

Registered number: 04328897

**COALITION DEVELOPMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

---

## COALITION DEVELOPMENT LIMITED

---

### COMPANY INFORMATION

---

<b>Directors</b>	Stephane Besson George Kuznetsov Venkataraman Srinivasan Amish Mehta (appointed 5 December 2016)
<b>Company secretary</b>	Pennsec Limited
<b>Registered number</b>	04328897
<b>Registered office</b>	125 Wood Street London EC2V 7AW
<b>Independent auditors</b>	haysmacintyre 26 Red Lion Square London WC1R 4AG
<b>Bankers</b>	HSBC Bank Plc 79 Piccadilly London W1J 8EU

---

**COALITION DEVELOPMENT LIMITED**

---

**CONTENTS**

---

	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>The Modern Slavery Act 2015 Statement</b>	5 - 6
<b>Independent Auditors' Report</b>	7 - 8
<b>Statement of Comprehensive Income</b>	9
<b>Statement of Financial Position</b>	10
<b>Statement of Changes in Equity</b>	11
<b>Notes to the Financial Statements</b>	12 - 28

---

## COALITION DEVELOPMENT LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 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

Coalition delivered strong results, driven by its core Competitor and Client Analytics, which reported continued solid growth. In 2016, 75% of Coalition's existing global corporate and investment bank clients significantly increased their investment in our services. In addition Coalition diversified its client-base by establishing new relationships with regional and national players as well as buy-side firms. This expansion is testimony to the trust and increasing reliance in Coalition's high-quality analysis and insight across the financial services industry. Its media strategy added new publications covering Corporate and Investment Bank analysis to reflect the growing collaboration between the two.

In terms of financial performance, turnover has increased by 24% from £16.86m in 2015 to £20.85m in the current year. This is largely on account of an increase in client base as well as delivering more deep dive analysis. Total expenditure is marginally higher by 12% and profit before tax is £7.92m, which is 31% higher than last year. The net profit after tax in 2016 of £6.39m has contributed to a stronger financial position with net assets rising to £6.25m as at 31 December 2016 (2015: £3.36m).

As at 31 December 2016 the combination of the profit generated and a decrease in trade debtors to £2.28m (2015: £3.15m) has resulted in the cash balances held by the Company increasing from £3.4m to £7.27m.

#### 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.

---

## COALITION DEVELOPMENT LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### PRINCIPAL RISKS AND UNCERTAINTIES (continued)

##### *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.

##### *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*

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 financial 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.

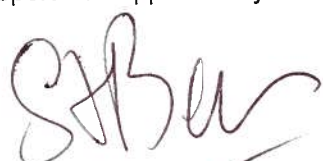
##### *Brexit*

There is currently much political and economic uncertainty regarding the impact of Brexit on the British economy. Whilst the extent of the effect of Brexit on the Company remains uncertain, the Directors are monitoring the situation as it continues to develop and do not anticipate any impact on the Company's business in the immediate future.

#### FINANCIAL KEY PERFORMANCE INDICATORS

	2016 £	2015 £	2014 £	2013 £
Turnover	20,852,491	16,861,247	15,460,165	14,421,630
Gross profit	15,790,142	12,189,393	11,408,175	10,598,953
Profit before tax	7,918,065	6,055,616	4,745,582	4,994,268

This report was approved by the board on 23 January 2017 and signed on its behalf.



**Stephane Besson**  
Director

---

## **COALITION DEVELOPMENT LIMITED**

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

---

The Directors present their report and the financial statements for the year ended 31 December 2016.

#### **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.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £6,393,555 (2015 - £5,080,984).

During the year, the Board of Directors paid a dividend of £3,500,000 (2015: £3,004,685) on its fully paid up equity share capital of £174,691 (comprising of 174,691 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.

#### **DIRECTORS**

The Directors who served during the year were:

Stephane Besson  
George Kuznetsov  
Venkataraman Srinivasan  
Amish Mehta (appointed 5 December 2016)

Gurpreet Chhatwal (resigned 23 August 2016)  
Pankaj Jain (appointed 23 August 2016, removed 5 December 2016)

#### **FUTURE DEVELOPMENTS**

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

---

**COALITION DEVELOPMENT LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**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 23 January 2017 and signed on its behalf.

A handwritten signature in dark ink, appearing to read 'S Besson', with a long horizontal flourish extending to the right.

**Stephane Besson**  
Director

---

## COALITION DEVELOPMENT LIMITED

---

### THE MODERN SLAVERY ACT 2015 STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

---

This statement is published by CRISIL Limited ("CRISIL") with regards to its subsidiaries, including in particular CRISIL Irevna UK Limited and Coalition Development Limited ("CRISIL Subsidiaries"), which are subject to the Modern Slavery Act 2015 ("The Act"). CRISIL and CRISIL Subsidiaries together constitute the "CRISIL Entities". This statement is made pursuant to section 54(1) of the The Act and constitutes our slavery and human trafficking statement for the financial year ending 2016.

#### Introduction

Forced, bonded or compulsory labour, human trafficking and other kinds of slavery signify some of the severest forms of human rights abuse. We are committed to improving our practices to combat slavery and human trafficking.

#### Organisation's structure

We are a provider of ratings, research, and risk and policy advisory services in the knowledge process and business process outsourcing sector. Our ultimate parent company is S&P Global Inc. CRISIL Limited has its registered office in Mumbai, India. We have approximately 4000 employees worldwide and operate in India, China, Singapore, England, Poland, Argentina and the United States of America. Our global annual turnover in excess of £36 million.

#### Our business

Our business is organised into 7 business units: Ratings, Global Research and Analytics, India Research, Infrastructure Advisory, Risk Solutions, Global Analytical Centre and Global Data Services.

#### Our supply chains

Our supply chains include consultants, advisors, IT (hardware and software) and other office equipment suppliers, professional services from our lawyers, accountants and other advisers, security, catering, office cleaning and other office facilities services, staffing companies etc.

We require all of our suppliers to conduct business in a lawful and ethical manner as part of our supplier on-boarding process and in accepting our trading terms and conditions.

#### Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Modern Slavery Act 2015 Policy reflects our commitment to acting ethically and with integrity in all our business relationships, and to implementing and enforcing effective systems and controls to ensure that slavery and human trafficking is not taking place anywhere in our supply chains.

#### Due diligence processes for slavery and human trafficking

As part of our initiative to identify and mitigate risk we have in place systems to:

- Identify and assess potential risk areas in our supply chains;
- Mitigate the risk of slavery and human trafficking occurring in our supply chains;
- Monitor potential risk areas in our supply chains;
- Protect whistle blowers; and,
- Where possible, build long standing relationships with local suppliers and make clear our expectations of business behaviour;

#### Supplier adherence to our values

We have zero tolerance towards slavery and human trafficking. To ensure that all of those in our supply chain and contractors comply with our values and ethics.

**THE MODERN SLAVERY ACT 2015 STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**Training**

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff.

**Our effectiveness in combating slavery and human trafficking**

The Act is relatively new legislation and few companies, including CRISIL Entities, have any experience of seeking out, let alone detecting, slavery or trafficking among their own staff or among those of their suppliers. To date, CRISIL Entities are yet to detect or suspect that any CRISIL Entities or their suppliers employ persons who may be enslaved or trafficked, and so key performance indicators can only be set in respect of reasonable due diligence efforts once experience of the initial outputs of such exercises are collated and analysed.

---

## **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 2016, set out on pages 9 to 28. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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 on, 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 Financial Reporting Council'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](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 Company's affairs as at 31 December 2016 and of its profit or loss 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, based on the work undertaken in the course of the audit, 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

---

**COALITION DEVELOPMENT LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COALITION DEVELOPMENT LIMITED (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, 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.



Gareth Ogden (Senior Statutory Auditor)

for and on behalf of  
**haysmacintyre**

26 Red Lion Square  
London  
WC1R 4AG

23 January 2017

---

**COALITION DEVELOPMENT LIMITED**

---

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

	Note	2016 £	2015 £
Turnover	3	20,852,491	16,861,247
Cost of sales		(5,062,349)	(4,671,854)
<b>GROSS PROFIT</b>		<b>15,790,142</b>	<b>12,189,393</b>
Administrative expenses		(7,872,411)	(6,842,413)
<b>OPERATING PROFIT</b>	4	<b>7,917,731</b>	<b>5,346,980</b>
Income from fixed assets investments		-	707,676
Interest receivable and similar income	9	334	960
<b>PROFIT BEFORE TAX</b>		<b>7,918,065</b>	<b>6,055,616</b>
Tax on profit	10	(1,524,510)	(974,632)
<b>PROFIT FOR THE YEAR</b>		<b>6,393,555</b>	<b>5,080,984</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £NIL).


The notes on pages 12 to 28 form part of these financial statements.

COALITION DEVELOPMENT LIMITED  
REGISTERED NUMBER:04328897

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	12	116,343	191,995
Investments	13	1	1
		<u>116,344</u>	<u>191,996</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	14	6,179,398	6,011,017
Cash at bank and in hand	15	7,266,671	3,400,303
		<u>13,446,069</u>	<u>9,411,320</u>
Creditors: amounts falling due within one year	16	(7,308,774)	(6,243,232)
<b>NET CURRENT ASSETS</b>		<u>6,137,295</u>	<u>3,168,088</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,253,639</u>	<u>3,360,084</u>
<b>NET ASSETS</b>		<u><u>6,253,639</u></u>	<u><u>3,360,084</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	174,691	174,691
Share premium account	19	31,031	31,031
Profit and loss account	19	6,047,917	3,154,362
		<u>6,253,639</u>	<u>3,360,084</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 January 2017.

  
**Stephane Besson**  
Director

The notes on pages 12 to 28 form part of these financial statements.

---

COALITION DEVELOPMENT LIMITED

---

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2016**

---

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2016	174,691	31,031	3,154,362	3,360,084
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	6,393,555	6,393,555
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(3,500,000)	(3,500,000)
<b>At 31 December 2016</b>	<u>174,691</u>	<u>31,031</u>	<u>6,047,917</u>	<u>6,253,639</u>

**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
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	5,080,984	5,080,984
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(3,004,685)	(3,004,685)
<b>At 31 December 2015</b>	<u>174,691</u>	<u>31,031</u>	<u>3,154,362</u>	<u>3,360,084</u>

The notes on pages 12 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

Coalition Development Limited is a private company (registered number: 04328897), limited by shares, registered in England and Wales.

The registered office is:

125 Wood Street  
London  
EC2V 7AW

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.

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 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CRISIL Limited as at 31 December 2016 and these financial statements may be obtained from CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai, 400 076, India.

**1.3 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**1. ACCOUNTING POLICIES (continued)**

**1.4 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.

**1.5 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**1. ACCOUNTING POLICIES (continued)**

**1.6 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.

**1.7 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

**1.8 DEBTORS**

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

**1.9 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.

**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 2016

---

1. ACCOUNTING POLICIES (continued)

1.11 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

1. ACCOUNTING POLICIES (continued)

1.12 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'.

1.13 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.

1.14 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 2016

---

1. ACCOUNTING POLICIES (continued)

1.15 INTEREST INCOME

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

1.16 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 2016**

---

**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 2016**

---

**3. ANALYSIS OF TURNOVER**

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

	2016 £	2015 £
International Research	10,079,480	8,015,300
Research Data Management	10,773,011	8,845,947
	<u>20,852,491</u>	<u>16,861,247</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	7,815,107	6,150,837
Rest of Europe	1,078,835	1,080,610
Rest of the world	11,958,549	9,629,800
	<u>20,852,491</u>	<u>16,861,247</u>

**4. OPERATING PROFIT**

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

	2016 £	2015 £
Depreciation of tangible fixed assets	92,692	81,747
Fees payable to the Company's auditor for the audit of the company's annual accounts	14,900	15,500
Exchange differences	(259,722)	(154,280)
Defined contribution pension cost	155,428	134,270
	<u></u>	<u></u>

---

COALITION DEVELOPMENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

5. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	14,900	15,500
<b>Fees payable to the Company's auditor in respect of:</b>		
Other services relating to taxation	6,540	4,725
All other services	800	1,100
	<u>22,240</u>	<u>21,325</u>

6. EMPLOYEES

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

	2016 £	2015 £
Wages and salaries	5,941,219	4,682,904
Social security costs	879,815	734,604
Cost of defined contribution scheme	155,428	134,270
	<u>6,976,462</u>	<u>5,551,778</u>

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

2016 No.	2015 No.
<u>27</u>	<u>24</u>

---

**COALITION DEVELOPMENT LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**7. DIRECTORS' REMUNERATION**

	2016 £	2015 £
Directors' emoluments	2,109,422	1,886,000
Company contributions to defined contribution pension schemes	34,493	25,549
	<u>2,143,915</u>	<u>1,911,549</u>

During the year retirement benefits were accruing to 2 Directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £1,124,833 (2015 - £1,098,075).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £19,058 (2015 - £18,199).

**8. INCOME FROM INVESTMENTS**

	2016 £	2015 £
Dividends received from subsidiary	-	707,676

**9. INTEREST RECEIVABLE**

	2016 £	2015 £
Other interest receivable	334	960

---

**COALITION DEVELOPMENT LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**10. TAXATION**

	2016 £	2015 £
<b>Current tax</b>		
Current tax on profits for the year	1,495,353	925,956
Adjustments in respect of previous periods	-	(59,760)
	<u>1,495,353</u>	<u>866,196</u>
Group taxation relief	16,700	45,474
	<u>1,512,053</u>	<u>911,670</u>
	<u>1,512,053</u>	<u>911,670</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	12,457	48,155
Changes to tax rates	-	14,807
	<u>12,457</u>	<u>62,962</u>
	<u>1,524,510</u>	<u>974,632</u>

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**10. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	7,918,065	6,055,616
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	1,583,613	1,226,054
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,118	2,015
Capital allowances for year in excess of depreciation	-	6,319
Adjustments to tax charge in respect of prior periods	21,828	(59,760)
Short term timing difference leading to an increase (decrease) in taxation	(95,506)	(119,678)
Other timing differences leading to an increase (decrease) in deferred tax asset	12,457	62,962
Group income	-	(143,280)
Group relief claimed	16,700	45,474
Group relief paid	(16,700)	(45,474)
<b>Total tax charge for the year</b>	<b>1,524,510</b>	<b>974,632</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The change to UK corporation tax rates from the current rate of 20% to 19% as of 1 April 2017 and 17% as of 1 April 2020 will affect future tax charges.

**11. DIVIDENDS**

	2016 £	2015 £
Dividends paid on equity capital	3,500,000	3,004,685

---

COALITION DEVELOPMENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

12. TANGIBLE FIXED ASSETS

	Short-term leasehold improvements £	Fixtures, fittings and office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2016	32,173	295,745	113,669	441,587
Additions	-	1,496	16,036	17,532
Disposals	-	(31,303)	(1,887)	(33,190)
Transfers between classes	-	(140,139)	140,139	-
<b>At 31 December 2016</b>	<b>32,173</b>	<b>125,799</b>	<b>267,957</b>	<b>425,929</b>
<b>Depreciation</b>				
At 1 January 2016	5,190	223,274	21,128	249,592
Charge owned for the period	4,022	36,862	51,808	92,692
Disposals	-	(31,000)	(1,698)	(32,698)
Transfers between classes	-	(128,386)	128,386	-
<b>At 31 December 2016</b>	<b>9,212</b>	<b>100,750</b>	<b>199,624</b>	<b>309,586</b>
<b>At 31 December 2016</b>	<b>22,961</b>	<b>25,049</b>	<b>68,333</b>	<b>116,343</b>
At 31 December 2015	26,983	72,471	92,541	191,995

---

**COALITION DEVELOPMENT LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**13. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COST OR VALUATION</b>	
At 1 January 2016	1
At 31 December 2016	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>1</u>
At 31 December 2015	<u>1</u>

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Ordinary share holding</b>	<b>Principal activity</b>
Coalition Development Singapore Pte Limited	Singapore	100 %	Consulting and management services

The aggregate of the share capital and reserves as at 31 December 2016 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	<u>277,954</u>	<u>218,354</u>

---

**COALITION DEVELOPMENT LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**14. DEBTORS**

	2016 £	2015 £
Trade debtors	2,279,411	3,148,566
Amounts owed by group undertakings	3,419,073	2,575,448
Other debtors	23,624	30,796
Prepayments and accrued income	384,641	171,101
Deferred taxation	72,649	85,106
	<u>6,179,398</u>	<u>6,011,017</u>

**15. CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash at bank and in hand	<u>7,266,671</u>	<u>3,400,303</u>

**16. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	-	19,538
Amounts owed to group undertakings	535,757	758,168
Corporation tax	812,184	467,930
Other taxation and social security	1,389,525	1,138,251
Other creditors	1,149,092	1,204,519
Accruals and deferred income	3,422,216	2,654,826
	<u>7,308,774</u>	<u>6,243,232</u>

---

**COALITION DEVELOPMENT LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**17. FINANCIAL INSTRUMENTS**

	2016 £	2015 £
<b>FINANCIAL ASSETS</b>		
Financial assets that are debt instruments measured at amortised cost	6,815,976	5,854,133
	<u>6,815,976</u>	<u>5,854,133</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	(4,985,808)	(4,637,053)
	<u>(4,985,808)</u>	<u>(4,637,053)</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 2016	85,106
Charged to the profit or loss	(12,457)
<b>At 31 December 2016</b>	<u>72,649</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.

**20. SHARE CAPITAL**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
174,691 Ordinary shares of £1 each	174,691	174,691
	<u>174,691</u>	<u>174,691</u>

---

## COALITION DEVELOPMENT LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 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 £155,428 (2015: £134,270). As at 31 December 2015 contributions totalling £48,426 (2015: £22,922) were payable to the fund.

#### 22. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the Company had total future commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	68,387	120,000
Later than 1 year and not later than 5 years	-	68,387
	<u>68,387</u>	<u>188,387</u>

During the year the Company recognised an expense of £119,667 (2015: £96,248) in respect of operating leases.

#### 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 payable to key management personnel during the year was £2,727,964 (2015: £3,016,020).

#### 24. CONTROLLING PARTY

The Company is controlled by its parent company CRISIL Irevna UK Limited. The ultimate controlling party is S&P Global Inc.