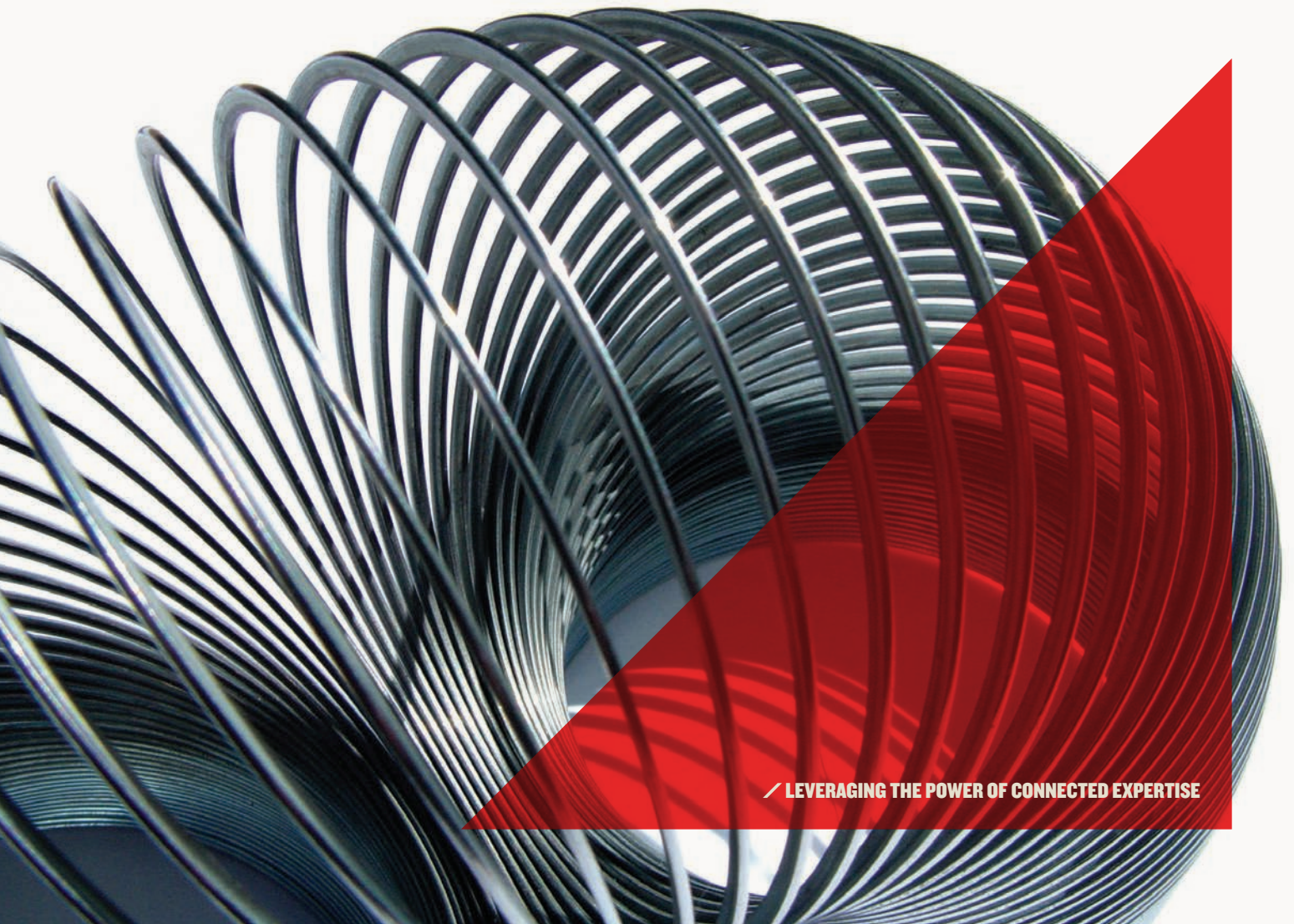




／ OPUS INTERNATIONAL CONSULTANTS ／ 2012 ANNUAL REPORT

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# Agility creates momentum.



／ LEVERAGING THE POWER OF CONNECTED EXPERTISE

# Momentum that delivers value.

Leveraging world-leading  
asset management expertise

10

With austerity measures in place in many markets, the focus on effective asset management is growing. Opus is leading the way in this.

## Contents

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*“The Group is now achieving real momentum and progress in its comprehensive and fundamental improvement processes.”*

*Chairman, Kerry McDonald*

# Investing in new business streams



Trendspotting and diversification into key growth areas are crucial parts of our growth strategy.

# Forging ahead in infrastructure resilience

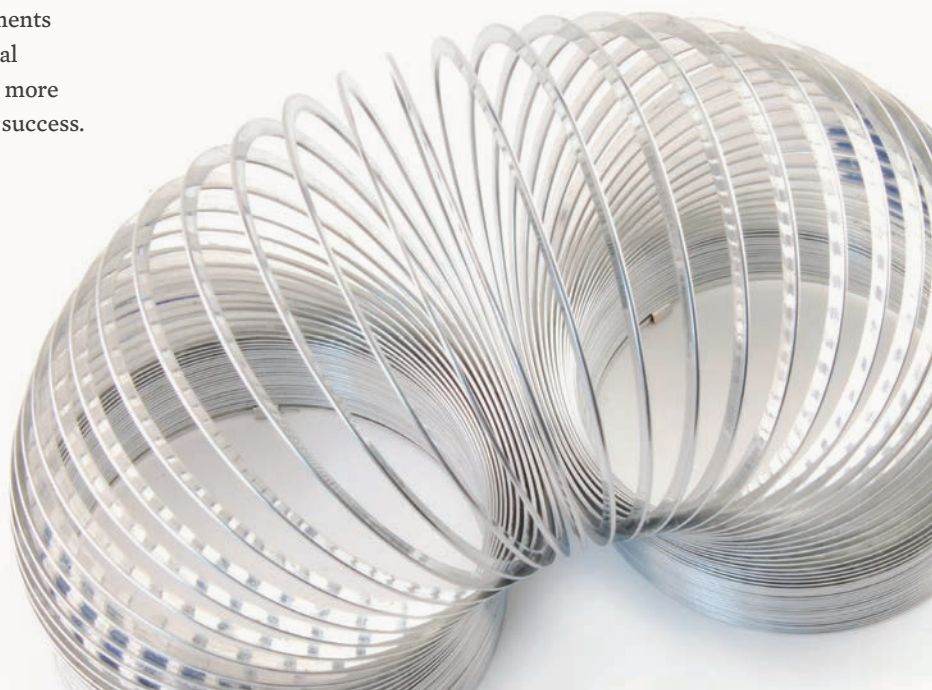


A string of recent natural disasters and the continuing changes in the global economy have really reinforced the importance of asset security - in the broadest sense of the word.

# Building long-standing relationships



Nothing cements a professional relationship more than shared success.



# Highlights

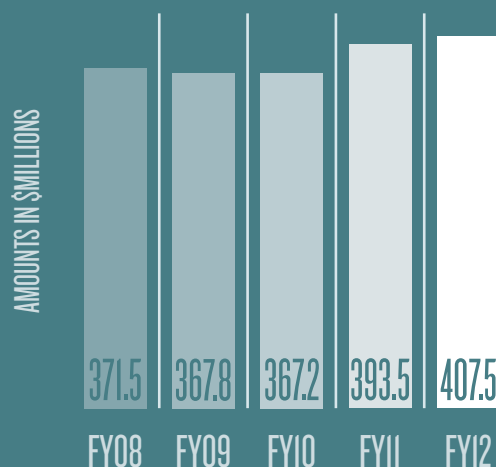
## EARNINGS PER SHARE



## RETURN ON EQUITY

20 %

## OPERATING REVENUE



## OPERATING REVENUE

\$407.5m

## NPAT



## NPAT

\$23.4m

## NUMBER OF EMPLOYEES (FTE)



## EBIT

\$30.1m



## CHAIRMAN'S REPORT

Growth in Operating Revenue of 3.6% in 2012 was pleasing, to exceed \$400m for the first time, but the challenging conditions in some markets were reflected in a 2.4% EBIT reduction and a 4.6% reduction in NPAT to \$23.4m. However, after removing the effect of the prior year R&D credit, NPAT was up 1%.

While the ongoing serious fiscal and other difficulties in our main market economies are of concern, the Group is now achieving real momentum and progress in its comprehensive and fundamental improvement processes. These include:

- A complete reorganisation of senior management and how it operates;
- A shift in focus from supervision to empowerment and leadership - at all levels;
- Intensive work on the quality of project management and a much stronger and more systematic focus on customers;
- Improving systems and processes generally, with a much greater emphasis on 'working on the business', to substantially and continuously improve it;
- A change in the cadence of the organisation and a shift in culture to emphasise initiative and innovation, performance and outcomes, agility and collaboration, and the health, safety and rewards of our employees;
- A rebranding of the company to reflect this transformation;
- A comprehensive review of IT and how it contributes to the business;
- A sharper focus on risk appetite including a review of acquisition policies and processes, leading to a much better working platform;
- Developing new lines of business and new markets.

Improvement, done properly, is a dynamic, long-term value-adding process - but it should, and is, delivering results immediately. In some areas, we have deliberately accepted higher costs as an investment in future capability, capacity and performance, though this investment is being managed very carefully.



While markets are challenging, there are also opportunities and the Chief Executive's report highlights a number of notable successes, in Christchurch and elsewhere - and our focus on business improvement work will only enhance this performance in future. The global shift towards emerging economies has continued and we are well advanced on one Middle East relationship. We looked at a number of other opportunities, which were, ultimately, not pursued, including one in India.

The sharp weakening of the Australian non-resource market is a concern and there are emerging issues in the New Zealand market but, as I outlined above, the Company is strongly focussed on improvement and development, and the Board is delighted with the improved performance of the UK business. Over some years it faced serious difficulties, but is now substantially transformed and achieving some notable successes.

The Board is particularly pleased with the performance of David and his management team, who really have the bit between their teeth; and I thank my fellow directors, who are an excellent and hard-working team, for their first rate contributions.

**Kerry McDonald**  
Chairman

## CHIEF EXECUTIVE'S REPORT



The word 'challenging' is easily overused - but there really is no better word to describe the current economic climate. Despite this, Opus has had a very good year in 2012 with good growth in revenue and this top line performance is vital at a time when competition for opportunities is intense.

EBIT of \$30.1m was \$0.7m down on 2011. While this reflected the general operating environment, it was also a product of increased investment in a number of initiatives aimed at improving performance, productivity and profitability.

The New Zealand business performed strongly again in 2012 and achieved a record EBIT of \$30.0m, an 8% increase on 2011. This is a very good performance given the competitive market conditions and reduced local government spending.

Our strong presence in Christchurch has been a contributing factor to the increase in EBIT and continued growth is expected as more projects come to market. The key 'anchor projects' are fundamental to the rebuild in Christchurch, and Opus has been successful in the first two - leading the consortium to deliver the concept design of the Te Papa Ōtākaro/Avon River Precinct; and has provided design services in the development of the Justice and Emergency Services Precinct business case.

In Australia, we successfully completed the integration of Opus Rail, which has

performed in line with expectations, and we recorded our highest ever Operating Revenue, \$79m, up 21% on 2011, largely as a result of Opus Rail's contribution. However, due to a number of one-off costs and the weakening economy, the EBIT loss of \$0.9m was significantly behind the prior year. We expect further rail growth and a general improvement across the business in 2013.

Our Canadian and UK businesses both improved markedly on 2011. While the UK recorded an EBIT loss of \$0.6m, this was a 49% improvement on 2011, and the Canadian business improved its EBIT result by 28% to \$1.3m. This improvement is mainly due to a series of large contract wins and substantial improvement initiatives that see both businesses enter 2013 with record levels of work in hand.

Our expertise in asset management is opening up new opportunities. In the US, we secured a significant asset management contract with the Michigan Department of Transportation. The project involves three phases over five years, and has the potential to lead to further opportunities in the US.

In the UK, we secured one of the largest wins in our history - a long term contract with Hertfordshire County Council to develop and implement technical strategies and programmes to manage their entire highway network. Consequently, our team in the UK has increased by over 120 staff as a result of this win.

### MAKING PROGRESS

Last year, I said that we were changing the way we worked to be more effective, nimble and responsive in the changing business environment. Here's an update:

- As the Chairman commented, we are strongly focussed on both business improvement and investment to position the Company for future growth and profitability. We have worked on a number of key changes to our structure, systems and processes in 2012 and this work is ongoing.
- We developed new lines of business to diversify into key growth areas. This includes a new mechanical and electrical business and an environmental business

in Australia, a new rural services business which covers three main areas: irrigation, dairy, and land and water management, and a strengthened position in the energy sector in New Zealand.

- We concluded a JV agreement with Opus International (M) Berhad to target opportunities in the Middle East, providing the foundation for development of a presence and growth in that market; and explored a number of opportunities.
- We introduced a culture survey to benchmark the culture of the company. This has highlighted key areas for improvement, and a change programme has been implemented to drive this.

## FORWARD MOMENTUM

2012 was my second full year as Chief Executive. Over this time, it has become clear that what the world is experiencing is not just the ebb and flow of the economic cycle, but a fundamental shift in what 'normal' is. To succeed in this environment we need to think and act differently and we are strongly focussed on doing this.

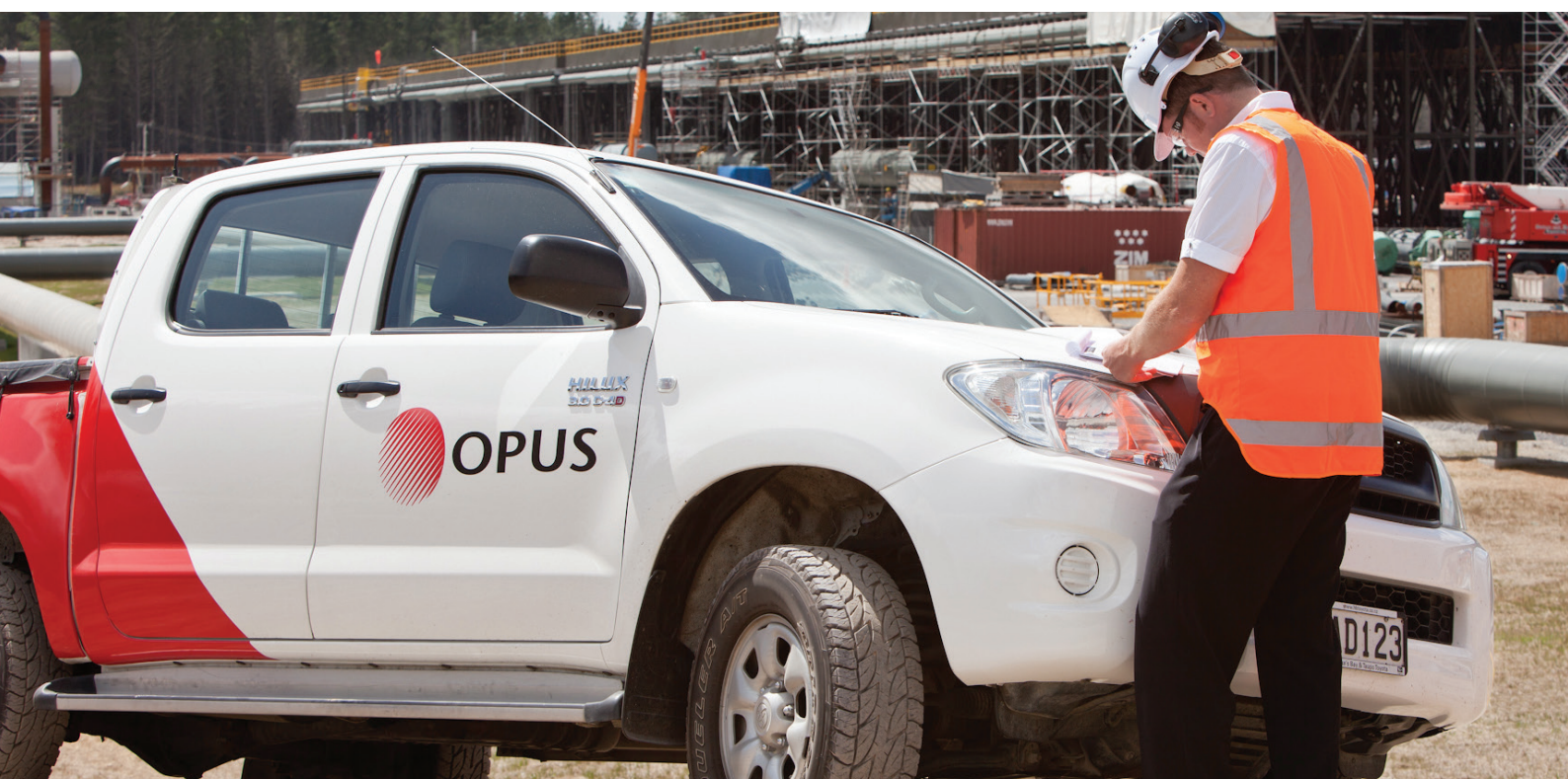
The outlook continues to be challenging. As austerity measures continue to impact on the development of new infrastructure, the growing demand for asset management will become more significant - and this is reflected in the key wins we had in the US and the UK. The development of our Global Asset Management team to leverage opportunities in all markets has been crucial for us and will continue to provide opportunities in 2013 and beyond.

A key focus for both the immediate and long-term future is on sustainable development. This will include organic growth in traditional areas as well as growth in new sectors and in new geographic locations. Targeted acquisitions will continue to be a focus as we look to gain critical mass in developing markets.

In conclusion, I thank all of the Opus team for their continued dedication to excellence and absolute commitment to delivering value to our clients and other stakeholders.

**Dr David Prentice**

*Chief Executive and Managing Director*



Opus vehicle featuring the new Opus logo - part of the brand refreshment completed in 2012.



## BOARD OF DIRECTORS



Kerry McDonald



Dr David Prentice



Keith Watson



Dato' Seri Ismail Shahudin



Alan Isaac



Nik Airina Nik Jaffar



Suhaimi Halim



Fraser Whineray

The Opus Board comprises eight Directors. Full details of their interests are presented in pages 78 to 80.

### Kerry McDonald

*BCom, MCom (Hons), DCom (hc), AFID, FAICD, FNZIM*

*Chairman and Director, Chairman of Remuneration and Nomination Committee Independent*

*Elected to Opus Board: April 2007, elected Chairman September 2008*

In 2012, Kerry McDonald was the Deputy Chairman of the New Zealand Institute of Economic Research, a Director of Grant Thornton New Zealand Ltd, Leighton Contractors Pty Ltd, the National Army Museum and Ruapehu Alpine Lifts Ltd. He was also an advisor to i-lign Ltd. Kerry has extensive experience in commercial, not-for-profit and public sector roles. Past roles include Chairman of the BNZ and Oceana Gold, a Managing Director of Rio Tinto and a Director of Carter Holt Harvey, National Australia Bank, Ports of Auckland, Antarctica New Zealand, President of the Institute of Directors (NZ) and Chairman of the Government's Savings Working Group.

### Suhaimi Halim

*BSc (Hons) (Civil)*

*Director, Member of Remuneration and Nomination Committee*

*Non-Independent and Non-Executive*

*Elected to Opus Board: July 2002*

Suhaimi Halim is currently the Managing Director of the Asset and Facilities Management Group of Companies within the UEM Group. Suhaimi is Chairman of Opus International (NZ) Ltd and is also on the Board of a number of related companies. He has considerable experience in international operations in the professional services area and infrastructure asset management.

### Keith Watson

*Director, Chairman of Risk Committee, Member of Remuneration and Nomination Committee Independent*

*Elected to Opus Board: September 2008*

Keith Watson is the Managing Director of Hewlett Packard New Zealand (HP) and has held executive roles with HP in Australia, Asia Pacific and at HP Corporate Headquarters.



He is a Director of Cranleigh Forests Ltd and NZCIT. Keith has considerable international leadership experience in technology-related and professional services business.

#### **Fraser Whineray**

*BE (Hons) (Chemical), MBA (Cambridge), GRADIP DY.SCI.TECH (Distinction)*

*Director, Member of Audit Committee, Member of Risk Committee*

*Independent*

*Elected to Opus Board: October 2008*

Fraser Whineray is the General Manager Operations for Mighty River Power Ltd. Prior to this he held a number of senior positions in Carter Holt Harvey Ltd and in the dairy industry, and was an investment banker with Credit Suisse First Boston. Fraser has extensive international business experience including commodities, dairy, professional services, strategy and innovation.

#### **Alan Isaac**

*BCA, FCA, FCIS, CNZM*

*Director, Chairman of Audit Committee*

*Independent*

*Elected to Opus Board: April 2010*

Alan Isaac is the President of the International Cricket Council, Chairman of Acurity Health Group Ltd and Chairman of McGrath Nicol and Partners NZ. He is a Director of AKA Investments Ltd, Murray Capital General Partner Ltd, New Zealand Vault Ltd, Rakaia Finance Ltd and Rakaia Investments Ltd. In addition, he is Chair/Advisor to a number of independent committees. Alan has an extensive background in the accounting and finance field and is a former national chairman of KPMG. Alan was made a Companion of the New Zealand Order of Merit (CNZM) in 2013.

#### **Dato' Seri Ismail Shahudin**

*BEC (Hons)*

*Director*

*Non-Independent and Non-Executive*

*Elected to Opus Board: December 2010*

Dato' Seri Ismail Shahudin has held a number of executive positions and directorships in the banking sector in Malaysia over a long and illustrious career. He is Chairman of Opus

Group Bhd, Maybank Islamic Bhd and SMPC Corporation Bhd. He is currently on the Board of UEM Group Bhd, Nadayu Properties Bhd, Propel Bhd, UEM Environment Sdn Bhd, Kualiti Alam Sdn Bhd, Malayan Banking Bhd, SMPC Corporation Bhd, EP Manufacturing Bhd and Aseana Properties Ltd.

#### **Nik Airina Nik Jaffar**

*MSCE*

*Director, Member of Audit Committee, Member of Risk Committee*

*Non-Independent and Non-Executive*

*Elected to Opus Board: December 2010*

Nik Airina Nik Jaffar was appointed Managing Director of Opus Group Bhd in 2010 and has held a number of senior positions including the role of Chief Operating Officer of PLUS Expressways Berhad. Nik Airina is a Fellow of the Chartered Institution of Highways and Transportation (CIHT) UK and serves as the Vice Chairman of CIHT Malaysia. She is also a member of the World Road Association's (PIARC) Technical Committee 4.1 on Management of Road Assets. She is currently on the Board of Opus Group Bhd, Opus International (M) Bhd, Opus International India Private Limited, Expressway Lingkaran Tengah Sdn Bhd and Linkedua (Malaysia) Sdn Bhd.

#### **Dr David Prentice**

*PhD, BEng (Hons), CPEng, MIPENZ*

*Managing Director*

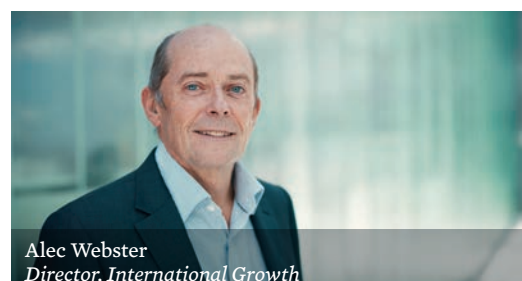
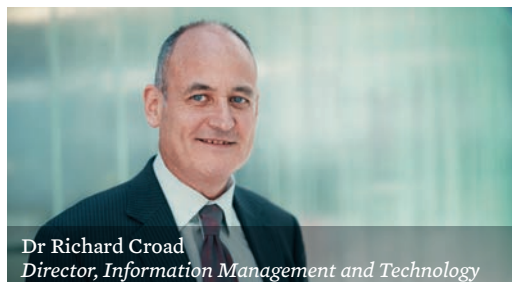
*Non-Independent and Executive*

*Elected to Opus Board: October 2010*

David Prentice commenced his role as Chief Executive and Managing Director in October 2010. David has held a number of senior positions within the company including UK Director and General Manager for Business Development. David is the Chairman of the Business NZ Infrastructure Committee, a Member of the Institution of Professional Engineers of New Zealand and is a Chartered Professional Engineer (CPEng), New Zealand.

## MANAGEMENT TEAM

Following staff changes in late 2012, Gordon Davidson was appointed to the position of Chief Financial Officer, and will commence in April 2013.







# Operational Overview

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Te Rapa Expressway, New Zealand.





**AN EFFECTIVE ASSET  
MANAGEMENT  
STRATEGY -  
FROM DESIGN TO  
DECOMMISSION  
- IS ESSENTIAL IN  
ENSURING OWNERS  
GET THE MOST OUT OF  
THEIR ASSETS.**



## LEVERAGING WORLD-LEADING ASSET MANAGEMENT EXPERTISE

With austerity measures in place in many markets, the focus on effective management is growing with economic conditions forcing moves towards better asset management, cost saving and a 'whole of life' approach. Opus is leading the way in this.

Infrastructure assets are built to last for generations, but deterioration of materials over time, natural disasters, technology and the changing needs of the communities around them can all undermine that goal. An effective asset management strategy - from design to decommission - is essential in ensuring owners get the most out of their assets.

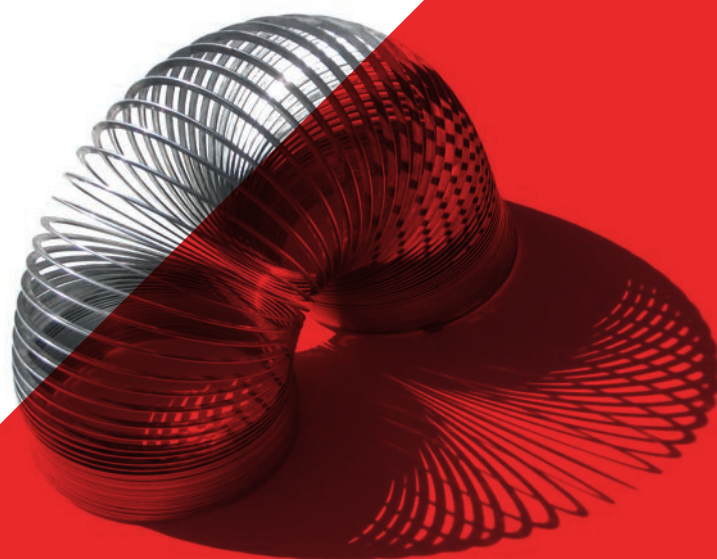
New Zealand has always been a leader in the way it manages its infrastructural assets, and Opus has been at the forefront of this, building an enviable reputation as one of the world's leading experts in this field. We are now bringing this wealth of experience to bear across a range of locations.

It is fitting then that last year we won a significant contract in the field of asset management in the UK. The Client Support Term Contract with joint venture partner Arup is to collectively develop, implement and manage technical strategies and programmes for Hertfordshire County Council's entire highway network. The Opus team grew immediately by over 120 people as a result of the win - a significant achievement in a restrictive and competitive market.

Our expertise has also opened up opportunities in new markets. In the US, where there is a growing focus on asset management, we won a five-year contract with the Michigan Department of Transportation. This contract, to develop performance-based operational systems for highway maintenance and transportation services, will likely be a showcase project with flow-on potential to win further contracts. Strategic alliances with other firms are being negotiated to actively pursue similar projects in six other states in the US.

And in Halifax, in Nova Scotia, we've been working with the Halifax Regional Municipality to help them more efficiently manage the public's assets: roads, footpaths and buildings etc. Our work on their asset 'roadmap' means they have a clear understanding of the status and value of their assets.

Our newly established Global Asset Management team has had much to do with this success. Our ability to pull together key experts from around the world to influence these outcomes is pivotal to our development and is providing real impetus to our growth in this area.



Bunnythorpe Warehouse for Transpower, New Zealand.



### INVESTING IN NEW BUSINESS STREAMS

Change is the one constant we can be sure of, and companies that look only at the past or the present are bound to miss the future. Trendspotting and diversification into key growth areas are crucial parts of our growth strategy.

During the first half of 2012, we completed the acquisition of Australian-based rail engineering consultancy Coffey Rail (now Opus Rail Pty Ltd) and its related company Asia Pacific Rail Pty Ltd. This has strengthened the offering to our clients in rail project planning, infrastructure engineering and asset management markets.

Opus Rail has been successfully integrated and is performing well and we are working on significant developments including a leading role in Australasia's largest rail project, Victoria's Regional Rail Link.

The rail industry is also a key growth area for us in the UK, following Network Rail's planned investment into upgrading their network. The UK team has had a long-standing relationship with Network Rail and other rail agencies over the past 25 years and this has enabled us to develop an extensive understanding of the UK rail assets. We are working on several high profile projects including the Northern Hub upgrades and the

North-West electrification project. During the last 12 months we have doubled our revenue against our set target.

In 2012, we strengthened our position in the New Zealand energy sector and secured some significant contracts including a role as lead civil engineers working with Mighty River Power and Genesis Energy on the Ngatamariki Geothermal Power Plant project. We are also working in partnership with Schneider Electric in the 'All of Government' Energy Management Services contract and made strong progress with the Energy Efficiency and Conservation Authority's 'Warm Up New Zealand' programme.

New Zealand's rural industry has emerged as a promising sector in response to the large number of dairy farms facing increased scrutiny of their environmental performance.

Our Rural Services business was formally set up 12 months ago and covers three main areas of business: irrigation, dairy, and land and water management. We will continue to target new opportunities as regulatory changes for water quantity and quality standards lead to extra demands on the farming community for farm management plans, land use consents and sustainability considerations.

Architecture has also been a significant growth area with large scale project work including the design of various buildings as part of the Christchurch rebuild and large housing projects in Auckland. The team had major success on the awards circuit this year



**OPUS RAIL HAS BEEN SUCCESSFULLY INTEGRATED AND IS WORKING ON SIGNIFICANT DEVELOPMENTS INCLUDING A LEADING ROLE IN AUSTRALASIA'S LARGEST RAIL PROJECT, VICTORIA'S REGIONAL RAIL LINK.**





including the Best Public Service Architecture Asia Pacific Award at the Asia Pacific Property Awards 2012 for the Wilson Special Needs School.

In addition to investing in new business streams last year, we also opened a number of new divisions and offices.

The new Australian Mechanical and Electrical division was established with staff based in Queensland, NSW and Western Australia servicing clients across all states. The division has won a number of new projects including energy audits for clients in Darwin, asset management services in Queensland and Western Australia, telecommunications services in NSW, and various services for the Beckenham Rail Station project in Western Australia.

In late 2012, we announced the creation of a new Environmental Services Division in Australia to target work in this sector. The Division will also take the lead in establishing Opus as a Water Industry Training Organisation in conjunction with the Australian Water Association.

In Canada, we established an office in the city of Whitehorse in March. We have been working with clients in Yukon since 2004, and now have a significant market presence, capitalising on extensive expertise ranging from water treatment to cold climate experience.

Our developed markets continue to be a focus in relation to growth opportunities both in terms of business streams and acquisitions.

## FORGING AHEAD IN INFRASTRUCTURE RESILIENCE

**A string of recent natural disasters and the continuing changes in the global economy have reinforced the importance of asset security - in the broadest sense of the word.**

In 2011, natural disasters caused a record amount of damage around the world, from flooding in Queensland to earthquakes in Christchurch. Each was a timely reminder of three things: the importance of having an emergency response plan to assess and deal with immediate concerns; the importance of understanding and maintaining assets on a day-to-day basis in order to minimise possible damage and disruption; and the importance of effective, long-standing partnerships in getting things up and running as quickly as possible after a disaster.

In response to a renewed focus on infrastructure security, Opus' research unit has a key role in understanding resilience planning and disaster recovery. From a socio-economic perspective, researchers have been involved in investigating the short and medium-term recovery of businesses and properties following a large seismic event. At a local level, the behavioural sciences team have partnered



Trimble Building, Christchurch, New Zealand.

with emergency management and stakeholder groups to assist with community response planning.

Taking these lessons to a wider audience has been a key focus during 2012. Our Canadian business co-hosted a seminar for our clients in Vancouver and Victoria entitled 'Understanding Infrastructure Resilience'. Our Christchurch-based speakers who presented at the seminar have all been intensely involved in the resilience planning and rebuilding of Christchurch. The seminars have placed Opus at the forefront of infrastructure security in British Columbia.

In Christchurch, significant rebuild projects are now coming to market, including key 'anchor projects' identified in the Christchurch Central Recovery Plan. We provided design services in the development of the Justice and Emergency Services Precinct business case.

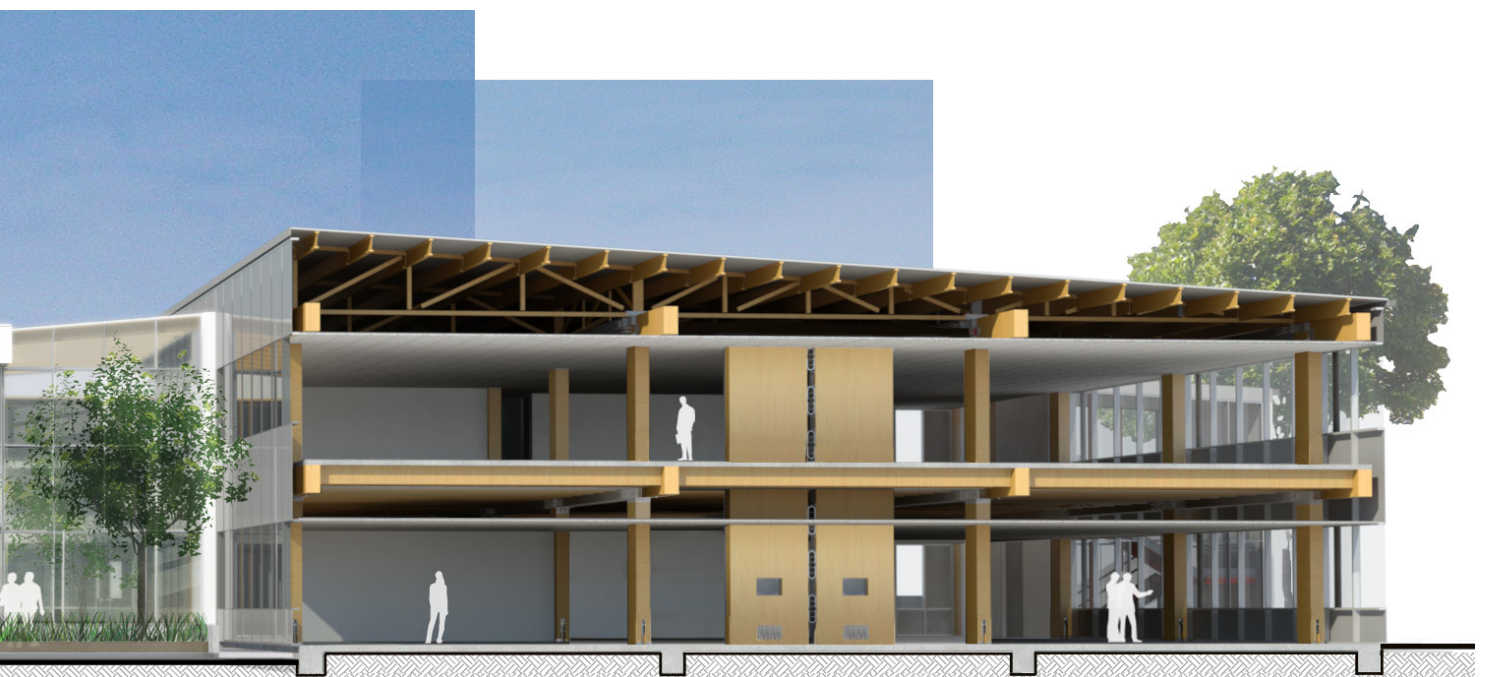
And in late 2012, the Canterbury Earthquake Recovery Authority announced Opus to lead the consortium to deliver concept design for Te Papa Ōtākaro/Avon River Precinct and North and East Frames. Concept design work started in early 2013 and it is expected the project will take three years to complete.

We have also had a substantial role in infrastructure recovery in Queensland, Australia. Following the extensive flooding

that damaged much of the road network in the region during 2010 and 2011, Opus secured and delivered road design work for the repair of more than 600km of damaged roads as part of a consortium with Leighton and Arup.

The location of many of our major cities and developments are within areas of known geological instability, or other areas of risk. At the same time, communities are becoming more and more reliant on key components of infrastructure as society becomes increasingly complex and interconnected. Ensuring the security of these assets is paramount to keeping our infrastructural lifelines running.

**COMMUNITIES ARE  
BECOMING MORE AND  
MORE RELIANT ON  
KEY COMPONENTS OF  
INFRASTRUCTURE AS  
SOCIETY BECOMES  
INCREASINGLY COMPLEX  
AND INTERCONNECTED.**







Auckland Motorway,  
New Zealand.

## **BUILDING LONG-STANDING RELATIONSHIPS**

**At Opus, we believe relationships are our lifeblood. We believe they're built on a foundation of understanding, trust and credibility. And we believe nothing cements a professional relationship more than shared success.**

In 2012, we worked with an increasing number of joint venture and consortium partners. This has been an effective strategy in growing the business across geographic boundaries and sectors, and is a natural fit with our collaborative company culture.

We concluded a joint venture agreement with Opus International (M) Berhad, providing the foundation for development of a presence and growth in the Middle East/North Africa region.

Building on our track record in New Zealand, we partnered with the Australian Water Association (AWA) to form the AWA Opus Water Industry Training Institute (WITI) - a new training organisation to serve the Australian water sector. This initiative allows us to offer clients our combined and complementary skills, which are unique in the Australian market.

In addition to forming new relationships, we are committed to enduring partnerships. In the UK, Opus is a long-standing trusted partner to Interserve. We continue our work on the 'Designed for Life: Building for Wales' framework, delivering the Welsh Assembly Government's health care strategy to provide a world class health service. As part of the Interserve team, Opus is also undertaking extensive work on the £60m final phase of the Children's Hospital for Wales, and civil and structural engineering for the new Merthyr Learning Quarter at Glamorgan University. In

the last year, our relationship with Interserve has provided new opportunities in the education sector as well as work for local authorities on refurbishment of high-rise buildings.

Our relationship with the Environment Agency (EA) in the UK is significant as we work to strengthen our position as a key provider of geo-environmental services. Opus works in collaboration with the EA under the National Site Investigation Framework which generates a substantial amount of work across the country including high profile flood defence schemes. Formal performance indicators have benchmarked Opus as the top performing consultant out of the five suppliers on the framework.

In New Zealand, as a result of our successful relationship, the Auckland Motorway Alliance won the Best Practice Award for Asset Management and the Supreme Rooding Excellence Award at the Rooding New Zealand Excellence Awards. The project also won the Alliance Team of Excellence for a Long Term Alliance Award at the Alliancing Association of Australasia (AAA) 2012 Awards. Exceeding all performance indicators, the Alliance delivered \$23m of cost savings, while developing innovative approaches to highway management.

In Canada, Opus DaytonKnight was the recipient of the British Columbia Water and Waste Association's (BCWWA) 2012 Outstanding Contribution - Group or Organisation Award. This award is presented annually to recognise significant corporate or collective contribution to the success of the BCWWA.

In Australia, the success of the Strategic Indigenous Housing and Infrastructure Programme (SIHIP) initiative has been recognised with this alliance being awarded the 2012 Engineering Excellence Award at the recent Engineers Australia Northern Division Awards. SIHIP is the largest indigenous housing and infrastructure programme ever undertaken in the Northern Territory.

As we move forward, we will continue to build on the momentum gained in the areas above to deliver value to our clients, shareholders and stakeholders.



# Financial Statements

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Financial Statements for the year ended 31 December 2012

Southern Cross Station, Australia.



## CONSOLIDATED INCOME STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2012

		YEAR ENDED 31 DECEMBER	
	NOTE	2012 \$000	2011 \$000
<b>OPERATING ACTIVITIES</b>			
Operating Revenue	1	407,452	393,466
Operating Expenses	2	(372,792)	(358,213)
Operating Surplus		34,660	35,253
Equity Accounted Share of Surplus of Associates	14	896	653
EBITDA		35,556	35,906
Depreciation and Amortisation	3	(5,409)	(5,021)
EBIT		30,147	30,885
Interest Revenue	5	3,552	3,346
Interest Expense	5	(2,848)	(2,378)
<b>OPERATING SURPLUS BEFORE TAX</b>		<b>30,851</b>	<b>31,853</b>
Less Tax Expense	6	(7,459)	(7,323)
<b>NET SURPLUS AFTER TAX</b>		<b>23,392</b>	<b>24,530</b>
<b>EARNINGS PER SHARE (CENTS)</b>			
Basic Earnings Per Share	7	0.16	0.17
Diluted Earnings Per Share	7	0.16	0.16



# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 31 DECEMBER 2012**

		YEAR ENDED 31 DECEMBER	
	NOTE	2012 \$000	2011 \$000
Net Surplus After Tax for the Year		23,392	24,530
<b>OTHER COMPREHENSIVE INCOME:</b>			
Actuarial (Loss)/Gain on Defined Benefit Plan	19	(892)	336
Exchange Loss on Translation of International Subsidiaries	12	(312)	(648)
Net Gain on Hedge of Net Investment	12	153	424
Income Tax Benefit/(Charge) Relating to Components of Other Comprehensive Income	12,19	332	(42)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>(719)</b>	<b>70</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>22,673</b>	<b>24,600</b>

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	ORDINARY SHARES \$000	CONVERTIBLE NOTES \$000	EMPLOYEE BENEFITS \$000	FOREIGN CURRENCY TRANSLATION RESERVE \$000	RETAINED EARNINGS \$000	TOTAL EQUITY \$000
AT 31 DECEMBER 2010		50,655	400	865	244	44,352	96,516
Other Comprehensive Income, Net of Tax		-	-	249	(179)	-	70
Net Surplus for the Year		-	-	-	-	24,530	24,530
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		-	-	249	(179)	24,530	24,600
<b>EQUITY TRANSACTIONS:</b>							
Shares Issued	8,10	1,910	-	(120)	-	-	1,790
Convertible Notes Converted to Ordinary Shares	8	42	(42)	-	-	-	-
Share-Based Payment Expense	10	-	-	73	-	-	73
Dividend Paid	11	-	-	-	-	(11,777)	(11,777)
Tax Credits on Supplementary Dividend	11	-	-	-	-	115	115
AT 31 DECEMBER 2011		52,607	358	1,067	65	57,220	111,317
Other Comprehensive Income, Net of Tax		-	-	(653)	(66)	-	(719)
Net Surplus for the Year		-	-	-	-	23,392	23,392
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		-	-	(653)	(66)	23,392	22,673
<b>EQUITY TRANSACTIONS:</b>							
Shares Issued	8,10	1,452	-	(71)	-	-	1,381
Share-Based Payment Expense	10	-	-	139	-	-	139
Dividend Paid	11	-	-	-	-	(12,849)	(12,849)
Tax Credits on Supplementary Dividend	11	-	-	-	-	125	125
AT 31 DECEMBER 2012		54,059	358	482	(1)	67,888	122,786



# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION** **AS AT 31 DECEMBER 2012**

		<b>31 DECEMBER</b>	
	<b>NOTE</b>	<b>2012 \$'000</b>	<b>2011 \$'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	13	15,100	9,665
Investments in Associates and Joint Ventures	14	391	339
Intangible Assets	15	55,304	47,437
Deferred Tax Asset	6	14,510	12,401
<b>TOTAL NON-CURRENT ASSETS</b>		<b>85,305</b>	<b>69,842</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	22	94,043	92,813
Receivables and Prepayments	17	49,948	44,464
Work in Progress		26,746	21,829
Tax Receivable		507	774
Derivative Financial Instruments Asset	22	57	245
<b>TOTAL CURRENT ASSETS</b>		<b>171,301</b>	<b>160,125</b>
<b>TOTAL ASSETS</b>		<b>256,606</b>	<b>229,967</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions for Employee Entitlements	18	6,596	6,919
Defined Benefit Pension Liability	19	1,523	835
Long Term Bank Borrowings	22	34,748	4,415
Finance Leases (Term Portion)	21	1,430	1,324
Long Term Payable	22	–	918
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>44,297</b>	<b>14,411</b>
<b>CURRENT LIABILITIES</b>			
Short Term Bank Borrowings	22	25,652	36,440
Finance Leases (Current Portion)	21	1,185	1,083
Creditors, Accruals and Provisions	20	21,045	21,955
Tax Payable		2,302	2,215
Revenue in Advance		12,410	17,455
Provisions for Employee Entitlements	18	26,929	25,091
<b>TOTAL CURRENT LIABILITIES</b>		<b>89,523</b>	<b>104,239</b>
<b>NET ASSETS</b>		<b>122,786</b>	<b>111,317</b>
<b>EQUITY</b>			
Ordinary Share Capital	8	54,059	52,607
Convertible Notes	9	358	358
Employee Benefits	10	482	1,067
Retained Earnings	11	67,888	57,220
Foreign Currency Translation Reserve	12	(1)	65
<b>TOTAL EQUITY</b>		<b>122,786</b>	<b>111,317</b>

For and on behalf of the Board, who authorised the issue of these financial statements on 22 February 2013.

Chairman



Managing Director



## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2012

		YEAR ENDED 31 DECEMBER	
	NOTE	2012 \$000	2011 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		395,433	395,336
Interest Received		3,511	3,415
Payments to Suppliers and Employees		(369,445)	(361,213)
Interest Paid		(2,780)	(2,249)
Taxation Paid		(8,667)	(10,189)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>23</b>	<b>18,052</b>	<b>25,100</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of Property, Plant and Equipment		50	1,326
Purchase of Property, Plant and Equipment and Intangible Assets	<b>13,15</b>	(8,869)	(4,855)
Dividends From Associates	<b>14</b>	960	605
(Purchase of Investments)/Purchase Price Adjustment		(16,871)	727
Gain from Forward Contracts		242	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(24,488)</b>	<b>(2,197)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends Paid	<b>11</b>	(12,849)	(11,777)
Repayment of Finance Lease Obligations		(1,454)	(1,795)
Share Capital Issued (Net of Transaction Costs)	<b>8</b>	1,381	1,790
Drawdown of Long Term Borrowings		16,882	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>3,960</b>	<b>(11,782)</b>
<b>NET (DECREASE)/INCREASE IN CASH HELD</b>		<b>(2,476)</b>	<b>11,121</b>
Reclassification of Short Term Borrowings to Long Term Borrowings		13,644	-
Foreign Exchange Adjustment		850	(693)
Cash at Beginning of the Year		56,373	45,945
<b>CASH AT THE END OF THE YEAR</b>		<b>68,391</b>	<b>56,373</b>
<b>COMPRISING:</b>			
Cash and Cash Equivalents	<b>22</b>	94,043	92,813
Short Term Bank Borrowings	<b>22</b>	(25,652)	(36,440)
		<b>68,391</b>	<b>56,373</b>



**PARENT COMPANY INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

		YEAR ENDED 31 DECEMBER	
	NOTE	2012 \$000	2011 \$000
<b>OPERATING ACTIVITIES</b>			
Operating Revenue	1	282,655	286,654
Operating Expenses	2	(249,132)	(255,353)
EBITDA		33,523	31,301
Depreciation and Amortisation	3	(3,585)	(3,503)
EBIT		29,938	27,798
Interest Revenue	5	4,352	4,128
Interest Expense	5	(613)	(693)
<b>OPERATING SURPLUS BEFORE TAX</b>		<b>33,677</b>	<b>31,233</b>
Less Tax Expense	6	(8,997)	(7,142)
<b>NET SURPLUS AFTER TAX</b>		<b>24,680</b>	<b>24,091</b>

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

		YEAR ENDED 31 DECEMBER	
	NOTE	2012 \$000	2011 \$000
Net Surplus After Tax for the Year		24,680	24,091
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>24,680</b>	<b>24,091</b>



**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>NOTE</b>	<b>ORDINARY SHARES \$000</b>	<b>CONVERTIBLE NOTES \$000</b>	<b>EMPLOYEE EQUITY BENEFITS \$000</b>	<b>RETAINED EARNINGS \$000</b>	<b>TOTAL EQUITY \$000</b>
<b>AT 31 DECEMBER 2010</b>		<b>50,655</b>	<b>400</b>	<b>282</b>	<b>51,365</b>	<b>102,702</b>
Other Comprehensive Income, Net of Tax		-	-	-	-	-
Net Surplus for the Year		-	-	-	24,091	24,091
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>24,091</b>	<b>24,091</b>
<b>EQUITY TRANSACTIONS:</b>						
Shares Issued	<b>8,10</b>	1,910	-	(120)	-	1,790
Convertible Notes Converted to Ordinary Shares	<b>8</b>	42	(42)	-	-	-
Share-Based Payment Expense	<b>10</b>	-	-	73	-	73
Dividend Paid	<b>11</b>	-	-	-	(11,777)	(11,777)
Tax Credits on Supplementary Dividend	<b>11</b>	-	-	-	115	115
<b>AT 31 DECEMBER 2011</b>		<b>52,607</b>	<b>358</b>	<b>235</b>	<b>63,794</b>	<b>116,994</b>
Other Comprehensive Income, Net of Tax		-	-	-	-	-
Net Surplus for the Year		-	-	-	24,680	24,680
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>24,680</b>	<b>24,680</b>
<b>EQUITY TRANSACTIONS:</b>						
Shares Issued	<b>8,10</b>	1,452	-	(71)	-	1,381
Share-Based Payment Expense	<b>10</b>	-	-	139	-	139
Dividend Paid	<b>11</b>	-	-	-	(12,849)	(12,849)
Tax Credits on Supplementary Dividend	<b>11</b>	-	-	-	125	125
<b>AT 31 DECEMBER 2012</b>		<b>54,059</b>	<b>358</b>	<b>303</b>	<b>75,750</b>	<b>130,470</b>

**PARENT COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012**

		31 DECEMBER	
	NOTE	2012 \$000	2011 \$000
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	13	8,991	6,232
Investment in Subsidiaries	25	42,203	22,904
Intangible Assets	15	943	1,046
Loans to Subsidiaries	24	10,349	17,247
Deferred Tax Asset	6	7,026	7,255
<b>TOTAL NON-CURRENT ASSETS</b>		<b>69,512</b>	<b>54,684</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	22	92,240	91,365
Receivables and Prepayments	17	30,770	26,976
Work in Progress		16,974	14,533
Derivative Financial Instruments Asset	22	57	245
<b>TOTAL CURRENT ASSETS</b>		<b>140,041</b>	<b>133,119</b>
<b>TOTAL ASSETS</b>		<b>209,553</b>	<b>187,803</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions for Employee Entitlements	18	6,510	6,827
Long Term Bank Borrowings	22	9,624	-
Finance Leases (Term Portion)	21	421	1,143
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>16,555</b>	<b>7,970</b>
<b>CURRENT LIABILITIES</b>			
Short Term Bank Borrowings	22	15,318	12,420
Finance Leases (Current Portion)	21	715	969
Creditors, Accruals and Provisions	20	13,431	12,316
Tax Payable		2,070	1,967
Revenue in Advance		11,052	16,237
Provisions for Employee Entitlements	18	19,942	18,930
<b>TOTAL CURRENT LIABILITIES</b>		<b>62,528</b>	<b>62,839</b>
<b>NET ASSETS</b>		<b>130,470</b>	<b>116,994</b>
<b>EQUITY</b>			
Ordinary Share Capital	8	54,059	52,607
Convertible Notes	9	358	358
Employee Equity Benefits	10	303	235
Retained Earnings	11	75,750	63,794
<b>TOTAL EQUITY</b>		<b>130,470</b>	<b>116,994</b>

For and on behalf of the Board, who authorised the issue of these financial statements on 22 February 2013.

Chairman



Managing Director





# **PARENT COMPANY STATEMENT OF CASH FLOWS** **FOR THE YEAR ENDED 31 DECEMBER 2012**

		YEAR ENDED 31 DECEMBER	
	NOTE	2012 \$000	2011 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		273,180	289,956
Interest Received		3,489	3,347
Payments to Suppliers and Employees		(247,962)	(260,482)
Interest Paid		(611)	(611)
Taxation Paid		(8,530)	(9,039)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>23</b>	<b>19,566</b>	<b>23,171</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of Property, Plant and Equipment		2	1,284
Purchase of Property, Plant and Equipment and Intangible Assets	<b>13, 15</b>	(6,248)	(3,851)
Dividends From Associates	<b>14</b>	960	605
Repayment From Subsidiaries		5,511	2,045
Investment in Subsidiaries		(19,298)	-
Gain From Forward Contracts		242	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(18,831)</b>	<b>83</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends Paid	<b>11</b>	(12,849)	(11,777)
Repayment of Finance Lease Obligations		(977)	(1,591)
Share Capital Issued (Net of Transaction Costs)	<b>8</b>	1,381	1,790
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(12,445)</b>	<b>(11,578)</b>
<b>NET (DECREASE)/INCREASE IN CASH HELD</b>		<b>(11,710)</b>	<b>11,676</b>
Reclassification from Short Term Borrowings to Long Term Borrowings		9,586	-
Foreign Exchange Adjustment		101	189
Cash at Beginning of the Year		78,945	67,080
<b>CASH AT THE END OF THE YEAR</b>		<b>76,922</b>	<b>78,945</b>
<b>COMPRISING:</b>			
Cash and Cash Equivalents		92,240	91,365
Short Term Bank Borrowings		(15,318)	(12,420)
		<b>76,922</b>	<b>78,945</b>

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Corporate Information - Reporting Entity

Opus International Consultants Limited is a New Zealand company registered under the New Zealand Companies Act 1993. The registered office of the company is 9th floor, 100 Willis Street, Wellington, New Zealand.

The Group consists of Opus International Consultants Limited and its subsidiaries.

The Group is an issuer for the purposes of the New Zealand Financial Reporting Act 1993.

The consolidated financial statements of the Group for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the directors on 22 February 2013.

The principal activities of the Group are described in Note 4.

### Summary Of Significant Accounting Policies

#### Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. They have also been prepared on a consistent basis with the requirements of the New Zealand Companies Act 1993 and the Financial Reporting Act 1993.

The financial statements comply with applicable Financial Reporting Standards, which include New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). The financial statements also comply with International Financial Reporting Standards ("IFRS"). In addition, the Group and Company have chosen to present Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") and Earnings Before Interest and Tax ("EBIT") on the face of the Income Statement because they are key performance measures for the Group and Company and they are relevant to the investment community and industries in which the Company operates.

The consolidated financial statements have been prepared on a historical cost basis except for any derivative financial instruments, which are measured at fair value. The Group is a profit-orientated entity.

#### Changes in Accounting Policy

The accounting policies adopted are consistent with the previous financial year except as follows:

The Group has adopted the following new and amended equivalents to International Financial Reporting Standards and interpretations during the year ended 31 December 2012.

- Amendments to NZ IFRS 7 - Financial Instruments: Disclosures; and
- FRS 44 - New Zealand Additional Disclosures.

Neither of these amendments have had a significant impact on the financial results of the Group.

## Specific Accounting Policies

### Basis of Consolidation

The consolidated financial statements comprise the financial statements of Opus International Consultants Limited and its subsidiaries (as outlined in note 25) as at 31 December 2012. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Subsidiary investments are accounted for at cost less any impairment charges in the Parent Company's financial statements. Dividends received from subsidiaries are recorded as a component of other revenues in the separate Statement of Comprehensive Income of the Parent Company, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the Parent Company will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, an impairment loss is recognised to the extent that the carrying value of the investment exceeds its recoverable amount.

The effects of all inter-company transactions between entities that have been consolidated are eliminated on consolidation.

If the Group loses control over a subsidiary, all assets, liabilities, foreign currency translation differences in reserves and any non-controlling interest are derecognised. At the same time the Group will recognise the fair value of the investment retained and share of any surplus or deficit in profit or loss and reclassify the Parent's share of any amounts previously recognised in other comprehensive income to profit or loss.

### Business Combinations

Business combinations are accounted for using the acquisition method. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets and liabilities are measured at their acquisition date fair values. The difference between the fair value of identifiable assets and liabilities and the fair value of the consideration is goodwill or a discount on acquisition.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of the assets transferred and liabilities incurred by the Group to former owners of the acquiree and the equity issued by the Group. Acquisition related costs are expensed as incurred. Any non-controlling interest in the acquiree is measured either at the proportionate share of the acquiree's identifiable net assets or fair value.

When the Group acquires a business, it assesses the financial assets and liabilities for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other relevant conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration will be recognised in accordance with NZ IAS 39 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.



## Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources and to assess performance and for which discrete financial information is available. Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team. Management reviews operating segment performance based on geographical segments. These segments are distinguishable components of the business engaged in providing services to customers in particular economic environments and subject to risks and returns that are different from other segments. The Group measures and evaluates the reporting segments based on earnings before interest and tax.

## Foreign Currency Translation

The functional and presentational currency of Opus International Consultants Limited and its New Zealand subsidiaries is the New Zealand Dollar. The functional currencies of foreign subsidiaries are British Pound, Australian Dollar, Canadian Dollar and United States Dollar.

Transactions denominated in foreign currencies are recorded at the exchange rate at the date of the transaction.

The assets and liabilities of overseas foreign operations and other monetary assets and liabilities denominated in foreign currencies are translated at the balance date closing rate. Revenue and expense items are translated at the spot rate at the transaction date or a rate approximating that rate. These exchange variations are recognised in the Income Statement in the reporting entity in which they occur. Foreign currency exchange differences on foreign operations are recognised in the Foreign Currency Translation Reserve. Exchange variations on intercompany monetary assets and monetary liabilities that are long term in nature are recognised in Other Comprehensive Income within the Statement of Comprehensive Income in the Group Financial Statements.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate at the date of the transaction. Goodwill and fair value adjustments are translated at the closing rate on translation into the presentation currency.

## Derivative Financial Instruments and Hedging

The Group adopts hedge accounting for net investments in foreign operations. The Group currently hedges investments in the United Kingdom, Canadian and Australian operations.

### Hedges of net investments

Net investment hedges are hedges of the Group's exposure to foreign currency risk associated with foreign operations. The Group has designated a portion of bank borrowings in the same currency as the foreign operations and forward exchange rate contracts, as hedges of the net investment in those operations. Gains or losses arising on the effective portion of the hedge are recognised directly in Other Comprehensive Income within the Statement of Comprehensive Income. Any gains or losses arising on the ineffective portion are recognised directly in the Income Statement.

On loss of control or disposal of the foreign operation, the cumulative value of any such gains or losses recognised in Other Comprehensive Income is transferred to the Income Statement.

### Forward Exchange Rate Contracts

The Group may enter into forward exchange rate contracts where it agrees to buy or sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to protect the Group from the possibility of material losses from future exchange rate fluctuations.

Depending on the circumstances, the Group will either recognise fair value changes in the forward contracts in the Income Statement or apply net investment hedge accounting. Where hedge accounting is applied, any gains or losses arising on the effective portion of the hedge are included in Other Comprehensive Income within the Statement of Comprehensive Income. Any gains or losses arising on the ineffective portion of the hedge and the changes in fair values where hedge accounting is not applied, are recognised in the Income Statement.

The de-recognition of a financial asset takes place when the contractual rights to the cash flows from the financial asset expire or the asset has been transferred.

## Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

### Consultancy Services

Revenue is recognised to the stage of completion at balance date when the outcome of a transaction involving the rendering of services can be estimated reliably. This occurs when the following conditions are satisfied:

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Group;
- (c) The stage of completion of the transaction at balance date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately and a corresponding liability is recognised.

### Interest

Revenue is recognised as the interest accrues using the effective interest rate method.

## Income Tax and Other Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are measured at the tax rates that apply to the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. Deferred income tax assets are recognised to the extent that it is probable that these will reverse in the foreseeable future.

Temporary differences are the differences between the tax bases of assets and liabilities and their carrying amount for tax purposes.

Deferred income tax assets and liabilities are recognised for all temporary differences except:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or from a transaction that is not a business combination and that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- When the temporary difference relates to investments and the timing of the reversal of that difference can be controlled and it is probable that it will not reverse in the foreseeable future and taxable profits will be available against which a deductible temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The financial statements have been prepared so that all amounts are stated exclusive of New Zealand Goods and Services Tax (GST) and similar overseas services taxes except:

- Where the GST (or similar tax) is not recoverable from, or payable to, the taxation authority; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as part of operating cash flows.

Commitments and contingencies are stated net of the amount of GST recoverable from, or payable to, the taxation authorities.

### Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, in hand and short-term deposits with banks. Short term deposits include deposits used for cash management with maturities up to 180 days. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of the items as defined above together with bank overdrafts and short-term loans that are used as part of day-to-day cash management.

### Trade and Other Receivables

Trade and other receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost after making suitable provisions for doubtful debts. The Group evaluates all outstanding debts for impairment on a regular basis. This includes actively monitoring and assessing whether there are any significant disputes or concerns about the ability of the counterparty to make payment and/or whether the passage of time indicates that the collectability of a debt is doubtful. In the event of there being sufficient evidence to suggest that an amount due is doubtful, the Group provides against the outstanding amount, regardless of its age.

### Work in Progress

Work in Progress on consultancy contracts is recognised either on a percentage of completion or time-charge basis, whichever is applicable to the terms of the contract. The percentage of completion is estimated based on actual costs incurred and the expected total cost of the contract. Work in Progress is reviewed on a regular basis for impairment and provision made for any irrecoverable amounts.

### Revenue in Advance

This represents amounts where clients have been invoiced ahead of the work being undertaken.

### Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Plant and equipment is stated at cost less any accumulated depreciation and impairment in value. Those acquired through a business combination are capitalised at fair value as at the date of acquisition.

Depreciation is calculated on a straight-line basis on all tangible property, plant and equipment other than land, over the estimated useful life of the asset as follows:

	Useful Life (Years)
Buildings	45 – 55
Leasehold improvements	Earlier of lease term or economic life
Plant and vehicles	5 – 20
Computer equipment (including finance leases)	3 – 5
Furniture and equipment	5 – 20

Gains or losses on the sale or disposal of property, plant and equipment are recognised in the Income Statement and calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

### Investment in Associates

Investments in associated undertakings are accounted for by the equity method of accounting.

Under the equity method investments in associates are carried in the Group's Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The Income Statement reflects the Group's share of the results of operations of the associates.

A gain or loss on the sale of an associate is recognised when the sale and purchase agreement becomes unconditional.



## Intangible Assets

### (A) Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

As at the acquisition date, any goodwill acquired is allocated to the cash-generating unit(s) expected to benefit from the combination's synergies. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is assessed for impairment in June and December each year, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. The recoverable amount of cash generating units that goodwill has been attributed to is determined by its value in use, calculated using discounted cash flow methodology. Further details on the methodology and assumptions are outlined in Note 15. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Income Statement.

Where goodwill forms part of a cash-generating unit, and where part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this manner is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

### (B) Other Intangible Assets

Intangible assets acquired separately are capitalised at cost. Those acquired through a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The finite useful lives of these intangible assets are assessed to be on average 3 to 4 years. Amortisation is charged on the assets on a straight line basis and the expense is recognised in the Income Statement.

## Recoverable Amount of Assets

At each reporting date, or more frequently if events or changes in circumstances dictate, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Individual assets are generally not independent of those in a group and the recoverable amount is calculated on the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## Employee Entitlements

The liability for employees' compensation for future leave is accrued in relation to the length of service rendered by employees and relates to vested and unvested entitlements. One Group company operates a defined benefits pension scheme. The cost of providing benefits under this plan is determined using the projected unit credit method. Actuarial gains and losses on the Defined Benefit Plan are recognised in Other Comprehensive Income within the Statement of Comprehensive Income at the time of valuation. Actuarial gains and losses on other employee entitlements are recognised in the Income Statement at the time of valuation.

The defined benefit asset or liability recognised in the Statement of Financial Position represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost net of the fair value of the plan assets.

Any asset resulting from this calculation is limited to past service costs, plus the present value of available refunds and reductions in future contributions to the plan.

### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. This occurs when it is probable that a cost will be incurred to settle the obligation and a reliable estimate can be made of that obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an expense.

### Trade and Other Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. The amounts are unsecured and are paid according to their terms of trade and usually within 30 days of recognition.

### Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at fair value of the considerations received less directly attributable transaction costs associated with borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the Income Statement over the term or when the liabilities are derecognised.

Borrowings are classified as either current or term liabilities based on the contractual maturity date and rights of settlement of each facility.

### Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are recognised as an expense in the income statement on a straight-line basis over the lease term.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items, are capitalised at the present value of the minimum lease payments. The leased assets and corresponding liabilities are therefore recognised and the assets are depreciated in line with the Group's depreciation policy to reflect the estimated useful lives. Lease payments relating to finance leases are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

### Employee Share-Based Benefit Plans

The Group provides benefits to qualifying senior employees of the Group in the form of share-based payment transactions, whereby employees render services in exchange for non-transferable share options and shares. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, on a periodic basis, using the Black-Scholes-Merton model, further details of which are given in Note 10. The fair value cost of equity settled options at issue date is amortised to the Income Statement over the vesting period with a corresponding amount recognised in equity. Where an equity-settled award is cancelled before vesting, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. Where an equity-settled award is forfeited when vesting conditions are not met, any previously recognised expense is reversed.

### Convertible Notes

Under the terms of the Employee Share Option Plan, employees may elect for the Group to repurchase shares issued at the time of exercising options in exchange for convertible notes issued by the Group. The convertible notes have a face value of the issue price and are interest bearing with semi-annual coupon payments. The notes are convertible into ordinary shares on a one for one basis at the option of the Group and/or the holder at any time with five business days' written notice. The notes are compound financial instruments which have both a financial liability and an equity component. The financial liability component represents the interest obligations on the notes and interest is recognised on an accruals basis. All proceeds received from the issue of convertible notes have been recognised in

a separate component of equity. Upon conversion to shares the proceeds from issue of the convertible notes will be reclassified to ordinary share capital.

### **Significant Accounting Judgements, Estimates and Assumptions**

In applying the Group's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions made. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

#### **(1) Revenue Recognition**

The Group and Parent Company enter into some long term contracts with customers on commercial terms and conditions. Revenue from these contracts is recognised based on the stage of completion of the work, which requires judgement and estimates about the expected costs over the life of the contract. Where the outcome of a long term contract cannot be reliably estimated, a risk-based probabilistic approach is used to estimate expected costs. Actual costs incurred over the life of the contract may be different from previous estimates. These judgements and estimates also affect the carrying amount of work in progress or revenue in advance.

If the expected costs on a contract exceed the expected revenues, a provision for the future expected loss on a contract is estimated and recognised. The carrying amounts of work in progress and revenue in advance are separately disclosed in the Statement of Financial Position.

#### **(2) Provisions for Doubtful Debts on Trade Receivables**

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. This assessment is based on individual circumstance including whether there are any disputes and the outcome of credit control activities. The provision for doubtful debts and an assessment and quantification of the Group's credit risk is disclosed in Note 22.

#### **(3) Defined Benefit Plan**

The Defined Benefit Pension Fund is valued on an annual basis by independent actuary, Clerical Medical Investment Group Limited, taking into account gains and losses. Various actuarial assumptions underpin the determination of the Group's pension obligations arising from a defined benefit plan in the United Kingdom. The key assumptions relate to the expected growth in the value of assets and the pension contract as well as expected salary escalation and market discount rate. All of these require judgement and are subject to change year on year depending on market conditions and other economic factors relevant to the ability of the plan's assets to meet the pension obligations. These assumptions and the related carrying amount of the Group's obligation are discussed in Note 19.

#### **(4) Provision for Employee Entitlements**

Certain employees of the Group and Parent Company are entitled to long service and retirement leave benefits. These liabilities have been recognised based on actuarial valuations, which determine the present value of estimated future cashflows to be made to these employees at balance date. The valuation is based on a probabilistic assessment of employees reaching service and age levels to earn their entitlement and expected future salary movements. The carrying amounts of these liabilities are detailed in Note 18.

#### **(5) Impairment of Goodwill with Indefinite Useful Life**

The Group determines whether goodwill with an indefinite useful life is impaired on a semi-annual basis in June and December. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated. Depending on the nature and timing of acquisitions, the carrying amount of goodwill may be based on estimates of expected payments and/or net assets acquired at balance date.

The assumptions used in the estimation of the recoverable amount and carrying value of goodwill are discussed in Note 15.



## (6) Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences and tax losses when management considers that it is probable that future taxable profits will be available to utilise those temporary differences and losses. The carrying amount of deferred tax assets is disclosed in Note 6.

## Standards or Interpretations Issued but not yet Effective

There are a number of other amendments to accounting standards as part of the ongoing improvement process. The following standards and amendments have been issued but are not yet effective:

- NZ IAS 1 - Presentation of Financial Statements - Presentation of Other Comprehensive Income effective from 1 January 2013, requires the grouping of items in Other Comprehensive Income on the basis of whether they can potentially be reclassified to profit or loss in subsequent periods (reclassification adjustments).
- NZ IAS 19 - Employee Benefits is applicable to the Group for accounting periods beginning on or after 1 January 2013. The revised standard changes the accounting for defined benefit plans and requires amended presentation of the changes in the plan liabilities/assets.
- NZ IAS 27 - Separate Financial Statements (previously Consolidated and Separate Financial Statements) removes the accounting and disclosure requirements for consolidated financial statements which are now covered in NZ IFRS 10 and is effective from 1 January 2013.
- NZ IAS 28 - Investments in Associates and Joint Ventures prescribes the accounting for investment in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The disclosure requirements are now in NZ IFRS 12. This amended statement is effective from 1 January 2013.
- NZ IAS 32 - Financial Instruments: Presentation - the amendments clarify the meaning of “currently has a legally enforceable right to set-off”. The amended statement is effective from 1 January 2014.
- NZ IFRS 7 - Financial Instruments - Disclosures requires disclosure about all recognised financial instruments that are set off in accordance with NZ IAS 31 Financial Instruments: Presentation. The amended standard is effective from 1 January 2013.
- NZ IFRS 9 Financial Instruments - Recognition and Measurement of Financial Assets and Liabilities was issued in November 2010 as part of the IASB’s project to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard deals with accounting for financial assets and liabilities, their recognition, derecognition and measurement. Financial assets and liabilities are classified according to their measurement, either at fair value or amortised cost. The standard is now effective from 1 January 2015.
- NZ IFRS 10 - Consolidated Financial Statements applicable for accounting periods beginning on or after 1 January 2013 and introduces a new approach to the control model for the consolidation of entities.
- NZ IFRS 11 - Joint Arrangements uses the principles in NZ IFRS 10 - Consolidated Financial Statements to define joint control and classifies joint arrangements as either joint operations or joint ventures. This standard is effective from 1 January 2013.
- NZ IFRS 12 - Disclosures of Interests in Other Entities introduces new disclosures regarding the judgements made by management to determine whether control exists and is effective from 1 January 2013.
- NZ IFRS 13 - Fair Value Measurement provides a single standard source of fair value measurement guidance and expands disclosure requirements for assets and liabilities carried at fair value. The standard is applicable from 1 January 2013.
- Annual improvements to NZ IFRSs 2009 - 2011 Cycle - a small number of minor changes effective from 1 January 2013.

The Group has yet to fully evaluate the impact of these changes, but expects that they are largely in the nature of additional disclosures rather than having a material impact on the financial statements and results.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Operating Revenue

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Consultancy Fees	407,452	393,466	281,695	286,049
Dividend From Associates	–	–	960	605
<b>TOTAL OPERATING REVENUE</b>	<b>407,452</b>	<b>393,466</b>	<b>282,655</b>	<b>286,654</b>

There were no discontinued activities in the above figures.

### 2. Operating Expenses

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>INCLUDED IN OPERATING EXPENSES ARE THE FOLLOWING ITEMS:</b>				
Employee Remuneration Expenses	228,998	211,724	147,237	143,527
Consultant and Sub-Contractor Expenses	53,864	64,051	45,329	55,311
Project Materials and Services Expenses	13,884	13,732	10,608	11,772
Lease/Rental Expenses	19,895	18,667	13,265	12,806
Travel Related Expenses	17,237	16,005	12,202	12,183
Training and Other Employee Related Expenses	7,994	8,096	5,477	5,754
Communication and Office Administration Expenses	9,529	8,590	7,339	6,557
Insurance	2,135	2,063	1,736	1,873
Advertising and Promotion Expenses	1,921	1,714	1,391	1,285
Auditor's Remuneration - see details below	872	540	322	269
Directors' Fees	378	338	378	338
Directors' Expenses	50	244	50	244
Loss/(Profit) on Foreign Exchange Transactions	33	(102)	352	(22)
Bad Debts Expense	203	522	43	76
Change in Provision for Doubtful Debts	582	(900)	(69)	(124)
(Gain)/Loss on Sale of Property, Plant and Equipment	(32)	(21)	5	–
Other Operating Expenses	15,249	12,950	3,467	3,504
<b>TOTAL OPERATING EXPENSES</b>	<b>372,792</b>	<b>358,213</b>	<b>249,132</b>	<b>255,353</b>

## 2. Operating Expenses Continued

### Auditor's Remuneration

The auditor of the Group is Ernst & Young.

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>AMOUNTS RECEIVED OR DUE AND RECEIVABLE BY ERNST &amp; YOUNG (NEW ZEALAND) FOR:</b>				
An audit of the financial report of Opus International Consultants Limited and any other entity in the Group	341	338	217	211
Other services in relation to Opus International Consultants Limited and any other entity in the Group				
- Tax compliance	69	23	69	23
- Assurance related	36	35	36	35
	446	396	322	269
<b>AMOUNTS RECEIVED OR DUE AND RECEIVABLE BY RELATED PRACTICES OF ERNST &amp; YOUNG (OTHER THAN NEW ZEALAND) FOR:</b>				
- Audit of the financial report of the Australian and Malaysian companies in the Group	73	85	-	-
- Tax compliance	250	35	-	-
- Assurance related	-	24	-	-
- Technical Support for Feasibility Study Project	103	-	-	-
	426	144	-	-
	872	540	322	269

## 3. Depreciation And Amortisation

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Buildings	20	24	6	6
Plant and Vehicles	772	755	610	548
Computer Equipment	944	551	720	279
Computer Equipment - Leased	1,520	1,320	999	1,206
Furniture and Equipment	883	950	563	588
Leasehold Improvements	819	755	309	331
<b>TOTAL DEPRECIATION</b>	<b>4,958</b>	<b>4,355</b>	<b>3,207</b>	<b>2,958</b>
Amortisation Expense - Software Assets	451	666	378	545
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>5,409</b>	<b>5,021</b>	<b>3,585</b>	<b>3,503</b>



## 4. Segmental Reporting

For management reporting purposes, the Group is organised into segments based on their geographic location and has four reportable operating segments being New Zealand, United Kingdom, Australia and Canada. No significant operating segments have been aggregated to form the reportable operating segments above.

The majority of the Group's clients are in the government and quasi-government sector. The Group is a supplier of multidisciplinary consultancy and project management services across a range of disciplines including civil, mechanical and electrical engineering, and planning, environmental, architectural and property management. Services supplied support asset development and asset management activities of the Group's clients.

Management monitors the operating results of its reporting segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings before interest and tax ("EBIT") and is measured consistently with earnings before interest and tax in the consolidated financial statements except for management charges between the Parent Company and subsidiaries. For management reporting purposes, EBIT is monitored using a standard management charge basis consistent across all subsidiaries. In the financial statements of the Parent Company, EBIT is presented after recognising the actual management charge to subsidiaries.

Transactions between operating segments are on an arm's length basis in a manner consistent with transactions with external customers.

## 4. Segmental Reporting Continued

### Geographical Segment Information

	FOR THE YEAR ENDED 31 DECEMBER 2012					
	NEW ZEALAND \$000	UNITED KINGDOM \$000	AUSTRALIA \$000	CANADA \$000	OTHER* \$000	TOTAL \$000
<b>SEGMENT REVENUE:</b>						
External Customers	282,311	24,583	78,532	22,026	–	407,452
Inter-Segment Revenue	1,811	1,288	624	82	(3,805)	–
Associate Earnings	981	–	(85)	–	–	896
Employee Remuneration Costs	147,237	16,357	52,704	12,700	–	228,998
Other Operating Expenses	104,256	9,699	26,230	7,738	(4,129)	143,794
<b>SEGMENT RESULT (EBIT)</b>	30,025	(598)	(897)	1,293	324	30,147
Segment Total Assets	155,853	26,712	47,269	26,765	7	256,606
Segment Non-Current Assets**	10,325	14,229	27,096	19,145	–	70,795
Segment Liabilities	78,435	5,247	33,145	16,984	9	133,820
Capital Expenditure	6,249	700	3,070	501	–	10,520
Depreciation and Amortisation	3,585	413	1,034	377	–	5,409

	FOR THE YEAR ENDED 31 DECEMBER 2011					
	NEW ZEALAND \$000	UNITED KINGDOM \$000	AUSTRALIA \$000	CANADA \$000	OTHER* \$000	TOTAL \$000
<b>SEGMENT REVENUE:</b>						
External Customers	286,175	19,717	65,116	22,458	–	393,466
Inter-Segment Revenue	2,127	2,087	279	9	(4,502)	–
Associate Earnings	653	–	–	–	–	653
Employee Remuneration Costs	143,527	15,228	40,005	12,964	–	211,724
Other Operating Expenses	114,103	7,258	21,424	8,284	(4,580)	146,489
<b>SEGMENT RESULT (EBIT)</b>	27,822	(1,183)	3,156	1,012	78	30,885
Segment Total Assets	147,364	23,076	33,513	26,007	7	229,967
Segment Non-Current Assets**	7,617	14,080	16,139	19,605	–	57,441
Segment Liabilities	70,438	12,822	18,145	17,235	10	118,650
Capital Expenditure	3,851	224	678	102	–	4,855
Depreciation and Amortisation	3,503	501	810	207	–	5,021

\* includes inter-company eliminations and consolidation entries

\*\* Segment non-current assets for this purpose consist of property, plant and equipment, intangible assets and investment in associates and joint ventures

### Major Customer

Revenue from one client amounted to \$88 million (2011: \$86 million), arising from contracts with the New Zealand operating segment.

### Services Segment Information

Asset management services include property management and asset maintenance services predominantly using our engineering and environmental specialists. Asset development services include civil, mechanical and electrical engineering, planning, environmental and architectural work.

	GROUP	
	2012 \$000	2011 \$000
Asset Development	168,768	187,203
Asset Management	238,684	206,263
<b>TOTAL</b>	<b>407,452</b>	<b>393,466</b>

## 5. Interest

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>INTEREST REVENUE</b>				
Bank Deposits	3,552	3,346	3,531	3,326
Loans to Subsidiaries	–	–	821	802
<b>TOTAL INTEREST REVENUE</b>	<b>3,552</b>	<b>3,346</b>	<b>4,352</b>	<b>4,128</b>
<b>INTEREST EXPENSE</b>				
Bank Borrowings	(2,559)	(2,135)	(483)	(441)
Finance Leases	(260)	(156)	(101)	(165)
Convertible Notes	(29)	(87)	(29)	(87)
<b>TOTAL INTEREST EXPENSE</b>	<b>(2,848)</b>	<b>(2,378)</b>	<b>(613)</b>	<b>(693)</b>



## 6. Taxation

	GROUP		PARENT COMPANY	
(A) INCOME TAX RECOGNISED IN THE INCOME STATEMENT	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>CURRENT TAXATION</b>				
Current Period	9,411	9,483	8,744	8,433
Research and Development Tax Credits	-	(1,464)	-	(1,377)
Adjustment in Respect of Prior Periods	(271)	(302)	24	(123)
	<b>9,140</b>	<b>7,717</b>	<b>8,768</b>	<b>6,933</b>
<b>DEFERRED TAXATION</b>				
Origination and Reversal of Timing Differences	(1,622)	(718)	640	225
Effect of Change in Corporation Tax Rate	217	100	-	-
(Over)/Under Provision in Prior Years	(276)	224	(411)	(16)
	<b>(1,681)</b>	<b>(394)</b>	<b>229</b>	<b>209</b>
<b>TAXATION EXPENSE</b>	<b>7,459</b>	<b>7,323</b>	<b>8,997</b>	<b>7,142</b>

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Operating Surplus Before Taxation	30,851	31,853	33,677	31,233
Prima Facie Income Tax at 28% (2011: 28%)	8,638	8,919	9,430	8,745
Taxation Effect of Differences between Tax and Accounting	47	(7)	(70)	(87)
Utilisation of Previously Unrecognised Tax Losses	(927)	(260)	-	-
Adjustment in Respect of Prior Periods	(547)	(78)	(387)	(139)
Different Overseas Statutory Tax Rates	31	113	-	-
Effect of Change in Corporation Tax Rate	217	100	-	-
Research and Development Tax Credits	-	(1,464)	-	(1,377)
Tax Group Offset	-	-	24	-
<b>TAXATION EXPENSE</b>	<b>7,459</b>	<b>7,323</b>	<b>8,997</b>	<b>7,142</b>

The effect of the change in corporation tax rate reflects the impact on the deferred tax asset from the progressive change in the United Kingdom tax rate from 26% to 24% effective 1 April 2012 (2011: change in the United Kingdom tax rate from 27% to 26%).

During 2011 the Group received a one-off tax credit for research and development activity in New Zealand resulting in an amount of \$1.38 million credited against tax expense in the period. After a change in legislation R&D tax credits are no longer available in New Zealand.

### Tax Losses

The Group has unrecognised overseas income tax losses available to carry forward of \$1.1 million (2011: \$4.3 million). No deferred tax asset has been recognised for these losses as it is not considered sufficiently probable that they will be utilised or they are for dormant companies that are not expected to trade in the future.

The deferred tax asset of \$14.5 million includes \$3.5 million related to subsidiaries that incurred losses in the 2012 financial year. Based on business forecasts the deferred tax benefits in these subsidiaries are expected to be realised in the foreseeable future.

	GROUP		PARENT COMPANY	
(B) INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Foreign Currency Translation Reserve	(93)	(45)	–	–
Actuarial (Loss)/Gain on Defined Benefit Plan	(239)	87	–	–
<b>INCOME TAX (BENEFIT)/CHARGE TO OTHER COMPREHENSIVE INCOME</b>	<b>(332)</b>	<b>42</b>	<b>–</b>	<b>–</b>

	GROUP		PARENT COMPANY	
(C) DEFERRED TAX ASSET	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Employee Entitlements	7,509	7,494	5,893	6,190
Property, Plant and Equipment	1,593	1,567	684	934
Defined Benefit Pension Obligation	366	217	–	–
Provisions	1,573	526	449	131
Tax Losses Recognised	3,469	2,597	–	–
<b>TOTAL DEFERRED TAX ASSET</b>	<b>14,510</b>	<b>12,401</b>	<b>7,026</b>	<b>7,255</b>
Balance at Beginning of Year	12,401	12,168	7,255	7,464
Foreign Exchange Adjustment	(149)	(74)	–	–
Acquisition of Subsidiaries	338	–	–	–
Amount Charged to Income Statement	1,681	394	(229)	(209)
Amount Charged to Equity	239	(87)	–	–
<b>BALANCE AT END OF YEAR</b>	<b>14,510</b>	<b>12,401</b>	<b>7,026</b>	<b>7,255</b>

	PARENT COMPANY	
(D) IMPUTATION CREDIT ACCOUNT	2012 \$000	2011 \$000
The amount of imputation credits available for use in subsequent reporting periods	24,888	22,190

## 7. Earnings Per Share

### Basic Earnings Per Share

Basic earnings per share is calculated by dividing net surplus after tax by the weighted average number of ordinary shares on issue. For the year ended 31 December 2012 the weighted average number of shares on issue are 145,652,979 (2011: 143,605,897).

### Diluted Earnings Per Share

Diluted earnings per share represents basic earnings per share adjusted for the dilutive effect of outstanding share options whose exercise price is less than the current estimate of fair market value. These options increase the weighted average number of shares on issue with no corresponding increase in net surplus after tax (as per basic earnings per share), causing a reduction in earnings per share (dilutive effect). Convertible notes are also considered to be dilutive and these have been included in the calculation of diluted earnings per share as the interest earned by noteholders is less than basic earnings per share. The weighted average number of shares used to calculate diluted earnings per share for the year ended 31 December 2012 is 150,313,498 (2011: 149,641,396).

## 8. Equity - Ordinary Share Capital

All ordinary shares have equal voting rights and share equally in dividends and surplus on winding up. These shares have been issued and are fully paid.

During the year ended 31 December 2012, the Company has undertaken the following equity transactions:

- 1) The exercise of share options under the Employee Share Option Plan;
- 2) The issue of shares for the Employee Share Ownership Plan; and
- 3) The transfer of shares to employees from the Employee Share Ownership Plan on retirement.

The following table summarises the movements in ordinary share capital during the year ended 31 December 2012.

	ORDINARY SHARE CAPITAL \$000	NO. OF SHARES	ACCUMULATED NO. OF SHARES
At 1 January 2012	52,607	144,999,881	144,999,881
Exercise of Share Options	1,317	1,681,290	146,681,171
Transfer of Shares for Employees from the Employee Share Ownership Plan on Retirement	135	82,064	146,763,235
Share Issue for Employee Share Ownership Plan	1,643	759,413	147,522,648
Transfer of Shares to Treasury Stock	(1,643)	(759,413)	146,763,235
<b>AT 31 DECEMBER 2012</b>	<b>54,059</b>	<b>146,763,235</b>	<b>146,763,235</b>

### Treasury Shares

The Company issued a number of its own equity instruments for later use in the Employee Share Ownership Plan (details of which are disclosed in Note 10). The value of these shares and associated transaction costs are deducted from equity. The first transfer of shares under the Employee Share Ownership Plan is scheduled for 2013. As at 31 December 2012, the Group and Parent Company holds 45,815 Treasury Shares (2011: 9,474) and 3,995,725 shares (2011: 3,442,247) are held in trust for the Employee Share Ownership Plan.

### Capital Management

When managing capital, the Board's objectives are to ensure that the Company continues as a going concern and to achieve optimal returns to shareholders. The Directors also aim to maintain a capital structure that has an appropriate cost of capital available to the Company. With the exception of the Employee Share Ownership Plan, the Directors have no specific plans to issue further shares but remain open to doing so. This may occur as a means for the Group to fund an acquisition. The Employee Share Ownership Plan involves the company issuing new shares to the Opus Partners Trust.

Management monitor the return on equity (defined as Net Profit After Tax/Average Shareholders Equity) and the debt and net debt to equity ratios. These measures during 2012 and 2011 were as follows:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Short Term Bank Borrowings	25,652	36,440	15,318	12,420
Long Term Bank Borrowings	34,748	4,415	9,624	-
Finance Lease Liabilities	2,615	2,407	1,136	2,112
<b>TOTAL DEBT</b>	<b>63,015</b>	<b>43,262</b>	<b>26,078</b>	<b>14,532</b>
<b>TOTAL EQUITY</b>	<b>122,786</b>	<b>111,317</b>	<b>130,470</b>	<b>116,994</b>
<b>NET PROFIT AFTER TAX</b>	<b>23,392</b>	<b>24,530</b>	<b>24,680</b>	<b>24,091</b>
Debt to Equity Ratio	0.51	0.39	0.20	0.12
Net Debt to Equity Ratio*	-	-	-	-
Return on Equity	19.98%	23.61%	19.95%	21.93%

\* As both the Parent and Group have a positive net cash position, the Net Debt to Equity Ratio is calculated as zero.

## 9. Equity - Convertible Notes

During 2007, the Company issued convertible notes to certain employees for cash consideration. These convertible notes are interest bearing and the current interest rate is 8.23% (2011: 8.23%). Interest is recognised on an accruals basis and included within Creditors, Accruals and Provisions. The notes are convertible into ordinary shares at any time at the option of either the Company or the holder. The equity portion of the convertible notes is classified within a separate component of equity and as at 31 December 2012 there were 483,300 convertible notes on issue (2011: 483,300). No notes were converted into ordinary shares in 2012 (2011: 56,000).

## 10. Equity - Employee Benefits

The Employee Benefits Reserve is used to record the value of share based payments provided to employees. The Employee Benefits Reserve also contains the actuarial gains/losses on the Defined Benefit Pension Fund, details of which are disclosed in Note 19. The following table summarises the reserve as at balance date:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Employee Equity-Settled Benefits	303	235	303	235
Defined Benefit Pension Fund	179	832	-	-
<b>CARRYING AMOUNT AT END OF YEAR</b>	<b>482</b>	<b>1,067</b>	<b>303</b>	<b>235</b>

Employee equity-settled benefits comprise the fair value at grant date of the Company's Employee Share Option Plan and Employee Share Ownership Plan.



## 10. Equity - Employee Benefits Continued

### Employee Share Option Plan

In May 2002 the Company established an Employee Share Option Plan (ESOP), as a way of offering selected employees the opportunity to purchase options for ordinary shares in the company. Additional issues of options were made in 2003, 2004, 2005, 2006 and 2007. The purpose of the employee share option plan is to:

- attract and retain key employees;
- reward and incentivise those employees; and
- create a sense of collective ownership among employees, aligning employee incentives with the enhancement of shareholder value.

The Board of Directors of Opus International Consultants Limited administers all aspects of the plan. Any matter to be determined by the Board is determined as it sees fit at its sole discretion. The options must be exercised for ordinary shares on the exercise date unless the Board considers that the exercise would give rise to a breach of regulations or the options have expired. Options will also be forfeited if the participant ceases to be an employee.

During the year ended 31 December 2012 the 2007 tranche of the Employee Share Option Plan was exercised with an exercise price of \$0.741.

All tranches of the Employee Share Option Plan have now been exercised.

Effective from June 2008, the Employee Share Option Plan has been replaced by the Employee Share Ownership Plan, which is discussed in further detail below.

### Employee Share Ownership Plan

During the year ended 31 December 2008, the Company established the Opus International Consultants Limited Employee Share Ownership Plan to replace the Employee Share Option Plan. The Share Ownership Plan established a framework under which the Company can, from time to time, offer selected employees the opportunity to acquire shares in the Company. It is anticipated that the Company will make annual offers to selected employees as part of their remuneration package. The plan initially operated with the Company acquiring its own shares on-market for immediate resale to participants. The price at which the shares were resold to participants was the average price paid by the Company to acquire the shares. During the year ended 31 December 2010, the Company ceased acquiring its own shares and began issuing new shares to participants. New shares issued are issued at the market price on the day of issue.

The Company offers an interest free loan to the participants to purchase a beneficial interest in the shares. The shares will be held in Trust for the duration of a restricted period and initially the vesting period will be five years after the date that employees are invited to participate in the Plan. The Company's Board of Directors administer the Trust and the Trustee holds legal title until the Transfer Date. The Trust is included within the Parent Company when preparing the Company and Group's Financial Statements.

At the completion of the vesting period, participants may elect to accept a transfer of the restricted shares subject to the loan being repaid, continued employment and all exercise hurdles being met. The exercise hurdle has been set to align employees' interests with shareholders and the shares will not be released unless aggregate NOPAT exceeds the vesting hurdle at the vesting date.

Aggregate NOPAT is defined as Earnings Before Interest and Tax ("EBIT") as set out in the consolidated audited financial statements of the Group for the year in which the shares are allocated to participants and each of the following four years respectively, net of tax.

The vesting hurdle equals  $5 \times \text{EBIT}$  (for the preceding year), net of tax, plus  $(A - (5 \times B)) \times C$ .

A = Average Adjusted Net Assets (average of the opening and closing) as set out in the consolidated audited financial statements of the Group for the year in which the shares are allocated to participants and each of the following four years respectively. Average Net Assets is defined as Net Assets less bank balances and short term deposits plus borrowings, doubtful debts and provisions for employee entitlements;

B = Average Adjusted Net Assets for the year preceding the grant; and

C = Weighted Average Cost of Capital (WACC) most recently determined by the Company's directors prior to the allocation of shares to the participants. The Company's WACC after tax is currently 12% (2011: 12%).

During the year ended 31 December 2012, the Company issued 759,413 shares for the fourth tranche under this plan. The following table summarises the shares acquired on-market during 2008 and 2009 and those issued in 2010, 2011 and 2012:

	SHARES ACQUIRED/ISSUED	ESOP SHARES OUTSTANDING AT 31 DECEMBER 2012	EXERCISE PRICE	FAIR VALUE	EXERCISE DATE
2008	950,643	700,383	\$1.87	\$0.21	August 2013
2009	988,270	815,244	\$1.57	\$0.18	September 2014
2010	1,030,639	924,915	\$1.55	\$0.18	September 2015
2011	850,541	817,031	\$2.03	\$0.15	September 2016
2012	759,413	738,152	\$2.16	\$0.16	September 2017
<b>TOTAL</b>		<b>3,995,725</b>			

Included in the shares issued for the 2012 tranche were 87,530 shares that had been forfeited from the 2008 to 2011 tranches. The total number of new shares issued for the 2012 tranche was 671,883.

The cost of all equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes-Merton model. For share options granted during the year, the fair value calculation was based on the following key inputs:

Option Life	5 Years
Dividend Growth Rate	13.5%
Share Price Volatility	25-30%
Exercise Price	\$2.16
Valuation Date Share Price	\$1.97
Risk Free Interest Rate	4.6%

### Employee Equity Benefits Reserve Account

The movement and weighted average exercise price (WAEP), within the Employee Equity Benefits Reserve account within shareholders equity for the above ESOP schemes, for the year ended 31 December 2012, is shown in the table below:

	31 DECEMBER					
ESOP	2012 \$000	2011 \$000	2012 WAEP\$	2011 WAEP\$	2012 NOs.	2011 NOs.
Opening Balance	235	282	1.41	1.01	5,134,830	7,815,678
Options Granted During Year	-	-	2.16	2.03	759,413	850,541
Options Forfeited	-	-	1.85	0.97	(135,164)	(638,219)
Options Exercised	(71)	(120)	0.78	0.59	(1,763,354)	(2,893,170)
Share-Based Payment Expense	139	73	-	-	-	-
<b>TOTAL OPTIONS ON ISSUE</b>	<b>303</b>	<b>235</b>	<b>1.82</b>	<b>1.41</b>	<b>3,995,725</b>	<b>5,134,830</b>

## 11. Equity - Retained Earnings

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Balance at Beginning of Year	57,220	44,352	63,794	51,365
Net Surplus for the Year	23,392	24,530	24,680	24,091
Dividend on Ordinary Shares	(12,849)	(11,777)	(12,849)	(11,777)
Tax Credit on Supplementary Dividend	125	115	125	115
<b>BALANCE AT END OF YEAR</b>	<b>67,888</b>	<b>57,220</b>	<b>75,750</b>	<b>63,794</b>

Dividends of \$12.8 million (including \$0.1 million supplementary dividends) were declared and paid during the twelve months to 31 December 2012 representing 8.7 cents per ordinary share (2011: 8.1 cents per share).

## 12. Equity - Foreign Currency Translation Reserve

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Balance at Beginning of Year	65	244	–	–
Net Exchange Difference on Translation of International Subsidiaries	(312)	(648)	–	–
Income Tax Effect of Translation of International Subsidiaries	61	95	–	–
Net Gain on Hedge of Net Investment	153	424	–	–
Income Tax Effect of Hedge of Net Investment	32	(50)	–	–
<b>BALANCE AT END OF YEAR</b>	<b>(1)</b>	<b>65</b>	<b>–</b>	<b>–</b>

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and items that form part of the Company's net investment in foreign subsidiaries. It is also used to record the effective portion of gains and losses arising on derivatives used in net investment hedges of foreign operations.

### 13. Property, Plant And Equipment

	GROUP							
2012	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & VEHICLES \$000	COMPUTER EQUIPMENT \$000	FURNITURE & EQUIPMENT \$000	FINANCE LEASES (COMPUTER EQUIPMENT) \$000	TOTAL \$000
Balance at 1 January 2012 (net of accumulated depreciation and impairment)	135	1,056	1,444	1,466	1,432	2,112	2,020	9,665
Additions	-	-	1,942	1,530	3,908	1,169	1,651	10,200
Assets of Subsidiaries Acquired	-	-	231	34	1	45	-	311
Disposals	-	-	-	(9)	-	(9)	-	(18)
Reclassification	-	-	-	-	(3)	-	3	-
Depreciation charge for the year	-	(20)	(819)	(772)	(944)	(883)	(1,520)	(4,958)
Foreign Exchange Adjustment	-	(9)	(25)	(6)	(6)	(40)	(14)	(100)
<b>BALANCE AT 31 DECEMBER 2012</b>	<b>135</b>	<b>1,027</b>	<b>2,773</b>	<b>2,243</b>	<b>4,388</b>	<b>2,394</b>	<b>2,140</b>	<b>15,100</b>
At 31 December 2012								
Cost	135	1,235	11,732	10,273	8,716	12,208	4,854	49,153
Accumulated Depreciation And Impairment	-	(208)	(8,959)	(8,030)	(4,328)	(9,814)	(2,714)	(34,053)
<b>NET CARRYING AMOUNT</b>	<b>135</b>	<b>1,027</b>	<b>2,773</b>	<b>2,243</b>	<b>4,388</b>	<b>2,394</b>	<b>2,140</b>	<b>15,100</b>

	GROUP							
2011	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & VEHICLES \$000	COMPUTER EQUIPMENT \$000	FURNITURE & EQUIPMENT \$000	FINANCE LEASES (COMPUTER EQUIPMENT) \$000	TOTAL \$000
Balance at 1 January 2011 (net of accumulated depreciation and impairment)	135	1,095	1,595	1,523	1,081	2,307	2,132	9,868
Additions	-	-	625	717	2,099	770	90	4,301
Disposals	-	-	-	(26)	(1)	(3)	-	(30)
Reclassification	-	-	(7)	-	(1,205)	9	1,122	(81)
Depreciation charge for the year	-	(24)	(755)	(755)	(551)	(950)	(1,320)	(4,355)
Foreign Exchange Adjustment	-	(15)	(14)	7	9	(21)	(4)	(38)
<b>BALANCE AT 31 DECEMBER 2011</b>	<b>135</b>	<b>1,056</b>	<b>1,444</b>	<b>1,466</b>	<b>1,432</b>	<b>2,112</b>	<b>2,020</b>	<b>9,665</b>
At 31 December 2011								
Cost	135	1,245	9,698	8,925	4,737	11,337	5,554	41,631
Accumulated Depreciation And Impairment	-	(189)	(8,254)	(7,459)	(3,305)	(9,225)	(3,534)	(31,966)
<b>NET CARRYING AMOUNT</b>	<b>135</b>	<b>1,056</b>	<b>1,444</b>	<b>1,466</b>	<b>1,432</b>	<b>2,112</b>	<b>2,020</b>	<b>9,665</b>



### 13. Property, Plant And Equipment Continued

	PARENT COMPANY							
2012	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & VEHICLES \$000	COMPUTER EQUIPMENT \$000	FURNITURE & EQUIPMENT \$000	FINANCE LEASES (COMPUTER EQUIPMENT) \$000	TOTAL \$000
Balance at 1 January 2012 (net of accumulated depreciation and impairment)	135	233	659	1,146	1,075	1,168	1,816	6,232
Additions	-	-	440	1,385	3,587	561	-	5,973
Disposals	-	-	-	-	-	(7)	-	(7)
Reclassification	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(6)	(309)	(610)	(720)	(563)	(999)	(3,207)
<b>BALANCE AT 31 DECEMBER 2012</b>	<b>135</b>	<b>227</b>	<b>790</b>	<b>1,921</b>	<b>3,942</b>	<b>1,159</b>	<b>817</b>	<b>8,991</b>
At 31 December 2012								
Cost	135	280	6,543	8,738	5,335	7,607	2,877	31,515
Accumulated Depreciation And Impairment	-	(53)	(5,753)	(6,817)	(1,393)	(6,448)	(2,060)	(22,524)
<b>NET CARRYING AMOUNT</b>	<b>135</b>	<b>227</b>	<b>790</b>	<b>1,921</b>	<b>3,942</b>	<b>1,159</b>	<b>817</b>	<b>8,991</b>

	PARENT COMPANY							
2011	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & VEHICLES \$000	COMPUTER EQUIPMENT \$000	FURNITURE & EQUIPMENT \$000	FINANCE LEASES (COMPUTER EQUIPMENT) \$000	TOTAL \$000
Balance at 1 January 2011 (net of accumulated depreciation and impairment)	135	239	703	1,091	588	1,197	1,898	5,851
Additions	-	-	287	610	1,889	558	-	3,344
Disposals	-	-	-	(7)	-	1	-	(6)
Reclassification	-	-	-	-	(1,123)	-	1,124	1
Depreciation charge for the year	-	(6)	(331)	(548)	(279)	(588)	(1,206)	(2,958)
<b>BALANCE AT 31 DECEMBER 2011</b>	<b>135</b>	<b>233</b>	<b>659</b>	<b>1,146</b>	<b>1,075</b>	<b>1,168</b>	<b>1,816</b>	<b>6,232</b>
At 31 December 2011								
Cost	135	280	6,334	7,384	1,748	7,325	5,216	28,422
Accumulated Depreciation And Impairment	-	(47)	(5,675)	(6,238)	(673)	(6,157)	(3,400)	(22,190)
<b>NET CARRYING AMOUNT</b>	<b>135</b>	<b>233</b>	<b>659</b>	<b>1,146</b>	<b>1,075</b>	<b>1,168</b>	<b>1,816</b>	<b>6,232</b>

## 14. Investments In Associates And Joint Ventures

	GROUP	
	2012 \$000	2011 \$000
<b>ASSOCIATES AND JOINT VENTURES</b>		
Carrying Amount at Start of Year	339	291
Funds Advanced	115	-
Share of Surplus	896	653
Dividends Received	(960)	(605)
Foreign Exchange Adjustment	1	-
<b>CARRYING AMOUNT AT END OF YEAR</b>	<b>391</b>	<b>339</b>

### Associates and Joint Ventures:

The Parent Company owns interests in the following entities:

INTEREST IN ASSOCIATES AND JOINT VENTURES	% INTEREST	BALANCE DATE	PRINCIPAL ACTIVITY
NZ Water and Environment Training Academy	50%	31 December	Providing Water Services Training
Total Bridge Services	25%	31 March	Providing Engineering Services

Opus International Consultants (NSW) Pty Limited owns an interest in the following entity:

INTEREST IN ASSOCIATES AND JOINT VENTURES	% INTEREST	BALANCE DATE	PRINCIPAL ACTIVITY
AWA Opus Water Industry Training Institute	50%	30 June	Providing Water Services Training and Assessment

There are no significant unadjusted transactions or events that occurred between the balance date of the company and that of any associates.

Whilst the Group has significant influence over these associates it does not have the power to govern the financial and operating policies and these entities are therefore not consolidated into the Group.

Opus International Consultants (NSW) Pty Limited and the Australian Water Association (AWA) formed a joint venture in March 2012 known as the AWA Opus Water Industry Training Institute (WITI) to provide training and assessment in the water industry. The investment contributed by the Group was \$115k.

The unaudited financial position of the Associate Companies as at 31 December 2012 is summarised below:

	2012 \$000	2011 \$000
Current Assets	2,140	2,424
Non-Current Assets	182	240
<b>Total Assets</b>	<b>2,322</b>	<b>2,664</b>
Current Liabilities	(908)	(1,423)
<b>Total Liabilities</b>	<b>(908)</b>	<b>(1,423)</b>
<b>NET ASSETS</b>	<b>1,414</b>	<b>1,241</b>
Revenue Earned	15,675	12,094
Profit For The Year	3,693	2,460
Share of Surplus Recognised	896	653

## 14. Investments In Associates And Joint Ventures Continued

### Joint Venture:

The Group has a 50% interest in a joint venture, working with the joint venture partner Arup on a Client Support Term Contract for road network management services for Hertfordshire County Council (HCC) in the UK, known as the HCC Joint Venture. The following amounts represent the Group's share of the assets and liabilities, and income and results of the joint venture. These are included in the Statement of Financial Position and Income Statement.

	2012 \$000
Current Assets	597
Non-Current Assets	–
Total Assets	597
Current Liabilities	(523)
Total Liabilities	(523)
<b>NET ASSETS</b>	<b>74</b>
Revenue	3,065
Expenses	(2,991)
Profit after income tax	74

There are no contingent liabilities relating to the group's interest in the joint venture, and no contingent liabilities of the venture itself.

## 15. Intangible Assets

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>INTANGIBLE ASSETS COMPRISE:</b>				
Software Assets	637	771	528	631
Goodwill	54,667	46,666	415	415
<b>CARRYING AMOUNT AT END OF YEAR</b>	<b>55,304</b>	<b>47,437</b>	<b>943</b>	<b>1,046</b>

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>SOFTWARE ASSETS</b>				
Carrying Amount at Start of Year	771	811	631	670
Additions	320	554	275	507
Reclassification from Property, Plant and Equipment	-	81	-	(1)
Amount Amortised During Year	(451)	(666)	(378)	(545)
Foreign Exchange Adjustment	(3)	(9)	-	-
<b>CARRYING AMOUNT AT END OF YEAR</b>	<b>637</b>	<b>771</b>	<b>528</b>	<b>631</b>
Cost	8,301	7,922	6,561	6,286
Accumulated Amortisation	(7,664)	(7,151)	(6,033)	(5,655)
	<b>637</b>	<b>771</b>	<b>528</b>	<b>631</b>

Software assets represent licenses and other software assets that are not an integral part of property, plant and equipment assets. Software assets are recorded at cost and have finite useful lives based on the term of the license or other contractual basis. The cost is amortised over the asset's useful life.

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>GOODWILL</b>				
Carrying Amount at Start of Year	46,666	47,772	415	415
Additions	9,153	-	-	-
Foreign Exchange Adjustment	(1,152)	(1,106)	-	-
<b>CARRYING AMOUNT AT END OF YEAR</b>	<b>54,667</b>	<b>46,666</b>	<b>415</b>	<b>415</b>
Cost	55,241	47,264	415	415
Accumulated Impairment	(574)	(598)	-	-
	<b>54,667</b>	<b>46,666</b>	<b>415</b>	<b>415</b>



## 15. Intangible Assets Continued

### Goodwill Recoverable Amount

Goodwill is allocated and monitored by management across the following cash generating units (CGU):

	UNITED KINGDOM \$000	CANADA \$000	AUSTRALIA \$000	NEW ZEALAND \$000	TOTAL \$000
As at 31 December 2012	12,426	18,626	23,200	415	54,667
As at 31 December 2011	12,548	19,200	14,503	415	46,666

Goodwill has been tested for impairment by comparing the carrying amount of all cash-generating units (inclusive of goodwill) with their respective recoverable amounts, which are based on value in use. The value in use is determined by discounting future cashflows over a five-year period including a terminal value. The future cashflows are based on management's five-year business plan, which is the best estimate of immediate future performance. Management consider these forecasts to be realistic and prudent.

The following describes the key assumptions and management's approach to determining the value in use for each of the above cash generating units.

No impairment was identified in any of the above CGU's for the year ended 31 December 2012 (2011: \$nil).

#### United Kingdom

The value in use of the United Kingdom CGU (UK) is based on cashflow projections for a five year period with the following key assumptions:

- 1) The unit will continue on from the positive second half performance of 2012 and return to profit in 2013. This reflects management actions restructuring the existing UK business in 2012 and a full year of operations for the Hertfordshire County Council (HCC) Road Network Management contract;
- 2) The HCC contract will provide a base of revenue and EBIT that underpins the performance of the unit over the next five years;
- 3) Following 2013, the unit will achieve revenue growth consistent with inflation expectations of 2.1% per annum over the four year period to 2017; and
- 4) The forecast revenue growth will assist the unit to return to a more sustainable level of profitability in future years and the forecasts assume that the profit margin (defined as EBIT to Net Revenue) will grow by 1% each year from 2014 to 2017.

The above key assumptions are based on management's assessment of the current and anticipated future economic environment of the UK, coupled with an assessment of the unit's trading capabilities and prospects. The future growth assumptions take into account the unit's recent improved performance, and the significant impact of the HCC contract on the UK.

The future cashflows have been extrapolated beyond the five year period using a growth rate of 2.1% (2011: 2.9%) and discounted at a pre-tax rate of 11.2% (2011: 11.8%). The growth rate has decreased slightly from that used in 2011 to align with current long term inflation expectations for the UK economy. The discount rate is based on independent advice on the appropriate discount rate applicable to the UK.

In prior years there was a risk that a reasonable possible change in one of the key assumptions could result in the carrying value of the CGU's assets exceeding the recoverable amount, resulting in an impairment. This risk has reduced significantly as the most recent assessment of recoverable amount, including the impact of the HCC contract, showed that it exceeds the carrying amount of the CGU's assets by approximately \$11.1 million (2011: \$2.8 million).

### Canada

The value in use of the Canada CGU is based on cashflow projections for a five year period with the following key assumptions:

- 1) The unit will achieve an improved 2013 result compared with 2012. This continues the upward trend from 2011;
- 2) Following 2013, the unit will achieve revenue growth of 5% per annum for 2014 to 2017; and
- 3) The improving performance will lead to increased profitability in future years and the forecasts assume that the profit margin (defined as EBIT to Net Revenue) will grow by 1% each year from 2014 to 2017.

The above key assumptions are based on management's assessment of the current and anticipated future economic environment of the Canadian market, coupled with an assessment of the unit's trading capabilities and prospects.

The future cashflows have been extrapolated beyond the five year period using a growth rate of 2% (2011: 2%) and discounted at a pre-tax rate of 10.9% (2011: 10.9%). The discount rate is based on independent advice on the appropriate discount rate applicable to Canada.

### Australia

The value in use of the Australian CGU is based on cashflow projections for a five year period with the following key assumptions:

- 1) The unit will return to profit in 2013 achieving a result in line with 2011;
- 2) Following 2013, the unit will achieve revenue growth of 5% per annum for 2014 to 2017; and
- 3) The improving performance will lead to increased profitability in future years and the forecasts assume that the profit margin (defined as EBIT to Net Revenue) will grow by 1% each year from 2014 to 2017.

The above key assumptions are based on management's assessment of the current and anticipated future economic environment of the Australian market, coupled with an assessment of the unit's trading capabilities and prospects.

The future cashflows have been extrapolated beyond the five year period using a growth rate of 2.8% (2011: 2.8%) and discounted at a pre-tax rate of 14.7% (2011: 14.7%). The discount rate is based on independent advice on the appropriate discount rate applicable to Australia.

### New Zealand

The value in use of the New Zealand CGU has not been calculated due to the insignificant value of goodwill included in the CGU and the strong financial performance of the unit.

## 16. Business Combinations

On 29 February 2012, the Group acquired 100% of the ordinary share capital of the Australian based rail engineering consultancy, Coffey Rail Pty Ltd (renamed Opus Rail Pty Ltd) and its related company, Asia Pacific Rail Pty Ltd. The goodwill and net assets arising from the acquisition are summarised below:

	COFFEY RAIL PTY LTD
NET ASSETS AT DATE OF ACQUISITION	FAIR VALUE NZ \$000
Accounts Receivable	2,134
Provision for Doubtful Debts	(1)
Other Assets	1
Work in Progress	383
Property, Plant and Equipment	311
Deferred Tax Asset	338
<b>TOTAL ASSETS</b>	<b>3,166</b>
Revenue in Advance	(67)
Provisions for Employee Entitlements	(895)
<b>TOTAL LIABILITIES</b>	<b>(962)</b>
<b>FAIR VALUE OF NET ASSETS ACQUIRED</b>	<b>2,204</b>
<b>PURCHASE CONSIDERATION</b>	
Cash	11,357
<b>TOTAL PURCHASE CONSIDERATION</b>	<b>11,357</b>
Cash Consideration - Funded by Short Term Bank Borrowings	(11,357)
<b>CASH FLOW ON ACQUISITION</b>	<b>(11,357)</b>
<b>GOODWILL ARISING ON ACQUISITION</b>	<b>9,153</b>
Revenue Since Acquisition	11,008
EBIT Since Acquisition	1,606
Net Profit After Tax Since Acquisition From Trading Activities	1,119
Cost After Tax From Acquisition, Financing and Integration Activities	(518)
<b>NET PROFIT AFTER TAX FROM ACQUISITION INCLUDED IN GROUP RESULTS FOR THE YEAR</b>	<b>601</b>

The cost after tax from acquisition includes borrowing costs, legal fees and other costs incurred by the Group that were directly attributable to the acquisition.

The principal factor that contributed to a purchase cost that resulted in the recognition of goodwill is the expected growth in future cashflows including synergies and benefits from the involvement of Opus personnel.

If the acquisition date had been effected for this acquisition from 1 January 2012, Coffey Rail Pty Ltd would have contributed revenues of \$12.9m and made a net profit after tax of \$0.9m net of borrowing and other acquisition related costs.

## 17. Receivables And Prepayments

		GROUP		PARENT COMPANY	
		2012 \$000	2011 \$000	2012 \$000	2011 \$000
Trade Receivables	22	45,705	41,311	25,538	24,592
Less Provision for Doubtful Debts	22	(1,257)	(694)	(129)	(198)
Prepayments		3,921	2,358	2,889	1,473
Interest Receivable		723	681	723	681
Other Receivables		856	808	69	135
Receivables from Subsidiaries		-	-	1,680	293
<b>TOTAL RECEIVABLES AND PREPAYMENTS</b>		<b>49,948</b>	<b>44,464</b>	<b>30,770</b>	<b>26,976</b>

Included within other receivables are retentions receivable of \$3,034 for the Group and Parent Company (2011: \$89,234) and amounts receivable from Opus Group Bhd to the Group of \$539,747 (2011: \$4,480).

## 18. Provisions For Employee Entitlements

Included under current and term liabilities are accruals for salaries and wages and provisions for annual leave, long service leave, retirement leave and incentive costs.

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Accrued Salaries, Wages and Incentive Costs	9,985	8,389	8,631	6,772
Annual Leave	11,295	11,877	8,764	9,792
Retirement Leave	8,125	8,137	8,066	8,035
Long Service Leave	4,120	3,607	991	1,158
<b>TOTAL PROVISIONS FOR EMPLOYEE ENTITLEMENTS</b>	<b>33,525</b>	<b>32,010</b>	<b>26,452</b>	<b>25,757</b>

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>MATURITY PROFILE OF EMPLOYEE ENTITLEMENTS</b>				
Current - Less than One Year	26,929	25,091	19,942	18,930
Term - Greater than One Year	6,596	6,919	6,510	6,827
<b>TOTAL PROVISIONS FOR EMPLOYEE ENTITLEMENTS</b>	<b>33,525</b>	<b>32,010</b>	<b>26,452</b>	<b>25,757</b>

The benefits for retirement leave and long service leave as at 31 December 2012 and 2011 have been based on an independent actuarial valuation provided by AON Consulting (NZ) Limited and are summarised in the tables below.

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>PROVISION FOR EMPLOYEE ENTITLEMENTS - RETIREMENT LEAVE</b>				
Opening Balance	8,137	7,701	8,035	7,542
Paid Relating to Prior Year	(807)	(399)	(807)	(399)
Increase during the year in the discounted amount arising from the passage of time and the effect of any change in the discount rate	110	372	110	372
Transfer from Subsidiary	-	-	55	42
Foreign Exchange Adjustment	(4)	(3)	-	-
Provision Current Year	689	466	673	478
<b>CLOSING BALANCE</b>	<b>8,125</b>	<b>8,137</b>	<b>8,066</b>	<b>8,035</b>



## 18. Provisions For Employee Entitlements Continued

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>PROVISION FOR EMPLOYEE ENTITLEMENTS - LONG SERVICE LEAVE</b>				
Opening Balance	3,607	3,485	1,158	1,312
Paid Relating to Prior Year	(359)	(358)	(138)	(168)
Decrease during the year in the discounted amount arising from the passage of time and the effect of any change in the discount rate	(105)	(138)	(109)	(138)
Acquisition of Subsidiary	624	-	-	-
Transfer from Subsidiary	-	-	-	6
Foreign Exchange Adjustment	(11)	(28)	-	-
Provision Current Year	364	646	80	146
<b>CLOSING BALANCE</b>	<b>4,120</b>	<b>3,607</b>	<b>991</b>	<b>1,158</b>

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>MATURITY PROFILE OF RETIREMENT AND LONG SERVICE LEAVE LIABILITIES</b>				
Current - Less than One Year	5,649	4,825	2,547	2,366
Term - Greater than One Year	6,596	6,919	6,510	6,827
<b>TOTAL RETIREMENT AND LONG SERVICE LEAVE LIABILITIES</b>	<b>12,245</b>	<b>11,744</b>	<b>9,057</b>	<b>9,193</b>

## 19. Defined Benefit Pension Liability

Opus International Consultants (UK) Limited has a Defined Benefits Pension Fund. The Fund is closed to new employees. The assets of the Fund are held in a legally separate fund from the reporting entity and the Fund exists solely to pay or fund employee benefits. The assets are funded by both the employer and employees. The Fund purchases an annuity at the time of an employee becoming entitled to a pension. The Fund is valued on an annual basis by independent actuary, Clerical Medical Investment Group Limited, taking into account gains and losses. The unfunded liability to the Fund was assessed by the independent actuary as at 31 December 2012 at \$1.52 million or £0.77 million (2011: \$0.84 million, £0.42 million) and has been taken up as a liability by the Company. The assets and liabilities of the Fund are outlined below:

	2012 \$000	2011 \$000	2010 \$000	2009 \$000	2008 \$000
Present Value of Defined Benefit Liabilities	(13,376)	(11,689)	(11,834)	(12,769)	(10,659)
Fair Value of Fund Assets	11,853	10,854	10,529	10,009	10,261
<b>NET FUND LIABILITIES</b>	<b>(1,523)</b>	<b>(835)</b>	<b>(1,305)</b>	<b>(2,760)</b>	<b>(398)</b>
<b>INCOME BENEFIT/(TAX) ON ACTUARIAL GAINS/LOSSES</b>	<b>239</b>	<b>(87)</b>	<b>(344)</b>	<b>708</b>	<b>2</b>

Changes in the present value of the defined benefit obligation are as follows:

	2012 \$000	2011 \$000
Opening Defined Benefit Obligation	(11,689)	(11,834)
Current Service Cost	(142)	(155)
Interest Cost	(587)	(619)
Benefits Paid	431	732
Member Contributions	(26)	(30)
Actuarial Losses	(1,477)	(4)
Foreign Exchange Movements	114	221
<b>CLOSING DEFINED BENEFIT OBLIGATION</b>	<b>(13,376)</b>	<b>(11,689)</b>

Changes in the fair values of plan assets are as follows:

	2012 \$000	2011 \$000
Opening Fair Value of Plan Assets	10,854	10,529
Expected Return	526	489
Contributions by Employer	400	394
Member Contributions	26	30
Benefits Paid	(431)	(732)
Actuarial Gains	585	340
Foreign Exchange Movements	(107)	(196)
<b>FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER</b>	<b>11,853</b>	<b>10,854</b>

The income tax on actuarial gains/losses is recognised directly in Other Comprehensive Income within the Statement of Comprehensive Income.

The Group expects to make contributions to the Fund of approximately \$0.4 million in 2013.

## 19. Defined Benefit Pension Liability Continued

The principal actuarial assumptions used as at 31 December were:

	2012	2011	2010	2009	2008
Discount Rate	4.5%	5.1%	5.5%	6.0%	6.9%
Salary Escalation	2.7%	2.9%	3.3%	3.0%	5.0%
Expected Gross Return on Cash and Other Assets	2.6%	3.3%	3.8%	4.1%	4.7%
Expected Return on Group Pension Contract	4.3%	4.9%	4.8%	4.6%	6.3%

The fair value of fund assets principally consists of a group pension contract.

The benefits paid during the year ended 31 December 2012 totalled \$0.4 million (2011: \$0.7 million).

## 20. Creditors, Accruals And Provisions

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Trade and Sundry Creditors	4,525	2,644	3,460	1,830
Accruals	14,985	13,394	9,493	10,218
Short Term Payable	930	5,480	–	–
Provisions	605	437	478	268
<b>TOTAL CREDITORS, ACCRUALS AND PROVISIONS</b>	<b>21,045</b>	<b>21,955</b>	<b>13,431</b>	<b>12,316</b>

### Short Term Payable

The short term payable comprises an amount of \$0.9 million (C\$0.8 million), payable to the vendors of Dayton & Knight Limited, which is contingent on certain performance criteria being met. The contingent payment is discounted to net present value. This amount was included in the purchase consideration for this business combination.

In 2011 the short term payable comprised an amount of \$5.5 million (C\$4.34 million), payable to the vendors of Dayton & Knight Limited on 15 November 2012. The amount paid on 15 November 2012 was \$5.4 million (C\$4.34 million). This amount was included in the purchase consideration for this business combination.

### Provisions

The following provisions have been determined based on a loss-incurred model and recorded within provisions above:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>PROFESSIONAL INDEMNITY CLAIMS</b>				
Opening Balance	289	606	122	268
Paid Relating to Prior Year	(147)	(229)	–	–
Amount Released	(55)	(147)	(54)	(146)
Foreign Exchange Adjustment	(1)	(5)	–	–
Provision Current Year	359	64	250	–
<b>CLOSING BALANCE</b>	<b>445</b>	<b>289</b>	<b>318</b>	<b>122</b>

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>PROVISION FOR PROJECT COSTS</b>				
Opening Balance	148	318	146	312
Amount Released	(148)	(308)	(146)	(303)
Provision Current Year	160	138	160	137
<b>CLOSING BALANCE</b>	<b>160</b>	<b>148</b>	<b>160</b>	<b>146</b>

The Professional Indemnity claim provision is an assessed amount relating to a number of contracts that Opus may or may not be required to pay outside of its insurance cover. Due to the complexity of the cases it is unknown at this time when subsequent payments (if any) may be made. Provision for project costs is an assessment of the shortfall between costs and future revenue on certain projects where the Company is committed to providing a service for which the costs will exceed the revenues.

## 21. Finance Lease Liabilities

The Group has finance leases for various items of computer equipment with a carrying amount of \$2.1 million (2011: \$2.0 million) (Parent Company 2012: \$0.8 million (2011: \$1.8 million)). These lease contracts expire within one to five years. The leases have terms of renewal, purchase options and escalation clauses. These terms are at the option of the specific entity that holds the lease.

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>PRESENT VALUE OF MINIMUM LEASE PAYMENTS</b>				
<b>LEASE LIABILITY UNDER FINANCE LEASES</b>				
Current - Less Than One Year	1,185	1,083	715	969
Between One and Two Years	854	899	380	718
Between Two and Five Years	576	425	41	425
<b>PRESENT VALUE OF MINIMUM LEASE PAYMENTS</b>	<b>2,615</b>	<b>2,407</b>	<b>1,136</b>	<b>2,112</b>

Total minimum lease payments over the term of finance leases are summarised in the table below:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>MINIMUM LEASE PAYMENTS</b>				
<b>LEASE LIABILITY</b>				
Current - Less Than One Year	1,339	1,200	759	1,066
Between One and Two Years	930	956	389	762
Between Two and Five Years	611	440	42	433
<b>MINIMUM LEASE PAYMENTS</b>	<b>2,880</b>	<b>2,596</b>	<b>1,190</b>	<b>2,261</b>
Less Interest Attributable to Future Years	(265)	(189)	(54)	(149)
<b>PRESENT VALUE OF MINIMUM LEASE PAYMENTS</b>	<b>2,615</b>	<b>2,407</b>	<b>1,136</b>	<b>2,112</b>

The average interest rate on the Finance Leases was 7.92% (2011: 6.90%) per annum.



## 22. Financial Instruments and Risk Management

The Group's principal financial instruments comprise cash balances, bank borrowings, receivables, creditors, lease creditors, term payables, convertible notes and derivative financial instruments. It is, and has been through the period of these financial statements, the Group's policy that no trading in financial instruments shall be undertaken. All material financial instruments are classified as either loans and receivables or as financial liabilities at amortised cost. The following table summarises the categories of the Group and Parent Company's financial instruments:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>LOANS AND RECEIVABLES</b>				
Cash and Cash Equivalents	94,043	92,813	92,240	91,365
Loans to Subsidiaries	–	–	10,349	17,247
Trade Receivables	45,705	41,311	25,538	24,592
<b>DERIVATIVES DESIGNATED AS A HEDGE OF A NET INVESTMENT</b>				
Derivative Financial Instruments Asset	57	245	57	245
<b>FINANCIAL LIABILITIES AT AMORTISED COST</b>				
Short Term Bank Borrowings	25,652	36,440	15,318	12,420
Trade Creditors	4,525	2,644	3,460	1,830
Finance Leases	2,615	2,407	1,136	2,112
Short Term Payable	930	5,480	–	–
Long Term Bank Borrowings	34,748	4,415	9,624	–
Long Term Payable	–	918	–	–

An extension of the Group's financing facilities was obtained resulting in a reclassification from Short Term Bank Borrowings (classified as cash in the Statement of Cash Flows) to Long Term Bank Borrowings.

The main risks arising from the Group's financial instruments are credit risk, foreign currency risk, interest rate risk and liquidity risk. These risks are explained and quantified in further detail below.

### Credit Risk

Credit risk arises from the financial assets of the Group and the potential default of the counterparty. Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents and receivables. The Group manages its exposures to credit risk by performing credit evaluations on its customers requiring credit and monitoring the credit quality of financial institutions that hold cash balances and are counterparties to financial instruments.

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>MAXIMUM EXPOSURES TO CREDIT RISK AT BALANCE DATE ARE:</b>				
Cash and Cash Equivalents	94,043	92,813	92,240	91,365
Loans to Subsidiaries	–	–	10,349	17,247
Trade Receivables	45,705	41,311	25,538	24,592
Derivative Financial Instruments Asset	57	245	57	245

No collateral is held on the above amounts. The maximum exposures are net of any recognised provision for losses on these financial instruments.

### Concentration of Credit Risk

The Group's ten largest customers account for approximately 47% (2011: 41%) of total debtors. The majority of these customers are government and quasi-government organisations.

### Credit Quality of Receivables

The credit quality of receivables is initially managed by Opus through a requirement to undertake a credit check before accepting contracts with new clients. The credit quality of receivables is further assessed on a regular basis through the Company's internal credit management policies and review processes. The Company does not employ an internal credit rating system. The quality of all receivables is reviewed on a monthly basis. At balance date the portfolio of receivables which were neither past due or impaired were considered to be of similar quality to previous periods and collectable. Further details on receivables, which are past due are provided below.

### Past Due Assets

Financial assets are considered to be past due when a counterparty has failed to make a payment when contractually due. Given the diversity of the industries and practices within the various geographic locations in which the Group operates, the contractual period for collection of outstanding debts varies. Whilst the Group targets collection to occur by the due date, it is not unusual for some clients to take longer to settle their obligation with us. Accordingly the Group has determined that any amounts due which are 60 days or older represent past due assets. As at 31 December 2012 the Group and Parent Company's ageing profile of receivables was as follows:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Receivables < 60 days old	37,764	34,078	22,092	20,160
Receivables > 60 days old not impaired	6,545	6,454	3,297	4,204
Receivables > 60 days impaired	1,396	779	149	228
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b>45,705</b>	<b>41,311</b>	<b>25,538</b>	<b>24,592</b>
<b>PROVISION FOR DOUBTFUL DEBTS</b>	<b>1,257</b>	<b>694</b>	<b>129</b>	<b>198</b>

The average age of receivables which are past due but not impaired is 92 days (2011: 102 days). Provision has been made against 100% of the impaired receivables balances, excluding indirect taxes (2011: 100%). The Group evaluates all outstanding debts for impairment on a regular basis and actively monitors and assesses whether there are any significant disputes or any concerns about the ability of the counterparty to make payment and/or whether the passage of time indicates that the collectability of a debt is doubtful. In the event of there being sufficient evidence to suggest that an amount due is doubtful, the Group provides against the outstanding amount, regardless of its age. Included in receivables greater than 60 days but not impaired are debts where we have agreed to receive payment over time but in all cases these debts are disclosed in the table above according to their original due date.

The movement in provision for doubtful debts for the year is outlined below:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>PROVISION FOR DOUBTFUL DEBTS</b>				
Opening Balance	694	1,644	198	322
Amount Recovered	(681)	(1,441)	(229)	(273)
Acquisition of Subsidiary	1	–	–	–
Amount Written Off	(203)	(522)	(43)	(76)
Provision Current Year	1,465	1,063	203	225
Foreign Exchange Adjustment	(19)	(50)	–	–
<b>CLOSING BALANCE</b>	<b>1,257</b>	<b>694</b>	<b>129</b>	<b>198</b>

## 22. Financial Instruments and Risk Management Continued

The Group and Parent Company account for the impairment of any receivables in the first instance by recognising a provision for doubtful debts. Accordingly, the net carrying amount of Accounts Receivable also represents the fair value. During the year ended 31 December 2012, the Group wrote-off debts totalling \$202,612 (2011: \$522,036). The Parent Company wrote-off debts of \$43,163 (2011: \$76,003).

### Foreign Currency Risk

The Group faces risk from movements in foreign currency exchange rates against the New Zealand dollar. The Group's foreign subsidiaries principally operate in the United Kingdom, Australia, Canada and the United States of America. As a result, the Group's Income Statement and Statement of Financial Position can be affected by movements in exchange rates. The Group seeks to partially mitigate this foreign currency risk by borrowing in the local currency of the subsidiary and entering into forward exchange rate contracts in the local currency of the subsidiary.

The Group also has exposure to foreign exchange risk as a result of transactions denominated in other foreign currencies arising from normal trading activities. These transactions are not significant to the Group. The currencies in which the Group primarily transacts business are New Zealand dollars, Australian dollars, US dollars, British pounds and Canadian dollars. Offsetting exposures are used to mitigate this risk. Exposures in currencies that cannot be offset may be partially managed by using a US dollar partial hedge. As at 31 December 2012 there were six forward exchange contracts (2011: one).

The following table summarises the potential effect on the Group's Net Surplus After Tax and Other Comprehensive Income, if the New Zealand Dollar had strengthened or weakened against the Group's three major trading currencies with all other variables held constant. Total Comprehensive Income is impacted by the translation of Australian dollar, British pound and Canadian dollar foreign currency bank overdrafts in the Parent Company into New Zealand Dollars. The calculation effectively changes the actual exchange rate in each currency for the year by 10% and restates the foreign currency bank overdrafts using the adjusted rates. The sensitivity used in the calculations below is consistent with the range of actual movements in the New Zealand Dollar against each of the foreign currencies during the year. The relative size of the overdrafts is also considered when assessing sensitivity to changes in foreign currency exchange rates.

	GROUP			
	+10%		-10%	
EFFECT OF MOVEMENTS IN FOREIGN EXCHANGE RATES ON FINANCIAL INSTRUMENTS:	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Reported Net Surplus After Tax	23,392	24,530	23,392	24,530
Potential Effect of Change in Exchange Rates	146	(32)	(179)	39
Possible Net Surplus After Tax	23,538	24,498	23,213	24,569
Other Comprehensive Income	(719)	70	(719)	70
Potential Effect of Change in Exchange Rates	2,239	1,081	(2,736)	(1,323)
Possible Other Comprehensive Income	1,520	1,151	(3,455)	(1,253)
Possible Total Comprehensive Income	25,058	25,649	19,758	23,316

The above calculation demonstrates the impact on Net Surplus After Tax and Other Comprehensive Income from changes in foreign currency exchange rates on financial instruments. The Group also has offsetting investment related exposures, not considered to be financial instruments, on which changes in foreign currency exchange rates have an inverse impact on Other Comprehensive Income. The overall impact on Total Comprehensive Income is the net impact from translating all these items into New Zealand Dollars. For the year ended 31 December 2012, Total Comprehensive Income reduced by \$66k (31 December 2011: reduction of \$179k) arising from changes in foreign currency exchange rates.

## Interest Rate Risk

Interest rate risk is the risk that the value of the Group and Parent Company's assets and liabilities will fluctuate due to changes in market interest rates.

The Group and Parent Company are exposed to interest rate risk primarily through cash balances, bank overdrafts, bank borrowings, finance leases and convertible notes. The Group does not have any forward rate agreements or interest rate hedge products. The interest rate re-pricing profile of the Group's financial assets and liabilities subject to interest rate risk is outlined below:

	GROUP			
AS AT 31 DECEMBER 2012	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
<b>FINANCIAL ASSETS</b>				
Cash and Cash Equivalents	94,043	–	–	94,043
<b>TOTAL</b>	<b>94,043</b>	<b>–</b>	<b>–</b>	<b>94,043</b>
<b>FINANCIAL LIABILITIES</b>				
Short Term Bank Borrowings	25,652	–	–	25,652
Finance Lease Creditors	326	814	1,475	2,615
Short Term Payable	930	–	–	930
Long Term Bank Borrowings	34,748	–	–	34,748
<b>TOTAL</b>	<b>61,656</b>	<b>814</b>	<b>1,475</b>	<b>63,945</b>
Convertible Notes	358	–	–	358

	GROUP			
AS AT 31 DECEMBER 2011	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
<b>FINANCIAL ASSETS</b>				
Cash and Cash Equivalents	92,813	–	–	92,813
<b>TOTAL</b>	<b>92,813</b>	<b>–</b>	<b>–</b>	<b>92,813</b>
<b>FINANCIAL LIABILITIES</b>				
Short Term Bank Borrowings	36,440	–	–	36,440
Finance Lease Creditors	283	460	1,664	2,407
Short Term Payable	5,480	–	–	5,480
Long Term Bank Borrowings	4,415	–	–	4,415
Long Term Payable	–	–	918	918
<b>TOTAL</b>	<b>46,618</b>	<b>460</b>	<b>2,582</b>	<b>49,660</b>
Convertible Notes	358	–	–	358

## 22. Financial Instruments and Risk Management Continued

	PARENT COMPANY			
AS AT 31 DECEMBER 2012	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
<b>FINANCIAL ASSETS</b>				
Cash and Cash Equivalents	92,240	–	–	92,240
<b>TOTAL</b>	<b>92,240</b>	<b>–</b>	<b>–</b>	<b>92,240</b>
<b>FINANCIAL LIABILITIES</b>				
Short Term Bank Borrowings	15,318	–	–	15,318
Finance Lease Creditors	200	588	348	1,136
Long Term Bank Borrowings	9,624	–	–	9,624
<b>TOTAL</b>	<b>25,142</b>	<b>588</b>	<b>348</b>	<b>26,078</b>
Convertible Notes	358	–	–	358

	PARENT COMPANY			
AS AT 31 DECEMBER 2011	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
<b>FINANCIAL ASSETS</b>				
Cash and Cash Equivalents	91,365	–	–	91,365
<b>TOTAL</b>	<b>91,365</b>	<b>–</b>	<b>–</b>	<b>91,365</b>
<b>FINANCIAL LIABILITIES</b>				
Short Term Bank Borrowings	12,420	–	–	12,420
Finance Lease Creditors	258	439	1,415	2,112
<b>TOTAL</b>	<b>12,678</b>	<b>439</b>	<b>1,415</b>	<b>14,532</b>
Convertible Notes	358	–	–	358

The financial assets and liabilities shown above are subject to floating or short-term interest rate risk except for finance lease creditors, short and long term payables and convertible notes, which are subject to fixed rate interest risk. All other financial assets and financial liabilities of the Group and Parent Company are not subject to interest rate risk.



The following table demonstrates the potential effect on the Group and Parent Company's Net Surplus after Tax, if interest rates had been 2% higher or lower with all other variables held constant. The calculation effectively changes the actual average interest rate for interest bearing assets and liabilities for the year by 2% and restates interest revenue and expense using the adjusted rates.

	GROUP			
	+2%		-2%	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>EFFECT OF MOVEMENTS IN INTEREST RATES:</b>				
Reported Net Surplus After Tax	23,392	24,530	23,392	24,530
Potential Effect of 2% Change in Interest Rates	991	1,023	(982)	(1,023)
<b>POSSIBLE NET SURPLUS AFTER TAX</b>	<b>24,383</b>	<b>25,553</b>	<b>22,410</b>	<b>23,507</b>

	PARENT COMPANY			
	+2%		-2%	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>EFFECT OF MOVEMENTS IN INTEREST RATES:</b>				
Reported Net Surplus After Tax	24,680	24,091	24,680	24,091
Potential Effect of 2% Change in Interest Rates	1,861	1,860	(1,861)	(1,860)
<b>POSSIBLE NET SURPLUS AFTER TAX</b>	<b>26,541</b>	<b>25,951</b>	<b>22,819</b>	<b>22,231</b>

The above impact on reported Net Surplus After Tax from potential changes in interest rates is the same for Other Comprehensive Income.

### Liquidity Risk

Management monitor the Group's liquidity on a regular basis through rolling cashflow forecasts. The Group, through the Parent Company, keeps a committed credit line open with its main banker in excess of normal requirements to mitigate any liquidity risk. Cash at bank, derivative financial instruments and term deposits are held with financial institutions that have a current Standard & Poor's credit rating of A or greater.

### Long Term Borrowings

The Group and Parent Company hold the following long term borrowings and finance lease liabilities:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Finance Lease Liabilities (refer Note 21)	1,430	1,324	421	1,143
Long Term Bank Borrowings	34,748	4,415	9,624	-
<b>TOTAL LONG TERM BORROWINGS</b>	<b>36,178</b>	<b>5,739</b>	<b>10,045</b>	<b>1,143</b>

Long Term Bank Borrowings comprise multi-currency facilities held with various entities of the HSBC Banking Group.

## 22. Financial Instruments and Risk Management Continued

### Credit Facilities

The Group has multi-currency bank overdraft and loan facilities of \$109 million as at 31 December 2012 at an average interest rate of 4.75% (2011: \$81 million at interest rate of 4.12%). As at 31 December 2012, the Group has \$50 million of unused credit facilities available for immediate use.

### Assets as Security

All bank overdrafts and loans are unsecured and are subject to a deed of negative pledge. The bank facility with the BNZ expires in 2014 while the facilities with the HSBC Banking Group expire in 2014 and 2015.

In 2012 the Group and Company complied with all banking covenants.

### Derivative Financial Instruments Asset

The Group and Parent Company hold the following derivative financial instruments assets:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Forward Exchange Rate Contracts - due within 12 months (net settled)	57	245	57	245
<b>TOTAL DERIVATIVE FINANCIAL INSTRUMENTS ASSET</b>	<b>57</b>	<b>245</b>	<b>57</b>	<b>245</b>

The Group has six forward exchange rate contracts outstanding as at 31 December 2012. These are used to partially hedge the Group's foreign currency risk. The notional principal amounts of these forward exchange rate contracts are C\$3.5 million and A\$8.1 million.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 - the fair value is calculated using quoted prices in active markets.
- Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the forward exchange contract is calculated using level 2.

### Hedges of Net Investments in Foreign Operations

The Group has designated a portion of bank borrowings in the same currency as the foreign operations and forward exchange rate contracts as hedges of the net investment in those operations. The hedges were effective throughout 2012 and there was no ineffectiveness recognised in the Income Statement (2011: \$nil).

### Bank Borrowings Designated as Hedges

	GROUP	
	2012 \$000	2011 \$000
Short Term Bank Borrowings	23,855	34,074
Long Term Bank Borrowings	34,748	4,415
<b>TOTAL</b>	<b>58,603</b>	<b>38,489</b>

## Maturity Profile

The maturity profile of the Group's financial liabilities is consistent with the interest rate re-pricing profile disclosed above except for finance lease liabilities and long term bank borrowings. The interest rate on finance lease liabilities is fixed for the term of the lease. The Group has a range of individual leases which mature at various points over the next four years, which is the maximum lease term for all leases. The maturity profile of finance lease liabilities is disclosed in Note 21. The interest rate on long term bank borrowings is subject to movements in the lenders' variable rates, whilst the maturity of the facilities ranges between 24 and 36 months. The maturity profile of the undiscounted cashflows is shown below.

	GROUP			
AS AT 31 DECEMBER 2012	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
<b>MATURITY PROFILE</b>				
Long Term Bank Borrowings	1,533	25,960	9,625	37,118

	GROUP			
AS AT 31 DECEMBER 2011	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
<b>MATURITY PROFILE</b>				
Long Term Bank Borrowings	192	192	4,583	4,967

	PARENT COMPANY			
AS AT 31 DECEMBER 2012	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
<b>MATURITY PROFILE</b>				
Long Term Bank Borrowings	250	250	9,625	10,125

	PARENT COMPANY			
AS AT 31 DECEMBER 2011	12 MONTHS \$000	12 - 24 MONTHS \$000	> 24 MONTHS \$000	TOTAL \$000
<b>MATURITY PROFILE</b>				
Long Term Bank Borrowings	–	–	–	–

## Fair Value

The carrying value of each class of financial assets and financial liabilities has been assessed as an appropriate measure of their fair value except as follows:

	GROUP		PARENT COMPANY	
	CARRYING VALUE \$000	FAIR VALUE \$000	CARRYING VALUE \$000	FAIR VALUE \$000
Cash and Cash Equivalents	94,043	94,147	92,240	92,344

Cash and cash equivalents comprise deposits with banking institutions and have maturities ranging from on-call to 180 days. The fair value of these deposits has been calculated by comparing interest rates for similar maturities as at 31 December with the actual interest rates on the deposits.

## 23. Reconciliation Of Net Surplus After Tax With Net Cash Flows From Operating Activities

	GROUP YEAR ENDED 31 DECEMBER		PARENT COMPANY YEAR ENDED 31 DECEMBER	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Reported Net Surplus for the Year	23,392	24,530	24,680	24,091
<b>ADD/(LESS) NON-CASH ITEMS AND NON-OPERATING ITEMS:</b>				
Depreciation and Amortisation	5,409	5,021	3,585	3,503
Bad Debts Written Off	203	522	43	76
Fair Value of Employee Equity Benefits	139	73	139	73
Doubtful Debts	582	(900)	(69)	(123)
Accommodation Fit-Out Incentive	(161)	(168)	-	(61)
Unrealised Foreign Exchange (Gains)/Losses	(96)	(95)	652	169
(Gain)/Loss on Sale of Property, Plant and Equipment	(32)	(21)	5	-
Share of Surplus of Associate	(896)	(653)	-	-
Dividend From Associate	-	-	(960)	(605)
Deferred Taxation	(1,681)	(394)	229	209
Defined Benefit Pension Obligation	203	285	-	-
Intercompany Transactions with Subsidiaries	-	-	(821)	(1,625)
<b>MOVEMENT IN WORKING CAPITAL:</b>				
(Increase)/Decrease in Receivables and Prepayments	(3,912)	3,894	(2,338)	1,515
Increase/(Decrease) in Taxation Receivable/Payable	354	(2,569)	103	(2,106)
(Increase)/Decrease in Work in Progress	(4,534)	(3,575)	(2,441)	(2,209)
Increase/(Decrease) in Creditors and Accruals	2,752	(1,957)	1,249	(1,161)
(Decrease)/Increase in Revenue in Advance	(4,978)	3,540	(5,185)	3,687
Increase/(Decrease) in Provisions for Employee Entitlements	1,308	(2,433)	695	(2,262)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>18,052</b>	<b>25,100</b>	<b>19,566</b>	<b>23,171</b>

## 24. Related Party Transactions

Opus International Consultants Limited is a company incorporated in New Zealand. The immediate holding company of the majority shareholder (Opus International (NZ) Limited) is Opus Group Bhd, a company incorporated in Malaysia, and the ultimate holding company and controlling entity is Khazanah Nasional Berhad, a company incorporated in Malaysia. The Parent Company provides consultancy services to Opus Group Bhd and associate companies NZ Water and Environment Training Academy and Total Bridge Services. Opus International Consultants (NSW) Pty Limited provides consultancy services to AWA Opus Water Industry Training Institute (WITI). The Group entered into the following arm's length transactions with related parties:

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
<b>OPERATING REVENUE/(EXPENSE)</b>				
Opus Group Bhd	637	174	637	174
Consultancy Services to Associates	848	752	702	752
<b>INTEREST INCOME</b>				
Loans to Subsidiaries	-	-	821	802
<b>DEBTORS/(CREDITORS)</b>				
Opus Group Bhd	540	4	540	4
Associates	281	329	275	329
Loans to Subsidiaries	-	-	10,349	17,247
Trade Receivables from Subsidiaries	-	-	1,680	293

### Loans to Subsidiaries

Loans to Subsidiaries are long term facilities subject to market interest rates based on applicable term Libor rates plus a margin.

### Key Management Personnel Remuneration

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any directors. The following table summarises remuneration paid to key management personnel:

	GROUP	
	2012 \$000	2011 \$000
Short-term Employee Benefits	4,824	4,220
Post-Employment Benefits	163	195
Share-based Payment	17	27
Termination Benefits	308	266
<b>TOTAL</b>	<b>5,312</b>	<b>4,708</b>



## 25. Subsidiaries

All the subsidiaries of Opus International Consultants Limited listed below are wholly owned (2011: 100%) and have a 31 December balance date.

### **Opus International Consultants Holdings (UK) Limited**

Registered in the United Kingdom, providing consultancy services within the Construction Industry and has 100% holdings in the following subsidiary companies:

- Opus International Consultants (UK) Limited
- Opus International Consultants (Projects) Limited
- The Joynes Pike Group Limited
  - » Tower Surveys Limited
  - » Structural Surveys Direct Limited
  - » Opus Joynes Pike Limited (not currently trading)
  - » Reach UK Limited (not currently trading)
- Veryards Holdings Limited (not currently trading)
- Opus HCL Limited (not currently trading)
- Evans Grant Group Limited (not currently trading)
  - » Evans Grant Opus Limited (not currently trading)
  - » Office Network Engineering Limited (not currently trading)
  - » Evans Grant (Fareham) Limited (not currently trading)
  - » Evans Grant (Alton) Limited (not currently trading)

### **Opus International Consultants (Canada) Limited**

Registered in Canada, providing consultancy services within the Construction Industry and has 100% holdings in the following subsidiary companies:

- Opus DaytonKnight Consultants Limited

### **Opus International Consultants Inc**

Registered in USA, providing consultancy services within the Construction Industry.

### **Opus International Consultants (PCA) Pty Limited**

Registered in Australia, providing consultancy services within the Construction Industry in Australia and has 100% holdings in the following subsidiary company:

- Opus International Consultants (NSW) Pty Limited

### **Opus International Pty Limited**

Holding company registered in Australia.

### **Opus International Consultants A Limited Partnership**

Holding and financing entity registered in Australia and has 100% holdings in the following subsidiary companies:

- Opus International Consultants (Australia) Pty Limited
- Opus Rail Pty Limited (from 29 February 2012)
- Asia Pacific Rail Pty Limited (from 29 February 2012)

### **Opus International Consultants (OPC) Limited**

Registered in New Zealand, providing consultancy services within the Construction Industry.

### **Opus International Consultants Sdn Bhd**

Registered in Malaysia, providing consultancy services within the Construction Industry.

### **Kejuruteraan Opus Sdn Bhd**

Registered in Malaysia, not trading.

**Opus International Consultants (Pte) Limited**

Registered in Singapore, not trading.

**26. Operating Lease Commitments**

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Lease Commitments Under Operating Leases				
Current - Less Than One Year	17,109	16,388	10,753	9,935
Between One and Two Years	13,372	11,192	8,720	7,224
Between Two and Five Years	18,121	14,596	11,828	10,794
Greater Than Five Years	6,710	7,468	4,605	6,618
	<b>55,312</b>	<b>49,644</b>	<b>35,906</b>	<b>34,571</b>

**27. Capital Commitments**

There are various capital expenditure items contracted for at balance date totalling \$554,107 (2011: \$1,378,762).

**28. Contingencies**

	GROUP		PARENT COMPANY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Bank Performance Bonds and Letters of Credit	5,011	3,094	2,895	2,075

Performance bonds are in respect of consultancy contracts where certain levels of performance have been guaranteed to third parties. Letters of credit principally relate to certain future payment obligations.

**Contingent Liabilities**

Provisions have been made to cover probable professional indemnity liabilities. There are additional notifications and claims against the Group that the Directors consider have a remote chance of liability which have not been provided for. Due to the nature of these notifications it is not possible to quantify any liability. The Group has professional indemnity insurance with a maximum excess of \$250,000 (2011: \$250,000) per claim. Our insurers have been notified of any potential claims against the Group.

**Contingent Assets**

As at 31 December 2012 the Group has fee claims outstanding for additional services. As negotiations are not in an advanced stage and written evidence of acceptability and amount has not been received, no asset has been recognised in the financial statements (2011: no asset).

**29. Significant Events After Balance Date**

On 22 February 2013 the Board of Directors approved a final dividend payment of 3.9 cents per share and a special dividend of 1.0 cents per share to be paid on 28 March 2013.



Chartered Accountants

### Independent Auditor's Report

To the Shareholders of Opus International Consultants Limited

#### Report on the Financial Statements

We have audited the financial statements of Opus International Consultants Limited and its subsidiaries on pages 17 to 72, which comprise the statement of financial position of Opus International Consultants Limited and the group as at 31 December 2012, and the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows for the year then ended of the company and group, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders, as a body, in accordance with section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate 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, as well as evaluating the overall presentation of the financial statements.

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

Ernst & Young provides taxation advice, advisory services relating to the technical support of a feasibility study and other assurance related services relating to a review of contract management procedures and the audit of a property trust account to the Company. We have no other relationship with, or interest in Opus International Consultants Limited or any of its subsidiaries.

Partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company.

#### Opinion

In our opinion, the financial statements on pages 17 to 72:

- ▶ comply with generally accepted accounting practice in New Zealand;
- ▶ comply with International Financial Reporting Standards; and
- ▶ give a true and fair view of the financial position of Opus International Consultants Limited and the group as at 31 December 2012 and the financial performance and cash flows of the company and group for the year then ended.

#### Report on Other Legal and Regulatory Requirements

In accordance with the Financial Reporting Act 1993, we report that:

- ▶ We have obtained all the information and explanations we have required.
- ▶ In our opinion proper accounting records have been kept by Opus International Consultants Limited as far as appears from our examination of those records.

22 February 2013  
Wellington



A photograph of an industrial facility, likely a water treatment plant, featuring large white cylindrical tanks, complex piping, and electrical control cabinets. The scene is brightly lit by natural light from above.

# Governance and Shareholder Information

## Corporate Governance

### The Role of the Board

The Board of Opus is responsible for ensuring Opus is well led and managed for the benefit of all its shareholders, while having regard for the interests of all other stakeholders.

The Board has adopted the NZX Corporate Governance Best Practice Code. The code aims to enhance investor confidence through corporate governance and accountability.

The Board has also established a Code of Ethics which covers conflict of interest, corporate information and property, compliance with laws, regulations and policies and Directors' obligations. To assist in fulfilling the Board's obligations, three committees (Audit, Risk, Remuneration and Nomination), have been established.

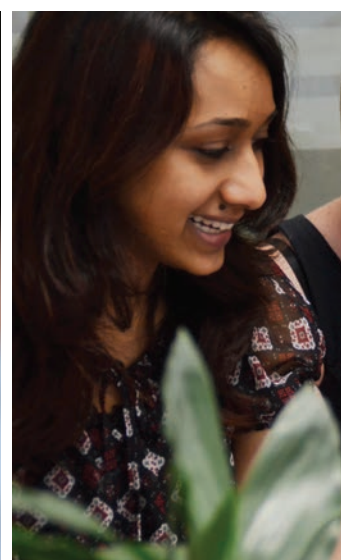
### Board Performance Review

The Board regularly reviews the performance of Directors, the Board, and Board committees, to ensure that they are effective and that Opus' responsibilities and obligations are met. An assessment is carried out annually.

### Board Meetings

The Board plans to meet no less than six times during any financial year. There are also at least annual sessions to consider the strategic direction of Opus and Opus' forward looking business plans. Board meetings are held in various locations where Opus has offices, to enable interaction between the Board, employees and clients. For the year ended 31 December 2012, seven meetings were held.

1 JANUARY 2012 TO 31 DECEMBER 2012		
DIRECTOR	MEETINGS	MEETINGS ATTENDED
Kerry McDonald	7	7
Suhaimi Halim	7	7
Keith Watson	7	7
Fraser Whineray	7	7
Alan Isaac	7	7
David Prentice	7	7
Dato' Seri Ismail Shahudin	7	6
Nik Airina Nik Jaffar	7	7





## Board Committees

The Board has three formally constituted committees of Directors, having decided that there was value in having a dedicated Risk Committee, in addition to, rather than part of, the Audit Committee. Committees review and assess policies, strategies, processes, issues and results which are within their respective terms of reference. The Committees make decisions and also recommendations to the Board.

### Audit Committee

The Audit Committee is responsible for overseeing the treasury, insurance, accounting and audit activities of Opus. It also reviews the adequacy and effectiveness of internal controls, meets with and reviews the plans and reports of external auditors, reviews the consolidated financial statements, and makes recommendations on financial and accounting policies. The members of the Audit Committee during 2012 were Alan Isaac (Chairman), Fraser Whineray and Nik Airina Nik Jaffar.

### Risk Committee

The Risk Committee's objective is to assist the Board to fulfil its responsibilities in relation to risk and the Company's risk management practices. The Committee works with the Executive Leadership Team to ensure that the Board, Directors, and Management are aware of all material, actual and potential risks facing the business, and that the system to identify, assess, and manage those risks continues to be effective, regularly monitored and reviewed. The members of the Risk Committee in 2012 were Keith Watson (Chairman), Fraser Whineray and Nik Airina Nik Jaffar.

### Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for reviewing and approving the compensation arrangements for the Managing Director, reviewing Board and Director performance, recommending to the full Board on Board composition and remuneration, and taking an overview of Opus' remuneration policies. The members of the Remuneration and Nomination Committee in 2012 were Kerry McDonald (Chairman), Suhaimi Halim, Dato' Seri Ismail Shahudin and Keith Watson.



## Shareholder Information

### Directors

The Board determines fees on the recommendation of the Remuneration and Nomination Committee plus reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as Directors.

David Prentice is employed by Opus as Managing Director, and received salary and other remuneration benefits in respect of this employment in 2012.

The following people held office as a Director during the year and received the following remuneration and benefits during the year:

DIRECTOR	FEES	SALARIES AND BENEFITS
Kerry McDonald	\$120,000	
Keith Watson	\$68,000	
Fraser Whineray	\$60,000	
Alan Isaac	\$70,000	
Dato' Seri Ismail Shahudin	\$60,000	
Nik Airina Nik Jaffar*		
Suhaimi Halim*		
David Prentice		\$499,320
<b>TOTAL</b>	<b>\$378,000</b>	<b>\$499,320</b>

\* In line with the policy of the Parent Company, Opus Group Bhd, fees are not paid to the Directors appointed from Opus Group Bhd and employed within the UEM Group.

At the 2012 AGM, a motion was passed concerning the amount payable to Directors as Directors' fees. An increase of \$42,500 from \$357,500 to \$400,000 took effect from 1 January 2012.

This review followed an independent remuneration consultation to advise the Board of an appropriate level of Director remuneration. Similar reviews have been conducted each year since 2007 and the Board had previously decided not to seek increases following earlier reviews.

### Directors' Interests

Directors hold the following interests in shares:

NAME	BENEFICIAL INTEREST		NON-BENEFICIAL INTEREST
	DIRECT	INDIRECT	
Kerry McDonald (1)		19,000	
Suhaimi Halim (2)			90,511,615
Fraser Whineray	20,000		
Keith Watson (3)		3,000	
Alan Isaac (1)		10,000	
David Prentice (2) (4)	368,669		90,511,615
Dato' Seri Ismail Shahudin (2)			90,511,615
Nik Airina Nik Jaffar (2)			90,511,615

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1) Shares held by trust</li> <li>2) Non-beneficial interest held as Directors of Opus Group Bhd and/or Opus NZ</li> <li>3) Shares held by an investment company</li> </ol> | <ol style="list-style-type: none"> <li>4) David Prentice also has: <ul style="list-style-type: none"> <li>• 6,653 shares from the 2008 ESOP</li> <li>• 8,967 shares from the 2009 ESOP</li> <li>• 9,510 shares from the 2010 ESOP</li> </ul> </li> </ol> |
|---|--|

## Interest Register

In accordance with Section 140 of the Companies Act 1993, the Directors named below have made a general disclosure of interest by a general notice disclosed to the Board and entered on the Company's interest register.

<b>Kerry McDonald</b>	<ul style="list-style-type: none"> <li>• Beneficial interest in shares</li> <li>• Director, Leighton Contractors Pty Ltd (including Visionstream, Nextgen, and Leighton Mining/HWE)</li> <li>• Deputy Chairman, NZ Institute of Economic Research</li> <li>• Life Member, Australia New Zealand Business Council</li> <li>• Patrons group member, University of Canterbury Foundation</li> <li>• Advisor, i-lign Ltd</li> <li>• Shareholder and Director, Opus Partners Trust Ltd</li> <li>• Director, Ruapehu Alpines Ltd</li> <li>• Director, Grant Thornton New Zealand Ltd</li> <li>• Director, National Army Museum Waiouru</li> <li>• BNZ: Wellington partners' Chairman</li> </ul>
<b>Suhaimi Halim</b>	<ul style="list-style-type: none"> <li>• Non beneficial interest in shares</li> <li>• Managing Director Assets and Facilities Management Group, UEM Group Bhd</li> <li>• Chairman, Opus International (NZ) Ltd</li> <li>• Director, Opus International Consultants Sdn Bhd</li> <li>• Director, Opus Group Bhd</li> <li>• Director, Faber Group Bhd</li> <li>• Director, UEM Environment Sdn Bhd</li> <li>• Director, Kualiti Alam Sdn Bhd</li> <li>• Director, Opus International Ltd</li> <li>• Director, Projek Penyelenggaraan Lebuhrayra Berhad</li> </ul>
<b>Keith Watson</b>	<ul style="list-style-type: none"> <li>• Beneficial interest in shares</li> <li>• Managing Director, Hewlett Packard New Zealand</li> <li>• Member, Auckland University Business School Advisory Board</li> <li>• Principal, Working Assets Group</li> <li>• Director, Cranleigh Forests Ltd</li> <li>• Director, NZCIT</li> </ul>
<b>Fraser Whineray</b>	<ul style="list-style-type: none"> <li>• Beneficial interest in shares</li> <li>• General Manager, Operations, Mighty River Power</li> <li>• Director, Rotokawa Generation Ltd</li> <li>• Director, Metrix Ltd</li> <li>• Director, PSX Group Ltd</li> <li>• Director, O'Ceallaigh Investments Ltd</li> </ul>

**Alan Isaac**

- Beneficial interest in shares
- Chairman and Director, Acurity Health Ltd
- Director, AKA Investments Ltd
- Director, Isaac Advisory Services Ltd
- Director, Murray Capital General Partner Ltd
- President, International Cricket Council
- Chairman, McGrath Nicol and Partners New Zealand
- Trustee, New Zealand Community Trust
- Trustee, First Foundation
- Chairman, Audit and Risk Committee of the NZ Fire Service
- Chairman, Audit and Risk Committee of the Department of Corrections
- Chairman, Wellington City Council Controlled Organisation Performance Governance Committee
- Member, AMP Capital Property Trust Governance Committee
- Shareholder and Director, Opus Partners' Trust Ltd
- Director, New Zealand Vault Ltd
- Director, Rakaia Finance Ltd
- Director, Rakaia Investments Ltd

**David Prentice**

- Non beneficial interest in shares
- Beneficial interest in shares
- Director, Opus International (NZ) Ltd
- Chairman, Business NZ Infrastructure Committee

**Dato' Seri Ismail Shahudin**

- Director, Malayan Banking Berhad (listed on Main Market, Bursa Malaysia)
- Chairman, Maybank Islamic Berhad
- Director, MCB Bank Limited, Lahore Pakistan (listed on Karachi Stock Exchange)
- Chairman, Opus Group Berhad
- Director, UEM Group Berhad
- Director, UEM Environment Sdn Bhd
- Director, EP Manufacturing Berhad (listed on Main Market, Bursa Malaysia)
- Chairman, EP Metering Services Sdn Bhd
- Director, Peps-JV (M) Sdn Bhd
- Chairman, SMPC Corporation Berhad (listed on Main Market, Bursa Malaysia)
- Director, Nadayu Properties Berhad (listed on Main Market, Bursa Malaysia)
- Director, Aseana Properties Limited (listed on Main Market, London Stock Exchange)
- Director, Perbadanan Kemajuan Ekonomi Islam Negri Perak
- Director, Sutera Mentari Sdn Bhd
- Director, Citra Busana Sdn Bhd
- Director, Kualiti Alam Sdn Bhd



- Nik Airina Nik Jaffar**
- Non beneficial interest in shares
  - Managing Director, Opus Group Bhd
  - Director, Expressway Lingkaran Tengah Sdn Bhd
  - Director, Linkedua (Malaysia) Berhad
  - Director, Konsortium Lebuhraya Butterworth-Kulim (KLBK) Sdn Bhd
  - Director, PLUS Helicopter Services Sdn Bhd
  - Director, Opus International (M) Bhd
  - Director, Opus Management Sdn Bhd
  - Director, Pengurusan Lintas Berhad
  - Director, Pengurusan LRT Sdn Bhd
  - Director, Opus International Consultants Sdn Bhd
  - Director, Kejuruteraan Opus Sdn Bhd
  - Director, Opus International (NZ) Ltd
  - Director, Builders Credit & Leasing Sdn Bhd
  - Director, International Business Link Inc
  - Director, PL Management International Phils. Inc
  - Director, Opus International India Private Ltd



Mahinawa Specialist School, New Zealand.



### Employee remuneration in excess of \$100,000

The number of employees or former employees, who received remuneration and other benefits valued at or exceeding \$100,000 during the year, are stated below:

2012		
\$000	NO. OF EMPLOYEES	DIRECTORS OF SUBSIDIARIES
100 - 110	149	1
110 - 120	111	
120 - 130	86	1
130 - 140	89	1
140 - 150	49	
150 - 160	53	
160 - 170	45	
170 - 180	29	1
180 - 190	21	
190 - 200	21	
200 - 210	12	
210 - 220	10	
220 - 230	3	
230 - 240	8	
240 - 250	6	
250 - 260	6	1
260 - 270	2	
270 - 280	1	
280 - 290	2	
290 - 300	1	
300 - 310	3	1
310 - 320	1	
320 - 330	1	
330 - 340	1	
420 - 430	1	1
430 - 440	1	
440 - 450	3	1
470 - 480	1	
490 - 500	1	1
<b>GRAND TOTAL</b>	<b>717</b>	<b>9</b>

Remuneration includes salary, bonuses, employer's contributions to superannuation, health and insurance plans, motor vehicles and other sundry benefits received in their capacity as employees.

### Incentive Plan

Opus introduced a new employee incentive scheme during 2008 to provide continuing incentives for key employees. The Managing Director did not participate in the plan in 2012. The plan has the following features:

- Each key employee will receive an annual allocation of shares with the average allocation value being \$10,000 (that sum being reviewed annually);
- The number of key employees being limited to seven per cent of total employee numbers, which on current employee numbers is around 170;
- The annual allocation of shares being limited to three per cent of the shares issued, three per cent currently being around 4,524,143 shares;
- Vesting of the shares will not occur until the fifth anniversary of each issue; and
- Vesting will only occur if Opus' performance has exceeded the key performance indicator(s) as specified and determined by the Board.

### Substantial Security Holder

The following information is given pursuant to Section 26 of the Securities Markets Act 1988. The following is recorded by the company as at 31 January 2013 as a substantial security holder in the company.

Opus International (NZ) Ltd 90,511,615 shares (60.02% per cent).

SPREAD OF SECURITY HOLDERS AS AT 31 JANUARY 2013				
SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
1 to 99	1	0.04	2	0.00
100 to 199	4	0.15	485	0.00
200 to 499	55	2.09	17,200	0.01
500 to 999	199	7.57	139,690	0.09
1,000 to 1,999	376	14.30	498,659	0.33
2,000 to 4,999	857	32.60	2,576,720	1.71
5,000 to 9,999	558	21.22	3,465,651	2.30
10,000 to 49,999	433	16.47	7,297,468	4.84
50,000 to 99,999	43	1.64	3,175,637	2.11
100,000 to 499,999	93	3.54	19,100,745	12.66
500,000 to 999,999	4	0.15	2,308,175	1.53
>1,000,000	6	0.23	112,224,343	74.42
<b>TOTAL</b>	<b>2,629</b>	<b>100.00</b>	<b>150,804,775</b>	<b>100.00</b>

## LOCATION OF SECURITY HOLDERS AS AT 31 JANUARY 2013

COUNTRY	NUMBER OF SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
New Zealand	2,481	94.37	147,762,815	97.98
Australia	87	3.31	2,496,153	1.66
Canada	18	0.68	104,838	0.07
France	1	0.04	3,290	0.00
Netherlands	1	0.04	937	0.00
Singapore	1	0.04	1,246	0.00
Thailand	2	0.08	31,100	0.02
USA	4	0.15	30,500	0.02
United Kingdom	34	1.29	373,896	0.25
<b>TOTAL</b>	<b>2,629</b>	<b>100.00</b>	<b>150,804,775</b>	<b>100.00</b>

## LARGEST SECURITY HOLDERS AS AT 31 JANUARY 2013

NAME	ORDINARY SHARES	% OF ORDINARY SHARES
OPUS INTERNATIONAL (NZ) LIMITED	90,511,615	60.02
NEW ZEALAND CENTRAL SECURITIES DEPOSITORY LIMITED	14,040,706	9.31
OPUS PARTNERS TRUST LIMITED <NZ UK CD EMPLOYEE SCHEMES TRUSTEE>	3,346,816	2.22
CUSTODIAL SERVICES LIMITED <A/C 3>	1,893,176	1.26
FNZ CUSTODIANS LIMITED	1,315,400	0.87
KEVIN JOSEPH THOMPSON & ANNE THERESE THOMPSON	1,116,630	0.74
CUSTODIAL SERVICES LIMITED <A/C 2>	640,457	0.42
OPUS PARTNERS TRUST LIMITED <AUST EMPLOYEE SCHEMES TRUSTEE>	594,220	0.39
CUSTODIAL SERVICES LIMITED <A/C 1>	566,684	0.38
INVESTMENT CUSTODIAL SERVICES LIMITED <A/C C>	506,814	0.34
FORSYTH BARR CUSTODIANS LIMITED <1-33>	468,010	0.31
MELVYN MAYLIN	459,735	0.30
CUSTODIAL SERVICES LIMITED <A/C 18>	444,949	0.30
CUSTODIAL SERVICES LIMITED <A/C 4>	415,849	0.28
WILLIAM JOHN DARNELL	406,545	0.27
ALEC WEBSTER	401,000	0.27
DAVID JAMES PRENTICE	368,669	0.24
ALISON ELIZABETH SWAN	341,760	0.23
RICHARD NORMAN CROAD	330,000	0.22
PETER IAN MATHEWSON	327,380	0.22
<b>TOTAL</b>	<b>118,496,415</b>	<b>78.59</b>

New Zealand Central Securities Depository Limited (NZCSD) is a depository system which allows electronic trading of securities to members.

**SHAREHOLDERS HELD THROUGH NZCSD AS AT 31 JANUARY 2013**

HOLDER NAME	ORDINARY SHARES	SHARES % OF ORDINARY SHARES
TEA CUSTODIANS LIMITED - NZCSD	6,685,496	4.43
CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	3,058,225	2.03
ACCIDENT COMPENSATION CORPORATION - NZCSD	2,652,650	1.76
JPMORGAN CHASE BANK NA - NZCSD	630,802	0.42
NATIONAL NOMINEES NEW ZEALAND LIMITED - NZCSD	445,771	0.30
HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	304,462	0.20
HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET -NZCSD	152,100	0.10
NEW ZEALAND PERMANENT TRUSTEES LIMITED <NZCSD>	80,200	0.05
PRIVATE NOMINEES LIMITED - NZCSD	31,000	0.02
	<b>14,040,706</b>	<b>9.31</b>

## Calendar

EVENT	MONTH
End of Year Results	February
Annual General Meeting	April
Half Year Results	August
Dividend Payment	April and September

The final dividend payment for 2012 is payable to shareholders whose names appear on the Register of Members of the Company on 14 March 2013.



## Subsidiary Companies

### Opus International Consultants (OPC) Ltd

Alison Swan, David Prentice

### Opus International Consultants (PCA) Pty Ltd

David Prentice, Melvyn Maylin

### Opus International Consultants (NSW) Pty Ltd

David Prentice, Melvyn Maylin

### Opus International Pty Ltd

David Prentice, Melvyn Maylin

### Opus International Consultants (Australia) Pty Ltd

David Prentice, Melvyn Maylin

### Martin Findlater & Associates Ltd (a)

David Prentice, Melvyn Maylin

### Opus International Consultants Pte Ltd

Alison Swan, David Prentice, Woo May Poh

### Opus International Consultants (Canada) Ltd

Alec Webster (c), David Prentice (d), Sean Brophy

### Opus International Consultants Inc

Jeffrey Bagdade

### Opus DaytonKnight Consultants Ltd

Alec Webster (c), David Prentice (d), Sean Brophy

### Opus International Consultants Sdn Bhd

David Prentice, Nik Airina Nik Jaffar, Suhaimi Halim

### Kejuruteraan Opus Sdn Bhd

Chan Kin Pooi, David Prentice, Nik Airina Nik Jaffar

### Opus International Consultants Holdings (UK) Ltd

Alison Swan, David Prentice

### Opus International Consultants (UK) Ltd

Alec Webster (e), David Prentice, Huw Edwards (f)

### Opus International Consultants (Projects) Ltd

Alec Webster (e), David Prentice, Huw Edwards (f)

### Veryards Holdings Ltd

Alison Swan, David Prentice

### Evans Grant Group Ltd

Alison Swan, David Prentice

### Evans Grant Opus Ltd

Alison Swan, David Prentice

### Evans Grant (Alton) Ltd

Alison Swan, David Prentice

### Evans Grant (Fareham) Ltd

Alison Swan, David Prentice

### Office Network Engineering Ltd

Alison Swan, David Prentice

### Opus HCL Ltd

Alison Swan, David Prentice

### The Joynes Pike Group Ltd

Alec Webster (e), David Prentice, Huw Edwards (f)

### Opus Joynes Pike Ltd

Alec Webster (e), David Prentice, Huw Edwards (f)

### Tower Surveys Ltd

Alec Webster (e), David Prentice, James Hulme, Nick Downes, Huw Edwards (f)

### Structural Surveys Direct Ltd

Alec Webster (e), David Prentice, Huw Edwards (f)

### Reach UK Ltd

Alison Swan, David Prentice

### Opus Rail Pty Ltd (b)

David Prentice, Melvyn Maylin

### Asia Pacific Rail Pty Ltd (b)

David Prentice, Melvyn Maylin

(a) deregistered October 2012

(b) acquired 29 February 2012

(c) resigned 15 May 2012

(d) appointed 15 May 2012

(e) resigned 18 April 2012

(f) appointed 18 April 2012





# Appendices

Merthyr Learning Quarter, United Kingdom.



# APPENDIX I

## GRI REPORTING PARAMETERS, SCOPE AND BOUNDARY

Opus has been reporting to the Global Reporting Initiative (GRI) standard on an annual reporting cycle since 2009. In 2012, the Sustainability Committee met and agreed to target a self-certified level B rating, an increase from the self-certified level C rating achieved in 2011. Data and analysis included in this report covers:

- All permanent establishments, including subsidiary companies, globally (i.e. all operations in Australia, Canada, New Zealand, the United Kingdom, and the USA) unless otherwise stated; and
- All joint venture and associate operations controlled by the Company in the above countries.

The impacts of joint venture, associate operations, and activities involving partners are limited to the activities performed by our employees. The scope does not include the activities of external consultants and sub-contractors engaged by us or managed by us on behalf of clients.

All incorporated company subsidiary operations are wholly owned and consolidated into the Group Financial Statements. The effects and impacts of all leased assets, including vehicles, computing and buildings, of which Opus and our subsidiary companies have the beneficial use, are now reported for our global operation for 2012. Outsourced activities, including contractor and sub-consultant activities, are excluded except to the extent that our staff are directly involved in these outsourced activities.

The basis of calculations and assumptions is mentioned under the respective indicators which follow the definition of GRI Indicator Protocols. All information is stated using the GRI Framework, Version 3.1.

The only significant changes from previous reporting periods are the increase in reporting from a self-certified C level to the self-certified B level, and the inclusion of Greenhouse Gas (GHG) emissions data across our global operations and not just New Zealand. The GRI component of this report has not been subject to external assurance. Financial data has been taken from Audited Financial Statements as certified on page 73 (Auditors Report).

### Stakeholders / Materiality

The Sustainability Committee reviewed and re-confirmed our reporting-stakeholders based on consideration of the elements of our business and our people, organisations and relationships that are critical to our organisation. These stakeholders are defined in the table below and engagement with these groups (marked with \*) continues to be well established and frequent (i.e. daily and monthly).

The team also reviewed the materiality of each reporting criterion and Greenhouse Gas (GHG) emissions were again assessed and confirmed. No significant changes have been made from the previous reporting periods although most of the GHG emissions scopes now have actual data gathered at source rather than nominal estimates and this is noted under Appendix 2.

INTERNAL STAKEHOLDERS GROUPS	EXTERNAL STAKEHOLDERS GROUPS
Employees (*)	Shareholders (*)
Prospective employees	Clients (*)
Families of employees	Communities/Community organisations with whom we are linked (*)
Managers/Partners/Associates (*)	Business partners/Suppliers/Sub-Consultants (*)
Opus Emeritus community	Regulators
Board of Directors (*)	Professional Institutes (*)
	Industry Associations (*)

# APPENDIX 2

## EMISSIONS PROFILE

2012 is the fifth year of measuring and reporting our carbon emissions profile; and it is the first year that the calculations are based on our global operation.

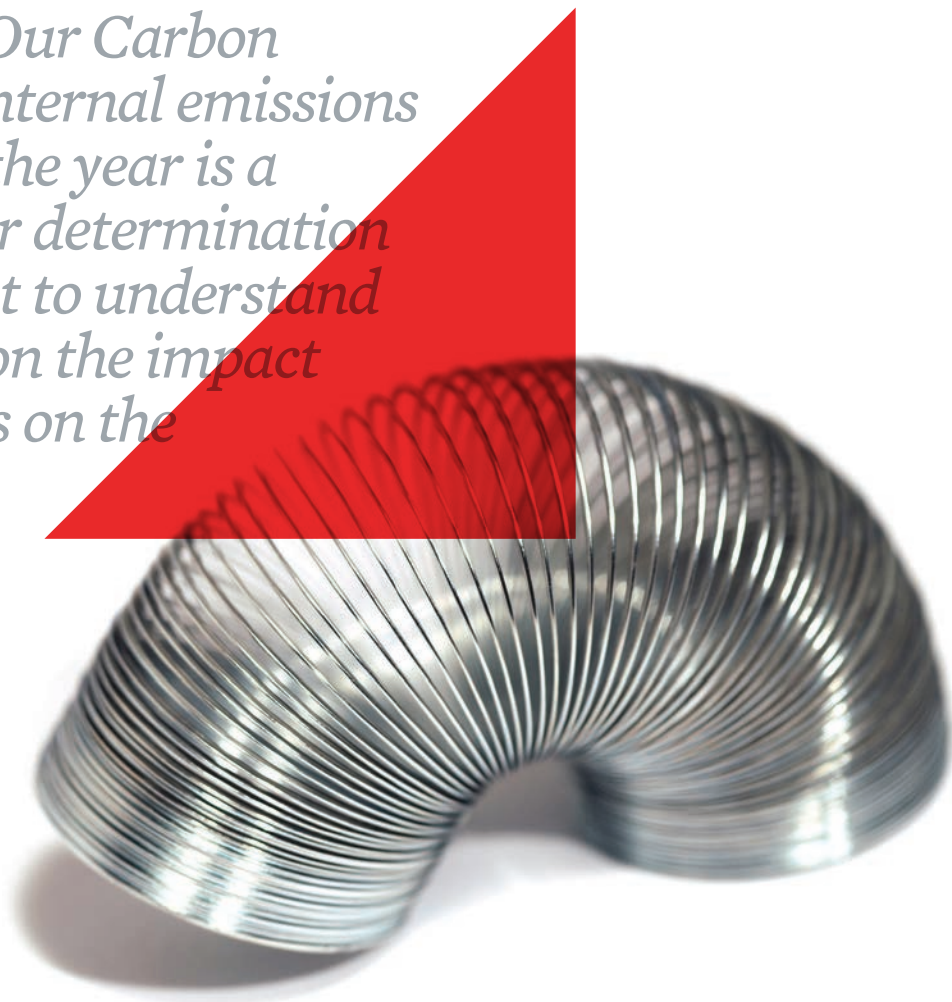
Total global emissions for 2012 are estimated to be 6,132 tonnes CO<sub>2</sub>e with the majority of those emissions coming from Land Transport (2,820 tonnes CO<sub>2</sub>e). Air Transport was another significant contributor with 1,953 tonnes CO<sub>2</sub>e and this was followed by Purchased Energy 1,151 tonnes CO<sub>2</sub>e and finally a smaller contribution of 208 tonnes CO<sub>2</sub>e from Paper and Waste.

Measuring and Reporting was also done at country level and within the New Zealand operation, a reduction in total emissions has been achieved in all the key areas. Land Transport reduced its emissions from 2,260 tonnes CO<sub>2</sub>e to 2,137 tonnes CO<sub>2</sub>e. Air Transport reduced its emissions from 1,541 tonnes CO<sub>2</sub>e to 1,535 tonnes CO<sub>2</sub>e. Purchased Energy reduced its emissions from 959 tonnes CO<sub>2</sub>e to 736 tonnes CO<sub>2</sub>e and Paper and Waste reduced its emissions from 138 tonnes CO<sub>2</sub>e to 136 tonnes CO<sub>2</sub>e.

Further details on the global emissions can be found in the table on page 89.

*“The launch of ‘Our Carbon Footprint’, our internal emissions website, during the year is a strong sign of our determination and commitment to understand and improve upon the impact of our operations on the environment.”*

*Dr David Prentice, Chief Executive  
Opus International Consultants Ltd*



	UNITS OF QUANTITY	2012 (GLOBAL DATA)					2011 (NZ DATA ONLY)				
		QUANTITY	EMISSIONS (TONNE)				QUANTITY	EMISSIONS (TONNE)			
			CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	CO <sub>2</sub> e		CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	CO <sub>2</sub> e
LAND TRANSPORT											
Fleet Vehicles, Petrol	1,000 Lt	603	1,388	3	14	1,405	576	1,327	3	13	1,343
Fleet Vehicles, Diesel	1,000 Lt	277	730	1	8	739	274	722	1	8	731
Rental Vehicles	1,000 km	2,275	542	1	5	548	352	84	–	1	85
Taxis	1,000 km	370	121	–	1	122	308	100	–	1	101
Train	1,000 km	91	5	–	–	6	4	–	–	–	–
TOTAL LAND TRANSPORT			2,786	5	28	2,820		2,233	4	23	2,260
AIR TRAVEL											
Domestic	1,000 km	7,640	1,424	1	14	1,439	6,432	1,100	1	11	1,111
Short Haul International	1,000 km	1,414	152	–	2	153	1,379	136	–	1	137
Long Haul International	1,000 km	2,927	358	–	4	361	2,585	290	–	3	293
TOTAL AIR TRAVEL		11,981	1,934	1	20	1,953	10,396	1,526	1	15	1,541
PURCHASED ENERGY											
Purchased Electricity	1,000 kwh	6,754	1,073	70	8	1,151	5,628	894	58	7	959
Purchased Gas	1,000 kwh	–	–	–	–	–	1	–	–	–	–
TOTAL PURCHASED ENERGY		6,754	1,073	70	8	1,151	5,629	894	58	7	959
PAPER AND WASTE											
Paper Consumed	tonne	153	118	–	–	118	103	79	–	–	78
Solid Waste to Landfill	tonne	117	90	–	–	90	79	60	–	–	60
TOTAL PAPER AND WASTE		270	208	–	–	208	182	139	–	–	138
TOTAL EMISSIONS			6,001	76	56	6,132		4,792	63	45	4,898

## NOTES TO ABOVE TABLE:

- Transport emissions cover business use of vehicles, air travel, taxis and hire cars, covering scope 1, 2, and 3 activities in accordance with the GHG Protocol (Service Sector).
- Vehicle emissions for 2012 were determined based on fuel consumption for each fleet vehicle after deducting a private use component, and km travelled for rental and taxi journeys.
- Air travel emissions were based on great circle distances travelled and calculated from origin and destination data for every flight supplied by our travel agents. Distances were increased by nine per cent to allow for height changes, indirect routes, and circling near airports. CO<sub>2</sub>e conversion rates for air travel were based on the GHG Protocol according to haul distances.
- 2012 indirect emissions from energy purchased were calculated using direct meter readings with a CO<sub>2</sub>e conversion rate for purchased energy in New Zealand according to data published by the Ministry of Economic Development.
- Solid waste and paper emissions were calculated based on employee numbers and consulting industry norms for consumption rates with limited verification through direct measurement at one office.

# APPENDIX 3

## OUR PEOPLE

### Organisational Profile

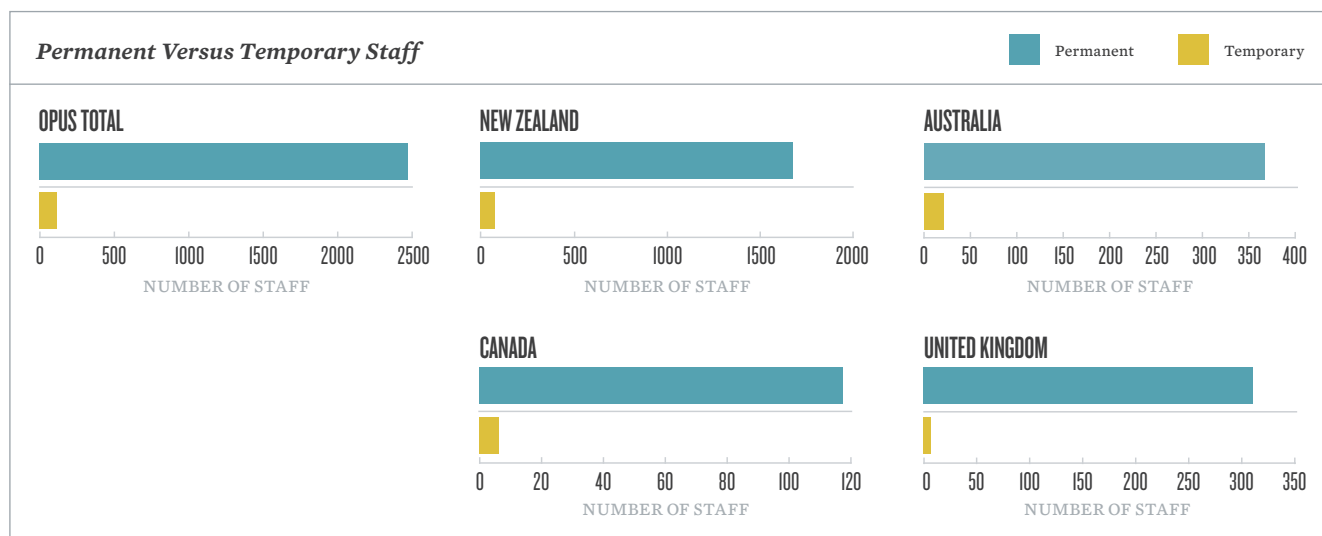
Our people operate through permanent businesses in New Zealand, Australia, Canada, the United Kingdom and the USA. We also pursue and perform project work in other regions, primarily the Pacific Islands, India, the Middle East and Malaysia. The activities associated with this other project work represent less than one per cent of our overall activities, the primary environmental impacts of which, related to long-distance travel, are incorporated in the impacts assessment for the home country of the staff involved. Our scale, in terms of our overall staff numbers, is set out in the following table:

PARAMETER	2012	2011	2010	2009	2008
Year End Number of Employees (FTE)	2,594	2,382	2,366	2,286	2,560

### Employee Value and Wellbeing

#### Our People

As at December 2012, Opus had 2,594 employees measured on a full-time equivalent (FTE) basis, of which 2,479 were permanent staff on individual employment contracts of indefinite duration, and 115 were temporary staff on casual contracts with a specified termination date or maximum duration of less than one year.



#### Our Diversity

We have continued to develop as a diverse company in terms of age, gender, ethnicity and skill mix. The following graphs show the change in gender balance over a 10 year period. Staff numbers over the 10 year period have more than doubled in size. During this time, female numbers in the Professional category have increased from 105 in 2002 to 332 currently.

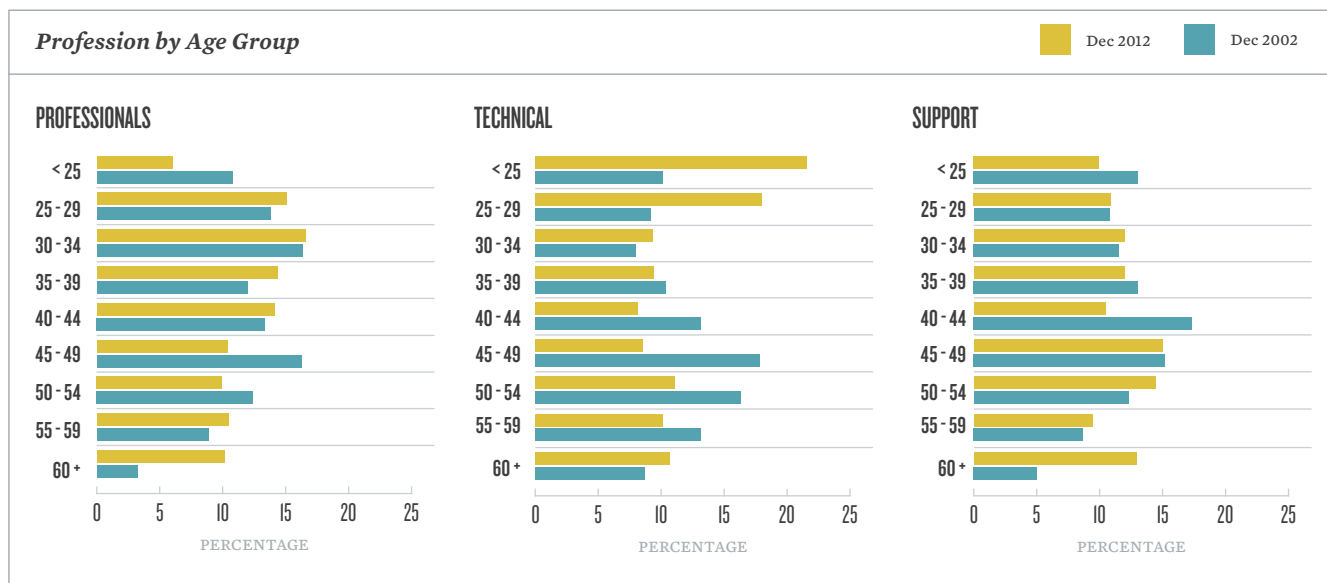
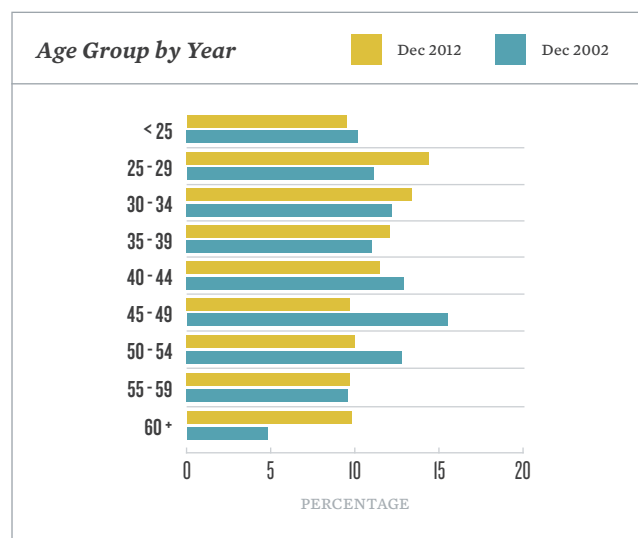
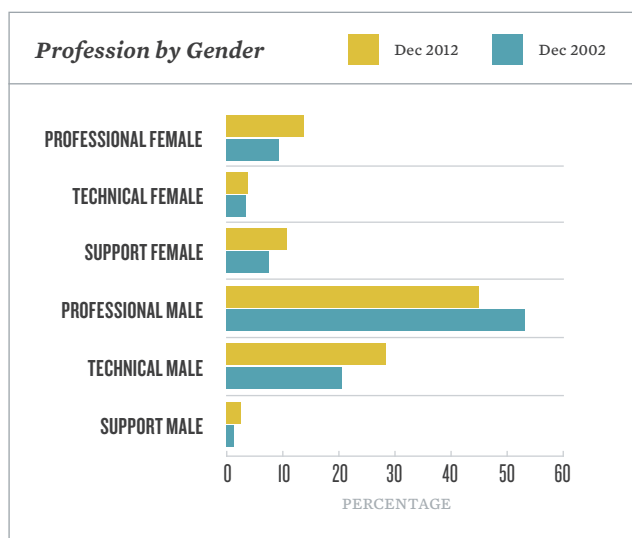
We continue to achieve an age, gender and ethnicity mix that adds to our strength and capability. This has largely been achieved by proactive recruitment programmes, targeting a balanced mix of both professional graduates and school leavers engaged as technician cadets. Many of these cadets will be supported financially to complete degree level qualifications.



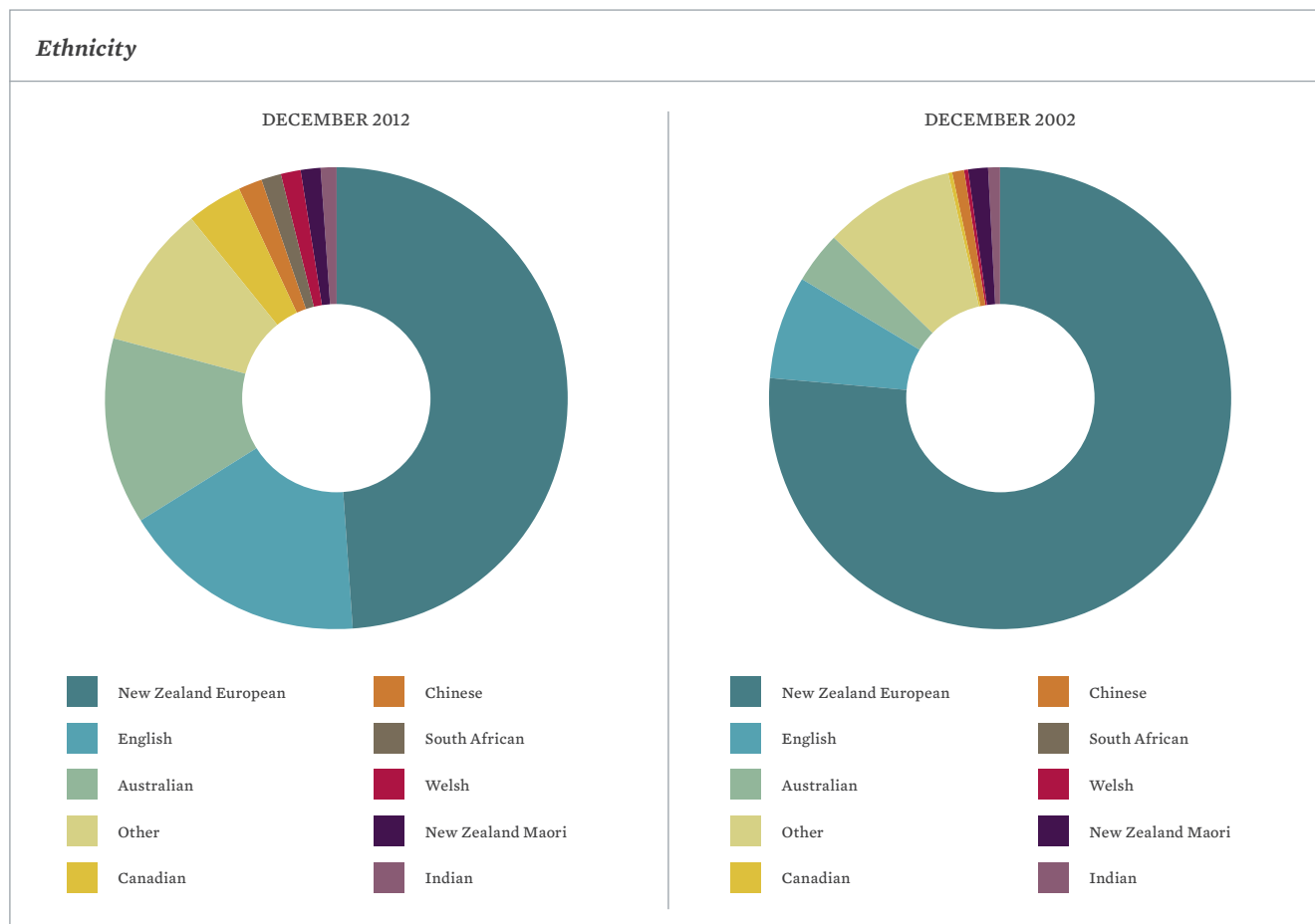
With the overall level of diversity that now exists, we have introduced a high level of flexibility in terms of our working environment. This includes:

- Flexible conditions of employment to meet the needs of individuals and the company;
- Flexible hours of work;
- Paid leave to care for dependants at times of illness;
- Accommodation of career breaks through extended periods of unpaid leave; and
- A “tradeable” benefits scheme which is part of an employee’s remuneration. This enables employees to trade cash for additional benefits and vice versa within their total remuneration.

The following graphs track the changes in staff age and gender demographics across the last ten years.



Our recruitment practices have resulted in a culturally diverse employment base. A breakdown of our employee ethnicity is shown below:



## Supporting Employee Personal Development

We continue to be committed to providing an environment where our people are “challenged to reach their full potential”. This is a company-wide value. In addition, a company-wide policy defines our overall commitment to employee value and wellbeing aspects.

We are committed to being a diverse and inclusive organisation where people are highly engaged, motivated and enabled to think, challenge, innovate and achieve.

We are also committed to employment practices (including fairness and equity, and cultural and heritage sensitivities):

- That provide flexibility and add value to the business;
- Where a process of regular and ongoing feedback and performance review is a strength, and is supported by strong reward/recognition measures; and
- Where ongoing training and development and succession planning programmes enable and improve individual, team and organisational capability.

In 2012, a Culture Survey was conducted across the entire business, providing a profile of our organisation’s current operating culture, in terms of the behaviours that employees believe are required to “fit in and meet expectations”. As a result, culture profiles were developed for all business units and other specified demographics, providing a baseline measure of our current and desired culture and performance. As part of this process “levers for change” were also identified supporting the development of tailored action plans across all areas of the business, ultimately assisting us to achieve our vision and strategic objectives and to support long-term effectiveness. A re-test will be conducted in 2014.

Our preference is to develop staff from within the company for leadership roles and appointment to management and principal technical roles. Specific development programmes are in place to support this aim. Vacant positions in each country are advertised internally to the whole Opus community. Where suitable internal candidates are not available or cannot be identified, appointments are sought from outside of the company. No preference or policy applies to hiring of candidates from local communities; all appointments, whether from internal or external candidates, are based on merit.

## Quality Assurance Systems

“Excellent Service Delivery” and “Strong Client Relationships” are two key company values that are instilled in all our employees and are fundamental to the business. All of our businesses are certified to ISO 9001:2008 and we regard it as important that Opus maintain a high level of internal management system standards across the organisation. Working with our external ISO auditors we continue to pursue a high level of global consistency in management systems.

The Company’s management systems have been designed recognising the need to:

- Empower individuals to have a sense of ownership;
- Raise performance by focussing on the business and people issues that matter;
- Set well-defined performance outcome expectations;
- Provide flexibility to promote a high sense of urgency and to encourage innovation; and
- Utilise “outcome-based” auditing processes that focus on achieving best practice.

Our Company management systems and processes are set out in our company management system, ‘OpusWay’. This is accessed online and sets out the guiding principles for the management of the company and the way we do our business. It is supported by, and provides ready links to other information held on the Company’s intranet, OpusWeb.

## Employee Health and Safety

The wellbeing and safety of our staff is a key priority for us and we have in place an ongoing and comprehensive health and safety programme.

Training is provided for new employees, both at induction briefings and in-house training programmes. Staff who are involved in construction and site operational work are given additional specific training appropriate to their activities.

In terms of rehabilitation after injury, Opus’ aim is to get staff back to work as soon as possible. The company works with individuals and where appropriate their medical advisors to explore what assistance might be provided. Responses can include assignment of an individual to alternative or light duties to aid in bringing the individual back to 100% employment.

Our health and safety performance is reviewed on a regular basis and given frequent coverage in team briefs and through the Chief Executive’s newsletters.

In New Zealand, we are part of the Workplace Safety Management Practices scheme operated by the Accident Compensation Corporation, and have attained the top level in that scheme in 2010. This was confirmed in the last audit which took place in November 2012. The next audit will be carried out in 2014.

Our Chief Executive confirmed his commitment to having a safe workplace, where no one is injured in the course of their work. He participated in an initiative in New Zealand called the ‘Health and Safety Leadership Forum’, which reflects the commitment to promote safety in the workplace. This is a government-industry partnership with a focus on active, involved, individual, and collaborative leadership to reduce New Zealand’s workplace death and injury toll. The partnership involves working towards Zero Harm Workplaces, through sharing of information, and providing effective safety leadership.

*“We continue to focus on achieving zero harm workplace status, through the development of a culture that delivers industry leading practices in occupational health, safety, environmental and sustainability management for the benefit of our employees, contractors, clients and communities.”*

*Dr David Prentice, Chief Executive - Opus International Consultants Ltd*

All parts of the business have a management-employee Health and Safety Committee in accordance with procedures set out in Company documentation.

The Company's lost time/injury accident record for all countries since 2007 is shown in the table below:

YEAR	2012	2011	2010	2009	2008	2007
Days lost per 100,000 days	3	15	19	12	5	10
Incidents per 1m hours worked	12	12	20	20	11	12
Lost time incidents (LTI) per 1m hours worked	1	2	4	1		
Cost (\$000)	63	131	137	146	112	81

Measurement of LTI's was introduced in 2009 and we have adopted the following definition of Lost Time Injuries – Work related recordable injury or illness where the injured person was away from work for one full shift as a result of the recordable (work related) injury or illness.

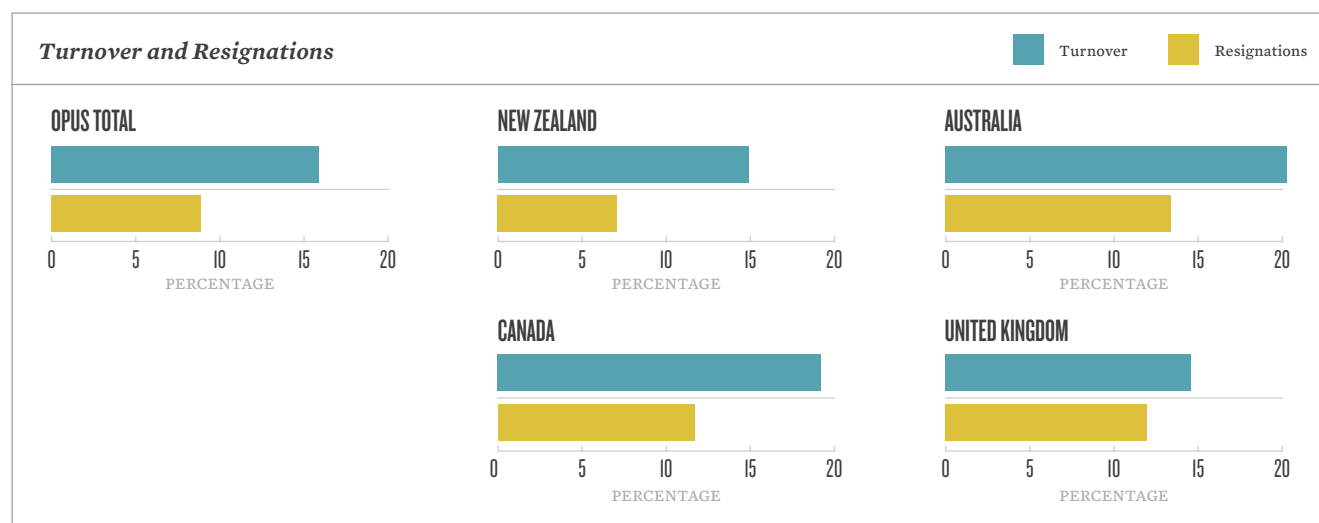
We employ several measures to encourage a safe working environment:

- (a) A commitment by all to ensuring a healthy and safe workplace;
- (b) An incident reporting process allows clear identification of root cause, and appropriate measures to prevent future incidents;
- (c) Opus internal Health and Safety awards were introduced in 2010. These awards are made to individuals/teams that have been a significant influence and role model to others in terms of achieving our goal of Zero-Harm Workplace;
- (d) Having Health & Safety KPI's at all levels.

## Staff Turnover

Staff turnover as given in the following table is expressed as resignations and total turnover (which includes retirements, leave without pay, and parental leave). The rates of turnover are presented as percentages in the graphs overleaf:

PERMANENT STAFF TURNOVER	2012	2011	2010	2009	2008
Resignations	8.8%	7.9%	8.6%	6.8%	10.9%
Total Turnover	15.9%	12.4%	13.0%	16.2%	14.0%



## Employee Benefits

The following are the key points of comparison between staff employed under permanent and temporary employment contracts (covers all operations):

- Permanent employment contracts have a minimum notice period of one month unless a longer period is specified according to the applicable country legislation or adopted for a particular employment position. A consultation period also applies prior to giving notice where restructuring is proposed. No notice or consultation period applies for temporary employment contracts.

FEATURE	PERMANENT STAFF	TEMPORARY STAFF
Remuneration	A total remuneration is negotiated at commencement of contract and reviewed annually based on performance and job scope. Benefits such as additional leave, health insurance, etc. may be negotiated.	Hourly rate established at commencement of contract.
Overtime payments	Payments made, or time-in-lieu provided, for staff on salaries below a threshold established for each country.	Provided as cash payment according to the hours worked.
Superannuation	A superannuation provision is included.	Provided in line with legislation.
Annual leave	Normally four weeks or the minimum provided by legislation in each country.	Provided at the minimum statutory rate applicable in each country.
Sick leave	Provided.	Provided after six months.
Parental leave	Provided in accordance with the relevant country legislation.	Not eligible.
Transfer assistance	Provided.	Not provided.
Bonus payments	All permanent staff are eligible based on performance.	Not eligible.
Provision for redundancy payment and notice period	Provided.	Not provided.
Promotion to Associate and Partner	Eligible.	Not eligible.
Provision of training and development	Fully eligible, including access to training assistance.	Limited to project operational needs.
Personal appraisals and career development	Fully applied.	Not applicable.
Professional indemnity	Applicable.	Applicable.



## We Value and Respect Our People and Stakeholders

We value our employees and stakeholders, as this is an important and an implicit part of our company values. Our sustainability policy includes the provision to “continue to recognise the cultural diversity of our people, clients and stakeholders, and respect and value their different cultural practices and beliefs”. We fully comply with the employee protection laws and are an equal opportunities employer. Across Opus’ operations, employee rights are considered and recognised in a manner that is consistent with legislation and the principles of the Human Rights Commission.

We undertake due diligence on all our acquisitions which includes assessment of human resource practices, compatibility with our values, culture and compliance with legislation. Compliance with people’s rights and good practice is implicit in this assessment. There is currently no policy in place for screening of suppliers on human rights issues.

Procedures for handling complaints and grievances relating to employees are set out in individual employment contracts. This involves a five step process ranging from internal resolution, through mediation, to the highest appeal court. Any issues that might arise that relate to employees are handled by the relevant manager within our business structure in the first instance, but can be referred to the Human Rights Commission (or equivalent in each country) if necessary. We have an anti-harassment policy as part of our human resources policy and practices, which is set out in “OpusWay”.

We are very focussed on attracting, retaining and developing talent. Our overall aim is for Opus to be a “great place to work”. Our sustainability policy is central to who we are and includes our aims to:

- Continue to foster an environment where people feel valued, take pride and enjoyment in working for a successful company, and where skills, competencies, knowledge and talent are proactively identified, nurtured and developed; and
- Continue to recognise the cultural diversity of our people, clients and stakeholders, and respect and value their different cultural practices and beliefs.

## Society

We have a spread of offices over a large number of locations ranging from major cities to smaller townships in Australia, Canada, New Zealand, the United Kingdom and the USA. In this sense, most staff have a close connection to the communities where they work and live. In many cases our clients also live in the same location as our staff and the projects we are undertaking.

Our sustainability policy includes the provision to “encourage the positive impacts we can have on the communities in which we are based”. Examples of mechanisms through which positive impacts are achieved include the following:

- The economic value we provide through the use of local suppliers, where this is appropriate.
- The salaries expended by our staff within the communities where they either work or live.
- The value provided to local communities through the projects we deliver.
- Investment in community projects through the provision of labour and expertise pro bono, the supply of goods in relation to these projects, and fund-raising for charities.
- Support for staff who voluntarily contribute their own time and expertise in assisting developing countries through humanitarian organisations.

# APPENDIX 4

## GRI Content Index

The GRI Content Index outlines where the different elements of the GRI content are located within the Annual Report in accordance with GRI section 3.12. In the content index below, - means not reported with supporting reason for exclusion; + means partially reported for stated countries; and \* means fully reported.

In accordance with the application levels set out in the GRI Sustainability Reporting Guidelines (Version 3.0), this Annual Report matches self-assessed level B. This means that the report provides information about all of the profile disclosures (as specified), the management approach disclosures for each indicator category, and a minimum of 20 performance indicators, including at least one from each of: social, economic, and environmental. The content has been self-assessed for compliance with the guidelines.

GRI SECTION	DESCRIPTION	GRI SECTIONS COVERED	PAGES
1	Strategy and Analysis	1.1 - 1.2	2 - 4
2	Organisational Profile	2.1 - 2.10	Cover, 1, 8 - 15, 16 - 73, 85, 87, 101, 102
3	Report Parameters		
	Report Profile	3.1 - 3.4	87
	Report Scope and Boundary	3.5 - 3.11	87
	GRI Content Index	3.12	97 - 99
	Assurance	3.13	73
4	Governance, Commitments and Engagement		
	Governance	4.1 - 4.10	5 - 7, 74 - 85
	Commitments to External Initiatives	4.11 - 4.13	74 - 85
	Stakeholder Engagement	4.14 - 4.17	87 - 96

### ECONOMIC

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
<b>MANAGEMENT APPROACH</b>				<b>2 - 4</b>
EC1 Direct economic value generated and distributed, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Core	*		16 - 73
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Core	*		8 - 15
EC3 Coverage of the organisation's defined benefit plan obligations	Core	*		44 - 46
EC4 Significant financial assistance received from government.	Core	-	None received	-
EC6 Policy, practices, and proportion of spending on locally based suppliers at significant locations of operations.	Core	*		93 - 96
EC7 Procedures for local hiring and proportion of senior management hired from the local communities at locations of significant operations.	Core	*		96

### ENVIRONMENTAL

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
<b>MANAGEMENT APPROACH</b>				<b>88</b>
EN2 Percentage of materials used that are recycled input materials.	Core	-	Opus as a professional services company has no manufacturing operations. Some materials consumed are recycled (e.g. printing paper), but is an immaterial component of Opus' operations.	-

**ENVIRONMENTAL CONTINUED**

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
EN3 Direct energy consumption by primary energy source.	Core	*	Included in the table under EN16	89
EN16 Total direct and indirect greenhouse gas emission by weight.	Core	*		89
EN17 Other relevant indirect greenhouse gas emissions by weight.	Core	*	Included in the table under EN16	89
EN22 Total weight of waste by type and disposal method.	Core	*	Included in the table under EN16	89
EN29 Significant environmental impact of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce.	Add	*		88 - 89

**EMPLOYEE VALUE AND WELLBEING**

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
<b>MANAGEMENT APPROACH</b>				<b>90 - 91</b>
LA1 Total workforce by employment type, employment contract, and region.	Core	*		90 - 91
LA2 Total number and rate of employee turnover by age group, gender, and region.	Core	*		94 - 95
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Add	*		95
LA4 Percentage of employees covered by collective bargaining agreements.	Core	-	Staff are not covered by collective bargaining agreements. Staff may elect to appoint bargaining agents to negotiate employment contracts according to the relevant country legislation.	-
LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Core	*		95
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	Core	*		93 - 94
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities, by region.	Core	*	Absenteeism is monitored locally; instances are irregular and immaterial.	94

**WE VALUE AND RESPECT OUR EMPLOYEES AND STAKEHOLDERS**

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
<b>MANAGEMENT APPROACH</b>				<b>96</b>
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Core	*		96
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Core	-	No formal screening has been carried out in the selection of significant suppliers or contractors.	-

**SOCIETY**

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
<b>MANAGEMENT APPROACH</b>				<b>96</b>
<b>SO1</b> Nature, scope, and effectiveness of any programmes and practices that access and manage the impacts of operations on communities, including entering, operating and exiting.	Core	–	Opus' operations relate only to developing countries, and activities are the subject of impact assessment under the relevant legislation.	–
<b>SO3</b> Percentage of employees trained in the organisation's anticorruption policies and procedures.	Core	–	The company employs a rigorous internal control framework and transactions are monitored and reviewed continually.	–
<b>SO5</b> Public policy positions and participation in public policy development and lobbying.	Core	–	Opus is not involved in policy development or lobbying in its own right.	–
<b>SO6</b> Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Add	–	No financial or in-kind contributions have been made.	–
<b>SO7</b> Total number of legal actions for anti-competitive behaviours, anti-trust, and monopoly practices and their outcomes.	Add	–	No legal actions have been undertaken, nor are any legal actions pending.	–

**PRODUCT RESPONSIBILITY**

INDICATOR		STATUS	REASONS FOR EXCLUSION/NOTES	PAGES
<b>MANAGEMENT APPROACH</b>				<b>93</b>
<b>PR1</b> Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Core	*		93, 94
<b>PR2</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Add	–	There have been no non-compliances	–
<b>PR3</b> Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Core	*		93, 94
<b>PR4</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Add	–	There have been no non-compliances	–
<b>PR5</b> Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Add	*		87
<b>PR8</b> Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Add	–	There have been no complaints	–
<b>PR9</b> Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Core	–	There have been no fines	–

**GLOSSARY**

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<b>Auditor</b>	Ernst & Young, Wellington
<b>Board</b>	The Board of Directors
<b>Companies Act</b>	The Companies Act 1993
<b>Company</b>	Opus International Consultants Limited
<b>Directors</b>	The Directors of Opus
<b>EBIT</b>	Earnings before interest and tax
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>ESOP</b>	Employee Share Ownership Plan
<b>FTE</b>	Full-time equivalent employee
<b>Independent Directors</b>	Kerry McDonald, Keith Watson, Fraser Whineray and Alan Isaac
<b>NZ IFRS</b>	New Zealand equivalent to International Financial Reporting Standards
<b>Opus</b>	Opus International Consultants Limited, and subsidiary companies where applicable
<b>Opus NZ</b>	Opus International (NZ) Limited
<b>Shareholder</b>	A holder of Shares
<b>Shares</b>	Fully paid ordinary shares in Opus



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Dato' Seri Ismail Shahudin  
Nik Airina Nik Jaffar

**CHIEF EXECUTIVE**

David Prentice

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