

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

“THE PIDG TRUST”

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023**

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

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THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

The Private Infrastructure Development Group (PIDG) is a multi-donor arrangement established and directed by the Participating Donors (details below). PIDG aims to facilitate the provision of infrastructure needed to combat poverty and climate change in developing countries by encouraging private investment. PIDG has established the Private Infrastructure Development Group Trust (PIDG Trust) as a vehicle for its activities.

TRUSTEES

SG Kleinwort Hambros Trust Company (UK) Limited – UK Resident Company (Principal Trustee)
One Bank Street
Canary Wharf
London
E14 4SG

Minimax Limited – Mauritian Resident Company
Les Cascades Building
33 Edith Cavell Street
Port-Louis, Mauritius

IQ EQ Trustees (Mauritius) Limited – Mauritian Resident Company
Les Cascades Building
33 Edith Cavell Street
Port-Louis, Mauritius

PARTICIPATING DONORS (“DONORS”)

- The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Secretary of State for Foreign, Commonwealth and Development Affairs (“FCDO”)
- Swiss State Federal Department of Economic Affairs, Education and Research of the Government of the Confederation of Switzerland (“SECO”)
- The Netherlands Ministry of Foreign Affairs (“DGIS”)
- Federal Republic of Germany, represented by KfW (“KfW”)
- The Government of Sweden represented by the Swedish International Development Cooperation Agency (“Sida”)
- The World Bank Group, represented by International Finance Corporation (“IFC”)
- The Australian Government Department of Foreign Affairs and Trade (“DFAT”)
- The Department of Foreign Affairs, Trade and Development of Canada (“GAC”)

ENFORCER

FCDO

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

AUDITOR

Forvis Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

BANKERS

SG Kleinwort Hambros Bank Limited
One Bank Street
Canary Wharf
London
E14 4SG

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present the annual report and audited financial statements for the year ended 31 December 2023.

These financial statements have been prepared under the Special Purpose Accounting Framework set out in Schedule 5 of the Third Amended and Restated Declaration of Trust dated 25th February 2020.

BACKGROUND SUMMARY

The Private Infrastructure Development Group (“PIDG”) is a multi-donor arrangement established and directed by the Participating Donors. PIDG was established by the Participating Donors with a mission to combat poverty and climate change in developing countries through pioneering infrastructure, thereby helping economies grow and changing people’s lives. PIDG’s vision is to enhance the provision of affordable and sustainable infrastructure services in low-income countries and fragile states to combat poverty and help economies grow. Financing for these projects should be increasingly sourced through local capital and credit markets. PIDG provides the leadership, development capability, funding and finance solutions across the project life cycle to support this infrastructure provision, resulting in a high development impact by strengthening the local capacity, capability and the financing potential of local credit and capital markets. PIDG has established the PIDG Trust as a vehicle for its activities. In general, this provides a vehicle for the Participating Donors (and other funders from time to time) to pool, co-ordinate and administer funds in relation to all PIDG activities.

OBJECTS AND STRUCTURE

The PIDG Trust was established by a Declaration of Trust dated 1 December 2001 as amended by an Amended and Restated Declaration of Trust dated 14 March 2003 and as further amended by a Second Amended and Restated Declaration of Trust dated 4 September 2018 and Third Amended and Restated Declaration of Trust signed on 25 February 2020 (the “Declaration of Trust”). The PIDG Trust has three Trustees – two based in Mauritius and one in the United Kingdom. The Trustees act jointly for and on behalf of the PIDG Trust. The PIDG Trust was established for the purposes of:

- i. facilitating the provision of the infrastructure needed to combat poverty and climate change in developing countries by encouraging private investment;
- ii. making investments in accordance with the investment plan adopted by the Trustees;
- iii. exercising any rights of control and influence arising from its investments;
- iv. investing, applying or otherwise using its funds for the relief of poverty in developing countries in such manner as the Trustees with the consent of The Private Infrastructure Development Group Ltd (“PIDG Ltd”) or the Participating Donors (as applicable) but otherwise in their discretion think fit; and
- v. administering and paying PIDG general administration costs and project development costs.

OPERATIONAL PROCEDURES

The Trustees carry out the following tasks, amongst others, in relation to the PIDG activities:

- i. reviewing and executing grant and loan agreements;
- ii. reviewing and executing contracts for services with consultants;
- iii. co-ordinating and authorising payments under the grant loan and consultancy agreements executed and in the case of the Principal Trustee recording income and expenditure in the records of the PIDG Trust and creating and monitoring rolling expenditure forecasts for all programmes;
- iv. acting as shareholder (as PIDG itself cannot); attending shareholder meetings and executing any documents relating to the PIDG Trust’s capitalisation of investment vehicles; and
- v. receiving and administering funding from the Participating Donors.

In addition, and in conjunction with PIDG Ltd, the PIDG Trust is responsible for the updating and monitoring of the budgets for general administration costs, project development costs and the Technical Assistance Facility (“TA”).

PIDG Ltd was incorporated by the Trustees on 20 March 2018 as a private company limited by shares under the laws of England and Wales. Under a Reorganisation Agreement dated 29 June 2018 between *inter alia* the Trustees and PIDG Ltd, PIDG Ltd received delegated authority from the Participating Donors and the PIDG Trust for certain aspects of governance and decision in relation to the PIDG.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are obliged to operate by unanimity, whether signing a grant agreement with a Participating Donor for the provision of funds or acting as a shareholder of PIDG Ltd or one of the investment vehicles.

In accordance with the Declaration of Trust, before acting, particularly in relation to decisions relating to the investment vehicles, the Trustees require the prior written approval of PIDG Ltd. and/or, for certain actions, the Participating Donors.

REPORTING RESPONSIBILITIES

The Declaration of Trust requires that the Trustees provide PIDG Ltd with the following information:

- i. as soon as available, but in any event within forty-five (45) days after the end of each quarter unaudited financial statements for each quarter in respect of the Funds (as defined in the Declaration of Trust);
- ii. an annual management assertion, together with an attestation from the Trustees' external auditor, of the satisfactory performance of the procedures and controls used by the Trustees in administering the Funds;
- iii. annual audited accounts of the PIDG Trust prepared in accordance with the Declaration of Trust; and
- iv. any legal opinions and advice received by the Trustees.

Additional reports may be required in relation to a particular investment vehicle. Any such requirements are set out in the relevant funding documentation.

The Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

INVESTMENT POLICY

The PIDG Trust can only apply funds to an investment which is consistent with the environmental, economic and social development policies of the PIDG Trust as set out in Schedule 2 of the Declaration of Trust. PIDG Ltd is responsible for confirming that an investment is consistent with the Ethical Policies as agreed with PIDG Members.

REVIEW OF ACTIVITIES

The PIDG Trust was involved in funding the following companies (investment vehicles) and programmes in the year ended 31 December 2023:

- The Emerging Africa Infrastructure Fund Limited (“EAIF”)
- GuarantCo Limited (“GuarantCo”)
- InfraCo Asia Development Pte. Ltd. (“InfraCo Asia Devt”)
- InfraCo Asia Investments Pte. Ltd (“InfraCo Asia Inv”)
- InfraCo Africa Limited (“InfraCo Africa”)
- Technical Assistance Facility (“TA”)
- ICF Debt Pool LLP (“ICF-DP”)
- InfraCo Africa Investment Limited (“InfraCo Africa Inv”)
- The Private Infrastructure Development Group Ltd (“PIDG Limited”)

RESULTS

The results for the year and movement in accumulated funds are set out on page 12 within the statement of accumulated funds.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

TRUSTEES' REPORT (continued)


FOR THE YEAR ENDED 31 DECEMBER 2023


AUDIT INFORMATION

So far as the Trustees are aware, there is no relevant audit information of which the Trust's auditor is unaware.

The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

Approved by the Trustees and signed on their behalf:


Digitally signed
by Bradley
WALDEN
Date:
2024.10.30
14:15:04 Z


Digitally signed by
Rachel ILES
Date:
2024.10.30
15:45:57 Z

SG Kleinwort Hambros Trust Company (UK) Limited
One Bank Street
Canary Wharf
London
E14 4SG

Date 30th October 2024

**INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF
THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST
FOR THE YEAR ENDED 31 DECEMBER 2023**

Opinion

We have audited the financial statements of The Private Infrastructure Development Group Trust (the ‘trust’) for the year ended 31 December 2023 which comprise of the Balance sheet, Capital account, Statement of accumulated funds and the Cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The special purpose financial reporting framework that has been applied in their preparation is applicable law and the financial reporting provisions of the Third Amended and Restated Declaration of Trust signed on 25 February 2020 (“the Declaration of Trust”).

In our opinion, the accompanying financial statements of the Trust for the year ended 31 December 2023 are prepared, in all material respects, in accordance with the financial reporting provisions of the Third Amended and Restated Declaration of Trust signed on 25 February 2020 (“the Declaration of Trust”).

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 trust 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1(a) to the financial statements, which describes the basis of accounting under a special purpose accounting framework. The financial statements are prepared to assist the Trustees in complying with the financial reporting provisions of the Declaration of Trust referred to above. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee’s 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 trust’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees 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 Trustees 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 Trustees are responsible for assessing the trust'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 Trustees either intend to liquidate the trust 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the trust and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: bribery regulations, anti-money laundering regulation and general data protection regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the trust which were contrary to applicable laws and regulations, including fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023**

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of investments and loans, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit report

This report is made solely to the Trustees as a body in accordance with our Engagement Letter dated 17th June 2024 . Our audit work has been undertaken so that we might state to the Trustees 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 trust and the Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Gerhard Bonthuys (Oct 30, 2024 16:48 GMT)

Gerhard Bonthuys (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars LLP

6 Sutton Plaza

Sutton Court Road

Sutton

SM1 4FS

Date Oct 30, 2024

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Note	2023		2022	
		US\$	US\$	US\$	US\$
Non-current assets					
Investments	2		1,052,919,878		993,354,963
Current assets					
Debtors	3	8,250,717		27,418,492	
Cash and cash equivalents	4	81,797,424		52,431,951	
			90,048,141		79,850,443
TOTAL ASSETS			1,142,968,019		1,073,205,406
CAPITAL, FUNDS AND LIABILITIES					
Capital account			1,065,433,631		1,000,481,987
Accumulated funds	6		76,683,363		71,807,283
Capital and funds			1,142,116,994		1,072,289,270
Current liabilities					
Other payables	7	851,025		916,136	
			851,025		916,136
TOTAL CAPITAL, FUNDS AND LIABILITIES			1,142,968,019		1,073,205,406

The balance sheet was approved by the Trustees and signed on their behalf:

Digitally signed
by Bradley
WALDEN
Date: 2024.10.30
14:14:21 Z

Digitally signed
by Rachel ILES
Date: 2024.10.30
15:48:11 Z

SG Kleinwort Hambros Trust Company (UK) Limited

Date 30th October 2024

The notes on pages 14 to 28 form part of these financial statements.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

CAPITAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 US\$	2022 US\$
Balance brought forward		1,000,481,987	950,572,614
Grant contributions received		62,681,584	100,287,072
Loans issued		36,000,000	16,000,000
		<u>1,099,163,571</u>	<u>1,066,859,686</u>
KfW loan recovery/(write down)	3 & 5(e)	400,000	(300,000)
		<u>1,099,563,571</u>	<u>1,066,559,686</u>
Impairment of value of investments	2	(25,657,809)	(66,446,279)
Reversal of previous impairment	2	3,199,248	-
KfW loan (recovery)/write down charge	3	(400,000)	300,000
Transfer (to) accumulated funds	6	(11,268,780)	(300,000)
Exchange (loss)/gain on year end revaluation		(2,599)	368,580
Balance carried forward		<u><u>1,065,433,631</u></u>	<u><u>1,000,481,987</u></u>

The notes on pages 14 to 28 form part of these financial statements.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

STATEMENT OF ACCUMULATED FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023		Year ended 31 December 2022	
		US\$	US\$	US\$	US\$
INCOME					
Contributions receivable to cover costs and fees			15,980,237		30,627,348
Bank deposit interest			1,944,415		417,260
			<u>17,924,652</u>		<u>31,044,608</u>
EXPENDITURE					
Funding					
TA Grants		14,362,406		9,709,952	
TA project grants returned		(665,069)		(881,861)	
		<u>13,697,337</u>		<u>8,828,091</u>	
Administration					
SG Kleinwort Hambros Trust Company (UK) Limited Annual Management fee		194,526		222,302	
IQ EQ Trustees (Mauritius) Limited Annual Management fee		56,930		55,650	
Consultancy fees		418,508		398,388	
SLA grants - running costs		10,417,903		7,982,553	
Auditor's remuneration: -					
Audit fee		60,513		59,869	
Other expenses		4,568		4,216	
Loan impairment (reversal)/provision (Gain)/loss on foreign currency exchange	3	(400,000)		300,000	
		(132,933)		174,085	
		<u>10,620,015</u>		<u>9,197,063</u>	
Total expenditure			<u>(24,317,352)</u>		<u>(18,025,154)</u>
(Deficit)/surplus for the year			<u>(6,392,700)</u>		<u>13,019,454</u>
Transfer from capital account	6		<u>11,268,780</u>		<u>300,000</u>
Surplus for the year transferred to accumulated funds			<u>4,876,080</u>		<u>13,319,454</u>
Accumulated funds brought forward			<u>71,807,283</u>		<u>58,487,829</u>
Accumulated funds carried forward			<u><u>76,683,363</u></u>		<u><u>71,807,283</u></u>

The notes on pages 14 to 28 form part of these financial statements.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended 31 December 2023 US\$	Year ended 31 December 2022 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(6,392,700)	13,019,454
Adjustments for:		
Bank deposit interest	(1,944,415)	(417,260)
Decrease in debtors	19,167,775	1,138,106
(Decrease) in current liabilities	(65,111)	(642,083)
Exchange (loss)/gain on year end revaluation	(2,599)	368,580
	<u>10,762,950</u>	<u>13,466,797</u>
<i>Net cash inflow from operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of shares in EAIF	-	-
Acquisition of shares in GuarantCo	(15,123,834)	(22,128,379)
Acquisition of shares in InfraCo Africa	(14,144,831)	(40,307,190)
Acquisition of shares in InfraCo Asia Development	(22,319,754)	(10,107,339)
Acquisition of shares in InfraCo Asia Investments	(4,000,000)	-
Acquisition of shares in InfraCo Africa Investment	(26,435,057)	(59,612,809)
Bank deposit interest received	1,944,415	417,260
	<u>(80,079,061)</u>	<u>(131,738,457)</u>
<i>Net cash outflow from investing activities</i>		
FINANCING ACTIVITIES		
Proceeds from contributions to capital account	62,681,584	100,287,072
Loans issued	36,000,000	16,000,000
	<u>98,681,584</u>	<u>116,287,072</u>
<i>Net cash inflow from financing activities</i>		
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	29,365,473	(1,984,588)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	52,431,951	54,416,539
	<u>52,431,951</u>	<u>54,416,539</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	81,797,424	52,431,951
	<u><u>81,797,424</u></u>	<u><u>52,431,951</u></u>

The notes on pages 14 to 28 form part of these financial statements.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

a) Preparation of consolidated accounts

IFRS10 states that consolidated financial statements should include all subsidiaries of the parent undertaking. The Trust deed states that the Trustees will prepare non-consolidated financial statements under the historical cost convention and in accordance with the Declaration of Trust.

b) Impairment of investments

IAS36 states that any impairment is recognised as an expense in the income account for assets carried at cost. The Trust deed states that investments in investment vehicles will be stated at cost less provision of impairment in value of investments. Investments will be written down to the value of the net assets of the investment vehicles held at each balance sheet date. Impairment provisions will be charged to the capital account.

c) Treatment of funding instruments

IAS32 states that a contractual obligation to deliver cash to another entity should be treated as a liability. The Trust deed states that all contributions received from a Donor under a funding instrument for investment in investment vehicles, including contributions for which the PIDG Trust has issued a participatory note, capital contributions and loans, will be valued on the basis of the Donor's pro-rata share of the net assets (at book value) of the investment vehicle to which the contribution relates and will be included within the capital account.

d) Foreign exchange differences

IAS21 states that exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in the income account in the period in which they arise. The Trust deed states that transactions in currencies other than the reporting currency will be translated at the exchange rates ruling at the date of such transactions. Monetary assets and liabilities denominated in currencies other than the reporting currency will be retranslated at exchange rates ruling at the balance sheet date. All differences are dealt with in the fund from which they arose and therefore are included in the statement of accumulated funds, except where they derive from amounts advanced in respect of investments in undertakings, in which case they are taken to the capital account.

e) Reporting currency

The financial statements are presented in United States Dollars. The majority of the funds received and transactions carried out by the Trustees are in US Dollars and therefore reporting in US Dollars better reflects the economic substance of the underlying events and circumstances of the PIDG Trust.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash on deposit with the PIDG Trust's bankers.

g) Capital account

The capital account represents funds received from Donors on a non-refundable basis together with the impairment in value of special purpose companies established by the PIDG Trust in the furtherance of its objects.

h) Accumulated funds

The accumulated fund comprises general unrestricted and restricted funds. Restricted funds are those which have been set aside by the Trustees for a particular purpose in accordance with Donors' conditions.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

i) Income and expenditure included in the Core Trust Administration Fund

General Administration Costs will be borne by the Participating Donors on the basis of an agreed calculation. Where amounts are receivable with certainty at the year end, these are credited to “Contributions receivable to cover costs and fees”.

j) Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Trust will continue in operational existence 12 months from the date of signing. In addition, the Trustees have considered the PIDG members’ commitments to funding the agreed 2024 budget and the availability of funding for future years through funding ‘letters of arrangement’ with the PIDG members and administrative cash balances available to the Trust. The Trustees therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. INVESTMENTS	Emerging Africa Infrastructure Fund US\$	GuarantCo Limited US\$	InfraCo Africa Limited US\$	InfraCo Asia Development Pte Limited US\$	InfraCo Asia Investments Pte Limited US\$	ICF Debt Pool LLP US\$	InfraCo Africa Investment Limited US\$	PIDG Limited US\$	TOTAL US\$
As at 1 January 2023	394,869,700	310,256,495	337,577,168	196,770,160	98,726,974	4	139,210,684	1	1,477,411,186
Additions at cost	-	15,123,834	14,144,831	22,319,754	4,000,000	-	26,435,057	-	82,023,476
As at 31 December 2023	394,869,700	325,380,329	351,721,999	219,089,914	102,726,974	4	165,645,741	1	1,559,434,662
Impairment in value									
As at 1 January 2023	-	107,345,256	221,077,429	138,867,192	16,766,342	4	-	-	484,056,223
Impairment in year	-	-	7,911,559	11,774,165	1,428,569	-	4,543,516	-	25,657,809
Reversal of previous impairment	-	(3,199,248)	-	-	-	-	-	-	(3,199,248)
As at 31 December 2023	-	104,146,008	228,988,988	150,641,357	18,194,911	4	4,543,516	-	506,514,784
Net book value									
As at 31 December 2023	394,869,700	221,234,321	122,733,011	68,448,557	84,532,063	-	161,102,225	1	1,052,919,878
As at 31 December 2022	394,869,700	202,911,239	116,499,739	57,902,968	81,960,632	-	139,210,684	1	993,354,963

The above investments represent:

EAIF - the entire share capital of 39,486,969 Ordinary US\$10 shares along with a share premium of US\$10

GuarantCo Limited - 325,470,077 Ordinary US\$1 shares, being 90.54% of the share capital

InfraCo Africa Limited - the entire share capital of 247,084,759 Ordinary GBP1 shares

InfraCo Asia Development Limited - the entire share capital of 157,035,382 Ordinary GBP1 shares 2

InfraCo Asia Investments Limited - the entire share capital of 102,726,974 Ordinary US\$1 shares

ICF Debt Pool – a member’s capital contribution of EUR3

InfraCo Africa Investment Limited - the entire share capital of 130,770,465 Ordinary GBP1 share

PIDG Limited – the entire share capital of 1 Ordinary GBP1 share

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. INVESTMENTS (continued)

(a) The Emerging Africa Infrastructure Fund Limited (EAIF)

Constitution

The company was incorporated in the Republic of Mauritius on 18 December 2001. The principal activity of the company is that of providing long-term financing to private sector infrastructure projects in sub-Saharan Africa.

As at 31 December 2023, EAIF reported net assets of US\$543,520,411 (2022: US\$504,986,588) and a profit for the year to 31 December 2023 of US\$38,533,823 (2022: US\$11,330,144). Therefore, the investment in EAIF as at 31 December 2023 is included in the accounts at US\$394,869,700 (2022: US\$394,869,700), representing the lower of cost and share of net asset value.

(b) GuarantCo Limited (GuarantCo)

Constitution

The company was incorporated in the Republic of Mauritius on 25 August 2005. The principal activity of the company is to support the establishment and operation of a local currency guarantee facility for infrastructure investments in developing countries.

GuarantCo offer partial guarantees on issues of paper (note and bonds) by private sector infrastructure companies and municipal entities, in lower income developing countries. GuarantCo's primary aim is to keep institutional funds within these markets, which cannot at the moment be accessed by infrastructure projects.

As at 31 December 2023, GuarantCo Limited reported net assets of US\$244,351,775 (2022: US\$225,141,191) and a profit for the year to 31 December 2023 of US\$4,086,750 (2022: loss US\$26,759,801). Therefore the investment in GuarantCo Limited as at 31 December 2023 is included in the accounts at US\$221,234,321 (2022: US\$202,911,239) representing the lower of cost and the PIDG Trust's proportional share of net asset value.

(c) InfraCo Africa Limited (InfraCo Africa)

Constitution

The company was incorporated in England on 4 August 2004. The principal activity of the company is to develop projects in the infrastructure sector of the poorer developing countries in sub-Saharan Africa and endeavour to sell on the implementation of these projects to private investors.

As at 31 December 2023, InfraCo Africa reported group net assets of GBP96,367,505 or US\$122,733,011 (2022: GBP96,905,648 or US\$116,499,739) and a comprehensive loss for the year to 31 December 2023 of GBP11,617,844 or US\$14,796,408 (2022: loss GBP3,445,206 or US\$4,141,818). The total of GBP96,367,505 or US\$122,733,011 (2022: GBP96,905,648 or US\$116,499,739) included in the accounts represents the lower of cost and share of net asset value.

(d) InfraCo Asia Development Pte. Ltd (InfraCo Asia Devt)

Constitution

The company was incorporated in Singapore on 3 February 2009. The principal activity of the company is to stimulate greater private investment in Asian infrastructure development by acting as a principal project developer.

As at 31 December 2023, InfraCo Asia Devt reported group net assets of US\$68,448,557, after share application monies (2022: US\$57,902,968) and a comprehensive loss for the year to 31 December 2023 of US\$12,444,457 (2022: loss US\$19,865,496). The total of US\$68,448,557 (2022: US\$57,902,968) included in the accounts represents the lower of cost and share of net asset value.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. INVESTMENTS (continued)

(e) InfraCo Asia Investments Pte. Ltd (InfraCo Asia Inv)

Constitution

The company was incorporated in Singapore on 7 December 2012. Its principal activity is to seek, undertake due diligence in respect of, appraise and, if thought fit, invest in, manage and ultimately dispose of, interests in infrastructure projects.

As at 31 December 2023, InfraCo Asia Inv reported net assets of US\$84,532,063 (2022: US\$81,960,632) and a comprehensive loss for the year to 31 December 2023 of US\$1,428,569 (2022: loss US\$6,466,154). The total of US\$84,532,063 (2022: US\$88,426,786) included in the accounts represents the lower of cost and share of net asset value.

(f) ICF Debt Pool LLP (ICF DP)

Constitution

ICF DP was incorporated as a Limited Liability Partnership in England on 10 September 2011 with an investment from the members (at that time the Trustees of the PIDG Trust) of EUR3. The ICF DP, a PIDG facility created with the support of IFC and KfW, supports infrastructure investments that have lost reasonably expected access to private financial markets due to the global economic crisis.

KfW, acting in its own name, but for the account of the Federal Republic of Germany and a special member, 9215-6975 Quebec Inc. became members upon the execution of an Amended and Restated Limited Liability Partnership Deed dated 8 December 2009.

KfW entered into a Conditional Loan Agreement with the PIDG Trust dated 5 October 2009, for a maximum total amount of US\$10,000,000 to be used as a contribution to the cost of the establishment, operation and financing of the ICF DP, therefore, the investment in ICF Debt Pool LLP as at 31 December 2023 is included in the accounts at EUR Nil or US\$ Nil, representing the lower of cost and share of net asset value.

(h) InfraCo Africa Investment Limited (InfraCo Africa Inv)

Constitution

The company was incorporated in England and Wales on 29 July 2014. The company is an investment holding company. Its principal activity is to seek, undertake due diligence in respect of, appraise and, if thought fit, invest in, manage and ultimately dispose of, interests in infrastructure projects.

As at 31 December 2023, InfraCo Africa Inv reported a net asset of GBP126,494,245 or US\$161,102,225 (2022: GBP116,640,413 or USD140,224,827) and a loss for the year to 31 December 2023 of GBP11,870,712 or US\$15,118,459 (2022: profit GBP6,923,324 or USD8,323,204). The total of GBP126,494,245 or US\$161,102,225 (2022: GBP109,053,930 or US\$139,210,684) included in the accounts represents the lower of cost and share of net asset value.

(i) The Private Infrastructure Development Group Limited (PIDG Ltd)

Constitution

The company was incorporated on 20 March 2018 under the laws of England and Wales. The principal activity is to oversee the activities of and, where appropriate, provide centralised resources in relation to the other companies in the Private Infrastructures Development Group (PIDG).

As at 31 December 2023, PIDG Ltd reported group net assets of GBP4,066,878 or US\$5,179,549 (2022: GBP3,134,036 or USD3,767,731) and a comprehensive profit for the year to 31 December 2023 of GBP932,842 or USD1,188,061 (2022: profit GBP1,039,509 or USD1,249,695). Therefore, the investment in PIDG Ltd as at 31 December 2023 is included in the accounts at GBP1 or US\$1, representing the lower of cost and share of net asset value.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. DEBTORS	2023	2022
	US\$	US\$
Accrued income - grants receivable	2	2
Service Level Agreement refunds	372,237	99,513
Grant receivable	378,478	20,218,977
Loan to ICF Debt Pool LLP	7,500,000	7,100,000
	<u>8,250,717</u>	<u>27,418,492</u>

In respect of the loan to ICF Debt Pool LLP, a total loan impairment provision of US\$2,500,000 (2022: US\$2,900,000) has been recognised under IFRS 9 to bring the loan in line with its deemed recoverable amount. A corresponding transfer from the statement of accumulated funds to the capital account has been made to match the impaired provision with the corresponding back to back KfW loan write down which is held in the capital account.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2023	2022
	US\$	US\$
Balances at bank	81,797,424	52,431,951
	<u>81,797,424</u>	<u>52,431,951</u>

Note: Cash balances at bank includes funds held at Fidelity International Money Market Fund, included in this sum are Donor disbursements which have yet to be allocated to either Capital or Income Expenditure.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

5. LOAN AGREEMENTS AND PARTICIPATORY NOTES

(a) The below is a summary of the total loan agreements included in the capital account as at 31 December 2023:

Donor	Amount US\$	Purpose	Reference
SECO	10,000,000	EAIF	(c)
Sida	20,000,000	EAIF	(b)
DGIS	10,000,000	EAIF	(d)
DGIS	22,500,000	InfraCo Africa	(d)
SECO	8,000,000	GuarantCo	(c)
Sida	15,000,000	GuarantCo	(b)
SECO	8,500,000	InfraCo Africa	(c)
KfW	7,100,000	ICF Debt Pool	(e)
FCDO	110,828,588	EAIF	(f)
DGIS	2,000,000	GuarantCo	(d)
DGIS	2,000,000	EAIF	(d)
DGIS	13,000,000	InfraCo Asia	(d)
DGIS	13,056,194	InfraCo Africa	(d)
DGIS	17,000,000	EAIF	(d)
DGIS	13,000,000	InfraCo Africa	(d)
DGIS	9,000,000	InfraCo Asia	(d)
DGIS	9,000,000	InfraCo Africa	(d)
DGIS	1,000,000	EAIF	(d)
DGIS	1,000,000	GuarantCo	(d)
DGIS	6,500,000	InfraCo Asia	(d)
DGIS	6,500,000	InfraCo Africa	(d)
DGIS	1,000,000	GuarantCo	(d)
DGIS	1,000,000	GuarantCo	(d)
DGIS	7,000,000	InfraCo Africa	(d)
DGIS	6,000,000	InfraCo Asia	(d)
DGIS	3,000,000	InfraCo Asia	(d)
DGIS	11,500,000	InfraCo Africa	(d)
DGIS	3,000,000	GuarantCo	(d)
DGIS	2,000,000	Infraco Africa Investment	(d)
DGIS	6,000,000	InfraCo Africa	(d)
DGIS	5,000,000	InfraCo Asia Development	(d)
DGIS	2,000,000	InfraCo Africa Development	(d)
DGIS	1,000,000	InfraCo Africa Investment	(d)
DGIS	7,000,000	InfraCo Asia Development	(d)
DGIS	2,000,000	GuarantCo	(d)
DGIS	4,000,000	InfraCo Asia Investment	(d)
SECO	3,000,000	InfraCo Africa Development	(c)
SECO	14,000,000	InfraCo Asia Development	(c)
SECO	1,000,000	EAIF	(c)
SECO	2,000,000	GuarantCo	(c)
Total	<u>386,484,782</u>		

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

5. LOAN AGREEMENTS AND PARTICIPATORY NOTES (continued)

- (b) Sida, (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 14 March 2003 to lend a maximum total amount of US\$20,000,000 as a contribution to the financing of and the establishment and operation of EAIF or such other purpose of the PIDG as may be agreed by the Lender with the PIDG.

Sida, (as the Lender) entered into a further agreement with the PIDG Trust (as the Borrower) on 23 November 2006 to lend a maximum total amount of US\$15,000,000 as a contribution to the financing of and the establishment and operation of GuarantCo or such other purpose of the PIDG as may be agreed by the Lender with the PIDG.

- (c) SECO, (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 14 March 2003 to lend a maximum total amount of US\$10,000,000 as a contribution to the financing of and the establishment and operation of EAIF or such other purpose of the PIDG as may be agreed by the lender with PIDG.

SECO, (as the Lender) entered into a further agreement with the PIDG Trust (as the Borrower) on 23 November 2006 to lend a maximum total amount of US\$8,000,000 as a contribution to the financing of and the establishment and operation of GuarantCo or such other purpose of the PIDG as may be agreed by the Lender with the PIDG.

SECO, (as the Lender) entered into a further agreement with the PIDG Trust (as the Borrower) on 15 December 2008 (as further amended on 8 December 2020) to lend a maximum total amount of US\$8,500,000 as a contribution to the financing of the operation of InfraCo Africa or such other purpose of the PIDG as may be agreed by the Lender with the PIDG. An amendment has been made during 2014 to reclassify the final tranche of this agreement (US\$290,000) from a misallocation as contributions received in the capital account.

SECO (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 21 December 2022 to lend a maximum total amount of US\$50,000,000 as a contribution to be used for subscription of shares in the Companies in amounts to be determined by PIDG Ltd.

- (d) DGIS (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 13 May 2003 to lend a maximum total amount of US\$20,000,000 as a contribution to the financing of and the establishment and operation of EAIF or such other purpose of the PIDG as may be agreed by the Lender with PIDG.

DGIS (as the Lender) agreed by letter dated 10 February 2006 to reallocate US\$10,000,000 from the agreement dated 13 May 2003 which was originally being contributed to the financing of and the establishment and operation of EAIF or such other purpose of the PIDG as may be agreed by the Lender with PIDG. This letter reallocated US\$10,000,000 as a contribution to the financing of and the establishment and operation of InfraCo Africa or such other purpose of the PIDG as may be agreed by the Lender with PIDG.

DGIS (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 28 July 2009 to lend a maximum total amount of US\$12,500,000 as a contribution to the financing of and the establishment and operation of InfraCo Africa or such other purpose of the PIDG as may be agreed by the Lender with PIDG.

DGIS (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 22 November 2018 (as amended on 24 April 2019, 3 December 2020 and on 16 November 2020) to lend a maximum total amount of US\$78,000,000 as a contribution to be used for subscription of shares in the Companies in such amounts as shall be determined by the Lender with PIDG Ltd, of which US\$30,000,000 was received in December 2018.

It was also noted in the 22 November 2018 agreement, and the subsequent amendment to the agreement on the 24 April 2019, that all historic grants as disbursed by DGIS in EAIF (US\$17,000,000) and InfraCo Africa (EUR10,000,000 (US\$13,188,436) would be redesignated as loans.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

5. LOAN AGREEMENTS AND PARTICIPATORY NOTES (continued)

- (d) DGIS (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 3 December 2021 to lend a maximum total amount of US\$14,500,000 as a contribution to be used for subscription of shares, of which US\$11,500,000 was for the operation of InfraCo Africa, and the remaining US\$3,000,000 for the operation of InfraCo Asia Development. The funds were received in January 2022.

DGIS (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 06 December 2022 to lend a maximum total amount of US\$80,000,000 as a contribution to be used for subscription of shares in the Companies in amounts to be determined by PIDG Ltd.

- (e) KfW, (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 5 October 2009 to lend a maximum total amount of US\$10,000,000 as a contribution to the financing of and the establishment and operation of ICF DP or such other purpose of the PIDG as may be agreed by the lender with PIDG. During the year to 31 December 2023, a loan impairment provision was recognised in respect of the ICF Debt Pool loan increasing its fair value to US\$7,500,000 (2022: US\$7,100,000). As the KfW loan is intricately linked to the loan to ICF Debt Pool this balance was revalued in the year, to US\$7,500,000.
- (f) FCDO, (at the time the UK Secretary of State for the Department for International Development) (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 31 March 2014 to lend a maximum total amount of US\$80,880,000 plus the US\$ equivalent of GBP18,000,000 (US\$29,948,588) as a contribution to the financing and operation of EAIF or such other purpose of the PIDG as may be agreed by the lender with PIDG. The US\$80,880,000 portion of the loan converted existing grant funding, disbursed to the PIDG Trust, to a loan.
- (g) The PIDG Trust issued a participatory note on 1 March 2016 to FCDO in consideration for the payment of a subscription of US\$18,073,900 (US\$ equivalent of GBP 13,000,000) for the financing of and operation of GuarantCo.

PIDG Trust issued a further participatory note on 12 February 2020 to FCDO in consideration for the payment of a subscription of US\$49,430,004 (US\$ equivalent of GBP 37,940,000) for the financing of and operation of InfraCo Africa Inv.

A further participatory note between PIDG Trust and FCDO was issued on 3 March 2020 in consideration for the payment of a subscription of US\$10,428,697 (US\$ equivalent of GBP 9,120,000) for the financing of and operation of InfraCo Asia Inv.

PIDG Trust issued a further participatory note on 14 December 2020 to FCDO in consideration for the payment of a subscription of US\$18,658,456 (US\$ equivalent of GBP14,000,000) for the financing of and operation of InfraCo Asia Inv.

PIDG Trust issued a further participatory note on 26 March 2021 to FCDO in consideration for the payment of a subscription of US\$4,542,120 (US\$ equivalent of GBP3,300,000) for the financing of and operation of InfraCo Asia Inv.

PIDG Trust issued a further participatory note on 26 March 2021 to FCDO in consideration for the payment of a subscription of US\$5,739,019 (US\$ equivalent of GBP 4,150,000) for the financing of and operation of InfraCo Africa Inv.

PIDG Trust issued a further participatory note on 2nd December 2021 to FCDO in consideration for the payment of a subscription of US\$22,131,450 (US\$ equivalent of GBP 16,500,000) for the financing of and operation of InfraCo Asia Inv.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

5. LOAN AGREEMENTS AND PARTICIPATORY NOTES (continued)

PIDG Trust issued a further participatory note on 2nd December 2021 to FCDO in consideration for the payment of a subscription of US\$24,802,917 (US\$ equivalent of GBP 18,500,000) for the financing of and operation of InfraCo Africa Inv.

PIDG Trust issued a further participatory note on 29 March 2022 to FCDO in consideration for the payment of a subscription of US\$13,428,296 (US\$ equivalent of GBP 10,200,000) for the financing of and operation of InfraCo Africa Inv.

PIDG Trust issued a further participatory note on 30 March 2022 to FCDO in consideration for the payment of a subscription of US\$16,021,040 (US\$ equivalent of GBP 12,200,000) for the financing of and operation of GuarantCo

PIDG Trust issued a further participatory note on 17 July 2022 to FCDO in consideration for the payment of a subscription of US\$35,863,138 (US\$ equivalent of GBP 29,600,000) for the financing of and operation of InfraCo Africa Inv.

PIDG Trust issued a further participatory note on 1st December 2022 to FCDO in consideration for the payment of a subscription of US\$8,306,247 (US\$ equivalent of GBP 6,900,000) for the financing of and operation of InfraCo Africa Inv.

PIDG Trust issued a further participatory note on 9th November 2023 to FCDO in consideration for the payment of a subscription of US\$25,435,057 (US\$ equivalent of GBP 20,930,000) for the financing of and operation of InfraCo Africa Inv.

PIDG Trust issued a further participatory note on 22nd September 2023 to FCDO in consideration for the payment of a subscription of US\$13,891,621 (US\$ equivalent of GBP 11,300,000) for the financing of and operation of GuarantCo.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

6.	ACCUMULATED FUNDS	2023	2023	2023	2023	2023	2022
		TA (TA General window1 & 2) US\$	TA VGF (TA window 3) US\$	EU ITF US\$	General Admin US\$	Total Accumulated funds US\$	Total Total US\$
	INCOME						
	Contributions receivable:						
	FCDO	-	2,010,090	-	3,918,239	5,928,329	4,173,331
	DGIS	2,882,832	-	-	1,117,128	3,999,960	3,999,980
	SECO	1,999,058	-	-	500,942	2,500,000	20,488,390
	SIDA	-	-	-	755,184	755,184	625,154
	IFC	-	-	-	713,596	713,596	635,427
	EIB	-	-	1,323,673	-	1,323,673	67,750
	DFAT	-	-	-	759,495	759,495	637,316
	Bank deposit interest	1,944,415	-	-	-	1,944,415	417,260
	Net income receivable	<u>6,826,305</u>	<u>2,010,090</u>	<u>1,323,673</u>	<u>7,764,584</u>	<u>17,924,652</u>	<u>31,044,608</u>
	EXPENDITURE						
	Funding						
	TA Grants	4,426,032	8,860,500	1,075,874	-	14,362,406	9,709,952
	TA project grants returned	(665,069)	-	-	-	(665,069)	(881,861)
	Administration						
	Annual Management fees: -						
	SG Kleinwort Hambros	-	-	-	194,526	194,526	222,302
	IQ EQ Trustees	-	-	-	56,930	56,930	55,650
	Consultancy fees	-	-	-	418,508	418,508	398,388
	Audit fee	-	-	-	60,513	60,513	59,869
	SLA grants - running cost	2,116,836	-	-	8,301,067	10,417,903	7,982,553
	Other expenses	1,811	-	-	2,757	4,568	4,216
	Loan impairment (reversal)/provision	-	-	-	(400,000)	(400,000)	300,000
	Currency movement	-	-	-	(132,933)	(132,933)	174,085
	Total expenditure	<u>5,879,610</u>	<u>8,860,500</u>	<u>1,075,874</u>	<u>8,501,368</u>	<u>24,317,352</u>	<u>18,025,154</u>
	(Deficit)/surplus in year	946,695	(6,850,410)	247,799	(736,784)	(6,392,700)	13,019,454
	Transfers between funds	(240,000)	-	240,000	-	-	-
	Transfers to capital account	11,668,780	-	-	(400,000)	11,268,780	300,000
	Accumulated funds b/fwd	54,933,389	14,228,789	-	2,645,105	71,807,283	58,487,829
	Accumulated funds c/fwd	<u>67,308,864</u>	<u>7,378,379</u>	<u>487,799</u>	<u>1,508,321</u>	<u>76,683,363</u>	<u>71,807,283</u>

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

6. ACCUMULATED FUNDS (Continued)

(a) General Administration Costs

- a) Trustees' fees and reimbursable expenses and any fees and expenses properly due to the Enforcer under the Declaration of Trust;
- b) auditors' fees for audit of the PIDG Trust and PIDG Ltd;
- c) ad hoc legal and technical advice to the PIDG Trust and/or PIDG Ltd;
- d) operating and any other costs of the PIDG Trust and/or PIDG Ltd; and
- e) any other general administration costs approved by the Donors from time to time.

(b) PIDG Technical Assistance (TA)

The Participating Donors provide funding to the PIDG Trust for it to make TA grants to the PIDG companies (including PIDG Ltd) and IFC (for DevCo activities) to support capacity building, technical assistance, studies and training to facilitate in-country development. The grants are used by the PIDG companies (including PIDG Ltd) and IFC (for DevCo activities) to provide assistance to both the public and private sectors in support of the planning and implementation of projects and programmes of any of the PIDG companies and IFC (for DevCo activities) under the PIDG umbrella on a "challenge fund" basis.

During 2023:

The PIDG Trust executed thirty-three new TA grants for PIDG initiatives totalling US\$17,147,641.

- US\$13,286,541 was disbursed in total in TA grants in 2023.
- US\$2,010,090 has been contributed to TA by FCDO in 2023.
- US\$1,999,058 has been contributed to TA by SECO in 2023.
- US\$2,882,832 has been contributed to TA by DGIS in 2023.

(c) EU ITF

The European Union - Africa Infrastructure Trust Fund (EU-AITF) is a facility of the European Commission, managed by the European Investment Bank, which provides grant funding to support infrastructure projects in the energy, transport, water and ICT sectors in Africa put forward for consideration by organisations that are members of the EU-AITF Project Financiers Group.

The Netherlands Ministry of Foreign Affairs (DGIS) nominated PIDG as their Project Financier and PIDG is accordingly eligible for drawing on funding support from EU-AITF. To date PIDG, through the PIDG Facilities working in Africa, has had four proposals for EU-AITF support approved.

During 2023 the PIDG Trust received EUR1,239,161 (EUR equivalent of US\$1,323,673) for PIDG activities. During 2023 a total of EUR1,018,961 (EUR equivalent of US\$1,075,874) was disbursed by the PIDG Trust from the funds received from EU-AITF to EAIF for the East Africa Marine Transport Project.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

7. OTHER PAYABLES

	2023	2022
	US\$	US\$
Other creditors	851,025	916,136
	<u>851,025</u>	<u>916,136</u>

8. TAXATION

For taxation purposes, the PIDG Trust is treated as resident in the UK. HMRC has agreed that the PIDG Trust has Crown and Sovereign immunity for the purposes of income tax and is therefore exempt from UK tax on any income and gains arising.

9. RELATED PARTY TRANSACTIONS

During the period under review, the following related party transactions occurred and balances were outstanding as at 31 December 2023;

Transactions with the Trustees of the Trust:

	2023	2022
	US\$	US\$
Fees Charged		
SG Kleinwort Hambros Trust Company (UK) Limited Annual Management fee	194,526	222,302
IQ EQ Trustees (Mauritius) Limited Annual Management fee	56,930	55,650
	<u>251,456</u>	<u>277,952</u>
Amounts owed at the year end		
SG Kleinwort Hambros Trust Company (UK) Limited	99,046	90,165
	<u>99,046</u>	<u>90,165</u>

Transactions with the investee companies of the Trust:

	2023	2022
	US\$	US\$
SLA Grants		
EAIF	1,950,650	1,338,879
GuarantCo	1,950,650	1,338,879
InfraCo Africa	2,118,762	1,184,807
InfraCo Asia Inv	195,065	133,888
InfraCo Asia Devt	1,755,585	1,204,991
PIDG Ltd	2,449,498	2,172,231
	<u>10,414,800</u>	<u>7,373,674</u>
Amounts owed/(refundable) to investee companies at the year end:		
EAIF	(56,800)	(33,171)
GuarantCo	(56,800)	(33,171)
InfraCo Africa	(201,838)	99,703
InfraCo Asia Inv	(5,680)	(3,317)
InfraCo Asia Devt	(51,120)	(29,854)
PIDG Ltd	369,928	608,686
	<u>(400,210)</u>	<u>(121,134)</u>

PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

9. RELATED PARTY TRANSACTIONS (continued)

Control

The PIDG Trust is controlled jointly by the three Trustees, who act in consultation with PIDG Ltd and the relevant Participating Donors. FCDO is the Enforcer of the PIDG Trust.

All companies listed are majority owned by the Trust. Under the Service Level Agreements (SLA) between the company and Trust, regular grants are disbursed to the companies in support of ongoing running costs

10. CONTINGENT LIABILITIES

As part of the lending facilities that EAIF has put in place with its commercial lenders, the Trust has pledged EAIF's shares as outlined below to ensure that the lenders have access to these shares as security in the event of a default by EAIF. Hence, a share pledge agreement between the trustees of the PIDG Trust and EAIF in favour of The Bank of New York Mellon, London Branch as Security Trustee for the Secured Parties has been in place since 29 October 2014 (the Original Pledge). Pursuant to a supplemental share pledge agreement dated 22 June 2016 (the Supplemental Pledge) and an amendment agreement to the Original Pledge and the Supplemental Pledge, the PIDG Trust has confirmed the security created by the Original Pledge and has granted the same security over all shares held by it in EAIF as at 22 June 2016, being 38,986,969 ordinary shares of US\$10 par value each which have been transferred in guarantee to The Bank of New York Mellon, London Branch as Security Trustee on behalf of the Secured Parties as pledgees, to secure the repayment of the Secured Obligations (which for the avoidance of doubt includes those undertaken in favour of any Secured Party under any Additional Facility Agreements) which, as at 22 June 2016, amount to the aggregate principal amount of United States Dollars one billion and two hundred million (US\$1,200,000,000), plus accrued interest, expenses, costs and commission payable under the Debt Documents (as defined in the Common Terms Agreement dated 29 October 2014).

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Fair Values

The PIDG Trust's financial assets include non-current investments which are reviewed for impairment each year end. Investments in Investment Vehicles are stated at cost less provision of impairment in value of Investments. Investments are written down to the value of the net assets of the Investment Vehicles held at each balance sheet date.

The PIDG Trust's current financial assets and liabilities include accrued contributions receivable, cash and cash equivalents and other payables. All of these financial assets and liabilities are realised or settled within a short time period and therefore the carrying amount of these assets and liabilities approximate to fair values.

The capital account includes loan balances from Participating Donors. These loan balances do not attract interest and have no fixed repayment terms. The accounts repayable under these loans are dependent upon receiving distribution proceeds from the underlying entity in which the onward investment has been made. Therefore the principal amounts less allocated impairment in the capital account at the balance sheet date approximate to fair values.

Associated Risks

The PIDG Trust's activities expose it to various types of risk in the normal course of its operations. The Trustees consider the risks to be minimal since no payments are made, or expenses incurred in advance of contributions, or commitments to cover such payments or expenditure having been received.

12. POST BALANCE SHEET EVENTS

As of the 21st March 2024, The Department of Foreign Affairs, Trade and Development of Canada, through Global Affairs Canada, entered into a Conditional Repayable Contribution Agreement with the PIDG Trust to support the activities of PIDG for the sum of CAD \$45,000,000 over a 3 year period.

PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

12. POST BALANCE SHEET EVENTS (continued)

As of the 5th June 2024, The Ministry of Economy, Trade and Industry of Japan, agreed a Letter of Arrangement with the PIDG Trust to support the activities of PIDG for the sum of USD \$6,666,666.

