COALITION DEVELOPMENT SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201007565C)

Annual Report
For the financial year ended 31 December 2015

Contents

COALITION DEVELOPMENT SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Registration No. 201007565C)

DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 December 2015.

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

SERGE DOMINIQUE MARIE DE COSTER
RAMAN UBEROI
PANKAJ JAIN (Appointed on 14 May 2015)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

None of the directors of the Company holding office at the end of the financial year had any interests in the share or debentures of the Company or any related corporations.

4. SHARE OPTIONS

There were no share options granted during the financial year to subscribe for shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
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(Registration No. 201007565C)

DIRECTORS' STATEMENT

5. **INDEPENDENT AUDITORS**

The retiring auditors, MGI Menon & Associates, will not be seeking re-appointment.

The Board of Directors will be proposing MGI Alliance Singapore PAC as the new auditors at the Company's forthcoming Annual General Meeting.

On behalf of the Board of Directors

....

(RAMAN UBEROI)
Director

....

(SERGE DOMINIQUE MARIE DE COSTER)
Director

Date: 2/2/16

MGI MENON & ASSOCIATES
CHARTERED ACCOUNTANTS OF SINGAPORE

MGI Menon & Associates
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201007565C)

Report on the Financial Statements

We have audited the accompanying financial statements of **COALITION DEVELOPMENT SINGAPORE PTE. LTD.** (the "Company"), which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended on that date, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 33.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

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

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

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

MGI

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MGI MENON & ASSOCIATES
CHARTERED ACCOUNTANTS OF SINGAPORE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

COALITION DEVELOPMENT SINGAPORE PTE. LTD. - continued
(Incorporated in the Republic of Singapore)
(Registration No. 201007565C)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

MGI Menon & Associates

MGI MENON & ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore,

2 February 2016

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201007565C)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	NOTE	2015 S$	2014 S$
ASSETS			
NON-CURRENT ASSETS			
Deferred tax asset	(4)	**97,591**	-
Plant and equipment	(5)	**3,104**	-
Total non-current assets		**100,695**	-
CURRENT ASSETS			
Trade receivables	(6)	**1,256,428**	1,946,687
Other receivables, deposits and prepayments	(7)	**12,157**	12,587
Cash and cash equivalents	(8)	**853,733**	203,085
Total current assets		**2,122,318**	2,162,359
TOTAL ASSETS		**2,223,013**	2,162,359
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY			
Share capital	(9)	**1**	1
Retained earnings		**104,942**	1,140,448
Total equity		**104,943**	1,140,449
NON-CURRENT LIABILITIES			
Incentive accrual		**227,754**	259,923
Total non-current liabilities		**227,754**	259,923
CURRENT LIABILITIES			
Trade payables	(10)	**1,052,522**	95,741
Other payables and accruals	(11)	**749,230**	628,299
Current income tax liabilities		**88,564**	37,947
Total current liabilities		**1,890,316**	761,987
Total liabilities		**2,118,070**	1,021,910
TOTAL EQUITY AND LIABILITIES		**2,223,013**	2,162,359

The accompanying notes form an integral part of these financial statements.

COALITION DEVELOPMENT SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Registration No. 201007565C)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	NOTE	**2015**	2014
		S$	S$
Continuing operations			
Revenue	(12)	**7,751,011**	6,544,934
Cost of services	(12)	**(5,871,938)**	(4,559,354)
Gross profit		**1,879,073**	1,985,580
Other income	(12)	**115,033**	65,132
Operating expenses	(12)	**(1,510,253)**	(1,611,830)
Profit before tax		**483,853**	438,882
Income tax expense	(13)	**(19,359)**	(34,446)
Profit for the financial year		**464,494**	404,436
Other comprehensive income		**-**	-
Total comprehensive income for the financial year		**464,494**	404,436

The accompanying notes form an integral part of these financial statements.

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
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STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Share capital	Retained earnings	Total
	S$	S$	S$
2015			
Beginning of the financial year	1	1,140,448	1,140,449
Total comprehensive income for the financial year	-	464,494	464,494
Transaction with owner recognised directly in equity:			
- Dividend (Note 18)	-	(1,500,000)	(1,500,000)
End of the financial year	**1**	**104,942**	**104,943**

	Share capital	Retained earnings	Total
	S$	S$	S$
2014			
Beginning of the financial year	1	736,012	736,013
Total comprehensive income for the financial year	-	404,436	404,436
End of the financial year	1	1,140,448	1,140,449

The accompanying notes form an integral part of these financial statements.

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
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STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	NOTE	2015 S$	2014 S$
Cash flows from operating activities			
Profit before tax		**483,853**	438,882
Adjustments for:			
Depreciation		**621**	3,080
Incentive accrual		**314,142**	259,923
Operating cash flows before changes in working capital		**798,616**	701,885
Changes in working capital:			
Trade receivables		**690,259**	(943,219)
Other receivables, deposits and prepayments		**430**	6,996
Trade payables		**956,781**	60,377
Other payables and accruals		**(225,380)**	126,245
Cash generated from / (used in) operations		**2,220,706**	(47,716)
Income tax paid		**(66,333)**	(17,743)
Net cash generated from / (used in) operating activities		**2,154,373**	(65,459)
Cash flows from investing activities			
Payments to acquire plant and equipment		**(3,725)**	-
Net cash used in investing activities		**(3,725)**	-
Cash flows from financing activities			
Dividend paid		**(1,500,000)**	-
Net cash used in financing activities		**(1,500,000)**	-
Net increase / (decrease) in cash and cash equivalents		**650,648**	(65,459)
Cash and cash equivalents at the beginning of financial year		**203,085**	268,544
Cash and cash equivalents at the end of financial year	(8)	**853,733**	203,085

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

COALITION DEVELOPMENT SINGAPORE PTE. LTD. is a limited company incorporated in Singapore. The address of its registered office is:

60 Robinson Road #11-01
Bank of East Asia Building
Singapore 068892

The principal activities of the Company are those of consulting and management services.

There have been no significant changes in the nature of these activities during the financial year.

The Company's immediate holding company is Coalition Development Ltd., a company incorporated in the United Kingdom. The ultimate holding company is McGraw Hill Financial Inc., a company incorporated in the United States of America.

The financial statements of COALITION DEVELOPMENT SINGAPORE PTE. LTD. for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS) and the provisions of the Companies Act.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies that follow.

c) Functional and presentation currency

These financial statements are presented in Singapore dollars (S$), which is the Company's functional currency.

2. BASIS OF PREPARATION - continued

d) Use of estimates and judgement

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Judgements made in applying accounting policies

In the process of applying the entity's accounting policies, management is of the opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for trade receivables

The impairment allowance for doubtful debts of the Company is based on the ongoing evaluation of collectability and ageing analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

The carrying amount of the Company's trade receivables as at 31 December 2015 was S$1,256,428 (2014: S$1,946,687).

2. BASIS OF PREPARATION - continued

e) Changes in accounting policies

Overview

In the current financial year, the Company has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS has not resulted in changes to the Company's accounting policies and has also no material effect on the amounts reported for the current or prior year's financial information.

The Company has not early adopted any of the FRS, INT FRS, and amendments to FRS that were issued but not effective at the beginning of the financial year. The directors expect that the adoption of these other standards and interpretations will have no material impact on the financial statements in the financial period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the following paragraphs have been applied consistently to both periods presented in these financial statements, and have been applied consistently by the Company, except as explained in Note 2(e), which addresses changes in accounting policies.

a) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

a) **Foreign currency transactions and balances - continued**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the retranslation of:

i) available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);

ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

iii) qualifying cash flow hedges to the extent the hedge is effective.

b) **Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives as follows:-

Computers and peripherals	1 year

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The residual values and useful lives of plant and equipment are reviewed and adjusted as appropriate at each reporting date.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

b) Plant and equipment - continued

Assets acquired during the year are charged with depreciation as of the acquisition date. Depreciation is charged till the date of disposal for the year in which an asset is sold.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

c) Financial instruments

i) Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company only has loans and receivables.

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

c) **Financial instruments - continued**

i) Non-derivative financial assets - continued

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

The Company's loans and receivables comprise cash and cash equivalents, trade receivables, due from intermediate holding company and deposits.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank.

ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

c) Financial instruments - continued

ii) Non-derivative financial liabilities - continued

Other financial liabilities comprise trade payables and other payables and accruals.

For the purpose of current and non-current classification of financial assets and liabilities, anything receivable or payable within 12 months is classified as current.

d) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

e) Impairment

Non-derivative Financial Assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Impairment - continued

Loans and receivables - continued

All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial Assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Impairment - continued

Non-financial Assets - continued

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (groups of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (groups of CGUs) on a *pro rata* basis.

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

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

f) **Related parties**

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING POLICIES - continued

g) Revenue recognition

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 comprises the fair value of the consideration received or receivable for the sale of services, net of rebates and discounts.

The following specific recognition criteria must also be met before revenue is recognised:

Services rendered

Revenue from services rendered is recognised in profit or loss when the services rendered have been completed.

h) Government grants

Cash grants received from the government are recognised as income upon receipt.

i) Employee benefits

Defined contribution plan

As required by law, the Company makes contributions to the state pension scheme, Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made when the estimated liability for annual leave is incurred as a result of services rendered by employees up to the reporting date.

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

j) **Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

i) the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and

ii) the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

k) **Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

l) **Income tax - continued**

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4. **DEFERRED TAX ASSET**

Deferred tax asset is attributable to the following:

	2015	2014
	S$	S$
Incentive accrual	**97,591**	-

Movement in deferred tax asset during the financial year is as follows:

	2015	2014
	S$	S$
Beginning of the financial year	-	-
Recognised in profit or loss (Note 13)	**97,591**	-
End of the financial year	**97,591**	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. PLANT AND EQUIPMENT

Computers and peripherals

	2015	2014
	S$	S$
Cost		
Beginning of the financial year	**4,107**	4,107
Additions	**3,725**	-
End of the financial year	**7,832**	4,107
Accumulated depreciation		
Beginning of the financial year	**4,107**	1,027
Charge for the financial year	**621**	3,080
End of the financial year	**4,728**	4,107
Carrying value		
End of the financial year	**3,104**	-

6. TRADE RECEIVABLES

	2015	2014
	S$	S$
Due from immediate holding company	**1,256,428**	1,946,687

Trade receivables are non-interest bearing and are normally settled on 30 days (2014: 30 days) terms.

The ageing analysis of trade receivables is as follows:

	2015	2014
	S$	S$
Not past due	**479,882**	897,060
Past due		
1 to 30 days	**722,778**	575,043
31 to 60 days	**53,768**	474,584
	1,256,428	1,946,687

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. OTHER RECEIVABLES AND PREPAYMENTS

	2015	2014
	S$	S$
Due from intermediate holding company	**5,702**	5,428
Deposits	**-**	2,250
	5,702	7,678
Prepayments	**6,455**	4,909
Total other receivables	**12,157**	12,587

The amount due from intermediate holding company is unsecured, interest-free and is repayable within twelve months.

8. CASH AND CASH EQUIVALENTS

	2015	2014
	S$	S$
Cash in hand	**1**	1
Cash at bank	**853,732**	203,084
	853,733	203,085

9. SHARE CAPITAL

	2015		2014	
	No. of shares	**Paid up**	No. of shares	Paid up
		S$		S$
Issued and fully paid ordinary shares				
Beginning and end of the financial year	**1**	**1**	1	1

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. **SHARE CAPITAL - continued**

The ordinary share has no par value. The holder of the ordinary share is entitled to receive dividends as declared from time to time and entitled to one vote per share at meetings of the Company. The share has the right to the Company's residual assets.

10. **TRADE PAYABLES**

Trade payables are due to a fellow subsidiary of the intermediate holding company, non-interest bearing and are normally settled on 30 days (2014: 30 days) terms.

11. **OTHER PAYABLES AND ACCRUALS**

	2015	2014
	S$	S$
Accrued bonuses	**381,585**	568,000
Incentive accrual (current portion)	**346,311**	-
Other accruals	**17,600**	40,300
Sundry payables	**3,734**	19,999
	749,230	628,299

Included within accrued bonuses is an amount of S$300,000 (2014: S$520,000) due to a director.

12. **REVENUE, COST OF SERVICES, OTHER INCOME AND EXPENSES**

	2015	2014
	S$	S$
Revenue:		
Services rendered (Note 14)	**7,751,011**	6,544,934
Cost of services:		
Consultancy fees (Note 14)	**5,871,938**	4,559,354

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. REVENUE, COST OF SERVICES, OTHER INCOME AND EXPENSES - continued

	2015	2014
	S$	S$
Other income:		
PIC* bonus	**8,038**	-
PIC cash payout	**4,823**	-
Recovery of expenses	**101,072**	65,132
Temporary employment credit	**1,100**	-
	115,033	65,132

**Productivity and Innovation Credit Scheme.*

	2015	2014
Operating expenses include:		
Director's - remuneration	**187,367**	316,700
- bonus	**305,434**	580,000
- retention award	**203,410**	-
- CPF contribution and SDL	**10,582**	13,735
Incentive accrual	**314,142**	259,923
Office rent	**10,000**	27,000
Staff - salaries and bonuses	**330,740**	254,600
- CPF contribution	**10,450**	13,744
Skills Development Levy (SDL)	**300**	264
Staff welfare	**524**	1,140
Staff training	**1,900**	462

	2015	2014
Employee benefits expense:		
Salaries, bonuses and benefits	**1,341,093**	1,411,223
CPF and SDL	**21,332**	27,743
	1,362,425	1,438,966

13. INCOME TAX EXPENSE

	2015	2014
	S$	S$
Current tax expense	**85,063**	34,446
Underprovision in prior year	**31,887**	-
Deferred tax asset (Note 4)	**(97,591)**	-
	19,359	34,446

Reconciliation between income tax expense and the product of profit before tax multiplied by the applicable tax rate is as follows:

	2015	2014
	S$	S$
Profit before tax	**483,853**	438,882
Tax thereon at 17%	**82,255**	74,610
Effects of:		
Non-taxable income	**(820)**	-
Disallowable expenses	**266**	524
Capital allowances and enhanced deduction	**(4,117)**	-
Exempt income	**(25,925)**	(25,925)
Tax rebate	**(20,000)**	(14,763)
Underprovision in prior year	**31,887**	-
Recognition of temporary differences	**(44,187)**	-
	19,359	34,446

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

14. RELATED PARTY TRANSACTIONS

In addition to related party balances disclosed elsewhere in the financial statements, significant transactions with related parties during the financial year conducted at terms agreed upon among themselves are as follows:

Related party transactions shown in the accounts as	Type of relationship between the Company and the related party	2015 S$	2014 S$
Revenue	Immediate holding company	**7,751,011**	6,544,934
Cost of services	Fellow subsidiary	**5,871,938**	4,559,354
Recovery of expenses	Intermediate holding company	**101,072**	65,132

Key Management Personnel Compensation

The directors are the key management personnel of the Company. The remuneration paid to a director during the financial year is as follows:

	2015 S$	2014 S$
Director's - remuneration	**187,367**	316,700
- bonus	**305,434**	580,000
- retention award	**203,410**	-
- CPF contribution	**10,450**	13,600
	706,661	910,300

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Accounting Classifications and Fair Values

Fair values versus carrying amounts

	Note	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value*
		S$	S$	S$	S$
2015					
Trade receivables	(6)	**1,256,428**	**-**	**1,256,428**	**1,256,428**
Other receivables and deposits	(7)	**5,702**	**-**	**5,702**	**5,702**
Cash and cash equivalents	(8)	**853,733**	**-**	**853,733**	**853,733**
		2,115,863	**-**	**2,115,863**	**2,115,863**
Trade payables		**-**	**1,052,522**	**1,052,522**	**1,052,522**
Accruals and other payables	(11)	**-**	**749,230**	**749,230**	**749,230**
		-	**1,801,752**	**1,801,752**	**1,801,752**
2014					
Trade receivables	(6)	1,946,687	-	1,946,687	1,946,687
Other receivables and deposits	(7)	7,678	-	7,678	7,678
Cash and cash equivalents	(8)	203,085	-	203,085	203,085
		2,157,450	-	2,157,450	2,157,450
Trade payables		-	95,741	95,741	95,741
Accruals and other payables	(11)	-	628,299	628,299	628,299
		-	724,040	724,040	724,040

* Refer to Note 16 for the determination of fair values.

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Risk management policies

Exposure to credit, liquidity and market risks arises in the normal course of the Company's business. The Company's overall business strategies, its tolerance of risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Company's bank balance and receivables.

At the reporting date the maximum exposure to credit risk was as follows:

	2015	2014
	S$	S$
Trade receivables	**1,256,428**	1,946,687
Other receivables and deposits	**5,702**	7,678
Cash at bank	**853,732**	203,084
	2,115,862	2,157,449

Cash at bank is maintained with a fully licensed bank in Singapore.

Trade receivables are due from the immediate holding company. The ageing analysis of trade receivables is disclosed in Note 6.

Liquidity Risk

Liquidity risk is the risk of the Company being unable to secure adequate funding to meet current obligations. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents considered adequate by management to finance the Company's operation and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Liquidity Risk - continued

	Carrying amount S$	Contractual cash flows S$	Due within one year S$	Total S$
2015				
Trade payables	**1,052,522**	**1,052,522**	**1,052,522**	**1,052,522**
Accruals and other payables	**749,230**	**749,230**	**749,230**	**749,230**
	1,801,752	**1,801,752**	**1,801,752**	**1,801,752**
2014				
Trade payables	95,741	95,741	95,741	95,741
Accruals and other payables	628,299	628,299	628,299	628,299
	724,040	724,040	724,040	724,040

Market Risk

The Company is exposed to market risks such as interest rate fluctuation and foreign currency rate fluctuation. The Company's exposure to these risks is discussed below.

Interest rate risk

The Company has no significant exposure to risk attributed to changes in interest rate.

Foreign Currency Exchange Risk

As at the financial year end, the Company was not exposed to significant foreign currency exchange risk.

As at 31 December 2014, the Company's exposure to foreign currency arose from trade receivables due from the immediate holding company which were denominated in British Pounds.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Foreign Currency Exchange Risk - continued

Sensitivity analysis

A 10% strengthening of the Singapore Dollar against the British Pound at the reporting date would have decreased the Company's profits and equity by the amounts shown below.

	2015	2014
	S$	S$
British Pound	-	194,669

A 10% weakening of the Singapore Dollar against the British Pound at the reporting date would have increased the Company's profits and equity by the amount shown above, on the basis that all other variables remain constant.

16. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash and Cash Equivalents, Other Receivables and Deposits and Other Payables and Accruals

The carrying amounts of these financial items approximate their fair values due to their short term nature.

Trade Receivable and Trade Payables

The carrying amount of trade receivable and trade payables approximate their fair values as these are subject to normal trade terms.

17. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2015 and 31 December 2014.

The Company is not subject to externally imposed capital requirements. The Company's overall strategy remains unchanged from 2014.

18. DIVIDEND

The Company declared and paid the following one-tier exempt dividend:

	2015 **S$**	2014 S$
S$1,500,000 (2014: Nil) per ordinary share	**1,500,000**	-

The dividend paid has been accounted for in the shareholder's funds as an appropriation of retained earnings.

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
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DETAILED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	2015	2014
	S$	S$
Revenue:		
Services rendered	**7,751,011**	6,544,934
Cost of services:		
Consultancy fees	**5,871,938**	4,559,354
Other income:		
PIC bonus	**8,038**	-
PIC cash payout	**4,823**	-
Recovery of expenses	**101,072**	65,132
Temporary employment credit	**1,100**	-
	115,033	65,132
Operating expenses:		
Audit fee	**7,500**	7,500
Bank charges	**1,506**	1,213
Depreciation	**621**	3,080
Director's emoluments	**1,020,935**	1,170,358
Entertainment	**2,631**	67
General expenses	**13,187**	60
Insurance	**15,860**	12,743
Office expenses	**904**	8,326
Office rent	**10,000**	27,000
Postage	**299**	-
Printing and stationery	**7,081**	1,858
Professional service charges	**29,750**	34,600
Repair and maintenance	**2,093**	1,705
Staff salaries and bonuses	**330,740**	254,600
Staff CPF	**10,450**	13,744
Staff welfare	**524**	1,140
Skills Development Levy (SDL)	**300**	264
Staff training	**1,900**	462
Telephone and fax charges	**3,470**	3,732
Travelling expenses	**50,502**	69,378
	1,510,253	1,611,830

This statement does not form part of the audited financial statements.