21)	315	40	9	18	40	401
Depreciation for the year	(386)	(6,592)	(90)	(49)	(128)	(992)	(8,237)
Balance at 30 June 2013	2,353	23,511	253	110	524	1,381	28,132

(b) Sale and leaseback transaction

In March 2013 C.O.S. Printers Pte Limited disposed of the operational facility building in Singapore and entered into an agreement to lease it back for the next 10 years. Since the duration of the lease does not cover substantially most of the expected useful life of the building, it is appropriate to classify it as an operating lease in line with the requirements of AASB 117 Leases. A gain of $3,425,000 was recorded on the disposal.

As part of the sale and leaseback agreement, C.O.S. Printers Pte Limited prepaid land tax equivalent to AUD$1,169,000, the unamortised cost of which is recorded as a non-current asset on the statement of financial position.

Finance Leases

The OPUS Group leases certain printing assets under finance lease agreements. The net carrying amount of these assets at 30 June 2013 $3,372,000 (2012: $3,905,000). The leased printing assets secure the subgroups lease obligation.

Non-current assets pledged as security

Refer to Note 24 for information on non-current assets pledged as security by the parent entity and its controlled entities.

20. Non-current assets – intangibles

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Goodwill	46,750	50,513
Total intangibles	46,750	50,513

(a) Reconciliations

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the financial year are set out below:

Carrying amount

	Goodwill AUD$'000s
Balance at 1 July 2011	47,828
Acquisitions through business combinations	2,445
Effect of movements in exchange rates	240
Balance at 30 June 2012	50,513
Balance at 1 July 2012	50,513
Acquisitions through business combinations – Note 4	1,438
Less goodwill attributable to discontinued operations	(6,445)
Effect of movements in exchange rates	1,244
Balance at 30 June 2013	46,750

(b) Impairment testing

For the purpose of impairment testing, goodwill is allocated to the OPUS Group's cash generating units ('CGU') which represent the lowest level that independent cash flows are generated (as at the reporting date). As at 30 June 2013, there has been a change in the identified CGUs of the OPUS Group resulting from the ongoing restructure of the Publishing Australia business. The previously reported CGUs of CanPrint, Ligare and McPherson's Printing have been combined as one CGU named Publishing Australia.

This change has occurred as a result of the restructuring of the OPUS Group business namely:

- The production site for work is determined by the "best fit" within the OPUS Group location rather than where the customer relationship has historically existed, leading to increased reallocation of work across the Publishing Australia network of operations;
- Closure of the Mulgrave site and shift of equipment to Canberra and Maryborough with corresponding work reallocated. The outcome of this restructure is the creation of a colour hub in Canberra which services Publishing Australia customers;
- Closure of the Sutton Road site and shift of work to the Sydney Ligare site;
- Change in management focus to a functional Publishing Australia structure including appointment of key divisional leads in Sales, Australian National Operations and Finance. This functional structure is a key component to the overall Publishing Division (which includes COS Printers Pte Ltd) whose performance is monitored by the Board and Senior Executive level team;
- Decisions around capital expenditure are now made on a Divisional basis in order to build operational excellence hubs rather than a single site approach; and
- Continuation of the standardisation of systems and resourcing across Publishing Australia.

The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	Consolidated 30 June 2013 AUD$'000s	Consolidated 30 June 2012 AUD$'000s
Cactus Australia	6,445	6,445
Publishing Australia	30,148	28,710
COS	16,602	15,358
Total goodwill	53,195	50,513
Reclassified to disposal group	(6,445)	-
Total goodwill presented on the Balance Sheet	46,750	50,513

The recoverable amount of a CGU is determined based on a value-in-use calculation. These calculations use cash flow projections based on financial forecasts for FY14. Cash flows beyond the projected period are extrapolated using estimated growth rates. In performing the value-in-use calculations for each CGU, the OPUS Group has applied a post-tax discount rate to discount the forecast future attributable post-tax cash flows.

When determining the carrying value of the cash generating unit an allocation of the OPUS Group's corporate asset base has been made to each unit.

The value-in-use has been based on the following key assumptions:

CGU	EBITDA growth rate (2 to 5 years)	Terminal value growth rate	Discount rate (pre-tax)	Capex Growth Rate
Cactus Australia	3%	0%	17%	10%
Publishing Australia	3%	2%	17%	10%
C.O.S. Printers Pte Limited	3%	2%	12%	10%

Cash flows of each CGU have been projected based on the budget for FY14 and the forecast which has been extended for 4 years using EBITDA growth assumptions noted above applicable to each CGU.

Terminal cash flows beyond 5 years forecast of each CGU were extrapolated using a constant growth rate as noted above. Growth rates used do not exceed the long-term average growth rate for the markets in which each of the CGU's operate.

The forecasts for the purposes of each of the value in use calculations are most sensitive to changes in the projected cash flows in year 1, the terminal year and the discount rate.
The Board have reviewed the sensitivities of each CGU's recoverable value for the above noted assumptions.

Based on the sensitivities to the key assumptions noted above, if the Publishing Australia forecasted cash flows for year 1 were 2.3% lower or the pre-tax discount rate was 0.4% higher or a 1% reduction in the year on year growth rate (all other assumptions being the same) the carrying value and recoverable amount of the CGU would be equal.

One of the key assumptions is the inclusion of capital expenditure cash flows. These are forecasted to grow at a rate of 10% over the forecast period. The magnitude and timing of these cash flows is within the control of OPUS Group management.

Based on the review of the sensitivities to the other key assumptions noted above, the Board believe that there are no other reasonably possible changes in any of the key assumptions that would cause the carrying amount of an individual CGU to exceed its recoverable amount.

21. Non-current – deferred tax balances

Deferred tax assets

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Deferred tax assets are attributable to the following		
Property, plant and equipment	1,538	1,353
Employee benefits	1,452	1,799
Other provisions/ accruals	727	337
Restructuring costs	-	445
Inventories	46	65
Doubtful debts	52	60
Cash flow hedges	469	529
Tax losses	-	1,388
Total deferred tax assets	4,284	5,976
Set off deferred tax liabilities	(176)	(235)
Net deferred tax assets	4,108	5,741

Movements

	Plant & Equipment AUD$'000s	Employee Benefits AUD$'000s	Restructure costs AUD$'000s	Cash flow hedges AUD$'000s	Tax losses AUD$'000s	Other AUD$'000s	Total AUD$'000s
Opening balance 30 June 2011	292	934	363	-	-	234	1,823
(Charged)/ credited to income statement - Note 10a	360	65	24	155	-	(177)	427
Acquired in business combination	1,029	814	49	(6)	-	184	2,070
Charged to equity - Note 10c	-	-	-	380	-	-	380
Transfer from provision for tax	-	-	-	-	1,388	-	1,388
Transfer from deferred tax liability	(89)	-	-	-	-	(10)	(99)
Under/ (over) provision in prior years	(239)	(14)	9	-	-	(4)	(248)
Closing balance 30 June 2012	1,353	1,799	445	529	1,388	227	5,741
Opening balance 1 July 2012	1,353	1,799	445	529	1,388	227	5,741
(Charged)/ credited to income statement - Note 10a	186	(121)	(445)	(112)	-	683	191
De-recognition of Australian tax losses previously recognised	-	-	-	-	(1,388)	-	(1,388)
Transfer of deferred tax to discontinued operation	-	(216)	-	-	-	(72)	(288)
Charged to equity – Note 10c	-	-	-	52	-	-	52
Under/ (over) provision in prior years	(1)	(10)	-	-	-	(189)	(200)
Closing balance 30 June 2013	1,538	1,452	-	469	-	649	4,108

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Deferred tax assets to be recovered within 12 months	1,466	3,609
Deferred tax assets to be recovered after more than 12 months	2,642	2,132
Total deferred tax assets	4,108	5,741

Recognition of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognised on the Consolidated Balance Sheet. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the OPUS Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable earnings in future periods, are based on forecasted taxable income. Based on current forecasted taxable income it is expected that the deferred tax assets recognised will be fully utilised. To the extent that the future estimates differ to what actually eventuates, the ability of the OPUS Group to utilise tax losses may differ.

Deferred tax liabilities

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Deferred tax liabilities are attributable to the following:		
Property, plant and equipment	801	959
Prepayments	-	70
Inventories	105	165
Total deferred tax liabilities	906	1,194
Set off deferred tax assets	(176)	(235)
Net deferred tax liabilities	730	959

Movements

	Plant and Equipment AUD$'000s	**Prepayments AUD$'000s**	**Total AUD$'000s**
Closing balance 30 June 2011	1,080	10	1,090
Charged to income statement - Note 10a	(69)	-	(69)
Transfer to deferred tax asset	(89)	(10)	(99)
Foreign exchange	37	-	37
Closing balance 30 June 2012	959	-	959
Charged to income statement - Note 10a	(285)	-	(285)
Foreign exchange	56	-	56
Closing balance 30 June 2013	730	-	730

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Deferred tax liabilities to be settled within 12 months	730	-
Deferred tax liabilities to be settled after more than 12 months	-	959
Net deferred tax liabilities	730	959

22. Current liabilities – trade and other payables

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Trade creditors	8,285	10,801
Other payables and accruals	3,823	6,344
Total trade and other payables	12,108	17,145

23. Derivative financial instruments

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Current Liabilities		
Interest rate swaps – cash flow hedges	717	1,253
Total current derivative liabilities	717	1,253
Non-Current Liabilities		
Interest rate swaps – cash flow hedges	845	543
Total non-current derivative liabilities	845	543
Total derivative liabilities	1,562	1,796

In the prior year interest rate swaps held as cash flow hedges were closed out as part of the OPUS Group's debt refinancing. A closure cost of $515,000 was recognised in relation to the closure. The cost of closure was incorporated into the interest swap margin and no cash outflow was required at the time of refinancing.

The interest rate swaps cover $45,800,000 (2012: $48,800,000) of the OPUS Group's floating debt exposure and are timed to expire over the debt facility term in line with the specified repayment schedule of the facility. The fixed rates range between 4.54% and 4.6% (2012: 4.54% to 5.14%). The floating rate component tracks BBSY. The contracts require settlement of net interest on a quarterly basis. The settlement dates coincide with the dates when interest is payable on the debt facility.

The gain or loss from re-measuring the hedging instruments at fair value is recognised in other comprehensive income and deferred in equity in the hedging reserve to the extent that the hedge is effective. There was no material hedge ineffectiveness in the current year or prior year.

24. Interest bearing liabilities

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Current liabilities		
Secured bank loan	25,963	5,400
Convertible notes	3,137	-
Finance leases	863	776
Total current interest bearing liabilities	29,963	6,176
Non-current liabilities		
Secured bank loan	26,421	58,100
Finance leases	2,244	3,005
Total non-current interest bearing liabilities	28,665	61,105
Total interest bearing liabilities	58,628	67,281

(a) Current year debt financing - CBA

Utilisation of the OPUS Group's debt facilities at the balance sheet date is as follows:

	Utilised Amount AUD$'000s	**Total Facility AUD$'000s**
30 June 2013		
Secured bank loan – tranche A	48,362	48,362
Secured bank loan – tranche B	4,021	4,021
Working capital facility	2,526	4,000
	54,909	56,383
30 June 2012		
Secured bank loan – tranche A	53,000	53,000
Secured bank loan – tranche B	10,500	10,500
Working capital facility	1,872	4,000
	65,372	67,500

The borrower under each of these CBA facilities is OPUS Group Limited. The CBA facilities are due to be repaid or refinanced by 30 September 2016. The tranche A component is subject to mandatory amortisation on a quarterly basis. The utilised component of the working capital facility relates to off balance sheet bank guarantees, letters of credit and overdraft drawdowns. Further drawdowns on the overdraft component of the working capital facility require approval from CBA.

The details of each current facility are outlined below:

Facility A and Facility B: These are secured loan debt facilities. Interest is payable quarterly and amounts repaid are unable to be redrawn in the future.

Working Capital Facility: This is a multi-option facility that may be utilised to fund the day to day working capital requirements of the OPUS Group and general corporate purposes such as letters of credit. The amount drawn down under the Working Capital Facility varies according to the needs of the OPUS Group. At 30 June 2013 $2,526,000 was drawn down against this facility related to bank guarantees, letters of credit and overdraft drawn amounts.

Hedging Requirement: Under the terms of the debt facility, Facility A and B are to be 75% hedged against interest rate movements in the first 3 years and 50% thereafter.

At the balance sheet date the agreement under which the CBA facilities were made available contains financial covenants typical for a facility of this nature and are tested quarterly. The facility required compliance with an interest cover ratio, leverage ratio, debt service ratio and limits on the OPUS Group's capital expenditure. Compliance with covenants is highly dependent on future business performance, working capital management and capital requirements. As at the date of this report the Group has complied with these covenants.

As disclosed in note 1(a) of this Annual Report, at 30 June 2013, due to the requirements of the debt facility in place at the balance sheet date, the Group had a requirement to repay $25,963,000 of debt to CBA in the 12 months to 30 June 2014 of which $20,000,000 was due by 30 September 2013. This amount is classified as a current liability in the 30 June 2013 financial report such that the Group has presented a net current liability position of $16,573,000 on its balance sheet.

The Group is currently continuing advanced discussions with CBA in order to restructure its debt facility, including so as to extend the date of repayment of these amounts and to revise the terms under the facility agreement.

On 30 August 2013, the Group received a proposal from CBA which has been the subject of discussion throughout the intervening period. On 9 September 2013, a conditional term sheet was executed which outlined the commercial aspects of the proposed debt facility variation but was still subject to final documentation and agreement between the parties. The conditional term sheet waived the requirement to pay the $20,000,000 due by 30 September 2013 subject to the final variation of the debt facility being executed.

On 30 September 2013, the OPUS Group Board received a further waiver from CBA which provides an extension to 2 October 2013 in order to allow additional time for an agreement with respect to a variation of the debt facility and the extension of the repayment timetable.

The proposed variation deed extends the facility to September 2016, with progressive debt reduction to be implemented via the sale of the Outdoor Media division, raising equity capital and various capital management and other initiatives over the term of the facility. The amortisation timetable provides that at least $27,500,000 is repayable throughout the period to 30 June 2014 under the revised debt facility structure. This amount includes scheduled amortisation and additional debt reduction through the initiatives described above.

As part of the extension and variation arrangements, and in consideration for CBA agreeing to them, the Company will grant CBA a warrant which upon an exit event for all OPUS Group shareholders, will entitle CBA to a 10% equity interest in the Company. The detailed terms and conditions associated with the warrant are subject to final legal documentation and any necessary regulatory approvals. This documentation and related approvals are required to be completed by 30 November 2013 and further detail will be provided in this regard before that date.

The proposed variation deed is expected to revise the covenants attached to the CBA facilities. The revised covenants will be in respect to a rolling EBITDA measure, minimum cash balance requirements and limits on capital expenditure. The proposed variation deed will allow, at the option of the Company, for the capitalisation of interest on the higher margin component of the debt facility.

The Directors anticipate that an agreement on these matters will be reached with CBA by 2 October 2013, including the finalisation of associated documentation. If, however, agreement cannot be reached, CBA will become entitled to request the immediate repayment of loans under the facility agreement. An appropriate announcement will be made once discussions with CBA have been finalised.

Each guarantor grants security over its assets (including a fixed and floating charge) in favour of CBA to support that guarantee in the form of a General Security Deed containing a specific security over shares or units in any unit trust held by that guarantor.

(b) Convertible notes

In January 2013, the Group entered into a loan agreement for up to $3,400,000 with entities related to two existing shareholders to meet short-term working capital requirements, fund the closure costs of the Mulgrave facility and other Group reorganisation initiatives. The loan is convertible to ordinary shares in the Company at the option of the lender at any time up and until the facility maturity date of 31 March 2014. The loan agreement and conversion option was approved by shareholders on 28 March 2013 at an Extraordinary General Meeting. The Company pays interest at 15% per annum on this facility which is capitalised. As the maturity date falls within 12 months of the balance sheet date, the convertible loan note debt is classified as a current liability.

25. Provisions

	Consolidated	
	30 June 2013 AUD$'000s	**30 Jun 2012 AUD$'000s**
Employee benefit liability for annual leave and time in lieu	2,081	2,418
Employee benefit liability for long service leave – current	2,420	2,774
Deferred consideration for BlueStar acquisition – current	782	-
Total current provisions	5,283	5,192
Employee benefit liability for long service leave – non-current	386	400
Deferred consideration for BlueStar acquisition – non-current	656	-
Total non-current provisions	1,042	400
Total provisions	6,325	5,592

The current provision for employee benefits includes accrued annual leave, time in lieu and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also where employees are entitled to pro-rata payments in certain circumstances. The entire amount is classified as current, since the OPUS Group does not have an unconditional right to defer settlement. Based on past experience the OPUS Group does not expect all employees to take the full amount of leave or require payment within 12 months. At 30 June 2013 management estimate that approximately $2,137,000 (2012: $2,450,000) of the above employee entitlement provision will not be taken within 12 months.

Settlement of the consideration for the acquisition will occur on a deferred basis over a two year period, based on the actual revenue contribution with minimum thresholds in place. The deferred consideration is contingent on revenues generated from Blue Star customers using a contractual formula to assess the contribution of customers which were shared by the two entities.

26. Share capital

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
Issued and paid up capital:		
53,678,177 (2012: 53,678,177) ordinary shares - fully paid	39,353	39,353

Ordinary shares entitle the holder to participate in dividends 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. Ordinary shares have no par value and the there is no limit on the amount of authorised capital.

27. Reserves and retained profits

	Consolidated	
	30 June 2013 AUD$'000s	30 June 2012 AUD$'000s
(a) Reserves		
Hedging reserve – cash flow hedges	(834)	(929)
Foreign currency translation reserve	519	(801)
	(315)	(1,730)
Hedging reserve – cash flow hedges		
Balance 1 July	(929)	(93)
Changes in fair value of hedges net of tax	95	(836)
Balance 30 June	(834)	(929)
Foreign currency translation reserve		
Balance 1 July	(801)	(1,116)
Exchange differences on the translation of internal borrowings	405	(235)
Exchange differences on the translation of foreign operations	915	550
Balance 30 June	519	(801)
(b) Accumulated losses		
Balance 1 July	(3,075)	(1,281)
Loss after tax	(2,782)	(1,794)
Balance 30 June	(5,857)	(3,075)

(c) Nature and purpose of reserves

(i) Hedging reserve – cash flow hedges

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

(ii) Foreign currency translation reserve

The hedging reserve comprises all foreign currency differences arising from the translation on consolidation of the financial statements of the subsidiaries, which do not have an Australian Dollar functional currency.

The OPUS Group funds its foreign operations through the use of internal borrowings between the OPUS Group businesses. These borrowings which are taken out to provide additional equity to the New Zealand operations has been designated as a net investment in the subsidiary. The foreign exchange gain of $405,000 (2012: loss of $235,000) on translation of the loans to Australian Dollars at the end of the reporting period is recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

28. Contractual commitments for expenditure

(a) Capital commitments

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Aggregate capital expenditure contracted for at balance sheet date, but not provided for in the accounts due:		
Not later than one year	86	126
Total capital commitments	86	126

(b) Lease commitments

Non-cancellable operating lease rentals are payable as follows:

	Consolidated	
	30 Jun 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Less than a year	2,463	3,065
Between one and five years	6,733	5,249
More than five years	3,296	1,383
Total lease commitments	12,492	9,697

The OPUS Group leases land, printing assets, warehouses and general office equipment. Certain of the properties are leased from related parties. Refer to Note 30 for details of these related party leases.

(c) Finance lease commitments

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Commitments in relation to Finance lease payments are payable as follows:		
Not later than one year	1,049	1,045
Later than one year but not later than five years	2,448	3,428
	3,497	4,473
Future finance charges	(390)	(692)
Recognised as a liability	3,107	3,781
Representing finance lease		
Current - note 24	863	776
Non-current - note 24	2,244	3,005
Total finance leases	3,107	3,781

The OPUS Group leases offices, warehouses, plant and machinery and motor vehicles under non-cancellable operating leases and Finance lease arrangements expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are generally re-negotiated.

29. Contingent liabilities

The obligations of the controlled entities under an operating lease agreement are partly secured by a bank guarantee.

The terms of the CBA facilities require OPUS Group Limited and each of its subsidiaries to be guarantors in respect of the debt. Each guarantor grants security over its assets (including a fixed and floating charge) in favour of CBA to support that guarantee in the form of a General Security Deed containing a specific security over shares or units in any unit trust held by that guarantor.

30. Related parties

Key management personnel compensation

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Short-term employee benefits	1,500	1,604
Post-employment benefits	83	58
Long-term benefits	1	3
Total key management personnel compensation	1,614	1,665

Details of above remuneration disclosures are provided in the Remuneration Report on pages 32 to 39.

Lease costs

Ligare Pty Limited occupies a property in Riverwood, Sydney under a lease agreement with D.M.R.A Property Pty Limited a company controlled by Mr Celarc, who is a shareholder and Director of OPUS Group Limited. The lease agreement expires in December 2016. Lease fees paid for the year total $621,000 (2012: $612,000). $2,000 was outstanding at the reporting date (2012: $nil).

Consulting fees

Consulting fees paid to Mr Celarc (Director) through Angrich Pty Limited Consulting for the year ended 30 June 2013 amounted to $295,000 (2012: $300,000).

Loans to key management personnel

An unsecured loan has been advanced by the OPUS Group to Mr Brigstocke amounting to $1,136,000 (2012:$ 1,070,000). Details of the movements in this loan are as follows:

Name	Balance at the start of the year AUD$'000s	Net Interest capitalised and payable for the year AUD$'000s	Loan repaid AUD$'000s	Balance at the end of the year AUD$'000s	Highest indebtedness during the year AUD$'000s
Clifford D.J. Brigstocke	1,070	83	(17)	1,136	1,136

The above loan outstanding is unsecured and interest is payable on this loan at the rate of 7.8% per annum. The loan is payable on demand and 60% of any distributions received by Mr Brigstocke in relation to shares held in the OPUS Group must be firstly applied to any interest owing and secondly as a permanent repayment of a portion of the loan.

Short-term loan from existing shareholders with conversion option

In January 2013, the Group entered into a loan agreement for up to $3,400,000 with entities related to two existing shareholders to meet short-term working capital requirements, fund the closure costs of the Mulgrave facility and other Group reorganisation initiatives. The loan is convertible to ordinary shares in the Company at the option of the lender at any time up and until the facility maturity date of 31 March 2014. The loan agreement and conversion option was approved by shareholders on 28 March 2013 at an Extraordinary General Meeting. The Company pays interest at 15% per annum on this facility which is capitalised. As the maturity date falls within 12 months of the balance sheet date, the convertible loan note debt is classified as a current liability.

Shareholdings

The number of ordinary shares in the OPUS Group held during the financial year by each Director of OPUS Group Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year	Balance at the date of this report
Directors of OPUS Group Limited				
William J. Mackarell (Chairman)	60,000	-	60,000	60,000
Richard F. Celarc	7,826,627	-	7,826,627	7,826,627
Bret P. Jackson	18,772,623	-	18,772,623	18,772,623
Simon A. Rowell	54,381	-	54,381	54,381
James M. Sclater	50,000	16,980	66,980	66,980
M. J. McGrath (resigned 31 July 2013)	25,025	-	25,025	25,025
Other key management personnel of the Group				
Robert I. Alexander	-	-	-	-
Clifford D.J. Brigstocke	1,704,117	-	1,704,117	1,704,117

Shareholdings held by the above key management personnel in the share capital of OPUS Group Limited at 30 June 2012 were:

2012

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year
Directors of OPUS Group Limited			
William J. Mackarell (Chairman)	-	60,000	60,000
Richard F. Celarc	-	7,826,627	7,826,627
Bret P. Jackson	-	18,772,623	18,772,623
Simon A. Rowell	-	54,381	54,381
James M. Sclater	-	50,000	50,000
Matthew J. McGrath	-	25,025	25,025
Other key management personnel of the Group			
Robert I. Alexander	-	-	-
Clifford D.J. Brigstocke	-	1,704,117	1,704,117

31. Events Subsequent to the Balance Sheet Date

At 30 June 2013, due to the requirements of the debt facility in place at the balance sheet date, the Group had a requirement to repay $25,963,000 of debt to CBA in the 12 months to 30 June 2014 of which $20,000,000 was due by 30 September 2013. This amount is classified as a current liability in the 30 June 2013 financial report such that the Group has presented a net current liability position of $16,573,000 on its balance sheet.

The Group is currently continuing advanced discussions with CBA in order to restructure its debt facility, including so as to extend the date of repayment of these amounts and to revise the terms under the facility agreement.

On 30 August 2013, the Group received a proposal from CBA which has been the subject of discussion throughout the intervening period. On 9 September 2013, a conditional term sheet was executed which outlined the commercial aspects of the proposed debt facility variation but was still subject to final documentation and agreement between the parties. The conditional term sheet waived the requirement to pay the $20,000,000 due by 30 September 2013 subject to the final variation of the debt facility being executed.

On 30 September 2013, the OPUS Group Board received a further waiver from CBA which provides an extension to 2 October 2013 in order to allow additional time for an agreement with respect to a variation of the debt facility and the extension of the repayment timetable.

The proposed variation deed extends the facility to September 2016, with progressive debt reduction to be implemented via the sale of the Outdoor Media division, raising equity capital and various capital management and other initiatives over the term of the facility. The amortisation timetable provides that at least $27,500,000 is repayable throughout the period to 30 June 2014 under the revised debt facility structure. This amount includes scheduled amortisation and additional debt reduction through the initiatives described above.

As part of the extension and variation arrangements, and in consideration for CBA agreeing to them, the Company will grant CBA a warrant which upon an exit event for all OPUS Group shareholders, will entitle CBA to a 10% equity interest in the Company. The detailed terms and conditions associated with the warrant are subject to final legal documentation and any necessary regulatory approvals. This documentation and related approvals are required to be completed by 30 November 2013 and further detail will be provided in this regard before that date.

The proposed variation deed is expected to revise the covenants attached to the CBA facilities. The revised covenants will be in respect to a rolling EBITDA measure, minimum cash balance requirements and limits on capital expenditure. The proposed variation deed will allow, at the option of the Company, for the capitalisation of interest on the higher margin component of the debt facility.

The Directors anticipate that an agreement on these matters will be reached with CBA by 2 October 2013, including the finalisation of associated documentation. If, however, agreement cannot be reached, CBA will become entitled to request the immediate repayment of loans under the facility agreement. An appropriate announcement will be made once discussions with CBA have been finalised.

32. Parent entity financial information

Summary financial information

As at and throughout the financial year ended 30 June 2013, the legal parent company of the OPUS Group was OPUS Group Limited.

The individual financial statements for the parent entity show the following aggregate amounts:

	Consolidated	
	30 June 2013 AUD$'000s	**30 June 2012 AUD$'000s**
Balance sheet		
Current assets	2,481	2,020
Non-current assets	95,772	138,321
Total assets	98,253	140,341
Current liabilities	28,393	1,510
Non-current liabilities	30,402	64,043
Total liabilities	58,795	65,553
Shareholders' equity		
Issued capital	53,687	53,687
Reserves		
Cash flow hedges	(834)	(897)
Retained earnings	(13,395)	21,998
Total shareholders' equity	39,458	74,788
(Loss)/Profit for the year	(35,425)	22,983
Other comprehensive income – movement in cashflow hedge	95	(898)
Total comprehensive income	(35,330)	22,085

(a) Guarantees entered into by the parent entity

There are cross guarantees given by OPUS Group Limited as described in Note 33. At 30 June 2013 OPUS Group Limited had issued bank guarantees in relation to subsidiary entities to the value of $186,000 (2012: $186,000).

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2013 (2012: $nil). For information about guarantees given by the parent entity, please see above.

(c) Impairment

OPUS Group Limited recognised an impairment of non-current assets of $23,147,000 in the year ended 30 June 2013, comprising impairments in subsidiary investments of $20,065,000 (2012: nil) and impairment of intercompany receivables of $3,082,000 (2012: nil).

33. Deed of Cross Guarantee

OPUS Group Limited, and the following controlled entities, are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

Entity	ACN
McPherson's Printing Pty Limited	004 911 308
Ligare Pty Limited	001 787 275
CanPrint Communications Pty Limited	079 915 932
Cactus Imaging Holdings Pty Limited	129 630 539
CanPrint Holdings Pty Limited	123 477 377
OPUS Group (Australia) Pty Limited	125 553 497
Cactus Imaging Pty Limited	072 625 720
Union Offset Co. Pty Limited	008 458 099
Integrated Print And Logistics Management Pty Limited	086 158 894

By entering into the deed, the whollyowned entities have been relieved from the requirement to prepare a financial report and director's report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Class Order and as there are no other parties to the Deed of Cross Guarantee that are controlled by OPUS Group Limited, they also represent the 'Extended Closed Group'.

(a) Consolidated Statement of Comprehensive Income and summary of movements in consolidated retained profits

Set out below is a Consolidated Statement of Comprehensive Income and a summary of movements in consolidated retained profits for the year ended 30 June 2013 of the Closed Group.

	30 June 2013 AUD$'000s
Revenue from continuing operations	84,324
Other Income	785
Changes in inventories of finished goods, materials and work in progress	(23,384)
Other production costs and freight	(15,055)
Employee benefits expense	(31,491)
Occupancy costs	(3,695)
Depreciation and amortisation expense	(6,139)
Gain/loss on disposal of assets	(41)
Impairment expense	(13,858)
Realised foreign exchange gain	1
Other expenses	(7,998)
Operating loss before finance costs	(16,551)
Finance revenue	1,438
Finance expenses	(7,108)
Net finance costs	(5,670)
Share of net loss of associate	(116)
Loss before income tax	(22,337)
Income tax expense	(598)
Loss after income tax	(22,935)
Profit from discontinued operation (net of tax)	1,733
Loss after discontinued operation	(21,202)
Other comprehensive income	
Changes of fair value of cash flow hedges (net of tax)	95
Other comprehensive income for the year, net of tax	95
Total comprehensive income	(21,207)
Summary of movement in retained earnings	
Retained profits at the beginning of the financial year	7,579
Loss after income tax for the year	(21,203)
Accumulated losses at the end of the financial year	(13,624)

(b) Consolidated Balance Sheet

Set out below is a Consolidated Balance Sheet as at 30 June 2013 of the Closed Group:

	30 June 2013 AUD$'000s
Current assets	
Cash and cash equivalents	2,472
Trade and other receivables	10,522
Inventories	4,506
Other current assets	2,487
Discontinued assets held for sale	10,600
Total current assets	30,587
Noncurrent assets	
Receivables	26,550
Other financial assets	25,535
Property, plant and equipment	23,424
Deferred tax assets	4,108
Total noncurrent assets	79,617
Total assets	110,204
Current liabilities	
Bank overdraft and other short-term loans	1,500
Trade and other payables	10,144
Finance leases	769
Borrowings	25,963
Shareholder loan	3,137
Derivative financial instruments	717
Provisions	5,253
Discontinued liabilities held for sale	1,871
Total current liabilities	49,354

Non-current liabilities	
Borrowings	26,421
Payables	5,593
Derivative financial instruments	845
Finance leases	2,054
Provisions	1,042
Total non-current liabilities	35,955
Total liabilities	85,309
Net assets	24,895
Equity	
Contributed equity	39,353
Reserves	(834)
Retained earnings	(13,624)
Total equity	24,895

(c) Contingent liabilities and guarantees

The subsidiaries have guaranteed the repayment of borrowings of the OPUS Group. The cross guarantee given by those entities listed may give rise to liabilities in each entity if the subsidiaries do not meet their obligations under the terms of the overdrafts, loans, leases, or other liabilities subject to the guarantee.

(d) Impairment

The Closed Group recognised an impairment of non-current assets of $16,940,000 in the year ended 30 June 2013, comprising impairments in subsidiary investments of $13,858,000 (2012: nil) and impairment of intercompany receivables of $3,082,000 (2012: nil).

In the Directors' opinion:

(a) the financial statements and notes set out on pages 48 to 114 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
(ii) giving 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, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and
(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 33 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 33.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

William J. Mackarell
Chairman
Sydney
30 September 2013

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Independent auditor's report to the members of OPUS Group Limited

Report on the financial report

We have audited the accompanying financial report of OPUS Group Limited (the company), which comprises the balance sheet as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for OPUS Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at 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 is free from material misstatement, whether due to fraud or error. In Note 1(a), 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 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 consolidated entity's preparation and fair presentation of the financial report 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 entity'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*.

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Auditor's opinion

In our opinion:

(a) the financial report of OPUS Group 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 (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1(a) in the financial report, which indicates that the Group's ability to meet its debt repayments and comply with its debt covenants is dependent upon the Group being successful in generating sufficient future cash flows through the divestment of business, equity raising and improved profitability. These conditions, along with other matters set forth in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 31 to 39 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.

Auditor's opinion

In our opinion, the remuneration report of OPUS Group Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

P.J. Carney

Paddy Carney
Partner

Sydney
30 September 2013

Additional information as required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholder Information

As at 30 August 2013 the OPUS Group had 4,049 holders of Fully Paid Ordinary Shares.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

- each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

Distribution of Shares (as at 30 August 2013)

Number of Shares	Fully Paid Ordinary Shares	Number of Holders
1-1,000	894,134	2,877
1,001-5,000	1,795,041	828
5,001-10,000	751,687	106
10,001-100,000	7,287,937	200
100,001-over	42,949,378	38
	53,678,177	4,049

The number of shareholders holding less than a marketable parcel is 3,713.

Substantial Shareholders

The following shareholders are recorded as substantial shareholders:

Holder	Number of Shares	Last Notified	% of Issued Capital
Knox Investment Partners & Associates	16,469,777	26 February 2013	30.68%
Richard Francis Celarc & Richard Celarc Family Trust	7,831,627	28 March 2013	14.59%
	24,301,404		45.27%

Convertible notes

As disclosed in Note 3, the Company has entered into conditional short-term loan transactions with two of its major shareholders, Knox Investment Partners and Richard Celarc. 30,000 convertible notes were issued at a price of $100. The loan is convertible to ordinary shares in the Company at the option of the lender at any time up and until the facility maturity date of 31 March 2014. The loan agreement and conversion option was approved by shareholders on 28 March 2013 at an Extraordinary General Meeting. Interest is charged on the convertible notes at 15% per annum and is capitalised.

Distribution of Convertible notes (as at 30 August 2013)

Holder	Number of Notes	Value of Notes	Interest Accrued	Total Convertible Debt Held	% of Issued Convertible notes
Knox Investment Partners & Associates	21,000	2,100,000	198,414	2,298,414	70%
Richard Francis Celarc & Associates	9,000	900,000	100,981	1,000,981	30%
	30,000	3,000,000	299,395	3,299,395	100%

Twenty Largest Shareholders (as at 30 August 2013)

Rank	Name	Units	% of Issued Capital
1.	KNOX INVESTMENT PARTNERS FUND III AUD 5 LIMITED	8,347,647	**15.55**
2.	KNOX INVESTMENT PARTNERS FUND III AUD 4 LIMITED	8,100,784	**15.09**
3.	MR RICHARD FRANCIS CELARC	7,481,751	**13.94**
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,212,037	**5.98**
5.	TAKATIMU INVESTMENTS LIMITED <TAKATIMU INVESTMENT A/C>	2,302,846	**4.29**
6.	MR CLIFFORD DOUGLAS JOHN BRIGSTOCKE	1,704,117	**3.17**
7.	MR DAVID JOHN DANIEL + MRS DEBRA MARGARET DANIEL	1,686,329	**3.14**
8.	FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	1,188,929	**2.21**
9.	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	1,073,937	**2,00**
10.	CITICORP NOMINEES PTY LIMITED	1,060,832	**1.98**
11.	CARROLL CORPORATION PTY LTD <CARROLL FAMILY A/C>	664,053	**1.24**
12.	MR BRIAN ROBERT STAFFORD-BUSH	543,465	**1.01**
13.	MR PETER JOHN STIRLING + MRS ROSALIND VERENA STIRLING	528,623	**0.98**
14.	NATIONAL NOMINEES LIMITED	524,223	**0.98**
15.	MR JOHN GASSNER	355,001	**0.66**
16.	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	324,222	**0.60**
17.	R G GLEESON INVESTMENTS PTY LTD <GLEESON SUPER FUND A/C>	316,577	**0.59**
18.	PROVAL HOLDINGS LIMITED	288,907	**0.54**
19.	MR RICHARD CELARC <RICHARD CELARC FAMILY A/C>	266,003	**0.50**
20.	CLAPSY PTY LTD <BARON SUPER FUND A/C>	250,610	**0.47**

Share Buy-Backs

There is no current on-market buy-back scheme.

Other Information

OPUS Group Limited, incorporated and domiciled in Australia, is a Listed Public Company limited by Shares.

Corporate Directory

DIRECTORS	William J. Mackarell Non-Executive Chairman Richard F. Celarc Executive Director Bret P. Jackson Non-Executive Director James M. Sclater Non-Executive Director Simon A. Rowell Non-Executive Director
COMPANY SECRETARY	Robert I. Alexander
REGISTERED OFFICE AND POSTAL ADDRESS	12 Rachael Close Silverwater NSW 2128
CONTACT NUMBERS	Telephone: +61 2 9584 7680 Facsimile: +61 2 9648 5887
AUDITORS	PricewaterhouseCoopers Darling Park, Tower 2 201 Sussex Street Sydney NSW 2000
SHARE REGISTRY	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford Victoria 3067
BANKERS	Commonwealth Bank of Australia Limited Darling Park, Tower 1 201 Sussex Street Sydney NSW 2000
SOLICITORS	Thomsons Lawyers Level 25, 1 O'Connell Street Sydney NSW 2000
STOCK EXCHANGE	Listed on the Australian Securities Exchange ('ASX')
ASX CODE	OPG (Fully Paid Ordinary Shares)
E-MAIL	info@opusgroup.com.au
WEBSITE	www.opusgroup.com.au

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OPUS GROUP