
COALITION DEVELOPMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COALITION DEVELOPMENT LIMITED

We have audited the financial statements of Coalition Development Limited (the 'company') for the year ended 31 December 2019 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 2019 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

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- 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
London

COALITION DEVELOPMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2019 £ | 2018 £ |
|--|------|--------------------------|--------------------------|
| Turnover | 3 | 34,971,312 | 30,775,035 |
| Cost of sale | | (11,154,994) | (8,515,893) |
| Gross Profit | | <u>23,816,318</u> | <u>22,259,142</u> |
| Administrative Expenses | | (10,483,878) | (11,004,867) |
| Operating Profit | 4 | <u>13,332,440</u> | <u>11,254,275</u> |
| Interest receivable and similar income | 9 | 13,270 | 6,294 |
| Income from investment | | 843,462 | - |
| Profit Before Tax | | <u>14,189,172</u> | <u>11,260,569</u> |
| Tax on profits | 10 | (2,723,577) | (1,978,388) |
| Profit for the year | | <u>11,465,595</u> | <u>9,282,181</u> |

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 and 2018.

(The notes on page 15 to 31 form part of these financial statements)

COALITION DEVELOPMENT LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

| | Note | 2019 £ | 2018 £ |
|--|------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible Assets | 12 | 42,165 | 68,663 |
| Investments | 13 | <u>1</u> | <u>1</u> |
| | | 42,166 | 68,664 |
| CURRENT ASSETS | | | |
| Debtors: amounts falling due within one year | 14 | 5,438,829 | 11,197,586 |
| Cash at bank and in hand | 15 | <u>8,764,826</u> | <u>4,474,676</u> |
| | | 14,203,655 | 15,672,262 |
| Creditors: amounts falling due within one year | 16 | <u>(8,257,090)</u> | <u>(9,717,787)</u> |
| NET CURRENT ASSETS | | 5,946,565 | 5,954,475 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>5,988,731</u> | <u>6,023,139</u> |
| NET ASSETS | | <u>5,988,731</u> | <u>6,023,139</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 19 | 174,691 | 174,691 |
| Share premium account | | 31,031 | 31,031 |
| Profit and loss account | | 5,783,009 | 5,817,417 |
| | | <u>5,988,731</u> | <u>6,023,139</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31st Jan 2020.

Stephane Besson
Director



Company Number 04328897

COALITION DEVELOPMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2019

| | Share Capital | Share Premium | Retained Earnings | Total Equity |
|---|----------------|---------------|-------------------|------------------|
| | £ | £ | £ | £ |
| At 1 January 2019 | | | | |
| Comprehensive income for the year | 174,691 | 31,031 | 5,817,414 | 6,023,136 |
| Profit for the year | | | | |
| Contributions by and distributions to owners | - | - | 11,465,595 | 11,465,595 |
| Dividends: Equity capital | - | - | (11,500,000) | (11,500,000) |
| At 31 December 2019 | <u>174,691</u> | <u>31,031</u> | <u>5,783,009</u> | <u>5,988,731</u> |

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

| | Share capital | Share premium | Retained earnings | Total equity |
|---|----------------|---------------|-------------------|------------------|
| | £ | £ | £ | £ |
| At 1 January 2018 | 174,691 | 31,031 | 3,535,236 | 3,740,958 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 9,282,181 | 9,282,181 |
| Contributions by and distributions to owners | | | | |
| Dividends: Equity capital | - | - | (7,000,000) | (7,000,000) |
| At 31 December 2018 | <u>174,691</u> | <u>31,031</u> | <u>5,817,417</u> | <u>6,023,139</u> |

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANY INFORMATION

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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.

1.2a 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 2019 and these financial statements may be obtained from CRISIL Limited website www.crisil.com

1.2b EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is itself a subsidiary Company and is exempted from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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 2019**

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 2019**

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 2019**

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 £13,269 (2017: £6,294). None from group entities.

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019**

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 2019**

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 2019**

3. ANALYSIS OF TURNOVER

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

| | 2019 | 2018 |
|------------------------|--------------------------|--------------------------|
| | £ | £ |
| International Research | 34,971,312 | 30,775,035 |
| | <u>34,971,312</u> | <u>30,775,035</u> |

Analysis of turnover by country of destination

| | 2019 | 2018 |
|----------------|--------------------------|--------------------------|
| | £ | £ |
| United Kingdom | 12,391,650 | 10,574,291 |
| Rest of Europe | 2,232,802 | 2,256,567 |
| Rest of World | 20,346,860 | 17,944,177 |
| | <u>34,971,312</u> | <u>30,775,035</u> |

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

| | 2019 | 2018 |
|--|-------------|-------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 29,251 | 47,285 |
| Fees payable to the Company's auditor for the audit of the company's annual accounts | 11,219 | 11,833 |
| Exchange differences | 218,463 | (147,664) |

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

| 5. AUDITOR'S REMUNERATION | 2019 | 2018 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts. | 11,219 | 11,833 |
| Fees payable to the Company's auditor in respect of: | | |
| Other services relating to taxation | - | - |
| All other services | - | - |
| | <u>11,219</u> | <u>11,833</u> |
| 6. EMPLOYEES | 2019 | 2018 |
| Staff costs, including Directors' remuneration, were as follows: | £ | £ |
| Wages and salaries | 6,620,749 | 7,318,379 |
| Social security costs | 834,721 | 912,668 |
| | <u>7,455,470</u> | <u>8,231,047</u> |

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

| 2019 | 2018 |
|------------------|------------------|
| No. | No. |
| <u>32</u> | <u>30</u> |

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

| 7. DIRECTORS EMOLUMENTS | 2019 | 2018 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Directors' emoluments | 2,464,239 | 1,898,995 |
| Company contributions to defined contribution pension schemes | 56,647 | 40,495 |
| | <u>2,520,886</u> | <u>1,939,490</u> |

During the year retirement benefits were accruing to 3 Directors (2018: 2) in respect of defined contribution pension schemes

The highest paid Director received remuneration of £1,280,123 (2018: £1,014,313).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £28,595 (2018: £20,562).

| 8. INCOME FROM INVESTMENTS | 2019 | 2018 |
|------------------------------------|-------------|-------------|
| | £ | £ |
| Dividends received from subsidiary | - | - |

| 9. INTEREST RECEIVABLES | 2019 | 2018 |
|--------------------------------|----------------------|---------------------|
| | £ | £ |
| Other interest receivables | <u>13,269</u> | <u>6,294</u> |

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

| 10. TAXATION | 2019 £ | 2018 £ |
|--|-------------------------|-------------------------|
| Current tax | | |
| Current tax on profits for the year | 2,692,976 | 2,211,321 |
| Adjustments in respect of previous periods | 99,904 | (52,970) |
| | <u>2,792,880</u> | <u>2,158,351</u> |
| Group taxation relief | | |
| | <u>2,792,880</u> | <u>2,158,351</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (69,303) | (179,963) |
| Changes to tax rates | - | - |
| | <u>(69,303)</u> | <u>(179,963)</u> |
| Taxation on profit on ordinary activities | <u>2,723,577</u> | <u>1,978,388</u> |

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

FACTORS EFFECTING TAX CHARGE FOR THE YEAR

The standard rate of corporation tax in the UK of 19.00%. The differences are explained below:

| | 2019 £ | 2018 £ |
|--|-------------------------|-------------------------|
| Profit on ordinary activities before tax | <u>14,189,172</u> | <u>11,260,569</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19%) | 2,695,943 | 2,139,508 |
| Effects of | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 2,984 | 1,211 |
| Capital allowances for year in excess of depreciation | | |
| Adjustments to tax charge in respect of prior periods | (160,258) | (166,047) |
| Short term timing difference leading to an increase (decrease) in taxation | | |
| Other timing differences leading to an increase (decrease) in deferred tax | 184,908 | 3,716 |
| Group income | | |
| Group relief claimed | | |
| Group relief paid | | |
| Total tax charge for the year | <u>2,723,577</u> | <u>1,978,388</u> |

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The change to UK corporation tax rates from the current rate of 19% as of 1 April 2019 and 17% as of 1 April 2020 will affect future tax charges.

| | 2019 £ | 2018 £ |
|----------------------------------|-------------------|------------------|
| 11. DIVIDEND | | |
| Dividends paid on equity capital | <u>11,500,000</u> | <u>7,000,000</u> |

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. TANGIBLE FIXED ASSETS

| | Short term leasehold improvements | Fixtures, fittings and office equipment | Computer equipment | Total |
|-----------------------------|---|--|-----------------------|----------------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 January 2019 | 32,173 | 853 | 210,633 | 243,659 |
| Additions | | 1,548 | 15,620 | 17,168 |
| Disposals | (32,173) | (350) | | (32,523) |
| Transfers between classes | | | | - |
| At 31 December 2019 | <u>0</u> | <u>2,051</u> | <u>226,253</u> | <u>228,304</u> |
| Depreciation | | | | |
| At 1 January 2019 | 17,256 | 210 | 157,531 | 174,997 |
| Charge owned for the period | 650 | 305 | 28,296 | 29,251 |
| Disposals | (17,906) | (203) | | (18,109) |
| Transfers between classes | | | | - |
| At 31 December 2019 | <u>0</u> | <u>312</u> | <u>185,827</u> | <u>186,139</u> |
| At 31 December 2019 | <u>0</u> | <u>1,739</u> | <u>40,426</u> | <u>42,165</u> |
| At 31 December 2018 | <u>14,917</u> | <u>643</u> | <u>53,102</u> | <u>68,663</u> |

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £ |
|--------------------------|--|
| COST OR VALUATION | |
| At 1 January 2019 | 1 |
| At 31 December 2019 | <u>1</u> |
| NET BOOK VALUE | |
| At 31 December 2019 | <u><u>1</u></u> |
| At 31 December 2018 | <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 |

Registered address: 60 Robinson Road #11-01, Bank of East Asia Building, Singapore. 068892

The aggregate of the share capital and reserves as at 31 December 2018 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>363,285</u> | <u>339,983</u> |

COALITION DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

| | 2019 | 2018 |
|---|-------------------------|--------------------------|
| | £ | £ |
| 14. DEBTORS | | |
| Trade debtors | 2,519,905 | 4,968,481 |
| Amounts owed by group undertakings | - | 4,197,197 |
| Other debtors | 91,717 | 16,086 |
| Prepayments and accrued income | 2,296,402 | 1,554,320 |
| Deferred taxation | 530,805 | 461,502 |
| | <u>5,438,829</u> | <u>11,197,586</u> |
| 15. CASH AND CASH EQUIVALENT | | |
| | 2019 | 2018 |
| | £ | £ |
| Cash at bank and in hand | <u>8,764,826</u> | <u>4,474,676</u> |
| 16. CREDITORS: Amounts falling due within one year | | |
| | 2019 | 2018 |
| | £ | £ |
| Trade creditors | 181,787 | 772,101 |
| Amounts owed to group undertakings | 2,180,558 | 2,424,479 |
| Corporation tax | 1,458,640 | 1,188,402 |
| Other taxation and social security | 249,450 | 545,094 |
| Other creditors | 45,872 | 70,217 |
| Accruals and deferred income | 4,140,783 | 4,717,494 |
| | <u>8,257,090</u> | <u>9,717,787</u> |

Amounts owed to group undertakings are interest free and repayable on demand.

COALITION DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. FINANCIAL INSTRUMENTS

| | 2019 £ | 2018 £ |
|---|--------------------|--------------------|
| FINANCIAL ASSETS | | |
| Financial assets that are debt instruments measured at amortised cost | <u>4,907,810</u> | <u>10,736,084</u> |
| FINANCIAL LIABILITIES | | |
| Financial liabilities measured at amortised cost | <u>(6,565,609)</u> | <u>(7,425,330)</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. 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

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| 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
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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 £445,925 (2018: £403,217). As at 31 December 2019 contributions totalling £37,559 (2018: £25,378) were payable to the fund.

21. OPERATING LEASES

At 31 December 2019 the Company had future commitments under cancellable lease as follows:

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Not later than 1 year | 156,000 | 156,000 |
| Later than 1 year and not later than 5 years | 624,000 | 624,000 |
| Total | 780,000 | 780,000 |

During the year the Company recognised an expense of £156,000 (2018: £164,486) 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 CRSIL 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.

