

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

“THE PIDG TRUST”

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019**

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 2019

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 eliminate poverty 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
8 St James's Square
London
SW1Y 4JU

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

Multiconsult Trustees Limited – Mauritian Resident Company (formerly MC Trust Limited)
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 International Development at the Department for International Development (“DFID”)
- 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”)
- Norwegian Ministry of Foreign Affairs (“MFA”)

ADDITIONAL MEMBERS

- The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Secretary of State for the Department of Energy and Climate Change (“BEIS”)

ENFORCER

DFID

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

AUDITORS

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

BANKERS

SG Kleinwort Hambros Bank Limited
8 St James's Square
London
SW1Y 4JU

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present the annual report and audited financial statements for the year ended 31 December 2019.

These financial statements have been prepared under the variation to the administrative provisions of the Amended and Restated Declaration of Trust dated 4 September 2018 ("The Second Declaration of Trust").

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 in the poorest and most fragile 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 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 eliminate poverty 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 (until 8 April 2018) in conjunction with the Central Management Office service provider (MDY Legal LLP and EY LLP) and (after 8 April 2018) 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 ("TAF").

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 2019

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;
- ii. an annual management assertion, together with an attestation from the Trustees' external auditors, 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.

PIDG Ltd circulates all of the above reports to its Board, and summary data of this to the Participating Donors. 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 "Ethical 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 2019:

- 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 ("TAF")
- ICF Debt Pool LLP ("ICF-DP")
- Green Africa Power LLP ("GAP") – Partnership dissolved 24 January 2020
- InfraCo Africa Investment Limited ("InfraCo Africa Inv")
- The Private Infrastructure Group Ltd ("PIDG Limited")
- Frontier Africa Investment Resource Ltd ("FAIR") – dissolved on 18 September 2018

RESULTS

The results for the year and movement in accumulated funds are set out on page 11 within the Statement of Accumulated Funds.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

TRUSTEES' REPORT (continued)


FOR THE YEAR ENDED 31 DECEMBER 2019

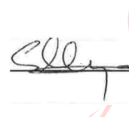
AUDIT INFORMATION

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

Approved by the Trustees and signed on their behalf:


Digitally signed by
Rachel ILES
Date:
2021.03.18
09:37:12 Z


Digitally signed
by George RYAN
Date: 2021.03.18
13:09:38 Z

SG Kleinwort Hambros Trust Company (UK) Limited
8 St James's Square
London
SW1Y 4JU

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

Opinion

We have audited the financial statements of the Private Infrastructure Development Group Trust ("the Trust") as at 31 December 2019, which comprise the Balance Sheet, the Capital Account, the Statement of Accumulated Funds, the Cash Flow Statement and notes to the financial statements (on pages 13 to 23) including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Trust for the year ended 31 December 2019 are prepared, in all material respects, in accordance with the financial reporting provisions of the Amended and Restated Declaration of Trust dated 4 September 2018 ("the Declaration of Trust").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA (UK)). 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, 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.

Responsibilities of the Trustees

The Trustees are responsible for the preparation of the financial statements in accordance with the financial reporting provisions of the Declaration of Trust 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 relating to going concern and using the going concern basis of accounting unless the Trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. The Trustees are responsible for overseeing the Trust's financial reporting process.

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 ISA (UK) will always detect a material misstatement when it exists.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

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.

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

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

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

Use of our report

This report is made solely to the entity's Trustees in accordance with the Declaration of Trust. Our audit work has been undertaken so that we might state to the Trustee's those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Gareth Ogden (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 18 March 2021

10 Queen Street Place
London
EC4R 1AG

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST


BALANCE SHEET

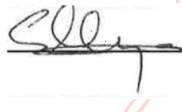
AS AT 31 DECEMBER 2019

	Note	2019		2018	
		US\$	US\$	US\$	US\$
Non-current assets					
Investments	2		803,827,518		840,718,244
Current assets					
Debtors	3	13,977,416		10,431,309	
Cash and cash equivalents	4	52,740,766		54,623,514	
			66,718,182		65,054,823
TOTAL ASSETS			\$870,545,700		\$905,773,067
CAPITAL, FUNDS AND LIABILITIES					
Capital account			822,750,203		857,248,105
Accumulated funds	6		46,948,649		47,848,322
Capital and funds			869,698,852		905,096,427
Current liabilities					
Other payables	7	846,848		676,640	
			846,848		676,640
TOTAL CAPITAL, FUNDS AND LIABILITIES			\$870,545,700		\$905,773,067

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

SG Kleinwort Hambros Trust Company (UK) Limited

 Digitally signed
by Rachel ILES
Date:
2021.03.18
09:38:34 Z

 Digitally signed
by George RYAN
Date: 2021.03.18
13:10:35 Z

The notes on pages 13 to 23 form part of these financial statements.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

CAPITAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US\$	2018 US\$
Balance brought forward		857,248,105	837,000,380
Grant contributions received		36,876,713	33,319,467
Loans issued		-	30,000,000
		<u>894,124,818</u>	<u>900,319,847</u>
KFW loan write down	5 (d)	(1,700,000)	-
		<u>892,424,818</u>	<u>900,319,847</u>
Impairment of value of investments	2	(69,595,909)	(42,995,028)
GAP – Liquidation proceeds received		32,429,631	-
GAP – Distributions		(32,429,631)	-
KFW loan write down charge		1,700,000	-
Exchange (loss) on year end revaluation		(78,706)	(63,642)
Transfers between accumulated funds	3	(1,700,000)	(13,072)
Balance carried forward		<u><u>\$822,750,203</u></u>	<u><u>\$857,248,105</u></u>

The notes on pages 13 to 23 form part of these financial statements.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

STATEMENT OF ACCUMULATED FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Year ended 31 December 2019 US\$		Year ended 31 December 2018 US\$	
INCOME					
Contributions receivable to cover costs and fees			23,149,170		24,578,586
Bank deposit interest			655,672		338,793
			<u>23,804,842</u>		<u>24,917,379</u>
EXPENDITURE					
Funding					
TAF Grants		18,082,265		14,615,121	
Capital distributions		-		96,674	
TAF project grants returned		(1,081,657)		(11,744)	
Grant underspend refunded		-		(379,621)	
			<u>17,000,608</u>		<u>14,320,430</u>
Administration					
SG Kleinwort Hambros Trust Company (UK) Limited					
Annual Management fee		196,035		292,098	
Multiconsult Trustees Management fee		56,287		59,480	
Central Management Office (CMO)		-		799,592	
Consultancy fees		662,979		2,478,207	
Insurances		-		33,616	
SLA grants – running costs		6,643,540		4,954,631	
Legal fees		-		78,853	
Auditor’s remuneration: -					
Audit fee		36,728		29,410	
Audit fee – under accrued in prior years		8,661		-	
Other expenses		5,112		5,660	
Bad debt provision	3	1,700,000		-	
Loss on foreign currency exchange		94,565		22,882	
			<u>9,403,907</u>		<u>8,754,429</u>
Total expenditure			<u>(26,404,515)</u>		<u>(23,074,859)</u>
(Deficit)/surplus for the year			<u>(2,599,673)</u>		<u>1,842,520</u>
Transfers between capital account	3		<u>1,700,000</u>		<u>13,072</u>
(Deficit)/surplus for the year transferred to accumulated funds			<u>(899,673)</u>		<u>1,855,592</u>
Accumulated funds brought forward			<u>47,848,322</u>		<u>45,992,730</u>
Accumulated funds carried forward			<u><u>\$46,948,649</u></u>		<u><u>\$47,848,322</u></u>

The notes on pages 13 to 23 form part of these financial statements.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Year ended 31 December 2019 US\$	Year ended 31 December 2018 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(2,599,673)	1,842,520
Adjustments for:		
Interest income	(655,672)	(338,793)
(Increase)/decrease in debtors	(3,546,107)	5,564,379
Increase/(decrease) in current liabilities	170,208	(3,406,689)
Exchange (loss) on year end revaluation	(78,706)	(63,642)
<i>Net cash (outflow)/inflow from operating activities</i>	<u>(6,709,950)</u>	<u>3,597,775</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of shares in EAIF	-	(2,000,000)
Acquisition of shares in GuarantCo	-	(2,000,000)
Acquisition of shares in InfraCo Africa	(11,000,000)	(31,297,274)
Acquisition of shares in InfraCo Asia Development	(21,561,170)	(26,916,800)
Acquisition of shares in PIDG Limited	-	(1)
Acquisition of shares in InfraCo Africa Investment	(144,013)	-
Interest received	655,672	338,793
<i>Net cash outflow from investing activities</i>	<u>(32,049,511)</u>	<u>(61,875,282)</u>
FINANCING ACTIVITIES		
Proceeds from contributions to capital account	36,876,713	63,319,467
GAP - Liquidation proceeds received	32,429,631	-
GAP – Distributions	(32,429,631)	-
<i>Net cash inflow from financing activities</i>	<u>36,876,713</u>	<u>63,319,467</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,882,748)	5,041,960
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	54,623,514	49,581,554
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>\$52,740,766</u></u>	<u><u>\$54,623,514</u></u>

The notes on pages 13 to 23 form part of these financial statements.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

(a) **Basis of preparation**

The non-consolidated financial statements have been prepared under the historical cost convention and in accordance with the special purpose accounting framework under the provisions of the Declaration of Trust.

(b) **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.

(c) **Foreign currency exchange differences**

Transactions in currencies other than the reporting currency are translated at the exchange rates ruling at the date of such transactions. Monetary assets and liabilities denominated in currencies other than the reporting currency are 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.

(d) **Investments in undertakings**

Investments in undertakings 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 special purpose companies held at each balance sheet date. Impairment provisions are charged to the capital account.

(e) **Cash and cash equivalents**

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

(f) **Treatment of Funding Instruments**

All funding received under the terms of the funders' agreements and/or funding instruments for investment in undertakings, including promissory notes, capital contributions and loans, are valued on the basis of the pro-rata share of the net assets (at book value) of the underlying entity to which they relate and are included within the capital account

(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.

(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 for the foreseeable future. In addition, the Trustees have considered the PIDG members' commitments to funding the agreed 2020 budget as prepared by PIDG Limited. They have also considered 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 2019

2. INVESTMENTS	EAIF	GuarantCo Limited	InfraCo Africa Limited	InfraCo Asia Development Limited	InfraCo Asia Investment Limited	ICF Debt Pool LLP	Green Africa Power LLP	InfraCo Africa Investment Limited	FAIR	PIDG Limited	TOTAL
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 1 January 2019	393,869,700	277,983,427	221,499,332	149,019,462	27,319,426	4	43,838,397	2	1	1	1,113,529,752
Additions at cost	-	-	11,000,000	21,561,170	-	-	-	144,013	-	-	32,705,183
As at 31 December 2019	393,869,700	277,983,427	232,499,332	170,580,632	27,319,426	4	43,838,397	144,013	1	1	1,146,234,935
Impairment in value											
As at 1 January 2019	-	36,963,611	149,478,492	74,727,395	-	-	11,642,008	2	-	-	272,811,508
Impairment in year	-	-	26,742,519	12,411,435	-	-	32,196,389	144,013	1	-	71,494,357
Reversal of previous impairment	-	(1,898,448)	-	-	-	-	-	-	-	-	(1,898,448)
As at 31 December 2019	\$-	\$35,065,163	\$176,221,011	\$87,138,830	\$-	\$-	\$43,838,397	\$144,013	\$1	\$-	\$342,407,417
Net book value											
As at 31 December 2019	\$393,869,700	\$242,918,264	\$56,278,321	\$83,441,802	\$27,319,426	\$4	\$-	\$-	\$-	\$1	\$803,827,518
As at 31 December 2018	\$393,869,700	\$241,019,816	\$72,020,840	\$74,292,067	\$27,319,426	\$4	\$32,196,389	\$-	\$1	\$1	\$840,718,244

The above investments represent:

EAIF - the entire share capital of 39,386,969 Ordinary US\$10 shares
 GuarantCo Limited 278,073,175 Ordinary US\$1 shares, being 89.10% of the share capital
 InfraCo Africa Limited - the entire share capital of 156,011,190 Ordinary £1 shares
 InfraCo Asia Development Limited - the entire share capital of 118,336,634 Ordinary £1 shares
 InfraCo Asia Investment Limited - the entire share capital of 27,319,426 Ordinary US\$1 shares
 ICF Debt Pool – a member’s capital contribution of €3

Green Africa Power LLP – a member’s capital contribution of £5,787,725, the Partnership was dissolved 24 January 2020.
 InfraCo Africa Investment Limited - the entire share capital of 112,130 Ordinary £1 share

FAIR - the entire share capital of 1 Ordinary US\$1 share, was written off on dissolution of the company.

PIDG Limited – the entire share capital of 1 Ordinary GBP£1 share

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. INVESTMENTS (continued)

(b) 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 2019, EAIF reported net assets of US\$474,620,057 (2018: US\$444,245,771) and a profit for the year to 31 December 2019 of US\$30,374,286 (2018: US\$25,455,735). Therefore, the investment in EAIF as at 31 December 2019 is included in the accounts at US\$393,869,700 (2018: US\$393,869,700), representing the lower of cost and share of net asset value.

(c) GuarantCo Limited

Constitution

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

The GuarantCo concept involves the establishment of a company that will 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 2019, GuarantCo Limited reported net assets of US\$272,619,873 (2018: US\$270,489,302) and a profit for the year to 31 December 2019 of US\$2,130,571 (2018: loss US\$4,756,099). Therefore the investment in GuarantCo Limited as at 31 December 2019 is included in the accounts at US\$242,918,264 (2018: US\$241,019,816) representing the lower of cost and the PIDG Trust's proportional share of net asset value.

(d) 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 and endeavour to sell on the implementation of these projects to private investors.

As at 31 December 2019, InfraCo Africa reported company net assets of £42,626,889 or US\$56,278,321 (2018: £56,713,531 or US\$72,020,840) and a loss for the year to 31 December 2019 of £22,454,975 or US\$29,646,271 (2018: loss £12,461,740 or US\$15,825,236). Therefore the investment in InfraCo Africa as at 31 December 2019 is included in the accounts at £42,626,889 or US\$56,278,321 (2018: £56,713,531 or US\$72,020,840) representing the lower of cost and share of net asset value.

(e) 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 €3. 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.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. INVESTMENTS (continued)

(f) 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 2019, InfraCo Asia Devt reported group net assets of US\$83,441,802, after share application monies (2018: US\$74,292,067) and a comprehensive loss for the year to 31 December 2019 of US\$12,872,001 (2018: loss US\$15,723,473). The total of US\$83,441,802 (2018: US\$74,292,067) included in the accounts represents the lower of cost and share of net asset value.

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

Constitution

The company was incorporated in Singapore on 7 December 2012 and will provide early follow-on equity to complement InfraCo Asia Development's activities.

As at 31 December 2019, InfraCo Asia Inv reported net assets of US\$31,037,607 (2018: US\$30,916,340) and a comprehensive profit for the year to 31 December 2019 of US\$121,267 (2018: US\$228,152). The total of US\$27,319,426 (2018: US\$27,319,426) included in the accounts represents the lower of cost and share of net asset value.

(h) Green Africa Power LLP (GAP LLP)

Constitution

A Limited Liability Partnership incorporated in England on 4 April 2013. The principal activity of the LLP is to invest in renewable energy projects in Africa and to demonstrate the viability of renewable energy in Africa.

As at 31 December 2019, GAP LLP reported group net assets of £nil or US\$nil (2018: £25,353,368 or US\$32,196,389) and a comprehensive loss for the year to 31 December 2019 of £nil or US\$nil (2018: loss £753,972 or US\$1,015,492). The total of £nil or US\$nil (2018: £25,353,368 or US\$32,196,389) included in the accounts represents the lower of cost and share of net asset value.

Green Africa Power LLP (GAP) was in the process of being voluntarily liquidated during 2019. During the year, distributions were made to the members of the LLP to repay contributions made by the members. A total of \$32,429,631 was received by the PIDG Trust during the year, which was then distributed pari passu to the Trust members who had originally provided funding to the LLP. As at 31 December 2019, the net book value of GAP was \$nil, and it was dissolved on 24 January 2020.

(i) 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 2019, InfraCo Africa Investment Limited reported a net liability of £198,152 or US\$261,611 (2018: liability £24,831 or US\$31,533) and a loss for the year to 31 December 2019 of £191,771 or US\$253,186 (2018: loss £14,888 or US\$18,906). As at 31 December 2019 the net book value of the investment was \$nil. Its share capital as at 31 December 2019 consists of 112,230 shares of £1.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. INVESTMENTS (continued)

(j) Frontier Africa Investment Resource Ltd (FAIR)

Constitution

The company was incorporated in the Republic of Mauritius on 13 July 2015. The company was dissolved on 18 September 2018.

FAIR is yet to file annual accounts. Its share capital as at 31 December 2019 was written off and is now at \$nil.

(k) The Private Infrastructure Development Group Limited (PIDG Limited)

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 2019, PIDG Limited reported net assets of £820,719 or US\$1,083,558 (2018: £694,873 or US\$882,423) and a profit for the year to 31 December 2019 of £62,497 or US\$82,512 (2018: £694,872 or US\$882,422). Therefore, the investment in PIDG Limited as at 31 December 2019 is included in the accounts at £1 or US\$1, representing the lower of cost and share of net asset value.

3. DEBTORS

	2019 US\$	2018 US\$
Accrued income – grants receivable	4,767,824	431,309
SLA refunds	909,592	-
Loan to ICF Debt Pool LLP	8,300,000	10,000,000
	<u>\$13,977,416</u>	<u>\$10,431,309</u>

In respect of the loan to ICF Debt Pool LLP, a bad debt provision of \$1,700,000 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 bad debt 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:

	2019 US\$	2018 US\$
Balances at bank	52,740,766	54,623,514
	<u>\$52,740,766</u>	<u>\$54,623,514</u>

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

5. LOAN AGREEMENTS AND PARTICIPATORY NOTES

- (a) 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.

- (b) 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 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.

- (c) 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.

- (d) 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 2019, a bad debt provision was recognised in respect of the ICF Debt Pool loan reducing its fair value to \$8,300,000. As the KFW loan is intricately linked to the loan to ICF Debt Pool this balance was revalued to \$8,300,000.

- (e) DFID, (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 GBP 18,000,000 (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.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

5. LOAN AGREEMENTS AND PARTICIPATORY NOTES (continued)

The above loans have no fixed repayment terms and shall bear no interest.

The below is a summary of the total included in the capital account as at 31 December 2019:

Donor	Amount US\$	Purpose
SECO	10,000,000	EAIF
Sida	20,000,000	EAIF
DGIS	10,000,000	EAIF
DGIS	22,500,000	InfraCo Africa
SECO	8,000,000	GuarantCo Mauritius
Sida	15,000,000	GuarantCo Mauritius
SECO	8,500,000	InfraCo Africa
KFW	8,300,000	ICF Debt Pool
DFID	110,828,588	EAIF
Total	<u>US\$214,828,588</u>	

- (f) DFID, (as the Lender) entered into a participatory note agreement with the PIDG Trust (as the Borrower) on 1 March 2016 and was issued a participatory note for a total amount of US\$18,073,900 (US\$ equivalent of GBP13,000,000) as a contribution to the financing of and operation of GuarantCo Ltd or such other purpose of the PIDG as may be agreed by the lender with PIDG.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

6.	ACCUMULATED FUNDS	2019	2019	2019	2019	2019	2019	2019	2018
		TAF (TAF General window 1 & 2) US\$	TAF VGF (TAF window 3) US\$	TAF DevCo US\$	EUITF US\$	General Admin fund US\$	Total Accumulated funds US\$	Total US\$	Total US\$
	INCOME								
	Contributions receivable:								
	DFID	3,237,037	-	6,051,705	-	2,951,773	12,240,515	14,039,155	
	DGIS	4,220,371	-	-	-	779,589	4,999,960	5,000,160	
	SECO	2,000,000	-	-	-	822,626	2,822,626	2,728,707	
	SIDA	-	-	-	-	643,514	643,514	492,321	
	IFC	27,447	-	-	-	580,176	607,623	-	
	ICF Debtpool	-	-	-	-	-	-	491,715	
	MFA	-	-	-	-	866,188	866,188	-	
	EIB	-	-	-	357,683	357,683	357,683	258,400	
	DFAT	-	-	-	-	611,061	611,061	1,568,128	
	Interest receivable	655,672	-	-	-	-	655,672	338,793	
	Net income receivable	<u>10,140,527</u>	<u>-</u>	<u>6,051,705</u>	<u>357,683</u>	<u>7,254,927</u>	<u>23,804,842</u>	<u>24,917,379</u>	
	EXPENDITURE								
	Funding								
	TAF Grants	3,277,443	7,947,000	6,500,000	357,822	-	18,082,265	14,615,121	
	Capital distributions	-	-	-	-	-	-	96,674	
	TAF project grants returned	(1,081,657)	-	-	-	-	(1,081,657)	(11,744)	
	Grant underspend refunded	-	-	-	-	-	-	(379,621)	
	Administration								
	Annual Management fee: -	-	-	-	-	-	-	-	
	SG Kleinwort Hambros	-	-	-	-	196,035	196,035	292,098	
	Multiconsult Trustees	-	-	-	-	56,287	56,287	59,480	
	CMO	-	-	-	-	-	-	799,592	
	Consultancy fees	320,735	-	-	-	342,244	662,979	2,478,207	
	Legal fees	-	-	-	-	-	-	78,853	
	Audit fee	-	-	-	-	36,728	36,728	29,410	
	Audit fee re 2018	-	-	-	-	8,661	8,661	-	
	Insurance	-	-	-	-	-	-	33,616	
	SLA grants – running cost	228,052	-	-	749	6,414,739	6,643,540	4,954,631	
	Other expenses	2,196	46	-	264	2,606	5,112	5,660	
	Bad debt provision	-	-	-	-	1,700,000	1,700,000	-	
	Currency movement	-	-	-	-	94,565	94,565	22,882	
	Total expenditure	<u>2,746,769</u>	<u>7,947,046</u>	<u>6,500,000</u>	<u>358,835</u>	<u>8,851,865</u>	<u>26,404,515</u>	<u>23,074,859</u>	
	(Deficit)/surplus in year	<u>7,393,758</u>	<u>(7,947,046)</u>	<u>(448,295)</u>	<u>(1,152)</u>	<u>(1,596,938)</u>	<u>(2,599,673)</u>	<u>1,842,520</u>	
	Transfers between funds	(161,295)	-	161,295	-	-	-	-	
	Transfers to capital account	-	-	-	-	1,700,000	1,700,000	13,072	
	Accumulated funds b/fwd	18,822,383	28,380,562	287,000	(14,095)	372,472	47,848,322	45,992,730	
	Accumulated funds c/fwd	<u>26,054,846</u>	<u>20,433,516</u>	<u>-</u>	<u>(15,247)</u>	<u>475,534</u>	<u>\$46,948,649</u>	<u>\$47,848,322</u>	

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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) Technical Assistance Facility (TAF)

PIDG has established the TAF to support capacity building, technical assistance, studies and training to facilitate in-country development. Assistance will be provided to both the public and private sectors in support of the planning and implementation of projects and programmes of any of the facilities and funds undertaken under the PIDG umbrella on a "challenge fund" basis.

The facility has been split into three funding windows:

- Window 1 General Technical assistance
- Window 2 Capital Markets Development
- Window 3 Viability Gap Funding

During 2019:

The PIDG Trust executed twenty four new TAF grants for PIDG initiatives totalling US\$11,005,864.

- US\$17,724,443 was disbursed in total in TAF grants.
- US\$9,288,742 has been contributed to TAF by DFID in 2019.
- US\$2,000,000 has been contributed to TAF by SECO in 2019.
- US\$4,220,371 has been contributed to TAF by DGIS in 2019.

(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 2019 a total of €319,050 was disbursed by the PIDG Trust from funds received from EUAITF to EAIF for the Bumbuna Phase II Hydro-Electric Project and to InfraCo Africa for the Lake Victoria Marine Transport Project.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

7. OTHER PAYABLES

	2019	2018
	US\$	US\$
Other creditors	846,848	676,640
	<u>846,848</u>	<u>676,640</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 2019;

Transactions with the Trustees of the Trust:

		2019	2018
		US\$	US\$
Fees Charged			
SG Kleinwort Hambros Trust Company (UK) Limited	Annual Management fee	196,035	292,098
Multiconsult Trustees Ltd	Annual Management fee	56,287	59,480
		<u> </u>	<u> </u>
Amounts owed at the year end			
Multiconsult Trustees Ltd		-	26,680
SG Kleinwort Hambros Trust Company (UK) Limited		99,019	95,243
		<u> </u>	<u> </u>
Transactions with the Protector and CMO/Adhoc Legal			
MDY Legal			
Fees Charged		-	799,592
		<u> </u>	<u> </u>

Control

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

10. SUBSEQUENT EVENTS

The Trustees highlight the global outbreak of COVID-19 which occurred in early 2020 and has caused disruption to both social and economic activities. It is likely to have a significant impact on all sectors across the world however the effect this will have on the Trusts activities is currently unknown. The impact that this will have on the Trust's subsidiary companies is also unknown, however, the Trustees are aware that there may be an impact. The situation will continue to be closely monitored by the Trustees and PIDG Limited.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

11. CONTINGENT LIABILITIES

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).

12. 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.

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 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.

PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

APPENDIX 2

Net book value of investments by Donor

Funds invested												
E A I F	GuarantCo	InfraCo Africa	InfraCo Asia Devt	InfraCo Asia Inv	GAP	ICF Debt pool	InfraCo Africa Inv	FAIR	PIDG Limited	Aggregate		
Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Total		
DFID	322,869,757	135,003,963	100,570,535	27,319,425	3,161,1256	-	144,014	-	-	832,811,177		
SECO	22,000,000	32,499,973	17,000,000	-	-	-	-	-	-	111,249,973		
SIDA	20,000,000	15,000,000	-	-	-	-	-	-	-	35,000,000		
ADA	-	7,439,202	-	-	-	-	-	-	-	7,439,202		
DGIS	28,999,943	2,000,000	22,000,000	-	-	-	-	-	-	110,556,137		
DFAT	-	5,941,200	3,101,098	-	-	-	-	-	-	36,951,298		
DECC	-	-	-	-	12,227,141	-	-	-	-	12,227,141		
Other	-	-	-	-	-	4	2	1	1	8		
Funds invested	393,869,700	232,499,332	170,580,633	27,319,425	43,838,397	4	144,016	1	1	1,146,234,936		
Impairment (B)												
Funds invested												
E A I F	GuarantCo	InfraCo Africa	InfraCo Asia Devt	InfraCo Asia Inv	GAP	ICF Debt pool	InfraCo Africa Inv	FAIR	PIDG Limited	Aggregate		
Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Total		
DFID	-	(27,157,221)	(51,375,110)	-	(3,161,1256)	-	(144,014)	-	-	(2,12,612,775)		
SECO	-	(5,014,113)	(8,684,222)	-	-	-	-	-	-	(38,331,430)		
SIDA	-	(1892,118)	-	-	-	-	-	-	-	(1,892,118)		
ADA	-	-	-	-	-	-	-	-	-	(5,638,484)		
DGIS	-	(252,282)	(11,238,405)	-	-	-	-	-	-	(55,114,944)		
DFAT	-	(749,430)	(15,841,093)	-	(12,227,141)	-	-	-	-	(16,590,523)		
DECC	-	-	-	-	-	-	-	-	-	(12,227,141)		
Other	-	-	-	-	-	-	(2)	(1)	-	(3)		
Funds invested	-	(35,065,164)	(87,138,830)	-	(43,838,397)	-	(144,016)	(1)	-	(342,407,418)		
Net book value of amounts invested (A - B)												
Funds invested												
E A I F	GuarantCo	InfraCo Africa	InfraCo Asia Devt	InfraCo Asia Inv	GAP	ICF Debt pool	InfraCo Africa Inv	FAIR	PIDG Limited	Aggregate		
Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Total		
DFID	322,869,757	188,135,006	49,195,425	27,319,425	-	-	-	-	-	620,198,402		
SECO	22,000,000	34,735,887	8,315,778	-	-	-	-	-	-	72,918,543		
SIDA	20,000,000	13,107,882	-	-	-	-	-	-	-	33,107,882		
ADA	-	-	-	-	-	-	-	-	-	1,800,718		
DGIS	28,999,943	1,747,718	10,761,595	-	-	-	-	-	-	55,441,193		
DFAT	-	5,191,770	15,169,005	-	-	-	-	-	-	20,360,775		
DECC	-	-	-	-	-	-	-	-	-	-		
Other	-	-	-	-	-	4	-	-	1	5		
Funds invested	393,869,700	242,918,263	83,441,803	27,319,425	-	4	-	-	1	803,827,518		