

Registered number: 04328897

COALITION DEVELOPMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

COALITION DEVELOPMENT LIMITED

COMPANY INFORMATION

Directors	Stephane Besson George Kuznetsov Venkataraman Srinivasan Amish Mehta
Company secretary	Pennsec Limited
Registered number	04328897
Registered office	125 Wood Street London EC2V 7AW
Independent auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
Bankers	HSBC Bank Plc 79 Piccadilly London W1J 8EU

COALITION DEVELOPMENT LIMITED

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COALITION DEVELOPMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017, more than 80% 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 22% from £20.85m in 2016 to £25.39m in the current year. This is largely on account of an increase in client base as well as delivering deeper dive analysis. Total profit before tax is marginally higher by 10% - profit before tax is £8.69m. The net profit after tax in 2017 of £6.98m has contributed to a stronger financial position with net assets of £3.74m.

As at 31 December 2017 total debtors were £8.35m and cash £3.09m. Company also paid dividend of £9.5m to its shareholder.

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 cyclical volatility 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 2017**

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

	2017	2016	2015	2014
	£	£	£	£
Turnover	25,390,726	20,852,491	16,861,247	15,460,165
Gross Profit	19,090,764	15,790,142	12,189,393	11,408,175
Profit before tax	8,693,537	7,918,065	6,055,616	4,745,582

This report was approved by the board on 29th Jan 2018 and signed on its behalf.

Stephane Besson
Director



COALITION DEVELOPMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

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 £6,987,319 (2016: £6,393,555).

During the year, the Board of Directors paid a dividend of £9,500,000 (2016: £3,500,000) 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

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 2017**

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors confirm 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 have taken all the steps that they ought to have been taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

POST BALANCE SHEET EVENTS

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

Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29th Jan 2018 and signed on its behalf.



Stephane Besson
Director

COALITION DEVELOPMENT LIMITED

THE MODERN SLAVERY ACT 2015 STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 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;

COALITION DEVELOPMENT LIMITED

**THE MODERN SLAVERY ACT 2015 STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

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.

Independent auditor's report to the members of Coalition Development Limited

Opinion

We have audited the financial statements of Coalition Development Limited (the 'company') for the year ended 31 December 2017 which comprise Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes In Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinions on other matters 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 the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the 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 or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

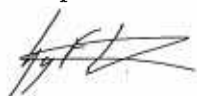
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
7 February 2018

COALITION DEVELOPMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	3	25,390,726	20,852,491
Cost of sale		(6,299,962)	(5,062,349)
Gross Profit		<u>19,090,764</u>	<u>15,790,142</u>
Administrative Expenses		(10,401,968)	(7,872,411)
Operating Profit	4	<u>8,688,796</u>	<u>7,917,731</u>
Interest receivable and similar income	9	4,741	334
Profit Before Tax		<u>8,693,537</u>	<u>7,918,065</u>
Tax on profits	10	(1,706,218)	(1,524,510)
Profit for the year		<u>6,987,319</u>	<u>6,393,555</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £NIL).

COALITION DEVELOPMENT LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible Assets	12	52,476	116,343
Investments	13	<u>1</u>	<u>1</u>
		52,477	116,344
CURRENT ASSETS			
Debtors: amounts falling due within one year	14	8,355,352	6,179,398
Cash at bank and in hand	15	<u>3,093,314</u>	<u>7,266,671</u>
		11,448,666	13,446,069
Creditors: amounts falling due within one year	16	<u>(7,760,185)</u>	<u>(7,308,774)</u>
NET CURRENT ASSETS		3,688,481	6,137,295
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,740,958</u>	<u>6,253,639</u>
NET ASSETS		<u>3,740,958</u>	<u>6,253,639</u>
CAPITAL AND RESERVES			
Called up share capital	19	174,691	174,691
Share premium account		31,031	31,031
Profit and loss account		3,535,236	6,047,917
		<u>3,740,958</u>	<u>6,253,639</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29th Jan 2018.

Stephane Besson
Director



COALITION DEVELOPMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2017

	Share Capital £	Share Premium £	Retained Earnings £	Total Equity £
At 1 January 2017				
Comprehensive income for the year	174,691	31,031	6,047,917	6,253,639
Profit for the year				
Contributions by and distributions to owners	-	-	6,987,319	6,987,319
Dividends: Equity capital	-	-	(9,500,000)	(9,500,000)
At 31 December 2017	<u>174,691</u>	<u>31,031</u>	<u>3,535,236</u>	<u>3,740,958</u>

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
Comprehensive income for the year				
Profit for the year			6,393,555	6,393,555
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(3,500,000)	(3,500,000)
At 31 December 2016	<u>174,691</u>	<u>31,031</u>	<u>6,047,917</u>	<u>6,253,639</u>

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 2017 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.

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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. No deposits were made to existing creditors.

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 out-right 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.

During the year company has received interest of £4,738. None from group entities.

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

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 2017

3. ANALYSIS OF TURNOVER

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

	2017	2016
	£	£
International Research	12,655,318	10,079,480
Reasearch Data Management	12,735,408	10,773,011
	<u>25,390,726</u>	<u>20,852,491</u>

Analysis of turnover by country of destination

	2017	2016
	£	£
United Kingdom	7,690,781	7,815,107
Rest of Europe	2,189,506	1,078,835
Rest of World	15,510,439	11,958,549
	<u>25,390,726</u>	<u>20,852,491</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2017	2016
	£	£
Depreciation of tangible fixed assets	71,264	92,692
Fees payable to the Company's auditor for the audit of the company's annual accounts	13,226	14,900
Exchange differences	478,687	(837,435)

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. AUDITOR'S REMUNERATION	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts.	13,226	14,900
Fees payable to the Company's auditor in respect of:		
Other services relating to taxation	-	6,540
All other services	-	800
	<u>13,226</u>	<u>22,240</u>
6. EMPLOYEES	2017	2016
Staff costs, including Directors' remuneration, were as follows:	£	£
Wages and salaries (including defined contribution scheme)	6,196,296	6,096,647
Social security costs	772,836	879,815
	<u>6,969,132</u>	<u>6,976,462</u>

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

2017 No.	2016 No.
<u>31</u>	<u>27</u>

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. DIRECTORS EMOLUMENTS	2017	2016
	£	£
Directors' emoluments	2,123,459	2,109,422
Company contributions to defined contribution pension schemes	34,930	34,493
	<u>2,158,389</u>	<u>2,143,915</u>

During the year retirement benefits were accruing to 2 Directors (2016: 2) in respect of defined contribution pension schemes

The highest paid Director received remuneration of £1,156,913 (2016: £1,124,833).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £19,250 (2016: £19,058).

8. INCOME FROM INVESTMENTS	2017	2016
	£	£
Dividends received from subsidiary	-	-

9. INTEREST RECEIVABLES	2017	2016
	£	£
Other interest receivables	<u>4,738</u>	<u>334</u>

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

10. TAXATION	2017	2016
	£	£
Current tax		
Current tax on profits for the year	1,885,125	1,495,353
Adjustments in respect of previous periods	29,983	
	<u>1,915,108</u>	<u>1,495,353</u>
Group taxation relief		16,700
	<u>1,915,108</u>	<u>1,512,053</u>
Deferred tax		
Origination and reversal of timing differences	(208,890)	12,457
Changes to tax rates	-	-
	<u>(208,890)</u>	<u>12,457</u>
Taxation on profit on ordinary activities	<u>1,706,218</u>	<u>1,524,510</u>

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

FACTORS EFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than 2016. The standard rate of corporation tax in the UK of 19.25% (2016 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>8,693,537</u>	<u>7,918,065</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 20%)	1,672,958	1,583,613
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,304	2,118
Capital allowances for year in excess of depreciation		
Adjustments to tax charge in respect of prior periods	2,517	21,828
Short term timing difference leading to an increase (decrease) in taxation	233,330	(95,506)
Other timing differences leading to an increase (decrease) in deferred tax	(208,890)	12,457
Group income		
Group relief claimed		16,700
Group relief paid		(16,700)
Total tax charge for the year	<u>1,706,218</u>	<u>1,524,510</u>

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.

	2017 £	2016 £
11. DIVIDEND		
Dividends paid on equity capital	<u>9,500,000</u>	<u>3,500,000</u>

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12. TANGIBLE FIXED ASSETS

	Short term leasehold improvements	Fixtures, fittings and office equipment	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2017	32,173	125,799	267,957	425,929
Additions	-	1,857	6,399	8,256
Disposals	-	(9,886)	(46,414)	(56,300)
Transfers between classes	-	-	-	-
At 31 December 2017	32,173	117,770	227,942	377,885
Depreciation				
At 1 January 2017	9,212	100,750	199,624	309,586
Charge owned for the period	4,022	20,853	46,390	71,264
Disposals	-	(9,721)	(45,720)	(55,441)
Transfers between classes	-	-	-	-
At 31 December 2017	13,234	111,882	200,294	325,409
At 31 December 2017	18,939	5,888	27,648	52,476
At 31 December 2016	22,961	25,049	68,333	116,343

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2017	1
At 31 December 2017	<u>1</u>
NET BOOK VALUE	
At 31 December 2017	<u><u>1</u></u>
At 31 December 2016	<u><u>1</u></u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

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

The aggregate of the share capital and reserves as at 31 December 2017 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>565,032</u>	<u>283,914</u>

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
14. DEBTORS		
Trade debtors	2,968,979	2,279,411
Amounts owed by group undertakings	4,537,045	3,419,073
Other debtors	71,442	23,624
Prepayments and accrued income	496,347	384,641
Deferred taxation	281,539	72,649
	<u>8,355,352</u>	<u>6,179,398</u>
15. CASH AND CASH EQUIVALENT	2017	2016
	£	£
Cash at bank and in hand	<u>3,093,314</u>	<u>7,266,671</u>
16. CREDITORS: Amounts falling due within one year	2017	2016
	£	£
Trade creditors	312,419	357,998
Amounts owed to group undertakings	2,026,715	535,757
Corporation tax	1,072,312	812,184
Other taxation and social security	453,443	1,389,525
Other creditors	67,000	791,094
Accruals and deferred income	3,828,296	3,422,216
	<u>7,760,185</u>	<u>7,308,774</u>

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	<u>8,073,812</u>	<u>6,106,749</u>

FINANCIAL LIABILITIES

Financial liabilities measured at amortised cost	<u>(6,234,430)</u>	<u>(5,107,065)</u>
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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. 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.

19. SHARE CAPITAL

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
174,691- Ordinary shares of £1 each	<u>174,691</u>	<u>174,691</u>

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

20. 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 £353,616 (2016: £155,428). As at 31 December 2017 contributions totalling £27,967 (2016: £48,426) were payable to the fund.

21. OPERATING LEASES

At 31 December 2017 the Company had future commitments under cancellable lease as follows:

	2017 £	2016 £
Not later than 1 year	120,000	68,387
Later than 1 year and not later than 5 years	65,161	-

During the year the Company recognised an expense of £140,351 (2016: £119,667) in respect of operating leases.

22. 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.

23. ULTIMATE PARENT COMPANY & CONTROLLING PARTY

The immediate parent company is CRISIL IREVNA UK Ltd. which is controlled by CRISIL Limited. The smallest group to consolidate these financial statements is CRISIL Limited at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai, 400 076, India. The largest group and ultimate controlling party is S&P Global Inc. 55 Water Street, New York, NY 10041.