

**CDR LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**COMPANY REGISTRATION NO. 89261**

**CDR LIMITED**

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**CDR LIMITED**

**CORPORATE INFORMATION**

**DIRECTORS**

Simon Kelly  
Dominic Hebert

**REGISTERED ADDRESS**

12 Castle Street  
St. Helier  
JE2 3RT

**SECRETARY**

Apex Financial Services (Secretaries) Limited  
(formerly: Link Secretaries Limited)  
12 Castle Street  
St. Helier  
JE2 3RT

**ADMINISTRATORS**

Apex Financial Services (Corporate) Limited  
(formerly: Link Corporate Services (Jersey) Limited)  
12 Castle Street  
St. Helier  
JE2 3RT

**AUDITORS**

Baker Tilly Channel Islands Limited  
1<sup>st</sup> Floor  
Kensington Chambers  
46/50 Kensington Place  
St. Helier  
Jersey  
JE4 0ZE

**SERVICER**

Tellimer Limited (formerly: Exotix Limited)  
1<sup>st</sup> Floor, Watson House  
54 Baker Street  
London W1U 7BU

**BANKERS**

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

**ISSUING AND PAYING AGENT AND COMMON DEPOSITARY**

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

Royal Bank of Scotland International  
71 Bath Street  
St. Helier  
Jersey  
JE4 8PJ

**SECURITY TRUSTEE**

Apex Corporate Trustees (UK) Limited  
(formerly: Link Corporate Trustees (UK) Limited)  
6<sup>th</sup> Floor 125 Wood Street  
London  
EC2V 7AN

**CDR LIMITED**

**DIRECTORS' REPORT**

The Directors present their report and the audited financial statements for the year ended 31 December 2018.

**INCORPORATION**

The Company was incorporated in Jersey as a Public Company on 7 January 2005.

**ACTIVITIES**

The principal activity of the Company is to act as the issuer in a Pass-Through Certificate Issuance Programme relating to loan obligations of Banco Nacional de Cuba. The programme is listed on The International Stock Exchange (TISE) in the Channel Islands.

The Company holds title to a portfolio of loan obligations of Banco Nacional de Cuba, guaranteed by the Republic of Cuba. However, due to the nature of the participation by security holders in the programme, which gives a contractual pass through of all rights and responsibilities of ownership, the Directors do not regard it as appropriate to treat those assets as assets of the Company.

**RESULTS AND DIVIDENDS**

The Company made a loss during the year of GBP 35,475 (2017: loss GBP 16,312). No dividends are proposed for the year (2017: nil).

**REVIEW OF DEVELOPMENTS**

The Pass-Through Certificate Issuance Programme has performed as expected for the year under review.

**FINANCIAL RISK MANAGEMENT**

The Company is exposed to currency risk, liquidity risk and credit risk arising from the assets and liabilities held on the Statement of Financial Position.

Set out below is a description of the principal risks inherent in the Company's activities:

*Currency risk*

The Pass-Through Certificate Securities are exposed to foreign exchange risk. Foreign exchange risk arises from monetary assets and liabilities denominated in foreign currencies. The Company itself is not exposed to any foreign exchange risk and as such does not systematically hedge its foreign exchange risks.

*Liquidity risk*

The Company does not have any material debtors.

Subsequent to the year end, a general meeting of the Security holders was held on 19 March 2019 at which it was resolved to amend the terms of the Principal Trust Deed, dated 28 September 2005 relating to the Programme, in order to allow the Company, as Issuer, to be able to incur indebtedness up to an amount not exceeding GBP 400,000 in aggregate, provided that such indebtedness is unsecured. On 28 March 2019, the Company entered into a limited recourse, unsecured loan arrangement with a connected party, in which the Company may borrow up to a total principal amount of GBP 400,000. The proceeds of the loan will be utilised to fund the Expense Reserve and meet the ordinary expenses of the Company.

**CDR LIMITED**

**DIRECTORS' REPORT (Continued)**

**FINANCIAL RISK MANAGEMENT (continued)**

*Credit risk*

Credit risk is the risk resulting from third party counterparty default. The Company's cash is held with financial institutions, which have good credit ratings, such that management does not expect any institution to fail to meet repayments of amounts held on deposit. The Directors have assessed the risk as minimal as all transactions are undertaken with credit worthy counterparties.

**FUTURE DEVELOPMENT**

There have been no assignments issued subsequent to the year end date and there are no assignments planned for the immediate future.

**DIRECTORS AND THEIR INTERESTS**

The Directors, all of whom served throughout the year and to the date of the signing of these financial statements, unless otherwise stated, are disclosed on page 1.

None of the Directors have an interest in the share capital of the Company.

**SECRETARY**

The secretary of the Company throughout the year and to the date of the signing of these financial statements was as disclosed on page 1.

**EMPLOYEES**

The Company had no employees, administrative functions were outsourced to Apex Financial Services (Corporate) Limited (formerly: Link Corporate Services (Jersey) Limited).

**AUDITORS**

The auditors, Baker Tilly Channel Islands Limited, have expressed a willingness to continue in office.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Directors are required by the Companies (Jersey) Law 1991, as amended, to prepare financial statements for each financial year which 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 year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102'). In preparing these 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 accounting standards have been followed, subject to any material departures being disclosed and explained within the financial statements; and

CDR LIMITED

DIRECTORS' REPORT (Continued)

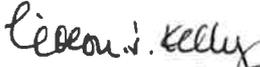
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper 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 (Jersey) Law 1991, as amended. 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.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

BY ORDER OF THE BOARD

  
SIMON KELLY 30 JULY 2019  
FOR AND ON BEHALF OF  
APEX FINANCIAL SERVICES  
(SECRETARIES) LIMITED  
SECRETARY

Registered Office:  
12 Castle Street  
St. Helier  
Jersey  
JE2 3RT

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CDR LIMITED**

### **Opinion**

We have audited the financial statements of CDR Limited ("the Company") for the year ended 31 December 2018, which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash flows and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable Jersey law and applicable United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") (collectively "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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law, 1991 as amended.

### **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 Jersey, 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**

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 authorized for issue.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the financial statements, other than the audited financial statements and our auditor's 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. 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 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.

**Matter of which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- proper 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.

**Responsibilities of the Directors**

As explained more fully in the Statement of Directors' responsibilities on page 3, 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 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 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 Councils website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of this report**

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991 as amended. 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.



**Dickson Wasake**  
**For and on behalf of Baker Tilly Channel Islands Limited**  
**Chartered Accountants**  
**St Helier, Jersey**

Date: 30/7/19

## CDR LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	31 December 2018 GBP	31 December 2017 GBP
Interest receivable	5	5	-
Administrative expenses	6	(37,230)	(36,729)
Servicer fee creditor waived	9	<u>1,750</u>	<u>20,417</u>
Loss for the year		<u>(35,475)</u>	<u>(16,312)</u>

The loss for the year was derived from continuing activities.

The notes on pages 11 to 19 form part of these financial statements.

**CDR LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

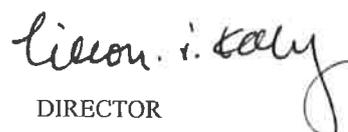
	Notes	31 December 2018 GBP	31 December 2017 GBP
<b>CURRENT ASSETS</b>			
Debtors and prepayments	8	6,037	9,260
Cash and cash equivalents		<u>16,681</u>	<u>36,458</u>
<b>TOTAL CURRENT ASSETS</b>		<u>22,718</u>	<u>45,718</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(30,885)</u>	<u>(18,410)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(8,167)</u>	<u>27,308</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	10	2	2
Retained earnings		<u>(8,169)</u>	<u>27,306</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(8,167)</u>	<u>27,308</u>

These financial statements were approved by the Board of Directors and signed on its behalf by:-



DIRECTOR

DATE 30 JULY 2019



DIRECTOR

30 JULY 2019  
DATE

The notes on pages 11 to 19 form part of these financial statements.

**CDR LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2018**

	Share capital GBP	Retained earnings GBP	Total GBP
Balance at 01 January 2017	2	43,618	43,620
Loss for the year	<u>-</u>	<u>(16,312)</u>	<u>(16,312)</u>
Balance at 31 December 2017	2	27,306	27,308
Loss for the year	<u>-</u>	<u>(35,475)</u>	<u>(35,475)</u>
Balance at 31 December 2018	<u>2</u>	<u>(8,169)</u>	<u>(8,167)</u>

The notes on pages 11 to 19 form part of these financial statements.

**CDR LIMITED**  
**STATEMENT OF CASH FLOWS**  
**AS AT 31 DECEMBER 2018**

	Year ended 31 December 2018 GBP	Year ended 31 December 2017 GBP
<b>Cash flows from operating activities</b>		
Operating loss	(35,475)	(16,312)
Interest income	(5)	-
Decrease/(increase) in debtors	3,223	(322)
Increase/(decrease) in creditors	<u>12,475</u>	<u>(16,050)</u>
<b>Net cash outflow from operating activities</b>	<u>(19,782)</u>	<u>(32,684)</u>
<b>Cash flows from investing activities</b>		
Interest received	<u>5</u>	<u>-</u>
<b>Net cash flows from investing activities</b>	<u>5</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	(19,777)	(32,684)
Cash and cash equivalents at start of the year	<u>36,458</u>	<u>69,142</u>
<b>Cash and cash equivalents at end of the year</b>	<u>16,681</u>	<u>36,458</u>

The notes on pages 11 to 19 form part of these financial statements.

**CDR LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. GENERAL INFORMATION**

CDR Limited ('the Company') is an investment holding company.

The Company is incorporated and domiciled in Jersey as a public limited liability company.

The address of its registered office is  
12 Castle Street  
St Helier  
Jersey  
JE2 3RT  
Channel Islands.

**2. STATEMENT OF COMPLIANCE**

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies (Jersey) Law, 1991, as amended.

**3. ACCOUNTING POLICIES**

**Basis of Preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, except for the modification to a fair value basis for certain financial assets and liabilities as specified in the accounting policies below.

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 judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

**Going concern**

During the year the Company made a loss of GBP 35,475 (2017: Loss of GBP 16,312). The Directors have noted the net liquidity position on the statement of financial position but have prepared these financial statements on the going concern basis having regard to the fact that as disclosed in note 14, following a resolution of an Extraordinary meeting of the security holders held on 19 March 2019, the Company was able to enter into a limited recourse, unsecured loan arrangement with a connected party which allowed the Company to borrow up an unsecured amount up to a total principal amount of GBP 400,000. This allows the Company to have sufficient cash reserves (based on prior run rate) to enable the Company to discharge its liabilities as they fall due for at least 12 months from the date of the signing of these financial statements.

## CDR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

## 3. ACCOUNTING POLICIES (continued)

**Foreign currency***Functional and presentation currency*

The Company's functional and presentation currency is the pound sterling.

*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.

**Revenue recognition**

All income is accounted for on an accrual basis.

**Expenses**

Expenses are accounted for on an accruals basis.

**Financial instruments***Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price. 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.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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) 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.

## CDR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2018

## 3. ACCOUNTING POLICIES (continued)

**Financial instruments (continued)***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. 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.

*Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

*Impairment of financial assets**Assets carried at amortised cost*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the unaudited profit and loss account. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the unaudited profit and loss account.

## CDR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2018

## 3. ACCOUNTING POLICIES (continued)

## Cash and cash equivalents

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

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no judgements or estimates that have been made by the Directors that materially impact these financial statements.

The Company holds title to a portfolio of loan notes issued by Banco Nacional de Cuba and guaranteed by the Republic of Cuba, however due to the nature of the participation by security holders in those notes, which provide a contractual pass through obligation of all rights and responsibilities of ownership, the Directors do not regard it as appropriate to treat those financial assets and liabilities as assets and liabilities of the Company.

## 5. INTEREST RECEIVABLE

	31 December 2018 GBP	31 December 2017 GBP
Bank interest	<u>5</u>	<u>-</u>

## 6. ADMINISTRATIVE EXPENSES

	31 December 2018 GBP	31 December 2017 GBP
Administration fees	7,974	8,045
Agency fees	6,000	6,000
Audit fees	5,000	5,000
Legal fees	2,850	3,550
Security trustees fees	4,100	4,100
Stock exchange fees	7,788	7,438
Servicer fees	1,750	1,750
Accountancy fees	1,250	350
Annual return fee	210	210
ISE annual fee	200	200
Bank charges and interest	<u>108</u>	<u>86</u>
	<u>37,230</u>	<u>36,729</u>

GBP 1,500 (2017: GBP 1,500) of the total administration fees relates to administration fees of CDR Charitable Trust, the Company's ultimate controlling party.

## CDR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## FOR THE YEAR ENDED 31 DECEMBER 2018

## 7. TAXATION

Profits arising in the Company are subject to tax at the standard rate in Jersey of 0%.

The Company is categorised as an International Service Entity ('ISE') and as such is required to pay an annual ISE fee. As an ISE, the Company is exempt from Goods and Services Taxation.

## 8. DEBTORS AND PREPAYMENTS: Amounts falling due within one year:

	31 December 2018 GBP	31 December 2017 GBP
Prepayments	<u>6,037</u>	<u>9,260</u>

## 9. CREDITORS: Amounts falling due within one year:

	31 December 2018 GBP	31 December 2017 GBP
Administration fees	7,600	7,500
Annual return fee	60	60
Audit fees	10,000	5,000
Servicer fees	1,750	1,750
Accountancy fees	1,250	350
Agency fees	7,500	1,500
Legal fees	1,700	2,250
Security trustees fees	<u>1,025</u>	<u>-</u>
	<u>30,885</u>	<u>18,410</u>

The Directors are of the opinion that the servicer fees creditor is not expected to be paid nor billed by the relevant counterparty. Hence, the estimated accrued balance outstanding of GBP 1,750 (2017: GBP 20,417) was waived during the year. The Directors have taken the opinion to accrue the service fee annually (GBP 1,750) which will be reviewed and provided against on a rolling basis unless other circumstances arise.

## 10. SHARE CAPITAL

	31 December 2018 GBP	31 December 2017 GBP
<i>Authorised share capital</i>		
100 Ordinary shares of GBP 1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of GBP 1 each	<u>2</u>	<u>2</u>

## CDR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## FOR THE YEAR ENDED 31 DECEMBER 2018

## 11. FINANCIAL INSTRUMENTS

*Fair value of financial assets and liabilities*

	Fair Value 31 December 2018 GBP	Fair Value 31 December 2017 GBP
Amounts due within one year (book value)	<u>30,885</u>	<u>18,410</u>
Maturity of financial liabilities	31 December 2018 GBP	31 December 2017 GBP
Amounts falling due: In one year or less or on demand	<u>30,885</u>	<u>18,410</u>

The maturity profile is determined by reference to the earliest date on which payment can be required or on which the liability falls due.

*Fair value of financial assets and liabilities not recognised*

The Company holds title to a portfolio of loan obligations of Banco Nacional de Cuba, guaranteed by the Republic of Cuba. However, due to the nature of the participation by security holders in the programme, which gives a contractual pass through of all rights and responsibilities of ownership, the Directors do not regard it as appropriate to treat those assets and liabilities as assets and liabilities of the Company. Details of these are follows:-

Fair Value not recognised 31 December 2018 GBP	Fair Value not recognised 31 December 2017 GBP
<u>20,453,648</u>	<u>35,139,447</u>

The non-performing loans were issued by Banco Nacional de Cuba and, subject to certain eligibility criteria set out in the Information Memorandum, have been assigned to the Company by the beneficial owners of the loans in exchange for the issuance of pass-through obligations (the 'Securities'). The Company has no legal rights to the non-performing loans which have been assigned or to any monies arising from them.

## CDR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## FOR THE YEAR ENDED 31 DECEMBER 2018

## 11. FINANCIAL INSTRUMENTS (continued)

The non-performing loans are as follows: -

	Nominal Value	Fair Value not recognised in Own Currency	Fair Value not recognised in Book Currency 31 December 2018 GBP	Fair Value not recognised in Book Currency 31 December 2017 GBP
'A' Short Term Non Trade pre 1987	EUR 48,362,708	EUR 4,836,271	4,344,437	7,736,389
'B' Short Term Non Trade pre 1987	CHF 36,325,000	CHF 3,632,500	2,896,269	4,963,562
'C' Unrestructured post 1987	JPY 5,475,210,830	JPY 547,521,083	3,914,416	6,473,623
'D' Medium Term Loans	EUR 49,692,396	EUR 4,969,240	4,463,883	7,949,094
'E' Medium Term Loans	JPY 2,018,897,452	JPY 201,889,745	1,443,379	2,387,046
'F' Unrestructured pre 1987	EUR 1,866,908	EUR 186,691	167,705	298,642
'G' Unrestructured pre 1987	JPY 4,508,888,760	JPY 450,888,876	3,223,559	5,331,091
			<u>20,453,648</u>	<u>35,139,447</u>

## CDR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## FOR THE YEAR ENDED 31 DECEMBER 2018

## 11. FINANCIAL INSTRUMENTS (continued)

The fair value was determined by Tellimer Limited and is based on a percentage of the nominal value in the original currency as shown below and converted to Sterling using the exchange rates at 31 December 2018. Tellimer Limited has expressed the view that there has been a decrease in the indicative prices of the underlying Cuban loan market. As a guidance and in the absence of trading on the Securities or relevant market activity, Tellimer Limited have provided the following as indicative pricing only, showing a decrease from prior year.

'A' Short Term Non Trade pre 1987	10.00%	(2017: 18.00%)
'B' Short Term Non Trade pre 1987	10.00%	(2017: 18.00%)
'C' Unrestructured post 1987	10.00%	(2017: 18.00%)
'D' Medium Term Loans	10.00%	(2017: 18.00%)
'E' Medium Term Loans	10.00%	(2017: 18.00%)
'F' Unrestructured pre 1987	10.00%	(2017: 18.00%)
'G' Unrestructured pre 1987	10.00%	(2017: 18.00%)

	Fair Value of liabilities not recognised 31 December 2018 GBP	Fair Value of liabilities not recognised 31 December 2017 GBP
Securities issued	<u>20,453,648</u>	<u>35,139,447</u>

The Company has issued securities under the EUR 2,000,000,000 Pass-Through Certificate Issuance Programme Securities in bearer form representing interests in non-performing loans of Banco Nacional de Cuba. The Securities are pass-through obligations and not indebtedness of the Company. Each Security evidences the right of its Security holder to receive (after deduction of applicable taxes and expenses) distributions equal to that Security's pro rata share of all principle, interest and other amounts actually received by the Company in respect of the non-performing loans.

The following Series have been issued:-

Series	Nature of Security	Maximum principal Sum	Nominal Value of securities issued
A	Pass-through Certificate due 2025	EUR 276,000,000	EUR 48,362,708
B	Pass-through Certificate due 2025	CHF 412,000,000	CHF 36,325,000
C	Pass-through Certificate due 2025	JPY 20,000,000,000	JPY 5,475,210,830
D	Pass-through Certificate due 2025	EUR 260,000,000	EUR 49,692,396
E	Pass-through Certificate due 2025	JPY 7,874,000,000	JPY 2,018,897,452
F	Pass-through Certificate due 2025	EUR 154,000,000	EUR 1,866,908
G	Pass-through Certificate due 2025	JPY 20,000,000,000	JPY 4,508,888,760

The fair value of the sum of the above Series is GBP 20,453,648 (2017: GBP35,139,447) as these securities directly correspond to the non-performing loans.

**CDR LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2018****12. ULTIMATE CONTROLLING PARTY**

The shares of the Company are held by nominees for the benefit of the CDR Charitable Trust which has been established for charitable purposes and the trustees of which are Apex Financial Services (Corporate) Limited.

**13. RELATED PARTY TRANSACTIONS**

The Directors of the Company, the corporate secretary and the security trustee are either employed by or are provided by companies whose ultimate parent is the Apex Group. These operating companies provide Directors, company administration, trustee, accountancy and secretarial services to the Company at normal commercial rates. Fees payable to related parties during the year total GBP 11,724 (2017: GBP 10,995). Amounts outstanding at 31 December 2018 total GBP 9,775 (2017: GBP 6,350) and GBP Nil (2017: GBP 3,075) was paid in advance as at 31 December 2018.

The Company had fees payable to Apex Group for administration fees GBP 1,500 (2017: GBP 1,500) paid on behalf of CDR Charitable Trust, the ultimate controlling party, with amounts outstanding at the 31 December 2018 GBP 1,500 (2017: GBP 1,500).

**14. EVENTS AFTER YEAR END**

Subsequent to the year end, a general meeting of the Security holders was held on 19 March 2019 at which it was resolved to amend the terms of the Principal Trust Deed, dated 28 September 2005 relating to the Programme, in order to allow the Company, as Issuer, to be able to incur indebtedness up to an amount not exceeding GBP 400,000 in aggregate, provided that such indebtedness is unsecured. On 28 March 2019, the Company entered into a limited recourse, unsecured loan arrangement with a connected party, in which the Company may borrow up to a total principal amount of GBP 400,000. Interest will be charged at a rate of 10% per annum. The repayment of funds drawn down and any accrued interest thereon will only occur on the earlier of (a) the date on which the Securities are fully redeemed in accordance with Condition 6 (Redemption) of the Securities, (b) the date of the sale of all or part of the Underlying Assets, or (c) the date at which all or part of the Underlying Assets are distributed to the Security holders. An initial drawdown of GBP 65,300 was made on the loan on 29 March 2019. The proceeds of the loan will be utilised to fund the Expense Reserve and meet the ordinary expenses of the Company.