

CDCH Limited

Strategic report, directors' report and financial statements for
the financial year ended 31 December 2020

CDCH LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the financial year ended 31 December 2020**

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CDCH LIMITED

COMPANY INFORMATION

DIRECTORS Andrea Pignataro (Italian) (*resigned 16 December 2021*)
Ashley Woods (Australian) (*resigned 3 August 2021*)
Conor Clinch (Irish)
Patrick Walsh (*appointed 16 December 2021*)
Ian McGreal (*appointed 16 December 2021*)

SECRETARY A. Woods (Australian) (*resigned 27 July 2021*)
N. Griffin (British) (*appointed 27 July 2021*)

REGISTERED OFFICE C/O ION 3rd Floor,
One New Change,
London,
EC4M 9AF

**REGISTERED NUMBER OF
INCORPORATION** 9469917

AUDITOR PKF O'Connor Leddy & Holmes Limited
Century House
Harold's Cross Road
Dublin 6W
Ireland

BANKERS Bank of Ireland,
2 Burlington Plaza,
Burlington Road,
Dublin 4,
Ireland.

CDCH LIMITED

STRATEGIC REPORT

for the financial year ended 31 December 2020

The directors present herewith their Strategic Report for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the Company is to act as an intermediate holding company for the investment in various assets related to the development of Canouan Island and resorts.

Financial Performance Indicators

The Company's key measure of financial performance is profit on ordinary activities after taxation.

Profit/(Loss) on Ordinary Activities after Taxation

Loss on ordinary activities after taxation was \$1,877,867 in the financial year ended 31 December 2020 (2019: \$2,831,819).

DIVIDENDS

The Directors of the Company do not recommend the payment of a dividend in respect of the financial year ended 31 December 2020 (2019: \$Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties which the Company faces are:

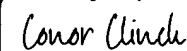
- The Company is an intermediate holding Company and currently holds equity investments and provides finance to group undertakings, which together represent the majority of its total assets. An impairment of the carrying value of its investments could be detrimental to the ability of the Company to continue in operation.

The Company has business policies and organisational structures to limit these risks and uncertainties. The board of directors and management regularly review, reassess and proactively limit the associated risks.

In respect of the ongoing coronavirus (COVID-19) pandemic, the directors continue to review the evolving situation in order to implement measures required to minimise any negative impact on our business.

On behalf of the Directors

DocuSigned by:



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C. CLINCH

Director

Date: 15 February 2022

CDCH LIMITED

DIRECTORS' REPORT for the financial year ended 31 December 2020

The directors present herewith their report and audited Financial Statements ("financial statements") for the financial year ended 31 December 2020.

DIRECTORS AND THEIR INTERESTS

The names of the directors who served at any time during the financial year are as listed on page 2.

The interests of the directors and company secretary in shares of the Company or other group companies are set out in note 16 to the financial statements.

There were no changes in shareholdings between 31 December 2020 and the date of signing the financial statements.

RESEARCH AND DEVELOPMENT

The Company did not engage in any research and development activities during the financial year.

EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, the directors have taken all the steps that they are obliged to take in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2006.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

CDCH LIMITED

DIRECTORS' REPORT

for the financial year ended 31 December 2020

(Continued)

DIRECTORS' RESPONSIBILITIES STATEMENT (Continued)

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2006 and enable the financial statements to be audited. 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.

AUDITORS

The auditors, PKF O'Connor Leddy & Holmes Limited continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

On behalf of the Directors

DocuSigned by:



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C. CLINCH

Director

Date: 15 February 2022

CDCH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CDCH LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CDCH Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, when reporting in accordance with a fair presentation framework the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss and cash flows 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 the 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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

CDCH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CDCH LIMITED (Continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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 Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, 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 they 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 the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

CDCH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CDCH LIMITED (Continued)

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 my 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide the basis for our opinion. We planned and conducted our audit so as to obtain reasonable assurance of detecting any material misstatements in the financial statements resulting from irregularities or fraud.

CDCH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CDCH LIMITED (Continued)

All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit. However, the primary responsibility for the prevention and detection of fraud rests with the Directors.

We evaluated management's incentives for fraudulent activity and determined the key risk of fraud to be management override of controls in order to manipulate the financial statements. We determined that the principal risk in this regard was in relation to revenue and the carrying value of investments in subsidiary undertakings had been appropriately considered in the context of the impairment requirements established under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the possible resultant impact on the Company's net assets.

We considered the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements.

Audit procedures performed in response to these risks included:

- Evaluation of the control environment designed to prevent and detect irregularities which the Directors have in place;
- Discussions with the Directors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur around the key risk of the potential impairment of financial assets.;
- Review of material journal entries during the year;
- Review of a pre sign-off management accounts for any unexpected activity that may indicate management override in the Company's financial statements; and
- Assessing the Company's compliance, and in particular relevant impairment considerations prepared by the Directors with the key requirements of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with 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.

CDCH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CDCH LIMITED (Continued)

DocuSigned by:

Susan Wylie

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Susan Wylie

for and on behalf of

PKF O'Connor Leddy & Holmes Limited

Century House

Harold's Cross Road

Dublin

D6W P993

Date: 15/02/2022

CDCH LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
for the financial year ended 31 December 2020

	<i>Note</i>	<i>2020</i> <i>US\$</i>	<i>2019</i> <i>US\$</i>
Revenue		58,984	72,000
General and administrative expenses		(261,044)	(380,992)
Operating loss	3	(202,060)	(908,992)
Finance income	6	-	1
Finance expense	7	(1,666,965)	(2,534,798)
Profit / (loss) on ordinary activities before taxation		(1,869,025)	(2,843,789)
Tax on profit / (loss) on ordinary activities	8	(8,842)	(11,970)
Profit / (loss) for the financial year		(1,877,867)	(2,831,819)
Other comprehensive income		-	-
Total comprehensive income / (loss)		(1,877,867)	(2,831,819)

All amounts relate to continuing operations.


There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 14 to 25 form part of these financial statements.

CDCH LIMITED**STATEMENT OF FINANCIAL POSITION
at 31 December 2020**

	Note	2020 US\$	2019 US\$
FIXED ASSETS			
Financial assets	9	254,068,788	252,068,788
Tangible assets	10	917,083	1,072,083
		<u>254,985,871</u>	<u>253,140,871</u>
CURRENT ASSETS			
Debtors – amounts falling due within one year	11	475,191	416,206
Cash at bank and in hand		7,776	29,155
		<u>482,967</u>	<u>445,361</u>
CREDITORS (amounts falling due within one year)	12	<u>(465,608)</u>	<u>(53,705,135)</u>
NET CURRENT ASSETS		<u>17,359</u>	<u>(53,259,774)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>255,003,230</u>	<u>199,881,097</u>
CREDITORS (amounts falling due after more than one year)		-	-
NET ASSETS		<u>255,003,230</u>	<u>199,881,097</u>
CAPITAL AND RESERVES			
Called up share capital presented as equity	13	2,320,000	2,320,000
Share premium		31,680,000	31,680,000
Capital reserves		227,098,298	170,098,298
Retained earnings	14	(6,095,068)	(4,217,201)
SHAREHOLDERS' FUNDS		<u>255,003,230</u>	<u>199,881,097</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 February. They were signed on its behalf by:

DocuSigned by:

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C. CLINCH
 Director

CDCH LIMITED**STATEMENT OF CHANGES IN EQUITY**
for the financial year ended 31 December 2020

	<i>Share Capital US\$</i>	<i>Share Premium US\$</i>	<i>Capital reserves US\$</i>	<i>Retained earnings US\$</i>	<i>Total Equity US\$</i>
At 1 January 2019	2,320,000	31,680,000	151,634,859	(1,385,382)	184,249,477
Profit/(loss) for the financial year	–	–	–	(2,831,819)	(2,831,819)
Total comprehensive income	–	–	–	(2,831,819)	(2,831,819)
Capital Contribution	–	–	18,463,439	–	18,463,439
Balance at 31 December 2019	2,320,000	31,680,000	170,098,298	(4,217,201)	199,881,097
Profit/(loss) for the financial year	–	–	–	(1,877,867)	(1,877,867)
Total comprehensive income	–	–	–	(1,877,867)	(1,877,867)
Capital contribution	–	–	57,000,000	–	57,000,000
Balance at 31 December 2020	2,320,000	31,680,000	227,098,298	(6,095,068)	255,003,230

CDCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

1. GENERAL INFORMATION

These financial statements comprising the Statement of Comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes constitute the individual financial statements of CDCH Limited for the financial year ended 31 December 2020.

2. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). The financial statements are prepared under the historical cost convention.

These financial statements present information about the Company as an individual undertaking and not about its group. The Company has taken advantage of the exemption under Section 405 3(b) of the Companies Act 2006 not to prepare group financial statements as the information necessary for the preparation of group accounts cannot be obtained without disproportionate expense or undue delay.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(b).

The functional and presentation currency of the Company is United States Dollars (US\$).

(b) Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements;

- (i) *Valuation of investments:* Judgement is required in the assessment and valuation of investments, including assumptions on the timing and amount of future cash flows generated by the assets and the selection of an appropriate discount rate. In subsequent periods after the fair values have been finalised, these assets are subject to annual impairment testing. Please see note 9 for further details.
- (ii) *Recoverability of related party receivables*
The Company holds receivables in a number of related party companies on various credit terms. The Company uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is

CDCH LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 December 2020**2. ACCOUNTING POLICIES (Continued)**

required. The level of impairment required is reviewed on an ongoing basis. The total amount of related party receivables is \$212,541 (2019: \$212,541).

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost or valuation less accumulated depreciation and impairment losses. Cost comprises the amount paid and the costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold land	Not depreciated
Plant and machinery	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Any gain or loss arising from on the derecognition of the asset is included in the Statement of Comprehensive Income in the period of derecognition.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

(d) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Investment in a subsidiary company is held at cost less accumulated impairment losses.

CDCH LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 December 2020**2. ACCOUNTING POLICIES (Continued)***Financial assets (continued)*

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(e) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(f) Cash at bank and in hand

Cash at bank and in hand includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(g) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in US dollar (US\$), which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

CDCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. ACCOUNTING POLICIES (Continued)

(h) Taxation

The tax expense for the financial period comprises current and deferred tax. Current tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, current tax is charged or credited to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the Statement of Comprehensive Income.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted for the financial year.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for deferred tax assets which are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date. Deferred tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

(i) Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

(j) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(k) Creditors

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

(l) Investments in subsidiaries

Investments in subsidiaries are initially recorded based on their exchange values, being either the value of the capital injected into a subsidiary through subscription for shares or by way of a capital contribution, or the amount of consideration paid to another group entity under common control for the holding in the subsidiary. Subsequent to initial measurement the investment in subsidiary is carried at cost less impairment.

CDCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets

Where there is objective evidence that recoverable amounts of an asset is less than its carrying value the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the profit and loss account, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the profit and loss account, except for impairments on previously revalued tangible assets, which are treated as revaluation increases to the extent that the revaluation was recognised in equity.

The recoverable amount of tangible fixed assets, goodwill and other intangible fixed assets is the higher of the fair value less cost to sell of the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present value of the future cash flows of the Company which is considered by the directors to be a single cash generating unit.

(n) Capital Contribution

Capital contribution represents irrevocable, non-repayable contributions provided to the Company.

(o) Ordinary share capital

The ordinary share capital of the Company is presented as equity.

(p) Provisions for Liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

CDCH LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 December 2020**3. OPERATING LOSS**

Operating loss is stated after charging:

	2020 US\$	2019 US\$
Depreciation of plant and machinery	155,000	155,000

4. AUDITOR'S REMUNERATION

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company:

	2020 US\$	2019 US\$
Audit of individual company accounts	12,271	11,199

5. DIRECTORS' REMUNERATION

The directors of the Company during the year received no remuneration for services to the Company during the year.

6. FINANCE INCOME

	2020 US\$	2019 US\$
Bank interest	-	1
	-	1

7. FINANCE EXPENSE

	2020 US\$	2019 US\$
Interest payable	-	947,511
Interest payable to parent undertaking	1,666,965	1,587,287
	1,666,965	2,534,798

CDCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020
8. TAXATION

	2020 US\$	2019 US\$
(a) <i>Tax on profit / (loss) on ordinary activities</i>		
The tax charge is made up as follows:		
Current tax:		
UK corporation tax	8,842	(15,002)
Adjustments in respect of prior period	-	3,032
	<u>8,842</u>	<u>(11,970)</u>
Total current tax (note 8 (b))	8,842	(11,970)
Deferred tax:		
Origination and reversal of temporary differences	-	-
	<u>-</u>	<u>-</u>
Tax on profit / (loss) on ordinary activities	<u>8,842</u>	<u>(11,970)</u>

(b) Factors affecting tax charge for the year:

The tax assessed for the year differs from that calculated by applying the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 US\$	2019 US\$
Accounting profit / (loss) before tax	(1,869,025)	(2,843,789)
Accounting profit / (loss) before tax multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2019: 19%)	(355,115)	(540,320)
Effects of:		
Expenses not deductible for tax purposes	346,173	521,039
Additional taxable income	32,786	38,139
Change in deferred tax rate	-	-
Deferred tax not recognised	-	-
Late filing penalties arising in 2018	-	-
Adjustments in respect of prior periods		3,032
Losses forward utilised during the year	(15,002)	(33,860)
	<u>8,842</u>	<u>(11,970)</u>
Total current tax (note 8 (a))	8,842	(11,970)

CDCH LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 December 2020**8. TAXATION (Continued)****(c) Circumstances affecting future tax charges:**

In Finance Act 2015, the UK government announced legislation setting the tax rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. Budget 2016 announced a further reduction of 1% to the previously announced rate from 18% to 17% with effect from 1 April 2020.

9. FINANCIAL ASSETS

	2020 US\$	2019 US\$
At 1 January	252,068,788	188,156,675
Additions	2,000,000	63,912,113
At 31 December	254,068,788	252,068,788

The investments above have been carried at cost. The directors believe that the value of the above investments held at year-end is not less than the values listed above.

During 2020, amounts owing from subsidiary undertakings in the amount of \$2,000,000 were converted into capital contributions.

Name	Country of operation	Holding	Activity
CRD Holding Ltd	Bahamas	100%	Holding Company
Canouan Homes Ltd	St Vincent & Grenadines	100%	Real estate and staff housing
Canouan Vista Ltd	St Vincent & Grenadines	100%	Real estate
Winward Holding Ltd	St Vincent & Grenadines	100%	Real estate

CDCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020
10. TANGIBLE ASSETS

<u>2020</u>	<i>Leasehold land US\$</i>	<i>Plant and machinery US\$</i>	<i>Total US\$</i>
<i>Cost</i>			
At 1 January and 31 December 2020	-	1,550,000	1,550,000
<i>Depreciation</i>			
At 1 January 2020	-	477,917	477,917
Charge for year		155,000	155,000
At 31 December 2020	-	632,917	632,917
<i>Net book value</i>			
At 31 December 2020	-	917,083	917,083
<u>2019</u>	<i>Leasehold land US\$</i>	<i>Plant and machinery US\$</i>	<i>Total US\$</i>
<i>Cost</i>			
At 1 January and 31 December 2019	-	1,550,000	1,550,000
<i>Depreciation</i>			
At 1 January 2019	-	322,917	322,917
Charge for year	-	155,000	155,000
At 31 December 2018	-	477,917	477,917
<i>Net book value</i>			
At 31 December 2018	-	1,072,083	1,072,083

CDCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

11. DEBTORS

	2020	2019
	US\$	US\$
<i>Amounts falling due within one year</i>		
Prepayments and accrued income	130,984	72,000
Amounts owed from subsidiary undertakings	212,540	212,540
VAT receivable	131,667	131,666
	<u>475,191</u>	<u>416,206</u>

During 2020, amounts owing from subsidiary undertakings were converted into capital contributions (note 9).

12. CREDITORS

	2020	2019
	US\$	US\$
<i>Amounts due within one year</i>		
Accruals	480,230	385,565
Amounts owed to parent undertaking	(8,462)	1,537
Corporation tax payable	(6,160)	(15,002)
Amount due to parent company under loan instrument	-	33,333,035
Amounts due under loan instrument	-	20,000,000
	<u>465,608</u>	<u>53,705,135</u>

In September 2017, the Company entered into a \$35 million interest free loan instrument with its parent company. This loan was converted to a capital contribution at 31 December 2020.

In September 2017, the Company entered into a \$40 million interest free loan instrument with the former minority shareholder. \$20,000,000 was paid on 31 January 2019, with the remainder paid on 30 January 2020 (\$10,000,000) and 18 February 2020 (\$10,000,000).

13. SHARE CAPITAL

	2020	2019
	US\$	US\$
<i>Issued</i>		
23,200 Ordinary Shares of US\$100 each	<u>2,320,000</u>	<u>2,320,000</u>

CDCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

14. RESERVES

Profit and loss account

Includes all current and prior period profits and losses.

Called-up share capital

Represents the nominal value of shares that have been issued.

Capital reserves

Represents irrevocable, non-repayable amounts from connected parties.

15. RELATED PARTY TRANSACTIONS

During the year, the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under FRS 102 not to disclose transactions with fellow wholly owned subsidiaries.

16. PARENT UNDERTAKINGS, CONTROLLING PARTIES, DIRECTORS' AND SECRETARY'S INTERESTS

The Company's immediate parent undertaking and controlling party is Canouan Development Corporation Limited, a company incorporated in Ireland.

The Company's ultimate parent undertaking and controlling party is Bessel RE S.à.r.l., a company incorporated in Luxembourg.

Neither the directors, nor the Company secretary, their spouses or minor children, held any interests in the shares of the Company, its parent undertaking or any other group undertaking, except as follows:

At the year end, Mr. A. Pignataro owned indirectly 100% of Bessel RE S.à.r.l.

17. CAPITAL COMMITMENTS

The Company had no material capital commitments at the year-ended 31 December 2020.

18. CONTINGENT LIABILITIES

The Company has no material contingent liabilities at the year-ended 31 December 2020.

19. EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

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

CDCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

20. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved and authorised for issue the financial statements in respect of the financial year ended 31 December 2020 on 15 February 2022.