

Company Registration Number: 02671997

**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LTD**  
**DIRECTORS' REPORT, STRATEGIC REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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# **COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**

**Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

## **CONSOLIDATED FINANCIAL STATEMENTS**

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## **COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**

**Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

### **STRATEGIC REPORT**

The directors present their strategic report for the year ended 31 March 2016.

#### **Business Review**

The Group's main activities are the provision of market analysis and consulting to the mining, metals and fertilizer industries.

Management uses a range of performance measures to monitor and manage the business but, as most costs are fixed in the short term, sales order levels are a key factor. Results are viewed with a focus on cash flow and this is a major factor in the regular reporting to management. Net margins are monitored.

As shown in the financial statements, the group profit for the year, after taxation, amounted to £1,007,000 (2015 – £602,000). Turnover for the year was £28,149,000 (2015 - £26,962,000), gross profit amounted to £14,497,000 (2015 - £13,112,000) and the profit on ordinary activities before taxation was £1,279,000 (2015 – £984,000). The increase in turnover of £1,187,000 is net of turnover of £644,000 in the prior year from conferences transferred to group undertaking in the year. The underlying increase of £1,831,000, during a period when market conditions remained unfavourable, is a reflection of the effects of management's investment in both improvements to the product portfolio and the strengthening of the sales and marketing functions. Results for the year are after charging £844,000 (2015 - £152,000) as an exceptional item for legal fees relating to legal claims and crediting £48,000 (2015 - £60,000) of exceptional other Income. The operating profit before exceptional items to turnover margin was 8.7% compared to 5.6% for the prior year. Operating cash flow of £197,000 (2015 - £4,007,000) was generated and cash resources increased by £673,000.

The consolidated financial position as at 31 March 2016 is set out on page 10. This shows a deficiency of assets of £668,000, a reduction over the year of £4,128,000. The deficiency is after inclusion as a long term liability of £11,296,000 (2015 - £14,664,000) relating to the deficit of the defined benefit pension scheme, details of which are set out in note 16. Consolidated cash balances at 31 March 2016 amounted to £15,345,000, and the group had no debt.

The directors expect the Group to continue to trade profitably in the current financial year but that growth will be restricted by the adverse effects of the uncertain market conditions. The Group continues to seek opportunities to develop services and products and utilise available resources to their full potential.

#### **Financial instruments**

Financial instruments comprise bank balances, trade creditors, trade debtors, balances with group undertakings and certain assets and liabilities in foreign currencies. The main purpose of these instruments is in the normal course for financing operations. Due to the nature of the financial instruments used, there is no exposure to price risk. The approach to managing other risks applicable to financial instruments is disclosed below.

The substantial bank balances are used to fund the day to day business activities and judicious use is made of overnight money market deposits and deposit accounts to earn interest thereon. Sufficient cash balances are held in foreign currencies to meet its operational requirements. Exchange rate movements are monitored and currency conversions are made when considered appropriate. Hedging instruments are not held as the directors are of the opinion that such arrangements are unnecessary, having regard to all circumstances including the amounts involved and associated costs. Trade debtors are managed in respect of credit and cash flow risk in respect of credit offered to customers. There is little or no liquidity risk associated with trade creditors as there are sufficient funds to ensure that payments to creditors are made as and when they fall due for payment.

## **COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**

**Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

### **STRATEGIC REPORT (CONTINUED)**

#### **Principal risks and uncertainties**

There are a number of business risks and uncertainties due to difficult trading conditions and increasing competition and in view of this the directors are looking carefully at both existing and potential new markets.

The main currency translation exposure is limited to movements in exchange rates to the extent that they affect balances held on its currency bank accounts and certain foreign currency assets and liabilities in the books of overseas subsidiaries and branches in the USA, Australia, Chile, India, China and Hong Kong.

There are also certain transactional currency exposures which arise from sales and purchases in currencies other than in the functional currency of the entity. The Group's principal transactional currency exposures are the US Dollar, Euro, Chilean Peso, Australian Dollar, Chinese Renminbi, Indian Rupee and Hong Kong dollar.

Operational risks mainly relate to obtaining consultancy assignments and demand for the specialised reports produced for the mining and related industries. The business operates in a competitive environment and whilst actively controlling costs, its prospects are also dependent to a considerable extent on the general economic climate.

#### **Future developments**

Investment continues in improvements to both the delivery and content of products, whilst also developing new related products extending the product range organically and extending business through acquisitions as opportunities arise.

**Approved by the directors on 16 December 2016 and signed by order of the board by:**



**G R BARBER**

Secretary

# **COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**

**Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

**Company number 02671997 (England and Wales)**

## **DIRECTORS' REPORT**

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

### **Directors**

The Directors of the Company during the year were:

R A Perlman

R Yentob

### **Directors' Responsibilities**

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they give a true and fair view of the state of affairs of the Company and the Group and of the profit and loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's and its subsidiaries' transactions and disclose with reasonable accuracy at any time the financial position of the Company and its subsidiaries and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# **COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**

**Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

## **DIRECTORS' REPORT (continued)**

### **Strategic Report**

The company has chosen, in accordance with s.414C(11) of the Companies Act 2006, to set out in the company's strategic report information required by Schedule 7 of the Large and Medium sized Companies and Group (Accounts and Reports) regulations 2008 to be contained in the directors' report. It has done so in respect of financial instruments and future developments.

### **Environmental and social responsibility**

The Company and its subsidiaries recognise their environmental and social responsibilities. Although activities are such that there are no major environmental factors, policies have been implemented where possible to minimise any environmental damage that could be caused. This mainly involves office waste where awards have been won for waste management.

### **Employees**

The Company and its subsidiaries recognise their social and statutory duty to employ disabled persons and pursue a policy of providing, wherever possible, the same employment opportunities to disabled persons as to others. Information to employees regarding the Company and factors affecting its performance and that of its subsidiaries is provided through normal management channels and regular consultation.

### **Auditors**

Clayton Stark & Co is deemed to be reappointed as auditor under S. 487(2) of the Companies Act 2006

**Approved by the directors on 16 December 2016 and signed by order of the board by:**



**G R BARBER**

Secretary

5<sup>th</sup> Floor Charles House  
108 – 110 Finchley Road  
London NW3 5JJ

## **COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**

**Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the financial statements of COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED for the year ended 31 March 2016 on pages 9 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable to the UK and the Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards of Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of the audit of financial statements is provided on the Financial reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice ; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**

**Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**NIRANJANI KARIYA FCA (Senior Statutory Auditor)**

For and on behalf of

CLAYTON STARK & CO

Chartered Accountants & Statutory Auditor

5th Floor, Charles House

108 – 110 Finchley Road

London NW3 5JJ

**20 DEC 2016**



**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED****Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

			<b>Year ended 31 March</b>
	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Turnover</b>	<b>4</b>	28,149	26,962
Cost of sales		(13,652)	(13,850)
<b>Gross profit</b>		14,497	13,112
Administrative expenses - Recurring		(12,022)	(11,613)
<b>Operating profit before exceptional items</b>	<b>5</b>	2,475	1,499
Administrative expenses – Exceptional items	<b>5</b>	(796)	(92)
<b>Operating profit</b>	<b>5</b>	1,679	1,407
Interest receivable and similar income	<b>8</b>	56	50
Interest payable and similar charges	<b>8</b>	(456)	(473)
Net interest expense	<b>8</b>	(400)	(423)
<b>Profit on ordinary activities before taxation</b>		1,279	984
Tax on profit on ordinary activities	<b>9</b>	(272)	(382)
<b>Profit for the financial year</b>		1,007	602

The Company has elected to take exemption under Section 408 of the Companies Act 2006 not to present a Company profit and loss account.

The profit for the Company for the year was £Nil (2015 - £Nil)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

			<b>Year ended 31 March</b>
	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Profit for the financial year</b>		1,007	602
<b>Other comprehensive income</b>			
Remeasurement of net defined benefit obligation	<b>16</b>	3,000	(3,869)
Deferred taxation on remeasurement of defined benefit obligation		27	(21)
Currency translation differences	<b>9</b>	94	353
<b>Other comprehensive income for the year net of tax</b>		3,121	(3,537)
<b>Total comprehensive income for the year</b>		4,128	(2,935)

The notes on pages 13 to 29 form part of these financial statements

**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED****Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

**CONSOLIDATED AND COMPANY BALANCE SHEETS**

		<b>Group as at</b>		<b>Company as at</b>	
		<b>31 March</b>		<b>31 March</b>	
	<b>Note</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Fixed assets</b>					
Intangible assets	10	3,477	4,856	-	-
Tangible assets	11	931	984	-	-
Investments	12	(0)	-	14	14
		<u>4,408</u>	<u>5,840</u>	<u>14</u>	<u>14</u>
<b>Current assets</b>					
Inventories		108	84	-	-
Debtors	13	7,242	7,262	-	-
Cash at bank and in hand		15,345	14,672	-	-
		<u>22,695</u>	<u>22,018</u>	<u>-</u>	<u>-</u>
<b>Creditors - amounts falling due within one year</b>	15	<u>(16,475)</u>	<u>(17,990)</u>	<u>(1)</u>	<u>(1)</u>
<b>Net current assets</b>		<u>6,220</u>	<u>4,028</u>	<u>(1)</u>	<u>(1)</u>
<b>Total assets less current liabilities</b>		<u>10,628</u>	<u>9,868</u>	<u>13</u>	<u>13</u>
<b>Creditors - amounts falling due after more than one year</b>					
Post-employment benefits	16	<u>(11,296)</u>	<u>(14,664)</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>(668)</u>	<u>(4,796)</u>	<u>13</u>	<u>13</u>
<b>Called up share capital</b>					
Called up share capital	17	1	1	1	1
Other reserves		1,679	1,679	-	-
Own shares		(773)	(773)	-	-
Retained earnings		<u>(1,575)</u>	<u>(5,703)</u>	<u>12</u>	<u>12</u>
<b>Total equity</b>		<u>(668)</u>	<u>(4,796)</u>	<u>13</u>	<u>13</u>

The financial statements on pages 9 to 29 were authorised for issue by the board of directors on 16 December 2016 and were signed on its behalf.



**R A PERLMAN**  
Director

Company Registration Number: 02671997

The notes on pages 13 to 29 form part of these financial statements.

**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED****Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital	Other reserves	Own shares	Retained earnings	Total
Balance as at 1 April 2014	1	1,679	(773)	(2,768)	(1,861)
Profit for the year				602	602
Other comprehensive income for the year				(3,537)	(3,537)
Total comprehensive income for the year	-	-	-	(2,935)	(2,935)
Balance as at 31 March 2015	1	1,679	(773)	(5,703)	(4,796)
Balance as at 1 April 2015	1	1,679	(773)	(5,703)	(4,796)
Profit for the year				1,007	1,007
Other comprehensive income for the year				3,121	3,121
Total comprehensive income for the year	-	-	-	4,128	4,128
Balance as at 31 March 2016	1	1,679	(773)	(1,575)	(668)

**COMPANY STATEMENT OF CHANGES IN EQUITY**

	Share capital	Retained earnings	Total
Balance as at 1 April 2014	1	12	13
Profit for the year			0
Other comprehensive income for the year			0
Total comprehensive income for the year	0	0	0
Balance as at 31 March 2015	1	12	13
Balance as at 1 April 2015	1	12	13
Profit for the year			0
Other comprehensive income for the year			0
Total comprehensive income for the year	0	0	0
Balance as at 31 March 2016	1	12	13

The notes on pages 13 to 29 form part of these financial statements.

**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED****Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

**CONSOLIDATED STATEMENT OF CASH FLOWS**

			<b>Year ended 31 March</b>
	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Profit for the financial year</b>		1,007	602
Adjustments for:			
Tax on profit on ordinary activities		272	382
Net interest expense		400	423
<b>Operating profit</b>		<b>1,679</b>	<b>1,407</b>
Amortisation of intangible assets		787	787
Depreciation of tangible assets		209	334
(Profit)/loss on disposal of tangible fixed assets		-	(1)
Defined benefit pension scheme expenses		118	94
Payments to defined benefit pension scheme		(943)	(928)
Exchange differences		111	105
Working capital movements:			
(Increase) in work in progress		(24)	(1)
Reduction/(increase) in debtors		(138)	(35)
(Reduction)/increase in creditors		(1,477)	2,760
<b>Net cash from operating activities</b>		<b>322</b>	<b>4,522</b>
Taxation paid		(125)	(515)
<b>Net cash generated from operating activities</b>		<b>197</b>	<b>4,007</b>
Cash flow from investing activities			
Purchase of intangible assets		(377)	(187)
Proceeds from disposal of intangible assets		950	-
Purchase of tangible assets		(154)	(54)
Proceeds from disposal of tangible assets		1	3
Interest received		56	50
<b>Net cash used in investing activities</b>		<b>476</b>	<b>(188)</b>
<b>Net increase in cash and cash equivalents</b>		<b>673</b>	<b>3,819</b>
Cash and cash equivalents at the beginning of the year		14,672	10,853
<b>Cash and cash equivalents at the end of the year</b>		<b>15,345</b>	<b>14,672</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		15,345	14,672
<b>Cash and cash equivalents</b>		<b>15,345</b>	<b>14,672</b>

The notes on pages 13 to 29 form part of these financial statements.

# COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED

Year ended 31 March 2016

All figures are in £ thousand unless otherwise stated

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

### 2. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain assets and liabilities measured at fair value.

#### Going concern

After due consideration of the timing and amounts of the cash outflows to eliminate the pension deficit, as determined on advice from the scheme's professional advisers, and the business prospects of the company and the group, the directors are satisfied that the activities of the company are sustainable as a going concern and the financial statements have been prepared on a going concern basis.

#### Transition to FRS 102

The Company and its subsidiaries transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

#### Revenue recognition

Turnover represents the value of services provided, net of value added tax, during the year and includes estimates of accrued income in respect of the uninvoiced element of incomplete long-term contracts for on-going services by reference to the stage of completion and the values of the contracts.

#### Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income.

Current or deferred taxation assets and liabilities are not discounted.

##### *(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *(ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements

## **COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**

**Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

### **2. Accounting policies (cont)**

#### **Taxation (cont)**

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. Incentives received to enter into such leases are credited to the profit and loss account to reduce the lease expense on a straight line basis over the period to the next review date.

#### **Intangible assets**

Goodwill and intellectual property are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated so as to write off the cost less its estimated residual value, over the useful life of the asset as follows:

Goodwill	-	Over useful life (normally between 10 - 15 years)
Intellectual property	-	Over useful life (normally between 10 - 15 years)
Software developments	-	25% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

## COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED

Year ended 31 March 2016

All figures are in £ thousand unless otherwise stated

### 2. Accounting policies (cont)

#### Tangible assets (cont)

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold properties	-	over the remaining term of the lease
Fixtures & fittings	-	20% reducing balance
Office equipment	-	25% reducing balance
Computer systems	-	25% straight line

#### Work in progress

Work in progress is measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes salary costs, overhead costs and other costs relating to uncompleted projects.

#### Employee benefits

The Company and its subsidiaries provide a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

##### *(i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### *(ii) Defined contribution pension plans*

The Company and its subsidiaries operate defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### *(iii) Defined benefit pension plan*

The Company and certain of its UK subsidiaries jointly operate a multi-employer defined benefit pension plan, which was open to all employees joining these entities prior to 31 July 2000 and was closed to future benefit accrual with effect from 31 August 2005.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date, apportioned according to group policy.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of future payments ("discount rate").

## COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED

Year ended 31 March 2016

All figures are in £ thousand unless otherwise stated

### 2. Accounting policies (cont)

#### Employee benefits (cont)

##### *(iii) Defined benefit pension plan (cont)*

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "remeasurement of net defined benefit liability"

The cost of the defined benefit plan, recognised in profit or loss as employee cost, comprises:

- a) the increase in pension benefit liability arising from employee service; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as "Finance expense".

##### *(iv) Annual bonus plan*

The Group operates an annual bonus for employees. An expense is recognised in the profit and loss account when the company has legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

##### *(v) Share-based payments*

The Group entities participate in a share based payment arrangement where options to acquire shares are granted to certain senior employees by the company's ultimate parent company, Mattelisa Limited. These are not recognised in the financial statements because of the conditional nature of the options detailed in note 7.

### 3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **(a) Critical judgements in applying the entity's accounting policies**

##### *(i) Share-based payments*

Certain senior employees of the company have been granted conditional options to acquire share of the ultimate parent company, Mattelisa Limited. As explained in note 7 the grant has no effect on the accounts of the company and the group owing to conditional nature of the options.



## COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED

Year ended 31 March 2016

All figures are in £ thousand unless otherwise stated

### 3. Critical accounting judgements and estimation uncertainty (cont)

#### *(ii) Exemptions on transition to FRS 102*

The company has elected to use the previous UK GAAP with regard to the lease incentives so that such incentive is spread over the period from commencement of the lease term to the first review date.

#### **(b) Critical accounting estimates and assumptions**

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

#### *(i) Useful economic lives of tangible and intangible assets*

The annual depreciation and amortisation charge for the assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### *(ii) Revenue*

Revenue includes the value of uncompleted projects by reference to stage of completion of each project and contract values. The stage of completion is estimated by management.

#### *(iii) Defined benefit pension scheme*

The principal group company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, asset valuations and the discount rate on corporate bonds. Management take professional advice to estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 16 for the disclosures relating to the defined benefit pension scheme.

#### *(iv) Deferred taxation*

The group has provided for post-employment benefits as set out in Note 16. It is entitled to tax relief as annual payments are made to the defined benefit pension scheme to make good the deficit. Accordingly, deferred tax arises in respect of the pension deficit. Recognition of the deferred tax asset is based on the directors' judgement that it will have sufficient taxable profits to utilise the tax relief. The deferred tax asset recognised is detailed in Note 14.

### 4. Turnover

The turnover is attributable to the Group's principal activity of economic research consultancy and publishing. A geographical analysis of turnover has not been given, as in the opinion of the directors disclosure thereof could be detrimental to the interests of the group.

**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED****Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

**5. Operating Profit**

Operating profit is after charging

	Note	2016	2015
Wages and salaries		13,574	12,676
Social security costs		1,513	1,406
Other pension costs		1,211	1,116
<b>Staff costs charged to the profit and loss account</b>		<b>16,298</b>	<b>15,198</b>
(Profit)/loss on disposal of tangible fixed assets		0	(1)
Amortisation of intangible assets (included in administrative expenses)		787	787
Depreciation of tangible assets (included in administrative expenses)		209	334
Foreign exchange losses/(gains)		95	(29)
Exceptional items:			
- Other income		(48)	(60)
- Legal fees relating to legal claims		844	152
Fees payable to the Company's auditor and its associates for the audit of the Company and the Group's consolidated financial statements		18	15
Fees payable to the Company's auditor and its associates for other services:			
- The audit of the Company's subsidiaries		62	48
- Tax advisory services		17	16
- Other services		17	3
Total amount paid to the Company's auditor and its associates		114	82

**6. Employees and Directors**

The average number of persons (including executive directors) employed by the Group during the year was:

	2016 Number	2015 Number
Economic analysis, consulting and publishing	158	149
Selling and administration	66	63
	<b>224</b>	<b>212</b>

The directors' emoluments were as follows:

	2016	2015
Aggregate emoluments	783	765
Pension benefits	-	-
	<b>783</b>	<b>765</b>

The emoluments of the highest paid director were as follows:

	2016	2015
Aggregate emoluments	743	687

As of 31 August 2005, when the defined benefit scheme was closed to future benefit accrual, the accrued pension entitlement under the defined benefit pension scheme amounted to £72,000.

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All figures are in £ thousand unless otherwise stated

**7. Share based payments**

The ultimate parent company, Mattelisa Limited, has established an employee benefit trust that held 15.5% of the issued share capital of Mattelisa Limited throughout the year. Options to acquire the shares have been granted to certain senior employees of the group, for the time being, exercisable on the occurrence of events which cannot be foreseen. These events include the sale for cash of the parent company shares held by the controlling shareholder which reflects a set minimum total sale price for all the shares in issue. The options expire on the tenth anniversary of the grant of the option. No options were granted or lapsed during the year leaving options over a total of 8,049 ordinary shares outstanding as at 31 March 2016 (31 March 2015 – 8,049). The directors consider, because of the nature of the conditional options, that the grant of the options has no effect on the group's profit for the year or on its financial position.

**8. Net interest expense**

## a) Interest receivable and similar income

	Note	2016	2015
Bank interest received		56	50
		<u>56</u>	<u>50</u>

## b) Interest payable and similar charges

Defined benefit pension scheme		(456)	(473)
		<u>(456)</u>	<u>(473)</u>
Net interest expense		<u>(400)</u>	<u>(423)</u>

**9. Income tax**

## a) Tax expense included in the profit and loss account

	2016	2015
Current tax:		
- UK Corporation tax on profits for the year	100	180
- Foreign corporation tax on profits for the year	98	236
- Adjustment in respect of prior periods	(7)	(19)
Total current tax	<u>191</u>	<u>397</u>
Deferred tax:		
- Origination and reversal of timing differences	81	(15)
Tax on profit on ordinary activities	<u>272</u>	<u>382</u>

## b) Tax expense included in other comprehensive income

	2016	2015
Deferred tax:		
- Origination and reversal of timing differences	(27)	21
Total tax included in other comprehensive income	<u>(27)</u>	<u>21</u>

The tax assessed on the profit on ordinary activities for the year is higher (2015 - higher) than the standard rate of corporation tax in the UK for the year of 20% (2015 – 21%). The differences are explained below:

	2016	2015
Profit on ordinary activities before tax	1,279	985
Profit multiplied by the standard rate of tax in the UK	256	207
Expenses not deductible for tax purposes	7	57
Impact of overseas tax rates	34	90
Losses not utilised	-	47
Utilisation of losses from prior years	(18)	-
Adjustment to tax charges in respect of prior years	(7)	(19)
Tax charge for the year	<u>272</u>	<u>382</u>

**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**
**Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

**10 Intangible Assets**

<b>Group</b>	<b>Goodwill</b>	<b>Intellectual property</b>	<b>Software developments</b>	<b>Total</b>
At 31 March 2015				
Cost	5,496	216	2,075	7,787
Accumulated amortisation and impairment	(1,609)	(128)	(1,194)	(2,931)
Net book amount	3,887	88	881	4,856
Year ended 31 March 2016				
Opening net book amount	3,887	88	881	4,856
Additions	-	-	377	377
Disposals	(950)	-	-	(950)
Amortisation	(277)	(13)	(497)	(787)
Foreign exchange translation adjustment	(19)	-	-	(19)
Closing net book amount	2,641	75	761	3,477
At 31 March 2016				
Cost	4,527	216	2,452	7,195
Accumulated amortisation and impairment	(1,886)	(141)	(1,691)	(3,718)
Net book amount	2,641	75	761	3,477

**11. Tangible Assets**

<b>Group</b>	<b>Short leasehold property</b>	<b>Other assets</b>	<b>Total</b>
At 31 March 2015			
Cost	971	1,394	2,365
Accumulated depreciation and impairment	(277)	(1,104)	(1,381)
Net book amount	694	290	984
Year ended 31 March 2016			
Opening net book amount	694	290	984
Reclassifications	4	(4)	-
Additions	-	154	154
Disposals	-	(1)	(1)
Depreciation	(131)	(78)	(209)
Foreign exchange translation adjustment	6	(3)	3
Closing net book amount	573	358	931
At 31 March 2016			
Cost	981	1,540	2,521
Accumulated depreciation and impairment	(408)	(1,182)	(1,590)
Net book amount	573	358	931

The Company had no tangible assets at 31 March 2016 (2015 - £Nil)

**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED****Year ended 31 March 2016**

All figures are in £ thousand unless otherwise stated

**12. Investments**

	2016	Group 2015	2016	Company 2015
At 31 March 2015				
Cost	85	85	14	14
Accumulated amortisation and impairment	(85)	(85)	-	-
Net book amount as at 31 March 2016	-	-	14	14

The investment of the Group represented investment by an employee trust company in 15.5% of the issued share capital of a Group company. Full provision was made against the cost of this asset in prior years.

Details of the Company's investments are provided in Note 23.

**13. Debtors**

	2016	Group 2015
Trade debtors	4,090	4,102
Amounts due from group companies	0	371
Other debtors	654	690
Prepayments and accrued income	1,640	1,083
Corporation tax recoverable	119	223
Deferred tax asset	739	793
	<u>7,242</u>	<u>7,262</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Other debtors include £312,156 repayable after more than one year (2015 - £312,156)

**14. Deferred tax asset**

	2016	Group 2015
At 1 April 2015	793	799
Credits)/additions dealt with in profit	(81)	15
Dealt with in other comprehensive income	27	(21)
Foreign exchange translation adjustment	-	-
At 31 March 2016	<u>739</u>	<u>793</u>
The deferred tax asset consists of the following:		
- Capital allowances	107	138
- Post employment benefits	599	639
- Other timing differences	33	16
	<u>739</u>	<u>793</u>

While the Directors believe that the Company will continue to trade profitably in the future they are confident of the utilisation of tax relief in respect of the next three years contributions to the defined benefit scheme, shown above as deferred tax asset relating to the post-employment benefits. The deferral tax asset unrecognised amounted to £1,897,000 (2015 - £2,340,000).

The reversal of other deferred tax assets is not expected to be material.

**COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED****Year ended 31 March 2016**

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**15. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Amounts invoiced in advance		9,986	-	-
Trade creditors	1,058	846	-	-
Amounts due to group companies	2,863	4,695	1	1
Corporation tax payable	67	105	-	-
Other taxation and social security costs	379	400	-	-
Other creditors	199	258	-	-
Accruals and deferred income	1,820	1,700	-	-
	<b>16,475</b>	<b>17,990</b>	<b>1</b>	<b>1</b>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**16. Post-employment benefits****(a) The amount recognised in the profit and loss account is as follows:**

	<b>2016</b>	<b>2015</b>
Defined contribution scheme – UK subsidiaries	978	954
Defined contribution scheme – foreign subsidiaries	115	84
Defined benefit scheme – service cost	118	94
	<b>1,211</b>	<b>1,266</b>
Total charge in operating profit		
Defined benefit scheme:		
- Net interest expense	456	473
Total charge	<b>1,667</b>	<b>1,699</b>
Contributions not paid at 31 March 2016 included in creditors:		
- Defined contribution scheme	77	80
- Defined benefits scheme	79	75

**(b) Defined contribution scheme**

The group's principal UK subsidiary jointly operates a multi-employer defined contribution scheme which is open to all employees joining the Company after 31 July 2000. As of 31 August 2005 this scheme is also open to employees who are members of the defined benefit scheme. The assets of the pension scheme are held separately from those of the group companies in an independently administered fund.

**(c) (i) Defined benefit scheme**

The group's principal UK subsidiary jointly operates a multi-employer defined benefit scheme which was open to all employees joining the company prior to 31 July 2000. This scheme was closed to future benefit accrual with effect from 31 August 2005. The assets of the pension scheme are held separately from those of the employer companies in an independently administered fund. The employer companies are jointly liable for the scheme's deficit.

## COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED

Year ended 31 March 2016

All figures are in £ thousand unless otherwise stated

### 16 Post-employment benefits (cont)

The charges recognised in operating profits and net interest income (note 16 (a)), the charge/credit concerning remeasurement of the net defined benefit plan to other comprehensive income, and the provision for pension obligation in the balance sheet are the amounts apportioned to the company in accordance with group policy. All the disclosures below (note 16 (c)) relate to the group multi-employer defined benefit scheme unless where specifically indicated.

Contributions to the scheme are determined by the scheme's actuary on the basis of triennial valuations using the projected unit method. The most recent actuarial valuation of the scheme was conducted at 31 March 2013 using the following main assumptions:

Rate of increase in pensions in payment	3.40% p.a.
Discount rate:	
Prior to retirement	5.50% p.a.
In retirement	3.50% p.a.
Inflation	3.50% p.a.

The valuation at 31 March 2013 showed that the market value of the scheme assets amounted to £15.8 million and this was sufficient to cover 51% of the benefits which had accrued to the members of the scheme by the balance sheet date.

The deficit of this multi-employer scheme arose as a result of the increase in life expectancy and falling interest rates on medium and long-term government bonds. In order to address the deficit, all the employer companies closed the scheme to any future benefit accrual with effect from 31 August 2005.

The directors are fully committed to dealing with the pension scheme deficit and will be following the advice of the scheme actuary as to the levels of contributions to the scheme that will be required to eliminate the deficit over the agreed period of time.

#### (c) (ii) Defined pension benefit disclosures

The accounting standard requires the information to be disclosed using different actuarial assumptions than those used above which are for the purpose of determining the contribution rates. The additional disclosures relating to this multi-employer scheme are set out below and have been based on the most recent valuation at 31 March 2013 and updated by the company's actuary to assess the liabilities at 31 March 2016.

The group's principal UK subsidiary is a participating member of the defined benefit pension plan for its employees, which is closed to future accrual. The scheme offered pensions in retirement and death benefits to members. Pension benefits payable to retiring members are related to their final salaries and length of service as at 31 August 2005, this being the date when the scheme was closed to future benefit accrual.

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**16. Post-employment benefits (cont)****(c) (ii) Defined pension benefit disclosures (cont)**

The major assumptions used by the actuary were:

	31/03/16	31/03/15
Rate of increase in pensions in payment (per annum):		
RPI capped at 5%	3.10%	3.10%
CPI capped at 3%	2.10%	2.10%
Discount rate (per annum)	3.60%	3.20%
Expected rate of salary increases		
Inflation assumption - RPI (per annum)	3.20%	3.20%
Inflation assumption - CPI (per annum)	2.20%	2.20%
Assumed life expectancies on retirement at age 65 are:		
Retiring today - Males	24.8	24.7
- Females	26.1	26.0
Retiring in 20 years time - Males	27.0	26.8
- Females	28.4	28.3

**Reconciliation of scheme assets and liabilities:**

	Assets	Liabilities	Total
At 1 April 2015	19,592	(37,292)	(17,700)
Benefits paid	(728)	728	-
Employer contributions	1,139	-	1,139
Current service cost - administration	(143)	-	(143)
Interest income/(expenses)	631	(1,182)	(551)
Remeasurement gains/(losses)			
- Actuarial gains	-	4,597	4,597
- Return on plan assets excluding interest income	(976)	-	(976)
At 31 March 2016	19,515	(33,149)	(13,634)

Total deficit apportioned to the group's principal UK subsidiary is £11,295,769 (2015 - £14,664,451)

Total cost recognised as an expense:

	2016	2015
Service cost - administration	143	114
Net interest cost	551	571
	694	685

Expenses apportioned to the group's principal subsidiary is £571,661 (2015 - £567,521)

The fair value of the plan assets was:

	2016	2015
Equity instruments	9,608	9,697
Diversified alternatives	3,910	3,847
Gilts and corporate bonds	5,856	5,948
Cash	141	100
	19,515	19,592



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**16. Post-employment benefits (cont)****(c) (ii) Defined pension benefit disclosures (cont)**

The plan assets do not include any of the company's or group's financial instruments nor is any property occupied by any Group entity.

The return on the plan assets was:

	<b>2016</b>	<b>2015</b>
Interest Income	631	747
(Loss)/return on plan assets less interest income	(976)	1,652
	<u>(345)</u>	<u>2,399</u>

**Contributions**

The latest actuarial valuation as at 31 March 2013 showed an increased deficiency and the employer companies' have agreed to revised contributions as follows:

- Contributions commencing at £44,935 per month, from 1 April 2014 to 31 March 2018, increasing annually on 1 July in line with price inflation as measured by the Retail Prices Index over the year to the preceding September.
- Contributions commencing at £47,100 per month, from 1 April 2014 to 31 March 2018, increasing annually on 1 April in line with price inflation as measured by the Retail Prices Index over the year to the preceding September.
- Contributions commencing at £1,300,000 per annum, payable monthly from 1 April 2018 to 30 April 2026, increasing annually on 1 April in line with price inflation as measured by the Retail Prices Index over the year to the preceding September capped at 5%.

**17. Share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Issued, allotted and fully paid:		
94,737 ordinary shares of 1p each	947	947
45,000 convertible deferred shares of 1p each	450	450
	<u>1,397</u>	<u>1,397</u>

The convertible deferred shares carry no voting rights at meetings. The convertible deferred shareholders have a right to receive only the full amount of capital paid up on such shares before any payments are made to ordinary shareholders on winding up. In certain circumstances, the deferred shares may be converted into ordinary shares. Should there be an issue of ordinary shares, any deferred shareholder also has the right to participate.

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**18. Operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2016</b>	<b>2015</b>
Not later than 1 year	643	639
Later than 1 year but within 5 years	343	912
Total	<u>986</u>	<u>1,551</u>

**19. Contingent liabilities**

The group's principal UK subsidiary has guaranteed banking facilities granted to a group company up to a maximum of £479,000 (2015 - £479,000). As at 31 March 2016 there were no amounts owing to the bank in respect of the facilities guaranteed (2015- £Nil).

The Company and its principal UK subsidiary has been engaged in litigation, claiming negligence against a firm of lawyers in respect of advice given relating to the termination of employment of a former employee. Trial of the matter took place in February 2016. Judgment was handed down in April 2016. The Court found that the firm concerned had been negligent and awarded group companies concerned part of the damages claimed in the sum of £118,125 and interim payment of costs of £125,000. Both sides have applied for permission to appeal and the outcome is awaited.

**20. Related party transactions**

Mr R.A. Perlman holds the majority of the shares of Mattelisa Limited, a company registered in Jersey, throughout the current and prior year. Mattelisa Limited wholly owns this company and CRU Publishing (Holdings) Limited.

During the year, the group provided services at cost to the CRU Publishing (Holdings) Limited group for a consideration of £440,000 (2015 - £395,000). Services provided and apportioned expenses charged to the group by the CRU Publishing (Holdings) Limited group amounted to £16,000 (2015 - £202,00).

The amounts due from/to group companies, disclosed under debtors and creditors respectively, relate to CRU Publishing (Holdings) Limited and its subsidiaries. The amount shown under debtors in respect of this group is £Nil (2015 - £371,000) and the amount shown under creditors is £2,863,000 (2015 - £4,695,000). There were no terms as to interest or repayment..

The group's principal UK subsidiary maintains a loan account in respect of R A Perlman to enable it to periodically recover any of his personal expenditure, details of which are:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Credit balance at beginning of year	1,982	15,237
Credit balance at end of year	19,261	1,982
Maximum overdrawn balance during the year	10,879	3,701
Total of debits on the account during the year	190,009	183,696
Total of credits on the account during the year	207,288	170,441

## **COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED**

**Year ended 31 March 2016**

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### **21. Controlling party**

The immediate and ultimate parent company is Mattelisa Limited, a company registered in Jersey.

The ultimate controlling party is Mr R A Perlman.

### **22. General information**

The Company is a private company limited by shares and incorporated in England. Its registered office is 5<sup>th</sup> Floor, Charles House, 108-110 Finchley Road, London, NW3 5JJ.

### **23. Subsidiaries**

The company's subsidiary undertakings at 31 March 2016 were:

Economic research and consultancy:

- CRU International Limited (operates in the UK and from a branch in China)
- CRU Analysis & Consulting India (Private) Limited – incorporated in India
- CRU Strategies Consultores Ltda – incorporated in Chile
- CRU North America Inc. – incorporated in the USA
- CRU Indices Limited
- Commodity Metals Management Company – incorporated in the USA
- Nonferrous Notes Organization – incorporated in the USA
- CRU International (Australia) Pty Limited – Incorporated in Australia
- CRU International (Hong Kong ) Limited – Incorporated in Hong Kong

Non-trading:

- Trends Forecasting Limited
- CRU Strategies Limited
- CRU Share Scheme Trustees Limited
- CRU Associated Trustee Limited
- Fertecon Research Centre Limited

All companies are incorporated in England and Wales except where indicated. All subsidiaries operate principally in their country of incorporation and are wholly-owned. Interests in companies marked “•” are held directly by Commodities Research Unit International (Holdings) Limited.

# COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED

Year ended 31 March 2016

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## 24. Transition to FRS 102

This is the first year that the group has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 March 2015. The date of transition was 1 April 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

### Profit for the year ended 31 March 2015

UK GAAP as previously reported		275
Holiday pay accrual	A	(38)
Defined benefit pension scheme	B	360
Total adjustments to profit before tax		322
Deferred tax impact of adjustments - Holiday pay accrual	C	5
Total adjustment to profit for the year		327
FRS 102		602

### Other comprehensive income for the year ended 31 March 2015

UK GAAP as previously reported		353
Defined benefit pension scheme	B	(3,869)
Deferred tax impact of adjustments - defined benefit pension scheme	C	(21)
		(3,890)
FRS 102		(3,537)

### Total equity

		1 April 2014	31 March 2015
UK GAAP as previously reported		8,933	9,561
Holiday pay accrual	A	(293)	(332)
Defined benefit pension scheme	B	(11,156)	(14,664)
Deferred tax impact of adjustments:	C		
- Holiday pay accrual		61	66
- Defined benefit pension scheme		594	573
Reclassification of fixed assets:	D		
- Tangible assets		(1,155)	(881)
- Intangible assets		1,155	881
FRS 102		(1,861)	(4,796)

#### A - Holiday pay accrual

FRS 102 requires short term employee benefit to be charged to the profit and loss account as the employee service is received. This has resulted in the group recognising a liability for holiday pay of £293,000 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 31 March 2015 an additional charge of £38,000 was recognised in the profit and loss account and the liability at 31 March 2015 was £332,000

## COMMODITIES RESEARCH UNIT INTERNATIONAL (HOLDINGS) LIMITED

Year ended 31 March 2016

All figures are in £ thousand unless otherwise stated

### 24. Transition to FRS 102 (cont.)

#### B - Defined benefit pension scheme

Under previous UK GAAP the group did not recognise the defined benefit liability because it was unable to identify its share of the group scheme's underlying assets and liabilities, and it accounted for the contributions as for a defined contributions scheme whilst making full disclosure of the scheme's assets and liabilities. Under FRS 102 the group has recognised its share of the scheme's liability (based on the proportion of contributions payable in accordance with group policy) at transition amounting to £11,156,000. In the year ended 31 March 2015 this has resulted in a credit to profit on ordinary activities of £360,000 and a charge of £3,869,000 in other comprehensive income.

#### C - Deferred taxation

The company has accounted for deferred taxation on transition as follows:

- a) Holiday pay accrual – Deferred tax asset of £61,000 has been recognised at 20% on the liability recognised on transition at 1 April 2014. In the year ended 31 March 2015 the company has recognised a credit of £5,000 in the profit and loss account in respect of the increase in the holiday pay accrual
- b) Under FRS 102 the deferred tax asset as at 1 April 2014 of £594,000, arising on the post-employment benefit liability, is now included within deferred tax asset on the balance sheet. Under previous UK GAAP, the deferred tax asset arising on the post-employment liability was not recognised. Deferred tax asset not recognised as at 1 April 2014 is £1,750,000.

#### D – Fixed assets

Under previous UK GAAP the company accounted for software development costs as tangible assets. Under FRS 102 the company has accounted for these costs as intangible assets. Resulting from this change an amount of £1,155,000 has been transitioned from tangible assets to intangible assets at 1 April 2014, being the net book value at that date. At 31 March 2015 the net book value was £881,000.