InfraCo Africa Investment Limited

Company Registration No 09152403

Annual Report

For the year ended 31 December 2024

INFRACO AFRICA INVESTMENT LIMITED

COMPANY INFORMATION

Directors	Augustine Pasipamire Makoni Cecilie Sørhus Gilles Vaes
Company secretary	Vistra Company Secretaries Limited
Registered number	09152403
Registered office	6 Bevis Marks London England EC3A 7BA
Independent auditors	BDO LLP Chartered Accountants & Statutory Auditor 55 Baker Street London United Kingdom W1U 7EU

INFRACO AFRICA INVESTMENT LIMITED

CONTENTS

The Directors present their Report to the members together with the financial statements of InfraCo Africa Investment Limited (the "Company") for the year ended 31 December 2024.

Directors

The Directors who served during the year were:

Michael Barry Chilton	- resigned 31 December 2024
Augustine Pasipamire Makoni	- appointed 4 October 2024
Tinashe Makoni	- resigned 10 May 2024
Claudine Lim Hsi-Yun	- resigned 31 December 2024
Cecilie Sørhus	- appointed 4 October 2024
Gilles Vaes	

Principal activities

The principal activities of the Company are to make investments in eligible infrastructure businesses with the objectives of:

(a) addressing market failures in the supply of capital to early-stage infrastructure projects in eligible countries which can delay and sometimes prevent financial close of viable infrastructure projects; and

(b) in certain cases, facilitating the accelerated construction and completion of infrastructure projects that satisfy the criteria for bridge investments and/or impact investments.

Objectives

The Company's objectives, as outlined in its latest Funding Agreement with the PIDG Trust, are to:

i. stimulate greater private sector involvement in the financing, construction and operation of infrastructure and related projects; and

ii. identify, create and structure financeable private sector and public-private partnership investment opportunities, by undertaking development activities in relation to projects which provide benefits to the poor, including girls and women, in accordance with the terms of the Investment Policy.

Review of operations and financial results

The results of the Company for the year, set out on page 9, show a loss on ordinary activities after tax of £8,913,082 (2023: £11,870,712). The shareholders' equity of the Company, set out on page 10, is £144,915,315 (2023: £126,494,245).

Dividends

The Directors do not recommend the payment of a dividend (2023: £nil).

Going concern

The financial statements have been prepared on a going concern basis, which assumes the Company will continue in operational existence for the foreseeable future. The Directors have prepared financial forecasts and projections for a period of at least 12 months from the date of issue of the financial statements, and the Directors have made supported assumptions regarding future funding and share capital to be issued, which the Directors feel is sufficient for the financial statements to be prepared on the going concern basis

This assessment is supported by the following:

- the Directors' assessment includes the requirement of the Company's shareholders to always hold sufficient contingency cash to cover a specified period of future expected costs. This would cover any potential cash deficit that might arise in the next 12 months; and

- cashflow is controlled by management with considerable oversight and enforced controls in relation to cash disbursement procedures. Commitments to make any future investments are purely contingent on receiving further funding from relevant PIDG Trust members.

Statement of disclosure to the auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

Post the balance sheet date 15,204,152 Ordinary £1 shares were issued at par by the Company in exchange for £15,204,152 Owner funding received in December 2024 from the UK's Foreign, Commonwealth & Development Office (FCDO), the Netherlands' Directorate-General for European Cooperation (DGIS) and Switzerland's State Secretariat for Economic Affairs (SECO).

The Company and its associated companies controlled by the Private Infrastructure Development Group Trust are undergoing a reorganisation which is expected to be completed after the issue of these financial statements, on a date yet to be determined. As at 31 December 2024 the reorganisation had not been approved by the Private Infrastructure Development Group Trust.

As a consequence of this reorganisation, the direct owner of the entire equity of the Company will change from the Private Infrastructure Development Group Trust to new company, yet to be incorporated in England and Wales. The Private Infrastructure Development Group Trust will remain the ultimate owner.

There is expected to be no financial effect on the Company.

The principal activities of the Company will remain unchanged.

Following the year end, in February 2025 the UK government announced plans for the aid spending target to reduce further in 2027 from 0.5% of gross national income (GNI) to 0.3%. The UK is the largest provider of funding to the Company and the wider PIDG group. The Directors and executives of the PIDG Group are in ongoing discussions with the Foreign, Commonwealth & Development Office (FCDO) to understand the long-term implications of this decision upon the Company. All future commitments of the Company are fully funded beyond 12 months from the date of issuing these financial statements.

Auditors

The auditor for the year was BDO LLP.

Small company regime

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board and signed on its behalf:

Augustine Pasipamire Makoni
Director
31 March 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates which are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Infraco Africa Investment Limited ("the Company") for the year ended 31 December 2024 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our 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.

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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations
Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Companies Act.

Our procedures in respect of the above included:
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:
- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the valuation of investments and management override of controls.

Our procedures in respect of the above included:
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of journal entries throughout the year, which did not meet the defined risk criteria, by agreeing to support documentation;
- Assessing significant estimates made by management for bias in relation to valuation of investments;
- Obtaining an understanding of the Company's controls over journal entries and other adjustments, determining whether such controls are suitably designed and have been implemented;
- Obtaining and examining the Board minutes throughout the year and up to the date of this report.
- Challenging management on the appropriateness of the selection and application of key assumptions in the valuation models including discount rates, inflation rates, tax rates and marketability discount.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Peter Smith
0F308806BCF046B...

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
31 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

INFRACO AFRICA INVESTMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		£	£
Income	3	5,260,412	2,382,455
Fair value (losses)/gains through profit or loss	9	(8,576,943)	(8,134,005)
Project development fees		(291,239)	(603,885)
Fund management fees	13	(718,924)	(1,878,113)
Administrative expenses		(3,590,918)	(1,232,130)
Operating loss	**4**	**(7,917,612)**	**(9,465,678)**
Net foreign exchange gains/(losses)	5	962,767	(3,831,170)
Net Interest income	8	(1,780,982)	1,291,819
Loss on ordinary activities before taxation		**(8,735,827)**	**(12,005,029)**
Tax on profit on ordinary activities	10	(177,255)	134,317
Total comprehensive loss for the year		**(8,913,082)**	**(11,870,712)**

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 14 to 35 form part of these financial statements.

INFRACO AFRICA INVESTMENT LIMITED
Registered number: 09152403

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	£	2024 £	£	2023 £
Assets					
Non-current assets					
Investments at FVTPL	**13**	73,471,159		60,099,441	
Total non-current assets			**73,471,159**		**60,099,441**
Current assets					
Trade and other receivables	**11**	2,983,014		3,054,487	
Cash and cash equivalents	**12**	70,192,873		65,221,127	
Total current assets			**73,175,887**		**68,275,614**
Total assets			**146,647,046**		**128,375,055**
Equity and liabilities					
Capital and reserves					
Share capital	**17**	142,900,465		130,770,465	
Shares to be issued	**17**	15,204,152		-	
Retained earnings		(13,189,302)		(4,276,220)	
Total equity			**144,915,315**		**126,494,245**
Current liabilities					
Trade and other payables	**14**	1,332,399		1,488,114	
Current tax liabilities	**10**	-		-	
Total current liabilities			**1,332,399**		**1,488,114**
Non-current liabilities					
Grants payable	**15**		399,332		392,696
Total liabilities			**1,731,731**		**1,880,810**
Total equity and liabilities			**146,647,046**		**128,375,055**

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Augustine Pasipamire Makoni
Director
31 March 2025

The notes on pages 14 to 35 form part of these financial statements.

INFRACO AFRICA INVESTMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share Capital	Retained earnings	Shares to be issued	Attributable to owners of the parent
		£	£	£	£
Balance as at 1 January 2023		100,502,130	7,594,492	8,543,791	116,640,413
Loss for the year		-	(11,870,712)	-	(11,870,712)
Issue of shares	17	30,268,335	-	(8,543,791)	21,724,544
Shares to be issued	17	-	-	-	-
Balance at 31 December 2023		**130,770,465**	**(4,276,220)**	**-**	**126,494,245**
Balance as at 1 January 2024		130,770,465	(4,276,220)	-	126,494,245
Loss for the year		-	(8,913,082)	-	(8,913,082)
Issue of shares	17	12,130,000	-	-	12,130,000
Shares to be issued	17	-	-	15,204,152	15,204,152
Balance at 31 December 2024		**142,900,465**	**(13,189,302)**	**15,204,152**	**144,915,315**

Retained earnings represents all accumulated retained earnings from the statement of comprehensive income.

Shares to be issued represent contributions from members of the Company towards future share issuance.

The notes on pages 14 to 35 form part of these financial statements.

INFRACO AFRICA INVESTMENT LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023* £
Cash flows from operating activity			
Loss for the year		(8,913,082)	(11,870,712)
Add/(deduct):			
Other foreign exchange (losses)/ gains	**5**	(962,767)	3,831,170
Income receivable	**3**	(5,260,412)	(2,382,455)
Foreign exchange (gains)/ losses on investments	**13**	(1,367,787)	2,767,131
Foreign exchange losses/(gains) on grant payable	**15**	6,636	(20,473)
Change in fair value movement on financial assets	**9**	9,935,491	5,386,678
Change in fair value movement on financial liabilities	**15**	-	-
Loan interest receivables	**8**	(1,090,176)	(1,317,941)
Increase in loan interest provision	**8**	2,871,158	26,122
Income tax payable/(receivable)	**10**	177,255	(134,317)
Dividends received		3,622,622	94,227
Interest income received		1,546,909	2,194,419
Other income received		99,387	76,715
		665,234	(1,349,436)
Increase in receivables		(89,128)	(2,686,010)
(Decrease)/increase in payables		(155,715)	1,260,000
Increase/(decrease) in accrued income		(8,506)	17,094
Changes in movement of working capital		(253,349)	(1,408,916)
Taxes paid		(177,255)	(226,930)
Tax repayments received		160,601	-
Net cash used in operating activities		**395,231**	**(2,985,282)**
Cash flows from investing activity			
Payments for investments	**13**	(23,720,404)	(14,381,392)
Net cash used in investing activities		**(23,720,404)**	**(14,381,392)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023* £
Cash flow from financing activity			
Issue of ordinary shares	**17**	12,130,000	21,724,544
Shares to be issued	**17**	15,204,152	-
Net cash generated from financing activity		**27,334,152**	**21,724,544**
Net increase in cash and cash equivalents		4,008,979	4,357,870
Cash and cash equivalents at the beginning of the year		65,221,127	64,694,427
Exchange gains/(losses) on cash and cash equivalents	**5**	962,767	(3,831,170)
Cash and cash equivalents at the end of the year		**70,192,873**	**65,221,127**

*The comparative figures within the Statement of Cashflows have been revised to include dividends and deposit interest within operating activities. This has no impact to the resulting net increase in cash and cash equivalents in the year.

The notes on pages 14 to 35 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation of financial statements

InfraCo Africa Investment Limited is a private company, limited by shares incorporated in England and Wales. Its registered office and principal place of activity is 6 Bevis Marks, London, EC3A 7BA.

The principal activities of the Company are to make investments in eligible businesses with the objectives of:

(a) addressing market failures in the supply of capital to early-stage infrastructure projects in eligible countries which can delay and sometimes prevent financial close of viable infrastructure projects; and

(b) in certain cases, facilitating the accelerated construction and completion of infrastructure projects that satisfy the criteria for bridge investments and/or impact investments.

The financial statements are presented in Pounds Sterling (£), which is also the Company's functional currency.

The financial statements have been prepared in accordance with UK adopted international accounting standards which requires the use of certain critical accounting estimates, outlined in Note 2. It also requires management to exercise judgement in applying the accounting policies.

The financial statements have been prepared on a historical cost basis, except for financial instruments which are recognised at fair value through profit or loss (FVTPL).

Basis of consolidation

In accordance with IFRS 10 "Consolidated Financial Statements" as amended, the Board has determined that the Company meets the definition of an investment entity which is mandatorily exempted from consolidating subsidiaries unless this provides investment-related services and are not themselves investment entities. The services provided by the investment companies are undertaken to maximise the Company's investment returns and do not represent a separate substantial business activity or substantial source of income.

The Company has been deemed to meet the definition of an investment entity per IFRS 10, supported by the existence of the following operational characteristics:

- the Company has more than one investment (see Note 13);
- it has investors who are not related parties of the entity; and
- it has ownership interests in the form of equity or similar interests (see Note 17).

The Company currently obtains funding from one main funder (the UK Government's Foreign, Commonwealth and Development Office), to whom it has committed that its business purpose is to invest funds for the returns generated from capital appreciation and investment with a focus on developing local capital markets, generating more local jobs, broadening and deepening local supply chains and capabilities, whilst always championing green growth that supports climate resilience and drives down carbon emissions..

The Company is exposed to, and has rights to, the proportional returns generated by the investment companies. The Company further has the ability to affect the amount of its returns from these investments, which represents elements of control as prescribed by IFRS 10. The fair value method is used to represent the investments' performance in reporting to the Board, and to evaluate the performance of the investments and to make investment decisions.

The Company typically invests in operational assets with the aim to hold direct/equity investments for no longer than 10 years, as set out in the PIDG Group Risk Appetite Policy. Management considers this to demonstrate a clear exit strategy which is put in place from the start in identifying an off taker. Due to the length of projects and nature of changing risk environments, management have control processes in place to adapt and amend strategies as required.

As a result, under the terms of IFRS 10, the Company should not consolidate these investment companies, but should measure its investment in these companies at FVTPL.

1. Accounting Policies (continued)

1.1 Basis of preparation of financial statements (continued)

Standards, amendments and interpretations

Adopted in the current year

There are no new standards impacting the Company that have been adopted in the annual financial statements for the year ended 31 December 2024.

All new and amended standards and interpretations issued by the IASB that apply for the first time in the financial statements for the year ended 31 December 2024 are not expected to impact the Company. This is because they are either not relevant to the Company's activities or require accounting which is already consistent with the Company's current accounting policies. These are listed below.

Other standards, amendments and interpretations adopted in the current financial year ended 31 December 2024

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

	Effective date **Periods beginning on or after**
Non-current Liabilities with Covenants: Amendments to IAS 1	1 January 2024
Supplier Finance Arrangements: Amendments to IAS 7 and IFRS 7	1 January 2024
Lease Liability in a Sale and Leaseback Amendments to IFRS 16	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2 Climate-related Disclosures	1 January 2024

Standards, amendments and interpretations in issue but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided against early adoption. The following are either not relevant to the Company's operations or are currently under assessment for their applicability to the Company's operations:

	Effective date **Periods beginning on or after**
Amendments to IAS 21: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

1. Accounting Policies (continued)

1.1 Basis of preparation of financial statements (continued)

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The IASB published the finalised amendments to IAS 1 on classification of liabilities as current or non-current on 31 October 2022. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

The Directors do not consider the amendments to IAS 1 to have had a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes the Company will continue in operational existence for the foreseeable future. The Directors have prepared financial forecasts and projections for a period of at least 12 months from the date of issue of the financial statements and the Directors have made supported assumptions regarding future funding and commitments, and share capital to be issued, which the Directors feel is sufficient for the financial statements to be prepared on the going concern basis. The outcome of sensitivity analysis performed on these projections surrounding the funding assumptions and other inputs, combined with funds available as at the reporting date, are consistent with this assessment.

The above assessment is supported by the following:

- the Company has significant liquid cash available at year-end;
- management's assessment includes the requirement of the Company's members to always have contingency cash to cover a specified period of future expected costs; and
- cashflow is controlled by management with considerable oversight and enforced controls in relation to cash disbursement procedures.

1.3 Revenue and other income

Due to the nature of the Company being defined as an investment entity and reported under such requirements of IFRS 10, there is no expected revenue from trade within the normal course of business.

Dividend income received from equity investments is recognised through profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investment's carrying amount. Dividend income is recognised when the right to receive payment is established. Where the right to receive a dividend is in doubt, dividends are recorded on the date of receipt.

Other income from the sales of projects is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer, and it is probable that the Company will receive the agreed upon payments.

Provided the amount of other income can be measured reliably and it is probable that the Company will receive any consideration, other income is recognised in the period in which it relates.

1. Accounting Policies (continued)

1.4 Grants

The Company receives income in the form of grants to cover certain expenditure relating to its projects. Such grants are treated as deferred revenue on receipt and credited to the statement of comprehensive income as the related expenditure is incurred. Grant receipts not yet utilised are included in deferred income as at the Statement of Financial Position (SOFP) date.

For returnable grants, and where the related expenditure is capitalised under an investment agreement, a grant payable is recognised on the SOFP. This is then assessed under IFRS 9, “Financial Instruments”, to determine the correct accounting treatment.

1.5 Financial instruments

Management determines the classification of its financial instruments at initial recognition.

Financial assets/liabilities can be classified in the following categories:

- financial assets/liabilities at fair value through profit or loss (FVTPL); or
- financial assets/liabilities at amortised cost.

Due to their short-term nature, the carrying value of trade and other payables approximates their fair value, all other financial liabilities are measured at amortised cost with the exception of the grant liability which is inherently linked to the investment of which it is disbursed against and is therefore measured in line with the asset at FVTPL.

Financial assets at fair value through profit or loss

This category consists of equity and debt investments held on the SOFP. Assets in this category are recognised at fair value. The Company establishes fair value using valuation techniques in line with the Company valuation policy and International Private Equity and Venture Capital (IPEV) valuation guidelines. These include a Market Approach, for example the Price of Recent Investment (PORI) or comparable multiple, an Income Approach, for example discounted cash flow (DCF) and a Cost Approach, for example determining a multiple of costs at which a market participant would buy an asset or investment. Typically, a combination of techniques is applied in considering a range of fair values on a case-by-case basis.

Loans and receivables and financial liabilities at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, whose recoverability is based solely on the credit risk of the customer and where the Company has no intention of trading the loan.

Both loans and receivables and financial liabilities are initially recognised at fair value including direct and incremental transaction costs. Subsequent recognition is at amortised cost using the effective interest rate method less any provision for impairment.

2. Critical accounting estimates and judgements

Fair value measurement

A number of assets and liabilities included in the financial statements require measurement at, and disclosure of, fair value. The Company's valuation methodology is driven by the stages of the investment cycle, split by Development, Construction, and Operation. In all cases, a value based on an appropriate valuation methodology in accordance with IPEV valuation guidelines will be attributed to the investment.

The Company typically invests in operational assets although where certain criteria are met, the Company also provides funds for development to reach operational milestone. For projects in Development, there is usually no identifiable market price for the investments. The fair value is therefore driven by the prospects of the project, and what a market participant would be anticipated to pay for the Company's interest in a project at the reporting date. The Company's valuation policy is to write off the costs incurred prior to the signing of an investment agreement. Projects prior to this are classified as business opportunities and fully expensed through Profit and Loss. At the signing of an investment agreement e.g. a Shareholders' Agreement (SHA) or a Convertible Loan Agreement (CLA), a value based on an appropriate valuation methodology will be attributed to the investment.

In the absence of third party offers, the Board needs to assess the multiple of costs that would be recoverable from a market participant. This multiple of costs is driven by external costs incurred to date applying a risk adjustment and accounting for the time value of money.

For investments that have been partially sold or where there has been a recent offer to purchase, then these investments have been valued accordingly. Fair value is also reviewed against market value where transactions occur close to the reporting date.

IFRS 13 "Fair Value Measurement" requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

- Level 1 Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

All of the Company's investments fall within Level 3, as they are not traded and contain unobservable inputs. If it were to occur, transfers of items between levels are recognised in the period they happen.

Each investment has unique risk factors associated with it which are evaluated on a case-by-case basis. These could range from different geographical, sector and socio-political risks and thus the fair value is assessed on an investment specific basis.

2. Critical accounting estimates and judgements (continued)

Discounted Cash Flow (DCF) and key judgments

Where required, management rely on estimated future cashflows of project companies and associated discount factors. This requires significant management judgment both in terms of assessing the expected income and costs going forwards, but also in terms of discount factor applied.

Discount factors are determined on an investment specific basis assessing the considered level of risk at the time. This is updated at each reporting date.

When determining an appropriate discount rate for each investment, the following may be considered:

- the Investment's internal rate of return (IRR) at the original investment date, if available. Any changes in the risk of the Investment since that time would also be considered;
- data points sourced from the Company's other Investments, such as the IRR for comparable Investments, acknowledging differences in risk between the comparable Investments and the subject Investment;
- information on discount rates for comparable instruments available in the public domain; and
- an estimate of the market-based discount rate based on a build-up approach, capital asset pricing model (CAPM) or weighted-average cost of capital (WACC), where relevant.

The discount rate may also include an additional risk premium (ARP), assessed on a case-by-case basis, to reflect risks related to the Investments to the extent they are not already reflected in the CAPM. The methodology applied in the discount factor build-up also drives the risk assessment carried out for investments in Development.

Expected future cash flows also present an area of key judgment and estimate. The DCF valuation model is typically only used to value equity investments in Operation. When an investment is valued under this methodology, projected cash flows are calculated using a third-party provider of cash flow information and an appropriate model based on the operations and activity of that Company. This information is then updated at each reporting date and an assessment of discount factor applied is carried out to assess if any significant change in environment might trigger an amended discount factor.

Due to the high-risk nature of the projects and countries invested in, the discount factors are usually high. Investment managers have considerable expertise, oversight and influence in assessing both the future cashflows and the discount factor. This presents a strong control environment around the assessment of these key judgment areas and the impact it has on the Fair Value measurement of the Company's investments. Where the DCF methodology is not deemed appropriate, this will be assessed and documented on a case-by-case basis and a more applicable method will be applied in line with the Company's valuation policy and IPEV guidelines.

3. Income

	2024 £	2023 £
Dividend income	1,538,403	195,572
Grant income	43,527	-
Other income	3,678,482	2,186,883
Total	**5,260,412**	**2,382,455**

Dividend income relates to dividends receivable from InfraCredit Nigeria of £1,245,390 (2023: £nil) and from The Acorn Student Accommodation Income Real Estate Investment Trust of £293,013 (2023: £195,572).

Other income relates to deposit interest income of £3,622,622 (2023: £2,136,992), directors' fees receivable by the company for services provided to investee companies of £49,556 (2023: £49,891) and other income of £6,304 (2023: nil).

100.0% and 98.0% of dividend and other income respectively (2023: 100% and 2.3%) was generated outside the United Kingdom.

4. Operating profit

The operating loss is stated after charging/(crediting):

	2024 £	2023 £
(Gains)/losses on foreign exchange	(1,358,449)	2,747,327
Management service fees paid to related entity	3,132,563	1,049,471
Fees payable to the auditor:		
Audit of the financial statements	28,400	27,305
Taxation services	3,180	2,205

5. Net foreign exchange differences

	2024 £	2023 £
Exchange (losses)/gains arising on cash and cash equivalents	962,767	(3,831,170)

The balance above related to unrealised exchange differences arising on the USD denominated deposit holdings and current accounts. For hedging purposes, amounts are held in bank accounts and money market funds denominated in the currency of the future investments the Company expects to make. Foreign exchange rate risk is detailed in Note 16.

6. Employees

Employees consist of Directors only, none of whom are remunerated through the Company.

7. Directors' remuneration

The Directors did not receive any emoluments during the year (2023: £nil).

The Directors of the Company listed on the Company Information page are considered to be the key management personnel.

8. Interest income

	2024 £	2023 £
Interest receivable	1,090,176	1,317,941
Interest provision	(2,871,158)	(26,122)
	(1,780,982)	**1,291,819**

Interest receivable and provisions recognised in year relate to interest accrued under the agreements with Bboxx Limited (England & Wales), Mawingu Networks Limited (Republic of Mauritius) and WindGen Power USA Inc, (USA).

The Company's investments are disclosed in Note 13 to the accounts.

9. Fair value (losses)/gains through profit or loss

	2024 £	2023 £
Investments	(9,935,491)	(5,386,678)
Grants	-	-
Foreign exchange gains	1,358,548	(2,747,327)
Total	**(8,576,943)**	**(8,134,005)**

The fair value of investments held by the Company is disclosed in Note 13.

The fair value loss recognised on the Africa GreenCo investment detailed in Note 13 is offset by gain on the fair value of the returnable Technical Assistance (TA) grant liability payable to the PIDG Trust detailed in Note 15. These two instruments are inherently connected and are therefore fair valued in line with one another.

10. Taxation

Analysis of tax charge/(credit) for the period

	2024 £	2023 £
Current tax		
UK corporation tax at 25.00% (2023: 23.52%)	-	-
Adjustment in respect of prior periods	-	(160,601)
Double taxation relief	-	(160,601)
After double taxation relief	-	-
Foreign taxation	177,255	26,284
Total current tax charge/(credit)	177,255	(134,317)
Deferred tax		
Origination and reversal of temporary differences	-	-
Total tax (credit)/charge for the period	177,255	(134,317)

Reconciliation of tax charge

	2024 £	2023 £
(Loss)/Profit on ordinary activities before tax	(8,735,827)	(12,005,029)
Tax on the profit at the standard UK rate of tax of 25.00% (2023: 23.52%)	(2,183,957)	(2,823,583)
Effects of:		
Expenses not deductible for tax purposes	154,836	374,190
Income not taxable for tax purposes	(243,731)	-
Foreign tax credits	177,255	26,284
Adjustment to tax charge in respect of prior periods	-	(160,601)
Movement in deferred tax not recognised	2,272,852	2,449,393
Total tax (credit)/charge for the period	177,255	(134,317)

Based on the results of the Company for the year, there is no charge for UK corporation tax. In the Budget of 15 March 2023, the Chancellor of the Exchequer confirmed an increase in corporation tax to 25% from 1 April 2023. There was no change proposed in the latest Budget of 30 October 2024.

The Company has estimated tax losses of £18,527,250 (2023: £9,435,845) available to carry forward against future profits. A deferred tax asset has not been provided for as there was no certainty as to its recoverability.

11. Trade and other receivables

	2024 £	2023 £
Other receivables	2,768,772	2,653,398
Corporation tax asset	-	160,601
VAT receivable	127,343	150,402
Prepayments and accrued income	86,899	90,086
	2,983,014	**3,054,487**

As at 31 December 2024 there were £nil (2023: £nil) of trade and other receivables past 3 months due.

Included within Other receivables is a deposit balance of £2,768,771 (2023: £2,653,397) held by Barclays Bank Plc as security against a hedging facility provided to the Company by the bank as at the year end. The Company had not entered into any financial instruments through the facility as at 31 December 2024.

12. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	70,192,873	**65,221,127**
	70,192,873	**65,221,127**

13. Investments at FVTPL

	2024 £	2023 £
Fair value at 1 January	60,099,441	52,580,039
Movement in the year	13,371,718	7,519,402
Fair value at 31 December	**73,471,159**	**60,099,441**
Movement in the year:		
Additions	23,720,404	14,381,392
Interest accrued	1,090,176	1,317,941
Interest expensed	(2,871,158)	(26,122)
Foreign exchange movement	1,367,787	(2,767,131)
Total movement pre fair value adjustment	23,307,209	12,906,080
Fair value adjustment	(9,935,491)	(5,386,678)
Movement in the year	**13,371,718**	**7,519,402**

13. Investments at FVTPL (continued)

As at 31 December 2024, the Company recognised investments in nine companies (2023: seven) on its Statement of Financial Position. The following table sets out the techniques used to measure each of these investments:

Investment	Investment Stage	Valuation technique	Fair Value 2024 £	Fair Value 2023 £
Africa GreenCo Group, Zambia	Development	PORI	4,441,302	1,736,826
Infrastructure Credit Guarantee Company Limited, Nigeria	Operation	DCF	25,378,337	24,956,576
The Acorn Student Accommodation D-REIT, Kenya	Operation	PORI	2,570,132	2,075,341
The Acorn Student Accommodation I-REIT, Kenya	Construction	PORI	5,254,054	4,148,761
Globology Limited, Kenya	Operation	DCF	-	-
Bboxx Limited, England & Wales	Operation	Cost	-	13,896,809
Mawingu Telecom, Republic of Mauritius	Operation	Cost	6,524,321	3,860,420
Savant Group Ltd, Republic of Mauritius	Operation	PORI	9,583,983	9,424,708
WindGen Power USA Inc., USA	Operation	PORI	2,539,754	-
The Dhamana Guarantee Company Ltd, Kenya	Operation	PORI	17,179,276	-
Total			**73,471,159**	**60,099,441**

Equity investment - associated undertakings

The following are associated undertakings of the Company:

Name and principal place of business	Subsidiary / Associate	Class of Shares	Holding
Infrastructure Credit Guarantee Company Limited, Nigeria	Associate	Ordinary and Preference shares	23.60%
The Acorn Student Accommodation D-REIT, Kenya	Associate	REIT units	5.97%
The Acorn Student Accommodation I-REIT, Kenya	Associate	REIT units	10.98%
Globology Limited, Kenya	Associate	Ordinary shares	36.90%
Africa GreenCo Group, Zambia	Associate	Ordinary shares	26.28%
Mawingu Networks Limited, Republic of Mauritius	Associate	Ordinary shares	14.99%
Savant Group Ltd, Republic of Mauritius	Associate	Ordinary shares	17.80%
Bboxx Ltd, England & Wales	Associate	Ordinary shares	7.30%
WindGen Power USA Inc, USA	Associate	Series C shares	49.30%
Dhamana Guarantee Company Limited, Kenya	Associate	Ordinary shares	62.23%

13. Investments at FVTPL (continued)

Infrastructure Credit Guarantee Company Limited (InfraCredit Nigeria) is a 23.60% owned associate of the Company. The principal purpose of the Company is to support infrastructure development in Nigeria such as energy, transportation, telecommunication, housing, water distribution and waste management via credit enhancements/guarantees for Naira denominated long-term bonds issued to finance infrastructure projects.

Acorn Holdings Limited is a property developer and manager of affordable rental housing in Kenya. The company has created two Real Estate Investment Trusts (“REITs”), a Development REIT (“D-REIT”) to support housing under construction and an Income REIT (“I-REIT”) for operational and income-generating properties. In February 2021, the Company invested US$9.99m in Acorn’s REITs, subscribing to 38,325,000 and 16,425,000 units in the I-REIT and D-REIT respectively. As at 31 December 2024, the Company’s shareholding is 10.98% in the I-REIT and 5.97% in the D-REIT.

Globology Limited provides ‘Waterbus’, the first passenger-focused service to deliver scheduled ferry routes on Lake Victoria. In 2022, the Company invested US$3.8m in Globology Limited, acquiring a 36.9% shareholding.

Africa GreenCo Group, Zambia, aims to act as an intermediary off-taker in Zambia to liberalise and stabilise the electricity supply market by purchasing power from Independent Power Producers and selling it onto Zambia Electricity Supply Corporation Limited (ZESCO) and other neighbouring countries. The Company converted US$450,287 convertible debt held in 2022 alongside direct equity investments totalling US$5.00m as at 31 December 2024.

During the year ended 31 December 2022, the Company signed a Note Purchase Agreement committing to purchase US$15m in Convertible Promissory Notes from Bboxx Ltd, which have been acquired in the year. The notes attract interest at 10% per annum. The project manufactures, distributes and finances decentralised solar powered systems in multiple developing African countries.

In 2022 the Company entered into a Convertible Loan Agreement as a lender and a Share Subscription Agreement with Mawingu Networks Limited, a Kenyan based Internet service provider. Under these agreements, the Company has agreed to provide a loan facility in a principal amount of up to US$3.0m and an investment for the subscription of equity for US$3.0m respectively. In 2024, further funding of US$2.0m was provided by the Company through a Simple Agreement for Future Equity (SAFE) to facilitate the expansion of Mawingu services in Tanzania.

In 2023, the Company signed a subscription agreement committing to provide US$12.0m of equity investment into Savant Group Ltd (SunCulture), to support the roll-out of solar powered irrigation systems to farmers across sub-Saharan Africa. The full commitment was disbursed by the year ended 31 December 2023.

In 2024, the Company signed a Note Purchase Agreement committing to purchase US$3.0m in Convertible Promissory Notes from WindGen Power USA Inc. which were acquired in the year. The notes attracted interest at 10% per annum. Subsequently in 2024, the entire $3.00 principal amount and accrued interest of $178,767 were converted to Series C Shares. The project is a distributed renewable energy platform with the aim of deploying 120 MW of renewable power and battery energy storage across Africa.

In 2024, the Company completed the financial close of, and US$20.0m equity investment in, Dhamana Guarantee Company Limited - a credit enhancement facility to promote participation of long-term capital providers in Kenya’s debt capital markets.

As at 31 December 2024, there are no further subsidiary or associate undertakings of the Company. The technique applied in arriving at fair value is detailed in Financial Instruments (Note 16).

13. Investments at FVTPL (continued)

CLEAR Fund investment

During the year ended 31 December 2022, the Company announced an agreement wherein it would commit a US$43 million anchor investment into Climate, Energy Access and Resilience (CLEAR), a climate-focused fund advised by Helios Investment Partners (Helios). During the year, the Company incurred costs amounting to £718,924 (2023: £1,878,113) in respect of the CLEAR Fund's management fees and fund establishment costs incurred on behalf of the fund partners.

As at 31 December 2024, the CLEAR Fund has not issued a cash call in respect of investment funding required or made its initial investments. Consequently, the CLEAR Fund has no inherent valuation available as at the reporting date and the Company has expensed the cost of investment to date.

14. Trade and other payables

	2024 £	2023 £
Trade payables	48,554	57,752
Amounts due to related entity – InfraCo Africa Limited	581,027	683,650
Accrued expenses	702,818	746,712
	1,332,399	**1,488,114**

The carrying value of trade and other payables classified as financial liabilities approximates fair value.

15. Grants payable

	2024 £	2023 £
Fair value at 1 January	**392,696**	**413,169**
Movement in the year:		
Additions	-	-
Foreign exchange movement	6,636	(20,473)
Total movement in the year	6,636	(20,473)
Fair value adjustment	-	-
Fair value at 31 December	**399,332**	**392,696**

As at 31 December 2024, the Company had received a Technical Assistance (TA) grant from the PIDG Trust of £399,332 (US$500,000) from the PIDG Trust (its parent company) to be disbursed under the CLA to Africa GreenCo Group, Zambia. For this reason, the grant and the CLA are correlated and the financial liability is recognised at Fair Value Through Profit or Loss in line with the associated investment balance.

IFRS 9 has an option to designate a financial liability as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has elected to take up this option in accounting for the grant payable for year ended 31 December 2024.

16. Financial instruments - Risk Management

The Company is exposed through its operations to the following financial risks:

- Credit risk;
- Market risk;
- Interest rate risk;
- Foreign exchange risk; and
- Liquidity risk

In common with other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

(i) Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables, including loan receivables;
- Cash and cash equivalents;
- Investments in unquoted equity securities and loans; and
- Trade and other payables.

	Financial assets at fair value through profit or loss		**Other**	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Financial assets				
Cash and cash equivalents	-	-	70,192,873	65,221,127
Trade and other receivables	-	-	2,768,772	2,714,851
Investments in unquoted equity securities and loans	73,471,159	60,099,441	-	-
Total financial assets	**73,471,159**	**60,099,441**	**72,961,645**	**67,935,978**

	Financial liabilities at fair value through profit or loss		**Financial liabilities at amortised cost**	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Financial liabilities				
Trade and other payables	-	-	629,581	1,488,114
Grant payable	399,332	392,696	-	-
Total financial liabilities	**399,332**	**392,696**	**629,581**	**1,488,114**

16. Financial instruments - Risk Management (continued)

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

(iii) Financial instruments measured at fair value

As detailed in Note 2 to the accounts, all the Company's investments fall within Level 3, as they are not traded and contain unobservable inputs.

The Company considers that, typically for projects in Development, a risk-adjusted multiple of external costs disbursed is representative of fair value measurement. This valuation model employs significant unobservable inputs, specifically in determining appropriate risk factors and assessing when costs are expected to be recovered. This requires a high degree of management judgement and estimation. Where possible, other valuation methodologies will be assessed for purpose of arriving at a reliable range of fair values. These include a Market Approach, such as Price of Recent Investment (PORI), or an Income Approach.

For assets in Operation, valuation techniques include discounted cash flow models, comparison with similar instruments for which observable market prices exist and net asset valuation models as well as cost of investment if transaction occurred close to reporting date. Assumptions and inputs used in these valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, Earnings Before Interest Taxation Depreciation and Amortisation (EBITDA) multiples and revenue multiples and expected price volatilities and correlations.

The fair value hierarchy of financial instruments measured at fair value is provided below.

31 December 2024	Level 1 £	Level 2 £	Level 3 £
Financial assets			
Investments in Development	-	-	4,441,302
Investments in Construction	-	-	2,570,132
Investments in Operation	-	-	66,459,725
	-	**-**	**73,471,159**

31 December 2023	Level 1 £	Level 2 £	Level 3 £
Financial assets			
Investments in Development	-	-	1,736,826
Investments in Construction	-	-	2,075,341
Investments in Operation	-	-	56,287,274
	-	**-**	**60,099,441**

16. Financial instruments - Risk Management (continued)

Projects in Development

The following table presents the fair value of projects under Development as at 31 December 2024:

	Valuation technique	Fair value 2024 £	Fair value 2023 £
Africa GreenCo Group, Zambia	PORI	4,441,302	1,736,826
		4,441,302	**1,736,826**

The investment through the Convertible Loan Agreement was converted in 2022 and further equity investments were made in the 2023 and 2024 financial years. Therefore, the PORI valuation method has been adopted in the year for the investment in Africa GreenCo Group.

Projects in Construction

As at 31 December 2024, the Company has one investment recognised on its Statement of Financial Position which is in Construction.

	Valuation technique	Fair value 2024 £	Fair value 2023 £
The Acorn Student Accommodation D-REIT	PORI	2,570,132	2,075,341
		2,570,132	**2,075,341**

In February 2021, the Company invested US$9.99m in Acorn's REITs, subscribing to 38,325,000 and 16,425,000 units in the I-REIT and D-REIT respectively. As at 31 December 2024, the Company's holding is 5.97% in the D-REIT and 10.98% in the I-REIT. The D-REIT oversees the construction of properties which are then transferred to the I-REIT when operational.

For the year ended 31 December 2024, management applied a number of valuation techniques in line with the Company's valuation policy in assessing the fair value of this investment. This generated a range of fair values all of which are materially in line with the most recent transaction value, where any movement is driven by foreign exchange fluctuations. Management have concluded on using the PORI technique.

16. Financial instruments - Risk Management (continued)

Projects in Operation

For the year ending 31 December 2024, the Company has eight (2023: six) investments recognised on its Statement of Financial Position which are in Operation:

	Valuation technique	Fair value 2024 £	Fair value 2023 £
Infrastructure Credit Guarantee Company Limited	Discounted Cash Flow	25,378,337	24,956,576
The Acorn Student Accommodation I-REIT	PORI	5,254,054	4,148,761
Globology Limited, Kenya	Discounted Cash Flow	-	-
Bboxx Limited, England & Wales	Cost	-	13,896,809
Mawingu Networks Limited, Republic of Mauritius	Cost	6,524,321	3,860,420
Savant Group Ltd, Republic of Mauritius	PORI	9,583,983	9,424,708
WindGen Power USA Inc, USA	PORI	2,539,754	-
The Dhamana Guarantee Company Ltd, Kenya	PORI	17,179,276	-
		66,459,725	**56,287,274**

In line with IFRS 9, and in its capacity as an 'Investment Entity' under IFRS 10, the Company recognise investments at Fair Value Through Profit and Loss. Implementing the Company's valuation policy, a number of techniques were considered at arriving at the fair value of these investments. This included Income Approaches such as Discounted Cash Flow assessment, Market Approaches such as Price of Recent Investment and Net Asset Approach. A comparison was then drawn between the resulting fair values generated from these methodologies and book value.

Where the DCF method has been relied on in reaching fair value, significant level of judgment is required in calculating a risk adjusted Weighted Average Cost of Capital (WACC). The table below therefore sets out sensitivity analysis for fluctuations to these inputs for investments fair valued using this method.

	Actual WACC %	Variance - 5% £	Variance + 5% £	Actual growth rate %	Variance - 1.5% £	Variance +1.5% £
Infrastructure Credit Guarantee Company Limited	21.07%	2,322,909	(1,134,299)	4.20%	(252,667)	301,975

16. Financial instruments - Risk Management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. With regards to credit risk arising from the sale of investments, management conducts an internal "know your customer" check on all potential purchasers prior to entering into sales agreements. Holding cash and cash equivalents and deposits with banks and financial institutions also exposes the Company to considerable credit risk. For banks and financial institutions, the risk is mitigated as the Company transacts with institutions with high credit ratings. If possible, cash is deposited with financial institutions that have a long-term credit rating ascribed by major rating agencies of "A" or above. Major rating agencies include Fitch, Moody's and S&P. As of 31 December 2024, all deposits were held with such financial institutions.

Cash in bank and short-term deposits

A significant amount of cash is held with the following institutions:

		2024		2023
	Rating	**Cash at bank**	**Rating**	**Cash at bank**
		£		**£**
Barclays Bank plc	A+	18,741,826	A+	3,515,246
Fidelity Institutional Liquidity Fund plc	Aaa-mf	52,219,818	Aaa-mf	64,359,277
		70,961,644		**67,874,523**

Included in the table above, and within the amounts held with Barclays Bank plc, is a balance of £2,768,771 (2023: £2,653,397) which is held as security in relation to the Company's hedging facility provided by the bank and included within Other receivables, as detailed in Note 11. The total balance in the table above, is there greater than the cash and cash equivalents disclosed in the Statement of Financial Position by this amount.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December 2023 was:

	2024	2023
	£	**£**
Investments	-	15,841,981
Trade and other receivables (excluding loans)	2,983,014	3,054,487
Cash and cash equivalents	70,192,873	65,221,127
Total	**73,175,887**	**84,117,595**

Management monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties.

Market risk

Market risk arises from the Company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

16. Financial instruments - Risk Management (continued)

Interest rate risk

The Company is not susceptible to interest rate risk in that it does not have any borrowings, however its cash and short-term deposit balances held with financial institutions generates interest income which is susceptible to interest rate risk.

The Company has issued loans to projects and these loans attract a rate of interest that is reflective of the market rate in which the project is operating. All interest rates applied to issued debt instruments have fixed interest rates which minimises interest rate risk driven by changing market conditions and the impact of LIBOR migration.

Foreign exchange risk

Foreign exchange risk arises when the Company enter into transactions denominated in a currency other than their functional currency. Where possible, the Company will settle the liabilities in the foreign currency.

The Company also holds foreign denominated currency, United States Dollar (US$), in its bank accounts. As at 31 December 2024, the Company held US$ 75,934,501 (2023: US$82,002,795).

The effect of a 20% strengthening of the US$ against £ at the reporting date on the US$ denominated cash balance at that date would, all other variables held constant, have resulted in an increase in post-tax loss for the year and decrease of net assets of £12,129,240 (2023: £12,880,863). A 20% weakening in the exchange rate would, on the same basis, have decreased post-tax loss and increased net assets by £12,129,240 (2023: £12,880,863).

With regards to investing activity, all commitments are denoted in, and disbursed in, United States Dollar (US$) with the underlying assets operating in local currencies. This exposes the Company to additional foreign exchange risk as both fair value and investment returns might be impacted by fluctuations in the US$ against local currency and the £. Assets are revalued on a monthly basis, however until sale, management deem the foreign exchange risk exposure to be minimal in the longer-term and monitored throughout the investment life cycle.

Liquidity risk

Liquidity risk arises from the Company’s management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£	£	£	£	£
At 31 December 2024					
Trade and other payables	629,581	-	-	-	-
Current tax liabilities	-	-	-	-	-
Grant payable	-	399,332	-	-	-
Total	**629,581**	**399,332**	**-**	**-**	**-**

16. Financial instruments - Risk Management (continued)

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£	£	£	£	£
At 31 December 2023					
Trade and other payables	255,941	-	-	-	-
Current tax liabilities	-	-	-	-	-
Grant payable	-	392,696	-	-	-
Total	**255,941**	**392,696**	**-**	**-**	**-**

Capital Disclosures

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and safeguard the interest of shareholders.

The Company manages the capital structure and adjusts it as necessary in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust its returns to shareholders or new share issues. The Company monitors its capital and assets requirements for activities on a monthly basis and manages its financing and capital accordingly.

The capital relates to equity which is wholly contained on the face of the Statement of Financial Position.

17. Share capital

	2024	2023
	£	£
Allotted, called up and fully paid		
142,900,465 ordinary shares of £1 each:	**142,900,465**	**130,770,465**
Shares to be issued		
15,204,152 ordinary shares to be issued of £1 each:	**15,204,152**	**-**

During the year 12,130,000 Ordinary £1 shares were issued at par to the Company (2023: 30,268,335).

The cash inflow recognised in the Statement of Cash Flows of £12,130,000 (2023: £21,724,544) in relation to the issue of shares in the year represents the total cash received by the company for shares issued in the year of £12,130,000 (2023: £30,268,335) less amounts received in prior years for the shares of £nil (2023: £8,543,791).

18. Other financial commitments

As detailed in Note 13, the Company has committed US$43.0 million to the CLEAR Fund. Further details of the amounts paid to date in respect of this commitment are detailed in Note 13. As at 31 December 2024, the Company had received a capital call notice totalling US$610,758 (2023: US$nil) and to be paid in January 2025 in relation to fund management fees for future periods and fund expenses.

19. Related party transactions

The Board considers the following to be related party transactions:

- transactions and balances between the Company and the PIDG Trust;
- transactions and balances between the Company and affiliated equity investee companies; and
- transactions and balances with entities controlled by the Company's key management personnel.

During the year, the Company paid expenses of £3,132,563 (2023: £1,098,253) to related parties. This is in relation to recharged project development costs, other operating expenditure and management fee charge.

	2024 £	2023 £
PIDG Ltd	-	(1,041)
InfraCo Africa Limited	(3,132,563)	(1,097,212)

During the year, the Company received income from one related party, InfraCo Africa Limited, in relation to recharged operational expenditure (2023: £nil). No further income was received from related parties.

The following balances were owed to related parties as at 31 December 2024 and were included in the Company's statement of financial position:

	2024 £	2023 £
PIDG Ltd	-	(1,095)
InfraCo Africa Limited	(581,027)	(682,555)

During the year, the Company also recognised income of £1,587,958 (2023: £245,463) from equity investments. This is made up of dividends receivable of £1,245,390 (2023: nil) from InfraCredit Nigeria and £293,013 (2023: £195,572) from The Student Accommodation I-REIT, as well as and £49,556 (2023: £49,891) in Directors' fees from InfraCredit Nigeria

Loan facility arrangements

During the year, the Company entered a US$5m loan facility arrangement on commercial terms with the Emerging Africa & Asia Infrastructure Fund (EAAIF) – a Mauritian entity wholly owned by the PIDG Trust. The facility has not been utilised to date.

20. Contingent liability and charges

During the year ended 31 December 2022, a charge was registered by Barclays Bank PLC over US$3.35m held in a blocked account and generating interest. This charge was created as collateral in respect of hedging facilities provided to the Company by the bank. As at 31 December 2024 the balance held in this account amounted to £2,768,771 (2023: £2,653,397) and is recognised on the Statement of Finance Position within Other receivables as detailed in Note 11.

21. Post balance sheet events

Post the balance sheet date 15,204,152 Ordinary £1 shares were issued at par to the Company in exchange for £15,204,152 Owner funding received in December 2024 from the UK's Foreign, Commonwealth & Development Office (FCDO), the Netherlands' Directorate-General for European Cooperation (DGIS)and Switzerland's State Secretariat for Economic Affairs (SECO).

21. Post balance sheet events (continued)

The Company and its associated companies controlled by the Private Infrastructure Development Group Trust are undergoing a reorganisation which is expected to be completed after the issue of these financial statements, on a date yet to be determined. As at 31 December 2024 the reorganisation had not been approved by the Private Infrastructure Development Group Trust.

As a consequence of this reorganisation, the direct owner of the entire equity of the Company will change from the Private Infrastructure Development Group Trust to new company, yet to be incorporated in England and Wales. The Private Infrastructure Development Group Trust will remain the ultimate owner.

There is expected to be no financial effect on the Company.

The principal activities of the Company will remain unchanged.

Following the year end, in February 2025 the UK government announced plans for the aid spending target to reduce further in 2027 from 0.5% of gross national income (GNI) to 0.3%. The UK is the largest provider of funding to the Group and the wider PIDG group. The Directors and executives of the PIDG group are in ongoing discussions with the Foreign, Commonwealth & Development Office (FCDO) to understand the long-term implications of this decision upon the Group. All future commitments of the Group are fully funded beyond 12 months from the date of issuing these financial statements.

22. Ultimate parent undertaking and controlling party

The Company's immediate and existing joint shareholders are SG Kleinwort Hambros Trust Company (UK) Limited and IQ EQ Trustees (Mauritius) Ltd as trustees of the Private Infrastructure Development Group Trust (PIDG Trust), a trust established under the laws of Mauritius. The PIDG Trust does not prepare consolidated accounts. The PIDG Trust has delegated the authority to manage the Company to PIDG Ltd, which is also a 100% owned subsidiary of the of the PIDG Trust.