

Registered number: 04328897

COALITION DEVELOPMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

COALITION DEVELOPMENT LIMITED

COMPANY INFORMATION

Directors	Stephane Besson Gurpreet Chhatwaal George Kuznetsov Venkatraman Srinivasan
Company secretary	Pennsec Limited
Registered number	04328897
Registered office	125 Wood Street London EC2V 7AW
Independent auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG
Bankers	HSBC Bank Plc 79 Piccadilly London W1J 8EU

COALITION DEVELOPMENT LIMITED

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COALITION DEVELOPMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The Company offers business intelligence to the investment bank and financial services sector, supporting strategic and tactical decision making with the following products and services:

- Competitor - Detailed performance analysis and benchmarking
- Client Analytics - Client opportunities on both a 'Revenue Pool' and 'Individual Wallet' basis
- Country Analytics - Identifying market position in different geographies, size country opportunities and form and evaluation entry/exit strategies at a country level
- Risk Weighted Assets (RWA) - Assessing the performance of Risk Models versus peers and benchmark RWA efficiency by business.

BUSINESS REVIEW

In 2015, the global economy witnessed another year of subdued growth. As a result, the size of the Investment Bank industry has reached its lowest level since the crisis with the Fixed Income products at the same level as in 2005. The Coalition Index that tracks the performance of the top 10 global investment banks is expected to decrease in 2015 by 2%. It is a telling barometer of the performance of the global investment banking industry. In 2015, Fixed Income Currency and Commodities ("FICC") revenues declined by 6% (following a 4% decrease in 2014). Revenues from Equity products provided some relative relief with an increase of 12% (following a decrease of 5% in 2014), while investment banking revenues from mergers & acquisitions, and debt and equity markets decreased by 4% (following a growth of 11% in 2014).

Against that difficult environment, Coalition added several clients among the top 25 global Corporate and Investment Banks and is now working with all of the top 15 Investment Banks and more than 20 Corporate and Investment Banks. Coalition delivered a strong performance, driven by its core Competitor and Client Analytics, which reported solid growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of our strategy are subject to a number of risks. The following section comprises a summary of the main risks which could potentially impact our operating and financial performance.

People

The resignation of key individuals and the inability to recruit talented people, with the necessary skill sets, could adversely affect the results. The Directors believe that the Company has taken adequate measures to minimise the loss of its human capital.

Business environment

The financial services sector and the investment banking market, where we derive most of our revenues from, does experience cyclical variances, which can lead to increased uncertainty of future performance. The Company has withstood such cyclicalities through tight financial controls and an emphasis on maintaining a strong balance sheet.

Competition

While no competitor offers the exact scope and detail of the Company's products, a number of other companies offer similar products and services to our target market. These include data providers, as well as consultancy service providers.

COALITION DEVELOPMENT LIMITED

STRATEGIC REPORT (continued)

Competition

Whilst no competitor offers the exact scope and detail of the Company's products, a number of other companies offer similar products and services to our target market. These include data providers, as well as consultancy service providers.

Technology

The Company has developed a bespoke platform named 'DNA', to structure information and produce intelligence, which is designed to assist clients in decision making. The Directors feel that the dynamic nature of the platform makes it flexible to cater to changing industry dynamics. The platform is updated regularly to keep up to date with trends in the industry.

Legal

The Company provides value to its clients through the generation of intellectual property. This is shared with clients under a strict contractual agreement on agreed terms. The inability to enforce these contracts on clients that are far larger than the group, is a key legal risk. Changes in intellectual property law and contract law could also adversely impact the company. In the Directors' opinion, the company has ensured that its intellectual property is adequately protected and that all contractual agreements are submitted to a rigorous review process, which ensures their applicability.

Treasury management and currency risk

It is the Directors' intention to continue to finance the activities and development of the Company from retained earnings. The Directors will maintain the strong balance sheet position and operate the Company in a conservative fashion, whilst maintaining their focus on both profitability and cash flow. Cash surpluses are invested in short term deposits, with any working capital requirements being provided by cash resources.

The Company operates primarily in Sterling and aims to limit its exposure to currency fluctuations by disciplined management of payments and receipts, which are denominated in other currencies.

FINANCIAL KEY PERFORMANCE INDICATORS

	2015 £	2014 £	2013 £	2012 £
Turnover	16,861,247	15,460,165	14,421,630	11,376,090
Gross profit	12,189,393	11,408,175	10,598,953	8,092,068
Profit before tax	<u>6,055,616</u>	<u>4,745,582</u>	<u>4,994,268</u>	<u>1,903,748</u>

This report was approved by the board on 22 January 2016 and signed on its behalf.

Stephane Besson
Director

COALITION DEVELOPMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £5,080,984 (2014: £3,806,865).

During the year, the Board of Directors paid a dividend of £3,004,685 on its fully paid up equity share capital of £174,691 (comprising of 174,961 ordinary shares of £1 each) paid to CRISIL Irevna UK Limited, being the sole shareholder of the Company as on the date of declaration of the dividend.

FUTURE DEVELOPMENTS

The Company will continue to offer a comprehensive range of modelling and analytics products for the Corporate and Investment banking sectors.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

DIRECTORS

The Directors who served during the year were:

Stephane Besson
Gurpreet Chhatwaal (appointed 3 July 2015)
George Kuznetsov (appointed 3 July 2015)
Venkatraman Srinivasan (appointed 3 July 2015)

Roopa Kudva (resigned 27 April 2015)
Ravishankar Gedela (resigned 5 March 2015)

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COALITION DEVELOPMENT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 January 2016 and signed on its behalf.



Stephane Besson
Director

COALITION DEVELOPMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COALITION DEVELOPMENT LIMITED

We have audited the financial statements of Coalition Development Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and 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 the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at 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 Company's affairs as at 31 December 2015 and of its 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 MATTER 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.

COALITION DEVELOPMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COALITION DEVELOPMENT LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, 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.



Andrew Broome (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

26 Red Lion Square
London
WC1R 4AG

22 January 2016

COALITION DEVELOPMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover	3	16,861,247	15,460,165
Cost of sales		<u>(4,671,854)</u>	<u>(4,051,990)</u>
Gross profit		12,189,393	11,408,175
Administrative expenses		<u>(6,842,413)</u>	<u>(6,664,723)</u>
Operating profit		5,346,980	4,743,452
Income from Trade Investment		707,676	-
Interest receivable and similar income	9	<u>960</u>	<u>2,130</u>
Profit on ordinary activities before taxation		6,055,616	4,745,582
Taxation on profit/(loss) on ordinary activities	10	<u>(974,632)</u>	<u>(938,717)</u>
Profit for the financial year		<u>5,080,984</u>	<u>3,806,865</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>5,080,984</u>	<u>3,806,865</u>

There were no recognised gains and losses for 2015 other than those included in the income statement.

The notes on pages 11 to 27 form part of these financial statements.

COALITION DEVELOPMENT LIMITED
REGISTERED NUMBER:04328897

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

Note	2015 £	2014 £
Fixed assets		
Tangible assets	12 191,995	150,326
Investments	13 1	1
	<u>191,996</u>	<u>150,327</u>
Current assets		
Debtors: Amounts falling due within one year	14 6,011,017	1,953,848
Cash at bank and in hand	15 3,400,303	3,145,178
	<u>9,411,320</u>	<u>5,099,026</u>
Creditors: Amounts falling due within one year	16 (6,243,232)	(3,965,568)
	<u>3,168,088</u>	<u>1,133,458</u>
Net current assets	<u>3,168,088</u>	<u>1,133,458</u>
Total assets less current liabilities	<u>3,360,084</u>	<u>1,283,785</u>
Net assets	<u><u>3,360,084</u></u>	<u><u>1,283,785</u></u>
Capital and reserves		
Called up share capital	20 174,691	174,691
Share premium account	31,031	31,031
Profit and loss account	3,154,362	1,078,063
	<u>3,360,084</u>	<u>1,283,785</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 January 2016.



Stephane Besson
 Director

The notes on pages 11 to 27 form part of these financial statements.

COALITION DEVELOPMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2015	174,691	31,031	1,078,063	1,283,785
Profit for the year	-	-	5,080,984	5,080,984
Dividends: Equity capital	-	-	(3,004,685)	(3,004,685)
At 31 December 2015	<u>174,691</u>	<u>31,031</u>	<u>3,154,362</u>	<u>3,360,084</u>

COALITION DEVELOPMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2014	174,691	31,031	3,593,265	3,798,987
Profit for the year	-	-	3,806,865	3,806,865
Dividends: Equity capital	-	-	(6,322,067)	(6,322,067)
At 31 December 2014	<u>174,691</u>	<u>31,031</u>	<u>1,078,063</u>	<u>1,283,785</u>

The notes on pages 11 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact first-time adoption of FRS 102 is given in note 25.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied.

1.2 GOING CONCERN

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Short-term leasehold property	-	8	years straight line
Fixtures and fittings	-	4	years straight line
Office equipment	-	3	years straight line
Computer equipment	-	3	years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

1.5 OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

1.7 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

1.8 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.9 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.10 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.11 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

1.12 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.13 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan 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 payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.14 INTEREST INCOME

Interest income is recognised in the Income Statement using the effective interest method.

1.15 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In the process of applying its accounting policies, the Company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the Company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known. The following paragraphs detail the estimates and judgements the Company believes to have the most significant impact on the annual results under FRS 102.

Property, plant and equipment (PPE)

The estimated useful economic lives of PPE are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Variations between actual and estimated useful economic lives could impact operating results both positively and negatively, although historically few changes to estimated useful economic lives have been required.

The Company is required to evaluate the carrying values of PPE for impairment whenever circumstances indicate, in management's judgement, that the carrying value of such assets may not be recoverable. An impairment review requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the cash generating units under review.

Revenue recognition and allowance for doubtful receivables

The Company recognises revenue generally at the time of service delivery and when collection of the resulting receivable is reasonably assured. When the Company considers that the criteria for revenue recognition are not met for a transaction, revenue recognition is delayed until such time as collectability is reasonably assured. Payments received in advance of revenue recognition are recorded as deferred income.

At each reporting date, the Company evaluates the recoverability of trade receivables and records allowances for doubtful receivables based on experience. These allowances are based on, amongst other things, a consideration of actual collection history. The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3. ANALYSIS OF TURNOVER

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

	2015 £	2014 £
International Research	8,015,300	9,254,120
Research Data Management	8,845,947	6,206,045
	<u>16,861,247</u>	<u>15,460,165</u>

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	6,150,837	8,022,884
Rest of Europe	1,080,610	747,538
Rest of the world	9,629,800	6,689,743
	<u>16,861,247</u>	<u>15,460,165</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets	81,747	52,165
Fees payable to the Company's auditor for the audit of the Company's annual accounts	15,500	13,750
Exchange differences	(154,280)	7,395
Defined contribution pension cost	134,270	122,574
	<u>134,270</u>	<u>122,574</u>

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

5. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	15,500	13,750
	<u>15,500</u>	<u>13,750</u>
Fees payable to the Company's auditor in respect of:		
Other services relating to taxation	4,725	4,271
All other services	1,100	300
	<u>5,825</u>	<u>4,571</u>

6. EMPLOYEES

Staff costs, including Directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	4,682,904	4,093,233
Social security costs	734,604	525,913
Cost of defined contribution scheme	134,270	122,574
	<u>5,551,778</u>	<u>4,741,720</u>

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

	2015 No.	2014 No.
	24	22
	<u>24</u>	<u>22</u>

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7. DIRECTORS' REMUNERATION

	2015 £	2014 £
Directors' emoluments	511,088	679,000
Company contributions to defined contribution pension schemes	25,549	17,080
	<u>536,637</u>	<u>696,080</u>

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

The highest paid Director received remuneration of £397,200 (2014 - £679,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £18,199 (2014 - £17,080).

8. INCOME FROM INVESTMENTS

	2015 £	2014 £
Dividends received from subsidiary	707,676	-
	<u>707,676</u>	<u>-</u>

9. INTEREST RECEIVABLE

	2015 £	2014 £
Other interest receivable	960	2,130
	<u>960</u>	<u>2,130</u>

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10. TAXATION

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	925,956	1,048,801
Adjustments in respect of previous periods	(59,760)	(70,984)
	<u>866,196</u>	<u>977,817</u>
Group taxation relief	45,474	108,968
	<u>911,670</u>	<u>1,086,785</u>
Total current tax	<u>911,670</u>	<u>1,086,785</u>
Deferred tax		
Origination and reversal of timing differences	62,962	(148,068)
Total deferred tax	<u>62,962</u>	<u>(148,068)</u>
Taxation on profit on ordinary activities	<u>974,632</u>	<u>938,717</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	6,055,616	4,745,582
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	1,226,054	1,019,826
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,015	9,370
Capital allowances for year in excess of depreciation	6,319	4,326
Adjustments to tax charge in respect of prior periods	(59,760)	(70,984)
Short term timing difference leading to an increase/(decrease) in taxation	(119,678)	94,011
Other timing differences leading to an increase/(decrease) in deferred tax asset	62,962	(148,068)
Group income	(143,280)	-
Prior year group relief adjustment	-	30,236
Group relief claimed	45,474	-
Payment for group relief	(45,474)	-
Total tax charge for the year	974,632	938,717

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

11. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	3,004,685	6,322,067
	3,004,685	6,322,067

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

12. TANGIBLE FIXED ASSETS

	Short-term leasehold improvements £	Fixtures, fittings and office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2015	29,766	288,591	-	318,357
Additions	2,407	7,154	113,855	123,416
Disposals	-	-	(186)	(186)
At 31 December 2015	32,173	295,745	113,669	441,587
Depreciation				
At 1 January 2015	1,346	166,685	-	168,031
Charge owned for the period	3,844	56,589	21,314	81,747
Disposals	-	-	(186)	(186)
At 31 December 2015	5,190	223,274	21,128	249,592
At 31 December 2015	26,983	72,471	92,541	191,995

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015 and 31 December 2015	1
Net book value	
At 31 December 2015	1
At 31 December 2014	1

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Coalition Development Singapore Pte Limited	Singapore	Ordinary	100 %	Consulting and management services

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Coalition Development Singapore Pte Limited	50,047	221,189

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

14. DEBTORS

	2015 £	2014 £
Due within one year		
Trade debtors	3,148,566	73,012
Amounts owed by group undertakings	2,575,448	1,500,219
Other debtors	30,796	30,977
Prepayments and accrued income	171,101	201,572
Deferred taxation	85,106	148,068
	<u>6,011,017</u>	<u>1,953,848</u>

15. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Cash at bank and in hand	3,400,303	3,145,178
	<u>3,400,303</u>	<u>3,145,178</u>

16. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	19,538	111,837
Amounts owed to group undertakings	758,168	1,156,570
Corporation tax	467,930	590,796
Taxation and social security	1,138,251	350,293
Other creditors	1,204,519	902,408
Accruals and deferred income	2,654,826	853,664
	<u>6,243,232</u>	<u>3,965,568</u>

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

17. FINANCIAL INSTRUMENTS

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	5,854,133	1,721,850
	<u>5,854,133</u>	<u>1,721,850</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(4,637,053)	(3,024,483)
	<u>(4,637,053)</u>	<u>(3,024,483)</u>

Financial assets measured at amortised cost comprise unbilled revenue, amounts due from group companies, trade debtors and other debtors.

Financial Liabilities measured at amortised cost comprise amounts owed to group companies, trade creditors, other creditors and accruals.

18. DEFERRED TAXATION

	Deferred tax £
At 1 January 2015	148,068
Charged to the profit or loss	(62,962)
At 31 December 2015	<u>85,106</u>

19. RESERVES

Share premium

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

20. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
174,691 Ordinary shares of £1 each	174,691	174,691

21. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amount to £134,270 (2014: £122,574). As at 31 December 2015 contributions totalling £22,922 (2014: £19,624) were payable to the fund.

22. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Company had total future commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Land and buildings		
Not later than 1 year	120,000	40,417
Later than 1 year and not later than 5 years	68,387	-
Total	188,387	40,417

23. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of CRISIL Irevna UK Limited. CRISIL Irevna UK Limited is a wholly owned subsidiary of CRISIL Limited and owns 100% of shares in CRISIL Irevna US LLC and CRISIL Irevna Poland sp. z.o.o. These companies are associated companies of Coalition Development Limited.

Coalition Development Singapore Pte Limited is a wholly-owned subsidiary of the Company.

CRISIL Irevna Argentina S.A., CRISIL Irevna Information & Technology (hangzhou) Co. Limited, CRISIL Risk & Infrastructure Solutions Limited, Pipal Research Analytics & Information Services (I) Private Limited, Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited are associated companies of Coalition Development Ltd as they are under common control.

The total remuneration paid to key management personnel during the year was £608,020.

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

24. CONTROLLING PARTY

The Company is controlled by its parent company CRISIL Irevna UK Limited. The ultimate controlling party is McGraw Hill Financial Inc.

25. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.