



Private Infrastructure
Development Group
Pioneering infrastructure changing lives

Annual report and financial statements for the year ended 31 December 2019

The Private Infrastructure Development Group Limited

Company number: 11265124

6 Bevis Marks

London

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The Private Infrastructure Development Group Limited

Annual report and financial statements 2019

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Business Review

Principal activities

The Private Infrastructure Development Group Limited's (the Company) primary activity is to oversee the activities of and, where appropriate, provide centralised resources in relation to the other companies in The Private Infrastructure Development Group (PIDG or the Group) (as set out in note 23) on behalf of its shareholders and the members of PIDG (as set out in note 24), similar to that of a head office or parent company. Due to this governance structure, the Company makes a number of decisions on the activities of the Group. This report provides details on both the Company and the Group's activities to reflect this position.

Our mission

PIDG was established by the members with a mission to operate at the frontier of infrastructure development in low-income countries and fragile states to combat poverty.

Our vision

PIDG's vision is to enhance provision of affordable and sustainable infrastructure services in low-income countries and fragile states in order to combat poverty and help economies grow. Financing for these projects should be increasingly sourced through local capital and credit markets; building capacity and resilience in frontier markets.

Our work

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 operates along the project life cycle and across the capital structure, to help projects overcome financial, technical or environmental challenges – creating investment-ready, bankable infrastructure opportunities, catalysing private sector participation and creating development impact. In doing so, it contributes directly to the achievement of many of the United Nations' Sustainable Development Goals.

The countries in which we operate

PIDG delivers high development impact projects in low-income countries and fragile and conflict-affected states, predominantly in sub-Saharan Africa and south and south-east Asia. PIDG operates in countries where 2 billion people live on less than \$3.20 per day, and 753 million people live on less than \$1.90 per day; where 2.6 billion people do not have access to constant electricity, 2.4 billion people lack access to basic sanitation and almost 800 million people lack access to clean water. In some African countries where PIDG operates, infrastructure constraints are estimated to cut productivity by around 40%, severely affecting competitiveness and limiting opportunities for people to have jobs that can lift them out of poverty. PIDG considers a range of indicators when selecting projects, including those reflecting different aspects of inclusion, such as infrastructure service access, employment creation, export-earning potential, climate change, gender and disability impact.

Business model

The Company was established in March 2018 as part of a governance reorganisation within PIDG to co-ordinate and oversee activities across the PIDG companies, particularly in relation to corporate governance, co-ordination and oversight.

The Company's shareholders are the Trustees of the PIDG Trust (the Trust), a special purpose trust established in 2001 by the members of PIDG in Mauritius¹ to pool, co-ordinate and administer the members' funds in relation to PIDG activities. As shareholders of the Company, the Trustees are required to seek the consent of the members of PIDG before taking any material decisions.

The Trust has established eight corporate entities (PIDG companies) being the Company and the other companies set out in note 23 since 2001 on behalf of the members of PIDG. The members provide the Trust with funding to subscribe for shares or to make capital contributions to the PIDG companies. The PIDG members also provide funding to the Trust for a Technical Assistance Facility and for a trust fund, DevCo, held by the International Finance Corporation (IFC), which the IFC uses to fund advisory services to governments on public and private infrastructure partnerships in PIDG's target countries. PIDG members also provide the Trust with funding to pay for the operating costs of the Trust and the Company.

The Company has entered into service level agreements with the Trust and the other PIDG companies under which it charges them for its oversight, support and advice as well as any centralised services it provides.

Business strategy

PIDG launched its first five-year strategic plan in 2019 for the period 2019-2023 which is available at www.pidg.org. PIDG continues to implement this strategy which is reviewed annually through the consolidated and individual medium-term business plans of the PIDG companies.

PIDG's five-year strategy is focused on delivering pioneering infrastructure projects that offer an innovative, agile and sustainable way of combating poverty and delivering high development impact. Through four key strategic priorities - of scale, replicability, affordability and transformation - PIDG will provide a vehicle for investment that not only delivers life-changing opportunities for the poorest and most fragile countries, but also delivers sustainable returns. Using its blended finance approach, PIDG also provides value for money that ensures the long-term viability of its infrastructure projects.

Operating at the frontier, be that through the lens of geographies, sectors, products or standards, PIDG develops early-stage projects that explore new approaches or technologies – creating investment-ready, bankable infrastructure opportunities as well as building local capability and capacity, whilst providing innovative financing solutions.

¹ The Trust is UK tax resident.

Strategic priorities

PIDG is focused on delivering projects compatible with its strategic objectives. Combined with the identification and leverage of programmatic themes, PIDG will apply these strategies to deliver greater development impact while continuously improving value for money for the PIDG members. PIDG's four strategic priorities are:

1. **Scale:** PIDG is committed to providing infrastructure services that create benefits for people and business, with large-scale infrastructure associated with economic zones, such as on-grid renewable energy and clean water projects.
2. **Replicability:** PIDG focuses on projects that can be replicated not only by PIDG in the future, but also by its partners and other organisations. Through initial development of small scale or pilot projects and the use of innovative replicable models, be that financially or technologically, PIDG ensures that transaction costs are reduced, and growth is achieved at an increased speed.
3. **Affordability:** PIDG is committed to enabling access to infrastructure for low-income groups and improving overall economic efficiency and competitiveness. Through initiatives such as affordable housing and affordable agri-processing solutions, PIDG ensures that its projects have the most impact upon those who have little.
4. **Transformation:** PIDG believes in delivering projects that truly offer fundamental changes in behaviour or market functions. Through the example set by its new models for private sector investment in water, PIDG will deliver genuinely transformative projects that strengthen the capacity of local developers and local capital markets, improve investor confidence and empower women.

PIDG will also seek to identify other themes common across the PIDG companies, provided they meet the criteria for delivery of impact and value for money.

In response to a series of market failures, PIDG harnesses its specialist companies to mobilise private sector investment with public funds to provide infrastructure vital for boosting economic growth and combating poverty.

PIDG's purpose

PIDG's purpose is to combat poverty in the poorest and most fragile countries through pioneering infrastructure to help economies grow and change people's lives. PIDG will identify a pathway to be financially sustainable at the consolidated PIDG level in the medium-term. To achieve this, PIDG will require the Credit Solutions businesses (EAIF and GuarantCo) to be profitable.

PIDG also provides upstream technical assistance through the Technical Assistance arm and DevCo, and Developer-Investor services through InfraCo Africa and InfraCo Asia.

PIDG aims to be risk-aware, as opposed to risk-averse. Its niche arises from taking on projects that others cannot or will not, hence the risks can be intrinsically high. PIDG aims to understand these risks, mitigate them as far as possible and make informed judgments about whether the residual risk in an individual project is justified by its expected impact, sustainability and its long-term nature.

Our values

PIDG's values guide the way PIDG works. These values are:

1. **Opportunity:** PIDG fills market gaps in parts of the world where it is thought to be impossible, provides equal opportunity in its activities and prizes diversity within PIDG.

Our values *continued*

2. **Accountability:** PIDG delivers and takes ownership when things do not go as planned. PIDG leads with high ethics and environmental, social and governance standards. This includes the impact of PIDG's work on local communities and the environment.
3. **Safety:** PIDG insists on a safety mindset and culture delivered through practical, locally relevant solutions because it is a matter of life or death.
4. **Integrity:** PIDG is honest and transparent, building mutual trust with its stakeholders.
5. **Impact:** PIDG has a strong, positive and tangible effect on people's lives.

Through these values, PIDG will deliver success in a way which is pioneering, collaborative and with a sense of excitement.

PIDG approach to Climate Change

PIDG has developed a Climate Change approach to guide investments and operations at the Group level. The key principles are to commit to:

- Supporting the countries in which PIDG operates to transition to climate resilient and low carbon infrastructure in line with the commitments of the Paris Agreement on climate change.
- Ensuring that the projects PIDG invests in are in line with and do not undermine the implementation of Nationally Determined Contribution (NDC) of countries to the Paris Agreement, and where possible, support countries to increase the ambition of their response to climate change.
- Supporting the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and transition towards including climate related disclosures in financial reporting (expected in 2021).
- Setting targets to monitor PIDG's alignment to the Paris Agreement commitments, starting with the energy sector in 2020.

PIDG's climate change approach is organised around the pillars of the TCFD recommendations, to which PIDG signed up as a supporting organisation:

1. **Governance:** Describing PIDG board's oversight of climate-related risks and opportunities and PIDG management's role in assessing and managing climate-related risks and opportunities across PIDG companies and functions.
2. **Strategy:** Addressing how relevant climate related risks and opportunities affect PIDG strategy. The climate vulnerability of PIDG investment geographies, the need to balance global climate goals with socio-economic developmental needs, the long term nature of infrastructure investment and the opportunity for PIDG to be at the frontier of low carbon technology introduction are key considerations.
3. **Risk:** Covering physical and transition risks. We are commissioning a more detailed review of climate risks to our portfolio and pipeline.
4. **Targets and Metrics:** Our main group Key Performance Indicator (KPI) in relation to climate change for 2020 is the proportion of energy investments that financially close in the year that will be Paris aligned and transitional projects. The 2020 target allows for legacy projects. We will not start work on new misaligned projects in 2020. Other climate change related metrics cover investments, Green House Gas data gathering and PIDG operations.

Financial results

The Company's results for the year are set out on page 35. As a services company, income is received from charging PIDG companies and the Trust for its services through arms-length service level agreements. During the year to 31 December 2019 the Company received income of £5,430,311 from service level agreement related charges to other PIDG Companies (2018: £4,496,879, which included a one off grant income receipt for pre-incorporation expense from the Trust). The rise in income reflected a full year of operations and a wider range of services provided to the Group due to the expansion of the Company's services. The Company also received a further £109,058 (2018: £50,979) of income through the recovery of rent from InfraCo Africa Ltd and EAIF on its offices at Bevis Marks.

The Company incurred costs of £5,418,415 (2018: £3,682,591) as it expanded its teams to help manage the Group and its stakeholders. This includes staff costs of £2,453,545 (2018: £1,404,363).

Third party costs were incurred in areas such as development impact studies of projects supported by PIDG, Health, Safety, Environment and Social (HSES) and risk consultancy advice and legal and professional fees, plus the core operating costs of running the Company.

The Company's profit before tax was £86,110 (2018: £862,802). As at 31 December 2019 the Company had £462,895 (2018: £447,243) in fixed assets, comprising leasehold improvements, furniture, fixtures and fitting and IT equipment and software associated with its new premises.

Tax

As a UK tax resident, the Company pays corporation tax and value added tax (VAT), as well as national insurance contributions in relation to its employees. In relation to its overseas activities the Trust and PIDG Companies comply with the European Development Finance Institutions' *Principles for Responsible Tax in Developing Countries*.

Principal risks and uncertainties

The key risks related to the Company - and the associated system of internal controls are noted below.

Conduct and reputational risk

The Company endeavours not to involve itself with transactions, activities, processes or relationships that are likely to attract negative publicity that cannot be credibly rebutted.

The assessment of reputational risk forms a key component of strategic business approval processes. In the unified investment policy for PIDG developed in 2018, the Company defined the sectors in which PIDG plans to operate; any deviation requires approval from PIDG members. The policy also sets out certain excluded sectors in which PIDG companies will not invest. Whilst the Company does not itself invest in the infrastructure projects nor lend or guarantee the projects that PIDG companies support, it has responsibility for the investment and credit decisions of the Group. Hence it faces a reputational risk from any poor decisions. It seeks to minimise the incidence and/or impact of this risk for its credit and investment decisions through requiring careful due diligence and decision-making by executives with appropriate training in the PIDG companies and through operating robust internal review processes with oversight from experienced non-executive committee members.

The Company has adopted PIDG's Code of Conduct and Operating Policies and Procedures (OPPs), which set out the values and behaviours expected from employees within the Group and from other relevant stakeholders, such as project partners. These include policies on anti-corruption and integrity, conflicts of interest, share dealing and remuneration; these are available at www.pidg.org.

The Company has adopted a whistleblowing policy and has media monitoring software in

place which alerts it to any adverse publicity about the Group. Where necessary, the Company's communications team prepares appropriate responses.

Health and safety and environmental risk

Effective management of health, safety and environment ("HSES") risks form a key focus for PIDG. The Company has developed a HSES Management System for PIDG, which requires compliance with the IFC's Environmental and Social Performance Standards and other appropriate best practice guidelines. This system is being upgraded and, once completed, it will allow all key HSES risks to be identified and managed by PIDG to a level that can be considered "as low as reasonably practicable". The Company also requires PIDG companies to report any incident to its Executive team within 24-hours of a PIDG company becoming aware of it.

The HSES Committee reviews and advises on safe-guarding practices and sustainability, thereby ensuring relevant issues are discussed, understood, owned and promoted at Board level. This includes advising on areas as broad as climate change and human rights through to workplace safety initiatives and campaigns.

Legal risk

There is a risk of loss arising from a lack of awareness or misunderstanding of, ambiguity in or reckless indifference to, the way law and regulation apply to the PIDG Group, including its relationships, processes, products and services. This would primarily be caused by factors such as a defective transaction or failing to take appropriate measures to protect assets.

The Company mitigates these risks by requiring the PIDG Companies to employ well-trained executives supported by appropriate internal policies including an adequate and robust contract approval process and by a suitably qualified legal team that seeks specialist external advice when necessary.

Other operational risks

Operational risk includes risks associated with people, process, systems and external events. The OPPs set out the key controls that employees of PIDG and other relevant stakeholders need to follow. These are underpinned by internal procedures and associated controls.

Compliance with the OPPs is on a “comply or explain” basis; any breaches of the OPPs by the Company are recorded and an annual OPP compliance exercise is undertaken. This is presented to both the Audit and Risk Committees with key findings also being submitted to the Board.

Financial risk management

Key financial risks are itemised below and in further detail in note 17 of the financial statements.

Credit risk

Counterparties of the Company include the banks which hold the Company’s cash reserves. Credit risk arising from cash balances is managed by depositing the Company’s cash reserves with institutions that have a credit rating of at least investment grade.

Currency risk

A significant percentage of the Company’s income is denominated in US dollars, while many of its expenses are denominated in Pounds Sterling. A small proportion of the Company’s assets and liabilities are also denominated in foreign currencies. To mitigate this risk the Company converts foreign currency income to Pounds Sterling when it is practical to do so.

Liquidity risk

Liquidity risk arises on timing differences between the receipt of funds from the Trust and PIDG companies and the Company’s financial obligations to its creditors. The Company’s approach to managing this risk is to produce both short and long-term cash flow forecasts. In addition, the Company has a loan facility agreement for US\$5 million from GuarantCo to provide sufficient cash reserves to meet liabilities when due, should PIDG members’ contributions to the running costs of the Company be delayed.

COVID-19

The global outbreak of COVID-19 in early 2020 is rapidly emerging and unprecedented. It is causing major disruptions to both social and economic activities. It will likely have a very significant impact on all sectors across the world, including the markets in which we operate. This may impact the Company’s ability to manage i the Group’s delivery of members’ performance targets, as well as the members’ future funding levels for the Group. The Directors will continue to work with senior management to closely monitor the situation and assess the impact on operations, the Group’s projects and its funding in the short and long-term. As the situation is fluid and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company.

Governance Report



Chair's Introduction

I am pleased to introduce the governance report for the year ended 31 December 2019. The report describes the roles, responsibilities and activities of the Board and its Committees.

Ensuring that PIDG applies the highest corporate governance standards is a primary focus of our Board and its Committees. This is why, although we do not fully comply with the UK Corporate Governance Code (the Code), we apply it as is appropriate to our business' size and complexity. A key part of this is ensuring transparency around our decision making, which is why we have further enhanced our governance reporting this year to better align to the reporting standards applied to public companies.

We are committed to diversity and understand the benefits a diverse board can bring. Following the recruitment of a further Director this year, three out of seven of our Directors (42.8%) are women. In addition, we expanded our diversity criteria to include ethnic and social backgrounds during the year and all aspects of diversity will form a crucial part of our succession planning process.

We have also appointed Michelle Hill as our first dedicated Company Secretary to help strengthen our governance arrangements.

We have established a Nomination Committee that will assist me in overseeing our succession planning process, both for the Boards and the Executive and our overall governance arrangements.

During the year we undertook our first internal governance effectiveness review, which was a comprehensive and rigorous exercise covering all governing bodies in the Group. Further details on the outcomes of the review are set out later in this report. We are committed to addressing the findings of this work and a review of our corporate governance framework and the composition of our Committees and the Boards of the PIDG companies is being undertaken. The changes currently identified to be progressed in 2020 are intended to improve the overall governance arrangements in place, improve information flows and deepen the Boards' and Committees' understanding of PIDG's overall strategy and the drivers of the business.

Culture will also be a key focus for 2020 and we have undertaken our first employee engagement survey to help inform the activities in this area.

A handwritten signature in blue ink, which appears to read 'Andrew Bainbridge'. The signature is stylized and cursive.

Andrew Bainbridge

Board of Directors



Andrew (Andy) Bainbridge

Andy has extensive experience with PIDG, having previously been Chair of GuarantCo and a Director of EAIF. Until 2019, he was the Group Chief Executive Officer of the SBM banking group, based in Mauritius. He continues to sit on the SBM group board and certain subsidiaries as a non-executive, is the Chair of ICF Debt Pool LLP, the Chair of Cable & Wireless Seychelles Ltd and is a Partner at Gateway Partners. He previously held senior positions with Standard Chartered Bank and Barclays Bank and also served as CEO of BMI Bank Bahrain. Andy is a Fellow of the Institute of Financial Services and a Fellow of the Institute of Directors South Africa.

Non-Executive Chair of the Board
Appointed 20 March 2018

Chair of the Nomination Committee
Member of the Audit, Credit and HSES
Committees



Johan Bastin

Johan previously served as a Director of EAIF. He is currently director of London-based DTEK Finance Plc as well as a managing partner of Iveaghouse Capital Investment Advisors B.V., an investment boutique advising energy companies on corporate strategy, investment finance, mergers and acquisitions and renewable energy. He serves as non-Executive Director on the supervisory boards of Metinvest B.V., as well as DTEK Energy B.V., DTEK Grids B.V. and DTEK Renewables B.V. Johan has previously held senior executive positions with CapAsia, Darby Private Equity, Franklin Templeton Investment Austria, the Harvard Institute for International Development and Dutch Ministry of Foreign Affairs. Johan also held senior management positions with the European Bank for Reconstruction and Development in London including a role as Head of the Infrastructure and Energy Utilities Group.

Non-Executive Director
Appointed 18 March 2018

Member of the Investment and
Divestment Asia (disbanded on 14
January 2020) and Nomination
Committees



Patrick Crawford CB

Patrick is Chair of the Board of Directors of EAIF. He is Chair of the Caxton Trust, a UK educational charity operating under the name of Catch Up, and Treasurer of the Artists' General Benevolent Institution in the UK. He previously held positions with Morgan Grenfell, Deutsche Bank, The Charity Bank Limited and Standard Bank. He was Chief Executive and Accounting Officer of UK Export Finance, the government department that functions as the UK's official export credit agency. Patrick was the head of EAIF's fund manager for two years when it was established in 2002. His career has brought him extensive involvement with credit risk and liability management and with international project financing.

Non-Executive Director
Appointed 20 March 2018

**Member of the Risk, Credit and
Nomination Committees**



Rachel English

Rachel has held a number of non-executive positions over the past 10 years in both the private and public sector. Currently, Rachel is also Director of Interswitch Holdings Ltd, a financial business in operation in Nigeria and Director of Helios Social Enterprise. She was Chair of Acacia Mining plc until September 2019. Previous non-Executive roles include being a member of the Audit Committee for the UK Department for International Development (DFID), Chair at Adam Smith International, a global advisory company where her responsibilities included leading independent investigations under intense public scrutiny and enhancing governance, controls and procedures, following earlier management failings and external allegations. Rachel has held senior positions in leading energy companies, including BG Group and Royal Dutch Shell, with responsibilities spanning finance, corporate strategy, mergers and acquisitions, and business development. She began her career at PwC and worked for the World Bank Group and European Bank for Reconstruction and Development. Rachel is a Fellow of the Institute of Chartered Accountants of England and Wales.

Independent Non-Executive Director
Appointed 11 March 2019

**Member of the Audit (appointed on
11 March 2019) and Nomination
Committees**



Yukiko Omura

Yukiko is Chair of the Board of Directors of GuarantCo. She has more than 35 years of international professional experience in both the public and private financial sector. She is currently a non-Executive Director of HSBC Bank PLC, Assured Guaranty Ltd. and Nishimoto HD Co. Ltd. Yukiko was formerly the Under-Secretary General and COO and vice president at the International Fund for Agricultural Development. Prior to that, she was executive vice president / CEO of the Multilateral Investment Guarantee Agency of the World Bank Group. She held positions with the Inter-American Development Bank in Washington DC, J.P. Morgan, Lehman Brothers, UBS Japan and Dresdner Bank.

Non-Executive Director
Appointed 20 March 2018

Member of the HSES and Nomination Committees



Tania Songini

Tania is a member of the Board of Directors of the two InfraCo Africa companies. She brings over 20 years of senior financial management experience, most recently serving as Finance Director of Siemens Energy UK and Director of Finance and Operations for the International Rescue Committee UK, before concentrating on a portfolio career, which includes roles on the board of Thrive Renewables plc, a mid-sized renewable energy developer and operator, London Energy Ltd, a waste-to-energy operator and Oxford Policy Management, a development consultancy. Prior to 2015, Tania worked at Siemens for 18 years, during which she was involved in the energy, healthcare and logistics sectors. Her energy experience includes fossil and renewable power generation and transmission network infrastructure. Her healthcare work focused on Public Private Partnership hospital managed equipment services.

Independent Non-Executive Director
Appointed 20 March 2018

Member of the Risk, Nomination, Investment Africa (resigned on 1 November 2019) Committees



John Walker AM

John is Chair of the Board of Directors of the two InfraCo Asia companies. John is the Chair of Macquarie Capital Asia and the Chair of Macquarie Group of Companies, Republic of Korea. In 2015 he was appointed as the Chair of Macquarie Project Services for Middle East and Asia. John has also worked with the Australian government to deliver several large private infrastructure projects and became a Member of the Order of Australia in 1999 for services to economic reform and the design of the transportation plan for the 2000 Sydney Olympics. He has also received a Presidential citation in the Republic of Korea for his contribution to the development of South Korean capital markets.

Non-Executive Director and Vice Chair Asia

Appointed 20 March 2018

Member of the Nomination Committee

Governance

The Company and PIDG are committed to complying with all applicable laws and regulations in the jurisdictions in which they operate and, as noted in the *Chair's Report*, while we do not fully apply the Code, we apply it as is appropriate to our business' size and complexity. With a core value of integrity, the Company and PIDG apply high ethical standards to everything they do. The Company expects everyone at PIDG to comply with both the letter and spirit of the law.

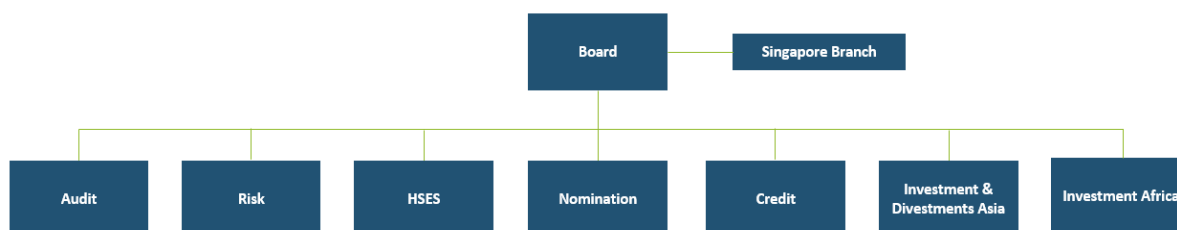
Whilst the Company is a private company limited by shares, and not bound by the Code, this report outlines how the Company has applied the Code and on what the Company has assessed as the relevant principles and provisions, and best practice. This aligns PIDG's objective to be transparent given the public nature of the funding we receive. The Company fully endorses the principles on which the Code is based - namely that the Company is a long-term partnership of its various stakeholders.

The Company has adopted PIDG's Code of Conduct and its corresponding OPPs, which are available at www.pidg.org. These policies and procedures ensure that the Company's commitment to integrity and legal compliance is followed. Both the Company and PIDG have zero tolerance for incidences of fraud, corruption and other unethical conduct (such as tax evasion and sexual exploitation). The Company upon adherence to the highest standard of anti-fraud, anti-corruption, anti-money laundering and health and safety practices in its activities.

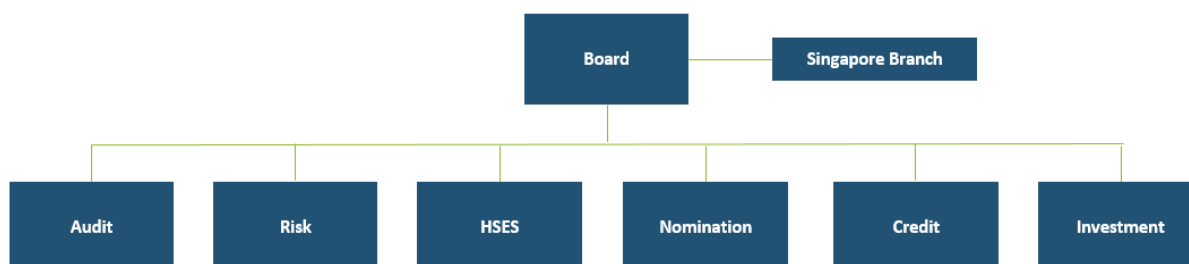
The PIDG Board has established a number of Committees to help it discharge its duties, as set out in the governance framework below. Further information on the roles and responsibilities of the Committees are set out later in this report.

Governance Framework

At 31 December 2019



At 14 January 2020



The Board

The Directors collectively bring a broad range of business and development experience to the Board, which is essential for the effective running of both the Company and PIDG. The Board is ultimately responsible for and is accountable to the members of PIDG and the Trust, not just for its own activities but for the activities of the Group as a whole.

Board size and composition

The Board is comprised of seven non-Executive Directors, two of whom are independent. There are no Executive Directors on the Board. All Directors are also members of either a Board Committee and / or have been appointed as a Director of another PIDG company. Given the size and complexity of the Company, the Board has decided not to appoint a Senior Independent Non-Executive Director.

Board induction

The Company operates a comprehensive induction process for new Board and Committee members, which is co-ordinated by the Company Secretary supported by the Human Resources team.

Board diversity

The Board understands the importance of diversity and the benefits a diverse Board can bring. In 2019 the Board expanded its diversity criteria from gender to gender, ethnic and social backgrounds. PIDG is committed to ensuring diversity and all aspects of diversity remain front of mind when looking at succession planning to the Board and its Committees.

Role of the Chair and Chief Executive Officer (CEO)

The roles of the Chair and CEO are separate and there is a clear division of responsibilities between the two roles.

The Chair is responsible for leading the Board, ensuring its effectiveness, steering its agenda and ensuring that there is a healthy culture of challenge and debate. The Chair also evaluates the performance of the CEO and is responsible for succession planning.

The CEO is responsible for the management of the Company and PIDG on a day-to-day basis. This includes making recommendations to the Board on strategy and other issues.

Stakeholder engagement

The Board understands the importance of effective engagement and participation from its stakeholders. Both the Chair and the CEO provide regular updates to PIDG members through informal and formal meetings, including quarterly progress meetings and at an Annual Owners Meeting. Additionally, the Executive team provides the Trust with a monthly update on activities and ensure matters requiring escalation to the Trustees are promptly actioned and managed.

Appointment, rotation and removal of Directors

The Company's articles of association do not require retirement by rotation. Directors are subject to an annual internal performance evaluation and an independent performance evaluation as directed by the PIDG members, carried out in line with the Appointment and Evaluation of Directors Policy and Procedures as approved by PIDG members, which is available at www.pidg.org. Directors are appointed for a three year term to a maximum term of nine years, with the possibility of a further one-year extension on an exceptional basis.

PIDG engaged with external search consultants for the Board's recruitment process and used Sapphire Partners for the appointment made during the year.

Separation of Responsibilities

The Non-Executive Chair	Chief Executive Officer	Non-Executive Directors
Leads the Board and ensures that its principles and processes are maintained	Leads the Executive team in the day-to-day running of the Company	Constructively challenge and contribute to strategy development
Promotes high standards of corporate governance	Develops appropriate frameworks to support the Group's objectives	Contribute to the determination of risk appetite and identification of risks
Sets agendas and the Board programme with the Company Secretary and CEO	Makes operational decisions	Scrutinise and hold to account the performance of management
Ensures the Directors receive accurate, timely and clear information	Leads development of strategy for Board approval	Provide a broader perspective to key business matters
Encourages open debate and constructive discussion and decision making	Oversees internal and external communication	Review, prior to publication, the financial statements and proposals to the PIDG members
Leads Board performance and facilitates training needs	Represents the Group to the PIDG members, shareholders and external stakeholders	Oversee succession planning and talent management and executive remuneration

Directors' time commitments

As part of the Director recruitment process, the Board takes into account the other demands on a prospective Director's time to ensure they have sufficient time to perform the role. Additional external appointments are only undertaken with the approval of the Board.

Role of the Board

The Board is ultimately responsible for and accountable to the PIDG members and the Trust not just for its own activities, but for the activities of the Group as a whole. Certain Company and PIDG matters are reserved for Board approval and there is a clear delegation of authority to the CEO and other senior Executives within the Company for other specific matters. Certain matters also require the approval of PIDG members.

The Board is responsible for overseeing the management of the business and for ensuring high standards of corporate governance, health and safety, that the Group is adequately resourced, and that high levels of environment and social standards are maintained.

In addition to its statutory obligations, the role of the Board is to:

- Exercise independent judgement and contribute to strategy and policy formation.
- Determine the direction and strategy of the Group in accordance with the unified investment policy and strategy approved by PIDG members.
- Monitor the achievement of the Company's business objectives and the development impact objectives for PIDG set by the members.
- Ensure that the Company's responsibilities to the Trust and PIDG members are met.
- Monitor PIDG's financial and managerial performance.
- Ensure that risks are identified, and appropriate controls are in place.
- Ensure that everybody at PIDG applies appropriate ethical standards in the performance of their duties in accordance with the PIDG Code of Conduct.

The Private Infrastructure Development Group Limited

Annual Report and financial statements 2019

Governance Report

Leadership of the Board

The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair, with the assistance of the Company Secretary and CEO, ensures that the Board programme focuses on matters of strategic importance. This enables the Board to ensure the activities of the Group are managed, risks monitored and that the Directors receive accurate, timely and clear information. The Chair ensures that the Board is properly briefed on all issues arising at its meetings and on the views of the shareholders and PIDG members.

Company Secretary and independent advice

All Directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible for advising the Board on all corporate governance and secretarial matters. The appointment and removal of the Company Secretary is a matter for the whole Board.

In addition, all Directors have access to independent professional advice at the Group's expense, where they consider it necessary for the discharge of their statutory duties.

Meetings of the Board

The Board met for the four quarterly scheduled meetings and two ad-hoc meetings were also held – one to discuss the creation of a new facility and one to approve the annual budget for submission to the PIDG members. There was regular communication between the CEO, members of the Executive team and the Board and its Committees throughout the year. The Executive team provide the Board with quality and timely information that enables it to carry out its duties and training is provided where appropriate. No one individual has unfettered powers of decision making.

Main activities of the Board during the year

Performance, finance and funding	<ul style="list-style-type: none">• Received regular updates and detailed quarterly reports on the performance of the Company and the PIDG companies• Received regular funding and capital position updates• Received the five year business plans for PIDG and the PIDG companies• Reviewed and approved the Annual Report and financial statements• Reviewed and approved the Annual Budget for approval by the PIDG members
Risk	<ul style="list-style-type: none">• Received quarterly portfolio and risk register updates• Received regular updates on the key and emerging risks• Reviewed and approved changes to OPPs for approval by the PIDG members• Reviewed and approved the Risk Appetite Framework and Statement for approval by the PIDG members
Strategy	<ul style="list-style-type: none">• Undertakes deep dive sessions with each of the PIDG companies annually, looking at their individual strategies and performance• Reviewed and approved setting up a new facility in the Pacific Islands for approval by the PIDG members• Reviewed key projects and facility initiatives, including the development of InfraCredits• Received regular updates on development impact
Governance	<ul style="list-style-type: none">• Reviewed the finding of the 2019 governance effectiveness review and agreed the actions to be taken forward• Reviewed and approved a number of governance changes including the formation of the Nomination Committee, the unification of the Africa and Asia Investment and Divestment Committees to one Investment Committee and changes to the Committees' Terms of Reference• Approved changes to the Board's diversity criteria

Governance effectiveness review

The Board undertakes an annual evaluation of its effectiveness and an external evaluation is undertaken periodically at the request of the PIDG members. As part of the process, the Chair's performance is also evaluated with inputs from the Directors and Executive.

During the year, a comprehensive, objective and rigorous evaluation of the Board, its Committees and the Boards of the PIDG companies was undertaken by the Company Secretary on behalf of the Chair. A high bar was set when undertaking the review, as in the context of PIDG's work it is important for the Board to set high standards and hold itself to account.

There were good overall results taking into account that the governance framework had only been in place for 18 months.

The evaluation found that the Directors and Committee members acted with integrity and led by example. While it was found that the Directors and Committee members promoted the desired culture, it was identified that more could be done to provide clarity to the workforce on the culture needed to underpin PIDG's purpose and long-term success.

It was also found that internal and external communications could be improved further to ensure that PIDG is visible in the market and able to tell its story well.

The evaluation considered the composition and diversity, and how effectively members worked together to achieve objectives of the Boards and Committees. Directors and Committee members were considered to be working well together, though it was identified that the balance of skills and experience across the governing bodies could be further enhanced.

The evaluation also identified that information flows and clarity around the drivers of the business could be enriched across the governing bodies.

In 2020, to address the matters highlighted above, PIDG plans to make a number of changes to the governance arrangements to provide:

- A stronger emphasis on managing the Group as an integrated entity.
- Better Committee oversight and a clearer focus.
- A leaner Non-Executive team across operating entity Boards and Committees.
- Phased renewal / replacement of non-Executive Directors to avoid the risk of excessive changes over a short period.

The Private Infrastructure Development Group Limited

Annual Report and financial statements 2019

Governance Report

Attendance at Board and Board Committee meetings

The table below indicates the attendance of all Directors at the Board and committee meetings and the voting independent Committee members (who are not Directors of the Company) at the Committee meetings held during the year ended 31 December 2019:

	Board	Nomination Committee	Audit Committee	Risk Committee	Credit Committee	HSES Committee	Investment Africa Committee	Investment & Divestment Asia Committee
No. of meetings held	6	1	5	5	5	5	8	11
PIDG Directors								
Andrew Bainbridge	C - 6	C - 1	4		4 ¹	3		
Johan Bastin	6	1						11
Patrick Crawford	6	1		4	5			
Rachel English	6	1	4 ²					
Yukiko Omura	6	1				4		
Tania Songini	5	1		5			5 ³	
John Walker	6	1						
PIDG Committee Members								
Cyril Wong			C - 5					
Kathie Painter			5				8	
Dianne Rudo				C - 5				
Oscar Kang'oro				4	C - 5			
Amy Lee				4				
Godfrey Mwindaaire				5				
Ana Corvalan					5			
Anthony Marsh					5			
Rachel Kyte						C - 5		
Peter Hutchison						5	2 ⁴	
Philippe Valahu					5 ¹	5	5	5
Marc Lagesse							C - 8	
Clive Turton								C - 11
Peter Kennedy								11

1 – Only one of Andy Bainbridge or Philippe Valahu are required to attend meetings of the Credit Committee where credit proposals are considered. However, they aim to attend all meetings where possible.

2 – Rachel English joined the Board on 11 March 2019. She had a prior commitment that meant she was unable to attend the March Audit Committee.

3 – Tania Songini attended five out of seven meetings held when she was a member as she resigned from the Investment Africa Committee on 1 November 2019.

4 – Peter Hutchison was a member of the Investment Africa Committee from 1 November 2019 and attended both meetings held while a member.

Board Committees

The Board has established a number of Committees to assist it in fulfilling its responsibilities. The Terms of Reference of all Committees are available at www.pidg.org. All Committees comply with PIDG's objectives to deliver development impact and achieve value for money in all activities

Committee membership

Each Committee includes at least one Non-Executive Director as well as industry expert members. The Committees are tasked with working with the other committees of the Board, to achieve information flows between PIDG companies on investment opportunities, market information and risk issues.

The membership of each Committee and the attendance of each of the members is set out in the table on the previous page. The details of the responsibilities and activities of each of the Committees during the year follow. There is a full report of the Audit Committee Chair at the end of the section.

Committee meeting frequency

The Audit, Risk, HSES and Nomination Committees are scheduled to meet quarterly and meet at other times as is necessary to discharge their duties. The Credit Committee meets as and when it is required to respond to the needs of the business. The Africa and Asia Investment Committees meet at least eight times a year and up to monthly, again responding to the needs of the business.

Changes to the Committees during the year

On 6 October 2019, the Board established the Nomination Committee to assist the Chair with the oversight of the appointment and succession planning process and the governance arrangements in place.

Changes to the Committees after year end

On 14 January 2020 the two Investment Committees were disbanded and were unified into one combined Investment Committee.

Annual review of Terms of Reference and effectiveness

All Committees undertake an annual review of their Terms of Reference, which includes a review against best practice review as well as how the Committee has discharged its duties during the year. In addition, as part of the broader governance effectiveness review, a review of the effectiveness of each Committee is undertaken to assess whether it is working effectively and efficiently to fulfil its responsibilities to identify and rectify any shortfalls in practices.

In addition, to the Board Committees, the Company is also supported by the

Independent Panel on Development Impact

The Trust has selected three individuals to act as an Independent Panel ('IP') on Development Impact, reporting to the Board of the Company.

The Independent Panel provides an expert view on whether PIDG is evaluating the development impact of its activities in a way which properly reflects the nature of those activities, enables meaningful conclusions to be reached about the impact of those activities, and generates learning about what delivers the greatest development impact. The IP plays an important role in providing the Board with assurance that PIDG's reported development impact is robust and that suitably rigorous evidence is being generated efficiently and cost-effectively to inform strategic decision-making. In providing such independent and effective oversight of the monitoring and evaluation activities of PIDG, the IP both challenges and supports the direction of the Company's development in this area.

Risk Committee

Roles and responsibilities

The Committee's main duties are to review and monitor risk management systems, policies and procedures for the Company and PIDG, including the oversight of operational risks (e.g. people, process, systems and external events) as well as credit risk, market risk, strategic risk and reputational risk, reviewing new products proposed by GuarantCo and / or EAIF, and portfolio review and monitoring.

Activities during the year

The Committee receives regular reports on the portfolio, which sets out the project risk register and emerging risks and challenges.

On an annual basis it reviews the risk appetite framework and makes any necessary recommendations to the Board on appropriate changes to risk appetite. In addition, it receives reports on OPP compliance, the development of the compliance monitoring plan, systems and reporting and staffing in the risk team.

The Committee oversees the development of the OPPs and related framework and makes any necessary recommendations to the Board and PIDG members on changes to these.

As part of the evolution of the Committee's role and duties, it now undertakes a 'deep dive' of each PIDG company, meeting with their executives to understand the key risks of each to build understanding of the inherent risks in the portfolio.

The Committee receives ad hoc reports as appropriate, including credit approval operating guidelines, the Africa debt crisis and an update on Indian assets.

Private sessions are held with the Committee members and the CRO to gain his unimpeded views on the overall risk profile.

Credit Committee

Roles and responsibilities

The Credit Committee's main duties are to help the Board develop its investment strategy, monitor investment performance and governance, make investment decisions in relation to guarantee and loan products outside the authority delegated to EAIF's and GuarantCo's fund manager to achieve both transformational impact and value for money, and to work with the other Committees of the Board and the PIDG Group to achieve a fully integrated organisation.

Activities during the year

The Committee considered and approved five proposals during the year, three of which were guarantees, one being a loan and one being a joint project between GuarantCo and EAIF with both guarantee and loan features.

The projects covered a number of different sectors and regions and included Early Power (an integrated gas to power, Liquefied Petroleum Gas-fired combined-cycle power plant project in Ghana), the Kacific project (a greenfield project to provide broadband solutions to fifteen market based in Indonesia), the Classic Fashion project (a textile manufacturing project based in Jordan), the Kekeli project (to Build Own Operate and Transfer a 65 MW combined cycle thermal power station in Lomé, the capital city of Togo) and the Malicounda project (involving the setup of an Independent Power Project transaction in Senegal).

The Kekeli project involved the use of a Liquidity Extension Guarantee. The product was an industry first.

Health, Safety, Environment and Social Committee

Roles and responsibilities

The Committee's main duties are to monitor performance and key risks that PIDG companies face in relation to HSES management and governance, with a focus on operational safety and reducing incident rates across all projects; to review as required the development and effectiveness of HSES policies, standards and procedures for PIDG; to oversee the processes and systems put in place to meet PIDG's stated objectives of protecting employees, the communities in which PIDG operates, and the natural environment; to monitor the effectiveness of operations across PIDG companies in delivering continuous improvements in HSES on projects; and to provide assurance to the Board, the Trust and PIDG members that the Company is using good governance in its oversight of HSES performance.

Activities during the year

The Committee received at each meeting a report from the HSES Director which covered an update on the implementation of the HSES framework and supporting roadmap, an update and status of serious incidents and watch list, the HSES Risk Register and dashboard, portfolio distribution by project classification, HSES policy development, audit schedule updates, HSES reviews and assurance visits and lessons learnt updates.

In addition, the Committee received updates on the corporate safe travel procedure and the features of the International SOS contract.

From a development impact perspective, the Committee considered the work being undertaken to develop climate change standards, gender-based violence, modern slavery safeguarding and the life saving rules campaign.

Nomination Committee

The Committee was established on 4 October 2019 and held its first meeting on 6 December 2019.

Roles and responsibilities

The Committee's main duties are to make plans for the orderly succession for appointments to PIDG Group company Boards and Committees, maintaining an appropriate balance of skills, experience, independence and knowledge (taking account of diversity); to manage the recruitment and evaluation of Directors and Committee members; and to assist the PIDG Chair to keep the Group's governance arrangements under review and make recommendations to ensure that each governance bodies' arrangements are consistent with best practice.

Activities during the year

The Committee considered the extension of the Chair's and CEO's contracts and assessed the findings of the governance effectiveness review.

Based on the performance of the Chair assessed through the feedback received from the Directors and PIDG Executive, the Committee recommended the extension of the Chair's contract for a further one year term for onward approval by the Board and PIDG members. The Committee also agreed to recommend that activities be undertaken to extend the CEO's contract for a further three year term without undertaking external advertising. The Committee concluded that the CEO was performing well in role and required the additional time to continue the delivery of the PIDG five year strategy.

As part of the Committee's review of the governance effectiveness review, it supported the recommendations made in the report and agreed to meet quarterly to oversee their implementation and broader governance matters; details of the findings are set out earlier in this report.

Investment Africa Committee

Roles and responsibilities

The Committee's main duties were to develop the investment strategy for PIDG in Africa, oversee and monitor the investment performance of InfraCo Africa's portfolio and risk from an investment perspective (including market and regulatory risk, development impact and HSES risk), make investment decisions on behalf of InfraCo Africa, work with the Board from an investment and risk perspective on any issues relating to PIDG's Africa investment strategy and / or the portfolio, and work with the board of InfraCo Africa from an investment and risk perspective on any issues relating to its investment strategy and / or portfolio in so far as these activities had not been delegated to the Company.

Activities during the year

The Committee met regularly during the year to review progress on InfraCo Africa's project portfolio, including progress by the team and its development partners on a range of projects including Koumaguéli Solar, Guinea, Djermaya Solar, Chad, Lake Victoria Marine Transport, Uganda, Sierra Leone solar mini grids, Corbetti geothermal, Ethiopia, and Bonergie solar powered irrigation systems, Senegal. This included assessing projects' progress against milestones, budgets, development impact and HSES requirements.

Investment and Divestment Asia Committee

Roles and responsibilities

The Committee's main duties were to develop the investment and divestment strategy for PIDG in Asia, oversee and monitor the investment and divestment performance of InfraCo Asia's portfolio, review and approve investment and divestment proposals relating to InfraCo Asia, work with InfraCo Asia's team to consider and analyse investment and divestment opportunities and the performance of InfraCo Asia's portfolio, work with PIDG companies to ensure consistency in assessing and approving investment and divestment proposals, and advise, in conjunction with the other Committees of the Company, the Executive team, the Board and InfraCo Asia on any issues relating to PIDG's Asia investment strategy and / or portfolio.

Activities during the year

The Committee met regularly during the year to review progress on InfraCo Asia Development Pte. Ltd. and InfraCo Asia Investments Pte. Ltd's project portfolio, including progress by the team and its development partners on a range of projects including the Ba Lai project (Vietnam portfolio of water supply), Myanmar rural electrification services, Durgapur affordable housing, India, Pakistan Rooftop solar, Nihn Thuan Solar Power, Vietnam, Philippines smart solar network and lessons learnt from the successful sale and exit in 2018 from Viet Hydro Pte Ltd (Coc San run of river hydro, Vietnam). This included assessing projects' progress against milestones, budgets, development impact and HSES requirements.

Remuneration

The Company does not have a standing Remuneration Committee as the remuneration of Directors and Committee members is fixed by the PIDG members in consultation with the Company Board, and is set out in the PIDG Remuneration Policy and Procedures (including Remuneration Framework) available at www.pidg.org.

The levels of remuneration in the Remuneration Framework are set following a benchmarking exercise carried out by an independent remuneration consultant (currently Willis Towers Watson). The remuneration levels set out in the PIDG Remuneration Framework are to be reviewed at least every three years.

Neither the Board nor Committee members participate in bonus schemes with the Company, nor are their appointments pensionable.

Travel and other reimbursable expenses incurred by Directors and Committee members are reimbursed in line with PIDG's Travel and Expense Reimbursement Policy and Procedures, which are available at www.pidg.org.

The CEO and other members of the Executive team do not receive remuneration for being a director of a PIDG company or for being a Committee member.

Each Director and Committee member has entered into the standard service contract approved for all Directors and Committee members (and other Directors within PIDG). These are available to view at the Company's registered office.

The current fixed fees payable to Directors and Committee members of the Company are set out below. The maximum annual fees payable to the individual Company Directors are provided in a separate table below. All fees are subject to an annual cap of £35,000.

Remuneration policy for Directors and Committee members

Primary role	Annual fee
Chair of the Board	£35,000
Non-Executive Director	£22,000 plus £nil for a second position plus £6,000 for each position thereafter
Chair of Committee	£18,000 plus £nil for a second position plus £6,000 for each position thereafter
Committee member	£12,500 plus £6,000 for each position thereafter

Individual Company Director fees received in the year

Director	Company fee (total amount received from PIDG companies, including the Company, in brackets)
Andrew Bainbridge	£35,000 (£35,000 excluding ICF Debt Pool LLP)
Johan Bastin	£22,000 (£22,000)
Patrick Crawford	£22,500 (£35,000)
Rachel English (joined 11 March 2019)	£17,769 (£17,769)
Yukiko Omura	£15,500 (£28,000)
Tania Songini	£20,500 (£33,000)
John Walker	£9,500 (£22,000)

Employees

The Company's policy on employment is one of equal opportunity in the recruitment, training, career development and promotion of employees. Formal employee appraisals and information discussions are the Company's principal means of updating itself on the views and opinions of employees. The Executive team is responsible for keeping employees up to date with developments and performance of the business, which is achieved through regular scheduled meetings. The day to day management of the Company is led by the Executive team, whose members are not Directors of the Company.

Remuneration of the Company's employees (including the Executive team) is determined by the PIDG Remuneration Framework. There are seven permanent members of staff who are part of the Executive team and all seven are remunerated within an annual salary of up to £185,000. In addition, each permanent Executive team member is eligible for a discretionary bonus of up to 10% of their base pay, a 7.5% defined contribution pension² (with the employee paying in at least a further 1.5%), business travel insurance, private health insurance and life insurance.

The Executive pay bands exclude the CEO whose services are provided under a service contract between the Trust and InfraLinx Sàrl. Fees payable under this service contract are up to £250,000 per annum. The contract also allows for a discretionary element payable to InfraLinx Sàrl of up to 10% of this fee, subject to a performance evaluation by the Board. Neither the CEO nor InfraLinx Sàrl receive any additional remuneration or benefits from either the Trust or the Company in relation to these services, aside from reimbursement of sundry expenses.

² Two Executive team members have opted-out of the pension scheme and receive 7.5% of their base pay less the employers' national insurance contribution charge. This amount does not form part of their base salary and is therefore not subject to bonus.

Audit Committee Report

Much of the Audit Committee's time in the year was spent considering management and statutory financial reporting of both the Company and PIDG, including the embedding of IFRS 9 Financial Instruments, in particular by EAIF and GuarantCo.

The Committee agreed the terms of reference for the Audit Committee, assessed the assurance processes proposed for the development impact data that PIDG includes in its Annual Review³ and assessed the external audit plans for all PIDG companies.

From its work during the year, the Audit Committee has concluded that it has acted in accordance with its terms of reference and that it has ensured the independence and objectivity of the external auditor.

Chair's and members' experience

Cyril Wong is Chair of the Audit Committee. Cyril is a qualified accountant and an experienced Audit Committee chair with recent and relevant financial experience. All members have significant experience of corporate governance and financial matters in the infrastructure financing sector.

Members and meetings

The Audit Committee met five times during the year. The Chief Financial Officer (CFO), Chief Risk Officer (CRO) and other Executives of the Company and the PIDG companies are invited to attend meetings of the Audit Committee as appropriate.

Roles and responsibilities

The Audit Committee's main duties are to review the financial statements and the findings of the external auditors of the Company and the other PIDG companies; to ensure the external auditors' independence; and to review and monitor as a whole the integrity of the financial, social and environmental information and development impact metrics provided to the PIDG members and the Trust. In consultation with the Risk Committee, the Audit Committee also reviews and monitors the Company's and PIDG's system of internal controls and risk management and the process for compliance with PIDG's Code of Conduct and OPPs.

Audit Committee activities

The Audit Committee has reported to the Board on how it has discharged its responsibilities during the period. This has included reporting and making recommendations on remedial action to address any matters or areas in the Group where the Audit Committee has considered improvements were required. The Audit Committee considered the following significant issues in relation to the financial statements for the Company for the year:

- The nature of the service level agreements and associated transfer pricing margin in place between the Company, the PIDG companies and the Trust.
- The first time adoption of IFRS 16 and its impact on the lease and office equipment associated with the Company's office at 6 Bevis Marks, London EC3A 7BA.
- The useful life of capitalised items.
- Bonus provisions for staff.

³ PIDG's Annual Review is separate to this Annual Report and is a review of PIDG's performance against its development impact objectives and a summary of the main development impact activities in the year.

Risk management, compliance and internal controls

The Board is responsible for the overall adequacy of the Company's and Group's system of internal controls and risk management. The Board has delegated responsibility to its Committees for reviewing and monitoring the effectiveness of the Company's and PIDG's systems for risk management and internal control. The systems of internal control are designed to manage, rather than eliminate, risk. Consequently, these controls provide reasonable, but not absolute, assurance against material misstatement or loss.

Key controls are assessed on a regular basis for both design and operating effectiveness. The Audit Committee reviews the system for internal control and risk management annually. The review covers all material controls, including financial, operational and compliance controls and compliance with the OPPs. Throughout the year PIDG Limited has operated a system of internal controls that provides reasonable assurance of effective operations covering all controls, including financial and operational controls and compliance with laws and regulations.

As part of the enhancing the risk framework, the Audit Committee will consider the need for an Internal Audit function in the future.

The key risks that the Company is exposed to are reported in the *Business Review* section on pages 6 – 7 of this report.

The Audit Committee is responsible for examining the Company and PIDG's financial reports and disclosures to ensure that they have been subject to adequate verification and comply with applicable standards and legislation. The Audit Committee and Board scrutinises and approves the Annual Report and financial statements and ensures that appropriate disclosures have been made. This governance process ensures that both the Company's Executive team and Board are given sufficient opportunity to debate and challenge the Company's financial statements and other significant disclosures before they are made public.

The Executive team are responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and issued by the International Accounting Standards Board (IASB).

The Audit Committee has assessed the internal controls over financial reporting in the year and as at 31 December 2019 and it has concluded that, based on its assessment, the internal control over financial reporting was effective.

External auditor independence

The Audit Committee and the external Auditor, BDO LLP, have safeguards in place to avoid the possibility that objectivity and independence could be compromised. These safeguards include the Auditor's report to the Audit Committee on the actions it takes to comply with professional, ethical and regulatory requirements and best practice, designed to ensure its independence.

The Audit Committee monitors and controls additional, non-audit work provided by the Auditor. The Audit Committee considers there are some areas of work that are prohibited from being undertaken by the external Auditor, including where:

- The provision of the services would contravene any relevant regulation or ethical standard.
- The external Auditor is not considered to be an expert provider of the non-audit service.
- The provision of such services by the external Auditor creates a conflict of interest for the Board.
- The potential services provided are likely to inhibit the Auditor's independence or objectivity.

The Audit Committee evaluates the performance of the auditor annually taking into account the objectivity and effectiveness of the audit, the quality of formal and informal communications with the Committee and the views of management. Their performance in 2019 was deemed to be satisfactory.

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



Cyril Wong
Chair of the Audit Committee
31 March 2020

Directors' Report

The Directors present the Directors' report and the audited financial statements for the year ended 31 December 2019.

Directors

Details of the current Directors are set out on pages 9 to 12 of this report.

Company Secretary

The Company Secretaries during the year were Michelle Hill (appointed on 15 July 2019), Diane Harris (resigned on 14 March 2019) and Marriott Davies Yapp LLP (appointed on 14 March 2019 and resigned on 15 July 2019).

Business review and future developments

A review of the Company's operations and performance during the financial year, significant changes during the year and the principal risks to which the Company is exposed is provided within the *Business Review* section of this report. The Directors have considered section 172 of the Companies Act 2006 and are aware of their wider responsibilities not only to the Company and its shareholders but also to a wider group of stakeholders.

Risk management

PIDG has procedures in place to identify, monitor and evaluate the significant risks it faces. The Company's risk management processes are outlined in more detail in the *Governance and internal controls* section of this report.

Share capital

At 31 December 2019, the issued share capital of the Company was £1.00. This comprised one ordinary share held by the PIDG Trust which was issued in 2018.

Results and dividends

The results for the year are set out in the Income statement on page 35. The Company did not declare any dividends for the year ended 31 December 2019 (2018: £nil).

Political donations

The Company did not make any political donations in the year ended 31 December 2019 (2018: £nil).

Directors' indemnities

The Directors have the benefit of a qualifying third-party indemnity provision (as defined in section 234 of the Companies Act 2006). The Company also maintains Directors' and Officers' liability insurance in respect of itself, its Directors and Committee members.

Directors' conflicts

In accordance with the Articles of Association, the Board is authorised to approve conflicts or potential conflicts of Directors' interests. The Board has reviewed the interests of the Directors and their connected persons and has authorised any interests which conflicted or potentially conflicted with the interests of the Group. The Board periodically reviews conflict authorisations to determine whether the authorisation given should continue, be added to, or be revoked.

Employment

The Company aims to attract and develop staff with a performance management process that includes of an annual appraisal. Output from this appraisal process is used to inform decisions on remuneration, career development and progression.

Greenhouse gas emissions

The Company's office is a multi-occupied building, so the Company has limited ability to manage the greenhouse gas emissions of the building; however, the building is energy-efficient (BREEAM Excellent rated) and the Company operates a recycling policy. The Company also tries to minimise the amount of flights its employees and Directors take as far as is practical through the use of telephone and video conferencing facilities. Where air travel is necessary, PIDG staff aim to combine trips

Greenhouse gas emissions *continued*

where possible to reduce overall time spent flying.

Code of Conduct

PIDG is committed to maintaining high ethical standards – adhering to laws and regulations, conducting business in a responsible way, and treating all stakeholders with honesty and integrity. These principles are further reflected in PIDG's Code of Conduct, which sets out the standards expected of all employees. Under their terms and conditions of employment, staff are required to act at all times with the highest standards of business conduct in order to protect PIDG's reputation and ensure a culture which is free from any risk of fraud, corruption, or conflicts of interest.

Staff are also required to comply with all Company policies, which require employees to:

- Abide by all relevant laws and regulations.
- Act with integrity in all their business actions on behalf of PIDG.
- Not use their authority or office for personal gain.
- Conduct business relationships in a transparent manner.
- Reject all improper practices or dealings to which they may be exposed.

Going concern

The Directors have reviewed the Company's forecasts and projections which have been prepared to 31 December 2020. The Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing these financial statements.

Small company exemption

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

The Company has not prepared consolidated accounts for the Group. The Company has been delegated the authority to manage and control the PIDG companies by its Parent entity, the PIDG Trust. However, any variable returns such as dividends payable by PIDG companies accrue to the PIDG Trust and not to the Company, hence the Company is not eligible under IFRS to prepare consolidated accounts.

Post balance sheet events

The global outbreak of COVID-19 in early 2020 is rapidly emerging and unprecedented. It is causing major disruptions to both social and economic activities. It will likely have a very significant impact on all sectors across the world, including the markets in which we operate. This may impact the Company's ability to manage the Company's achievement of members' performance targets, as well as the members' future funding levels for the Group. The Directors will continue to work with senior management to closely monitor the situation and assess the impact on operations, the Group's projects and funding in the short and long-term. As the situation is fluid and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company.

Directors' disclosure of information to the external Auditor

All Directors have taken all the appropriate steps to ensure that so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware and the Directors have taken all the steps that he or she ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

BDO LLP has expressed its willingness to continue in office as Auditor and a resolution to re-appoint BDO LLP as auditor of the Company will be proposed to the shareholders.

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

A handwritten signature in blue ink, appearing to read 'A. Bainbridge', with a large, stylized flourish at the end.

Andrew Bainbridge
Chair of the Board
31 March 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 prepared the Company's financial statements in accordance with IFRS. Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- The *Business Review* on page 1 includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks that it faces.

This statement was approved by the Board of Directors and signed on its behalf by:



Andrew Bainbridge

Chair of the Board

31 March 2020

Independent Auditor's Report to the members of PIDG Limited

Opinion

We have audited the financial statements of The Private Infrastructure Development Group Limited ("the Company") for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the Cash Flow Statement, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- Have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://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.



Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
31 March 2020

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

The Private Infrastructure Development Group Limited

Annual Report and financial statements 2019

Income statement for the year ended 31 December 2019

Company number: 11265124

Income statement for the year ended 31 December 2019

	Note	2019 £	Period from 20 March to 31 December 2018 £
Revenue	4	5,430,311	4,496,879
Other income	5	109,058	50,979
Operating costs	6	(5,418,415)	(3,682,591)
Finance income	8	627	470
Finance expense	8	(35,471)	(2,935)
Profit before tax		86,110	862,802
Taxation	9	(23,613)	(167,930)
Profit on ordinary activities after taxation		62,497	694,872

Statement of comprehensive income for the year ended 31 December 2019

	2019 £	Period from 20 March to 31 December 2018 £
Profit on ordinary activities after taxation	62,497	694,872
Other comprehensive income for the year	-	-
Total comprehensive income for the year	62,497	694,872

The notes on pages 39 to 58 form part of these financial statements.

Statement of financial position as at December 2019

	Note	2019 £	2018 £
Assets			
Property, plant and equipment	10	462,895	447,243
Other receivables	12	159,943	162,422
Right of use (ROU) assets	19	498,092	-
Total non-current assets		1,120,930	609,665
Cash and cash equivalents	11	650,358	455,147
Trade and other receivables	12	340,813	681,386
Total current assets		991,171	1,136,533
Total assets		2,112,101	1,746,198
Equity and liabilities			
Called up share capital	14	1	1
Retained earnings		820,718	694,872
Total equity		820,719	694,873
Trade and other payables	13	623,322	890,509
Total current liabilities		623,322	890,509
Other payables	13	47,068	26,015
Lease liabilities	19	620,992	134,801
Total non-current liabilities		668,060	160,816
Total equity and liabilities		2,112,101	1,746,198

Authorised for issue and approved by the Board on 31 March 2020.



Andrew Bainbridge
Chair

The notes on pages 39 to 58 form part of these financial statements.

Statement of changes in equity for the year ended 31 December 2019

	Note	Share capital £	Retained earnings £	Total £
Share issue 20 March 2018		1	-	1
Profit for the period 20 March 2018 to 31 December 2018		-	694,872	694,872
Balance at 31 December 2018		1	694,872	694,873
Retained earnings adjustment for 2018 on adoption of IFRS 16	19	-	63,349	63,349
Profit for the year		-	62,497	62,497
Balance at 31 December 2019		1	820,718	820,719

The notes on pages 39 to 58 form part of these financial statements.

Cash flow statement for the year ended 31 December 2019

	Note	2019 £	Period from 20 March to 31 December 2018 £
Operating activities			
Profit before taxation		86,110	862,802
<i>Adjustments for:</i>			
Depreciation	10	106,020	54,042
Interest received	8	(627)	(470)
Interest paid	8	35,471	-
Depreciation of ROU assets recognised	19	166,751	-
Operating cash flows before movement in working capital		393,725	916,374
Decrease / (Increase) in trade and other receivables		343,052	(843,807)
Increase / (decrease) in trade and other payables		240,057	883,394
Cash generated from operations		976,834	955,961
Corporation tax		(23,613)	-
Net cash generated from operating activities		953,221	955,961
Investing activities			
Acquisition of property, plant and equipment	10	(121,672)	(501,285)
ROU assets recognised		(664,843)	-
Retained earnings adjustment for 2018 on adoption of IFRS 16	19	63,349	-
Net cash used in investing activities		(723,166)	(501,285)
Financing activities			
Issue of shares		-	1
Interest received	8	627	470
Interest paid	8	(35,471)	-
Net cash generated from financing activities		(34,844)	471
Net increase in cash and cash equivalents		195,211	455,147
Cash and cash equivalents at the beginning of the period		455,147	-
Cash and cash equivalents at end of the period		650,358	455,147

The notes on pages 39 to 58 form part of these financial statements.

1. General information

The Private Infrastructure Group Limited (the Company) is incorporated and domiciled in the UK. The registered office is 6 Bevis Marks, London EC3A 7BA, United Kingdom.

The nature of the Company's operations and principal activities are detailed in the *Business review* section of this report.

2. Standards issued but not yet effective

The Company adopted all accounting standards, interpretations and amendments that were effective as of 1 January 2019, namely changes due to IFRS 16 Leases.

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective in future accounting periods that the Group has decided not to adopt early. The Company has determined that the most significant of these is the Revised Conceptual Framework for Financial Reporting, which is effective for the period beginning 1 January 2020 and the Company is currently assessing the impact of this.

3. Accounting policies

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations (collectively IFRS), and International Financial Reporting Interpretation Committee (IFRIC) interpretations, as adopted by the European Union (IFRS as adopted by the EU).

The functional and presentational currency of the Company is Pounds Sterling.

The accounting policies set out below have been applied consistently throughout the year presented in these financial statements.

Revenue

The Company's primary revenue source is a recharge of all of its services, in addition to a transfer pricing margin on top of these services, in line with the terms of the service level agreements in place between the Company and the PIDG Trust and other PIDG group companies. Invoices are raised quarterly based on budget with a true-up for the year's actual costs incurred at year end. Revenue is recognised at the point at which services are provided by the Company.

3. Accounting policies *continued*

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Directors have prepared high level financial projections for five years to 31 December 2024 and detailed cashflows to 31 March 2021. These projections have been prepared using assumptions which the Directors consider to be appropriate to the current financial position of the Company with reference to current expected revenues and its cost base. In addition, the Directors have considered the PIDG members' commitments to funding the agreed 2020 the Company's budget. They have also considered the availability of funding for future years through funding 'letters of arrangement' with the PIDG members, administrative cash balances available to the Trust that the Company can access, and the service level agreements with the PIDG companies (who have sufficient funding for this) that allow for recovery of the Company's costs in future periods. The Company also entered an intra-group loan agreement for a facility of US\$5 million in 2019. See note 21 for further information.

The Directors therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

Foreign currency

Foreign currency transactions are translated at the rates prevailing when they occurred. Any differences are taken to the income statement. At each reporting date, monetary assets and liabilities denominated in a foreign currency are translated at the rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the rate prevailing at the date of transaction.

Operating leases

Operating lease payments, net of lease incentives, are recognised as an expense in the income statement on a straight-line basis over the lease term, where IFRS 16 does not apply.

Operating lease receipts, net of lease incentives, are recognised as other income in the income statement on a straight-line basis over the lease term. See *Critical accounting estimates and judgements* for further information on lease incentives.

Pensions

Pension contributions made to the defined contribution scheme used by the Company are charged to the income statement as they become payable.

3. Accounting policies *continued*

Taxation

Current tax is based on taxable profits for the year after all potential reliefs available have been utilised. Taxable profits differ from 'profit before tax' as reported in the income statement because it excludes items that are taxable or deductible in other periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is provided in full in respect of taxation deferred by temporary differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are not recognised to the extent that their recoverability is uncertain.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property plant and equipment is provided on a straight-line basis over the estimated useful lives shown below:

- Leasehold improvements – life of the lease (10 years).
- Fixtures, fittings and equipment – 5 years.
- Information technology (IT) equipment and software – 3 years.

Impairment of non-financial assets

The Company's non-financial assets have a finite useful life and are subject to depreciation. They are also subject to impairment testing when events or changes in circumstances indicate that their carrying amount may not be recoverable. When the carrying value of an asset exceeds its recoverable amount, an impairment loss is recognised for the difference.

Impairment charges are included in the income statement except to the extent they reverse gains previously recognised in other comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. Financial instruments include:

Cash and cash equivalents

Cash and cash equivalents is comprised of cash at banks and demand deposits with a maturity of three months or less.

Trade and other payables

Trade and other payables are initially recognised at cost and subsequently remeasured at amortised cost using the effective interest rate method. Accruals are based on the latest information and therefore require a degree of estimation.

3. Accounting policies *continued*

Financial instruments continued

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for expected credit losses. These are assets with fixed or determinable payments.

The majority of trade receivables represent amounts charged to PIDG Trust and PIDG companies for the Company's services delivered under service level agreements.

The Company applies the *IFRS 9 Simplified Approach* to assess expected credit losses on these assets using a lifetime expected credit loss provision for trade and other receivables. To measure expected credit losses on a collective basis, trade and other receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Company's historical experience, adjusted for current and forward-looking information on factors that may affect these balances.

Critical accounting estimates and judgements

The preparation of financial statements in compliance with IFRS requires the Company's Directors to make certain critical accounting estimates and exercise judgements, as well as making assumptions and estimates regarding the future. The estimates and assumptions exercised in preparing these financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Bonus provision

The 2019 bonus provision for the Company's staff has been initially estimated based on advice from the CEO. The maximum discretionary bonus for employees is currently set at 10% per annum. The bonus provision for 2019 will be further refined against an employee's overall performance in April 2020.

Lease incentives

The Company holds a lease for office space. The lease allowed for an initial 6-month rent-free period followed by a further 12 months at 50% reduced rent. Subsequently, a second rent-free period of 10 months will be effective if the Company does not break the lease in February 2023. It is assumed that it will be likely that the Company will exercise the option to break the lease in February 2023 given the expected increase in headcount across the Group.

Impairment of financial assets: expected credit loss

The Company applies the *IFRS 9 Simplified Approach* to measuring expected credit losses for cash balances and trade receivables. The Company's cash balances are held with Barclays Bank plc, which has an investment grade rating of A+ (Fitch). The Company has considered the expected credit loss on trade receivables with related parties on a collective basis as they have a similar credit risk and ageing. The expected loss rates for trade receivables are based on the financial strength of the ultimate Parent entity (the Trust) and its Owners, the levels of current and forecast liquidity of the other PIDG Companies and their payment history.

3. Accounting policies *continued*

Critical accounting estimates and judgements continued

Other financial assets include a VAT receivable from HMRC, recharges due from other PIDG Companies and a rental deposit paid with respect to 10th Floor, 6 Bevis Marks, London EC3A 7BA. The expected credit loss on these balances has been assessed as £nil (2018: £nil).

Service level agreements

For the year ended 31 December 2019, the Company recharged out its costs from the 2019 budget to PIDG Trust and the other PIDG companies, with a true-up process between the amounts charged based on budget to the actual results for the financial period.

Transfer pricing (TP) margin

A transfer pricing margin is added to charges stemming from service level agreements with group companies. During the financial year under review, the average TP Margin was 12% (2018: 7%) following on from an external review of TP margin.

Leases (IFRS 16)

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures by exercising the modified retrospective approach.

When identifying a lease, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. Under IFRS 16 all identified leases are brought onto the balance sheet and this is accounted for by recognising a right of use (ROU) asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less.

Lease liabilities and right of use (ROU) assets are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate, other variable lease payments are expensed in the period to which they relate.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. ROU assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

For the year ended 31 December 2019, the Company identified two contracts that would be classified as ROU assets:

The Private Infrastructure Development Group Limited

Annual Report and financial statements 2019

Notes to the financial statements for the year ended 31 December 2019 *continued*

3. Accounting policies *continued*

Leases (IFRS 16) continued

- Rental lease

The distinct section of the office space based on 10th Floor, 6 Bevis Marks which is directly used by the Company under a sub-lease from GuarantCo Management Company Ltd (GMC), the management company for GuarantCo Ltd (a PIDG group company). GMC hold the lease agreement with 6 Bevis Marks Limited.

There is a break clause in the lease in February 2023 which is likely to be exercised given the planned increase in headcount of the group; the present value has therefore been calculated up to this date. Payments are based on actual payments made and expected during the period rather than net of lease incentives.

There is also a shared space, common to both the Company and GMC, however this does not meet the definition required to be classified as a lease under IFRS 16 and so continues to be expensed.

- Office equipment

Office equipment that is controlled entirely by the Company.

It has been assumed that the contract for this will terminate in early 2020 without any termination fee and therefore the present value has been calculated to the end of the first quarter.

The discount factor used for IFRS 16 purposes has been set at 3% above the 1-month USD LIBOR interest rate, as varied from time to time based on the inter-group loan arrangement the Company has with GuarantCo Ltd, as detailed in note 21.

The breakdown of amounts recognised are shown in further detail in note 19.

4. Revenue

Analysis of revenue of type of service:

	2019	Period from 20 March to 31 December 2018
	£	£
Grant income from PIDG Trust in respect of pre-incorporation expenses	-	621,597
Recharges to PIDG Trust and PIDG companies	5,430,311	3,875,282
	5,430,311	4,496,879

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Notes to the financial statements for the year ended 31 December 2019 *continued*

4. Revenue *continued*

Analysis of revenue by location of customers:

	2019	Period from 20 March to 31 December 2018
	£	£
UK	1,156,545	654,715
Mauritius	3,192,754	3,296,082
Singapore	1,081,012	546,082
	5,430,311	4,496,879

5. Other income

Other income of £109,057 (2018: £50,979) relates to rental income for the shared office space at 10th floor, 6 Bevis Marks, London EC3A 7BA charged to PIDG Group companies EAIF £8,259 (2018: £5,820), InfraCo Africa Ltd £106,038 (2018: £45,159) and PIDG Trust (£5,238) (2018: £nil).

6. Operating costs

	2019	Period from 20 March to 31 December 2018
	£	£
Staff costs (note 7)	2,453,545	1,404,363
Premises costs	220,077	349,698
Professional fees & contractors	1,564,539	1,256,882
Travel and subsistence costs	306,775	246,097
Information technology (IT)	163,165	115,796
Marketing and communications	25,587	113,282
Development impact studies	250,424	94,994
Professional indemnity insurance	24,910	16,026
Depreciation (note 10)	106,020	54,042
ROU depreciation (note 19)	166,751	-
Foreign currency exchange losses / (gains)	67,362	(1,797)
Other	69,260	33,208
	5,418,415	3,682,591

Included within professional fees is the auditor's remuneration, an analysis of which is below:

	2019	Period from 20 March to 31 December 2018
	£	£
Audit of the Company's accounts	15,600	15,000
Co-ordination of the group audit	14,000	9,000
Review of PIDG's Annual Review	5,200	5,000
	34,800	29,000

The Private Infrastructure Development Group Limited

Annual Report and financial statements 2019

Notes to the financial statements for the year ended 31 December 2019 *continued*

7. Staff costs

Staff costs (including temporary staff, Board and Committee members) comprise:

	2019	Period from 20 March to 31 December 2018
	£	£
Salaries (including bonuses)	1,861,959	1,073,246
National insurance	205,838	107,003
Other employee benefits	58,738	10,399
Pension costs	81,715	42,849
Other personnel costs	245,295	170,866
	2,453,545	1,404,363

Other personnel costs include recruitment fees and staff training.

Pensions

The Company contributes 7.5% to defined contribution schemes and the assets of these schemes are held separately from those of the Company in independently administered schemes. The pension costs represent contributions payable by the Company to these schemes. Contributions totalling £14,631 (2018: £432) were payable to the funds at the year- end are included in trade and other payables.

Directors and key management personnel

Key management personnel are defined as members of the Board, PIDG committees and the Executive team. Remuneration of key management personnel during the period was £1,282,361 (2018: £686,267).

Remuneration of the Board and PIDG committee members is analysed in the *Governance Report* section of this report.

Employees

The average number of people (including temporary staff, non-Executive Directors and Committee members but excluding contractors) employed during the year was 34 (2018: 30).

	2019	2018
	No.	No.
PIDG Board and Committee members	19	17
Support – Finance, Human Resources, Operations, Legal	6	4
Development Impact	3	3
Investor Relations including Communications	3	4
Risk, Health & Safety	3	2
	34	30

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Notes to the financial statements for the year ended 31 December 2019 *continued*

8. Finance income and expense

	2019	Period from 20 March to 31 December 2018
	£	£
<i>Finance income:</i>		
Interest received from banks	627	470
<i>Finance expense:</i>		
Bank charges	3,762	2,871
Credit card fees	66	64
Interest on ROU liability (note 19)	31,643	-
	35,471	2,935

9. Taxation

	2019	Period from 20 March to 31 December 2018
	£	£
<i>Current tax</i>		
Current period (note 13)	13,447	141,915
Adjustment to prior period	3,972	-
<i>Deferred tax</i>		
Current period	6,345	26,015
Adjustment to prior period	(151)	-
Taxation	23,613	167,930
Adjustment to retained earnings and deferred tax on adoption of IFRS 16	14,859	-
	38,473	167,930

	2019	Period from 20 March to 31 December 2018
	£	£
Profit on activities before corporation tax	86,110	862,802
Tax at the standard rate of corporation tax (19%)	16,361	163,932
<i>Effects of:</i>		
Expenses not deductible for tax	3,431	3,998
Adjustment to prior year	3,821	-
Adjustment to retained earnings on adoption of IFRS 16	14,859	-
	38,473	167,930

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Notes to the financial statements for the year ended 31 December 2019 *continued*

9. Taxation *continued*

Deferred tax

	Temporary differences £
Opening	-
Charge through the income statement	26,015
As at 31 December 2018	26,015
Current period	6,345
Adjustment to prior period	(151)
Adjustment to retained earnings and deferred tax on adoption of IFRS 16	14,859
As at 31 December 2019 (note 13)	47,068

10. Property, plant and equipment

	Leasehold improvements £	IT equipment & software £	Fixtures & fittings £	Total £
<i>Cost</i>				
At 1 January 2019	258,431	146,084	96,770	501,285
Additions	-	113,197	8,475	121,672
At 31 December 2019	258,431	259,281	105,245	622,957
<i>Accumulated depreciation</i>				
At 1 January 2019	(17,228)	(24,680)	(12,134)	(54,042)
Depreciation charge for the year	(25,844)	(60,132)	(20,044)	(106,020)
At 31 December 2019	(43,072)	(84,812)	(32,178)	(160,062)
<i>Net book value</i>				
At 31 December 2018	241,203	121,404	84,636	447,243
At 31 December 2019	215,359	174,469	73,067	462,895

11. Cash and cash equivalents

	2019 £	2018 £
<i>Cash at bank</i>		
Pounds Sterling (GBP £)	223,733	378,223
Euros (EUR €)	2,032	465
United States Dollars (USD \$)	424,593	76,459
	650,358	455,147

The Private Infrastructure Development Group Limited

Annual Report and financial statements 2019

Notes to the financial statements for the year ended 31 December 2019 *continued*

12. Trade and other receivables

	2019 £	2018 £
<i>Due within one year</i>		
Trade receivables	135,690	521,484
Other receivables	-	83,257
Prepayments and accrued income	159,590	51,362
Lease asset	45,532	25,283
	340,813	681,386
<i>Due after more than one year</i>		
Rental deposit	158,099	162,422
Other receivables	1,844	-
	159,943	162,422
	500,756	843,808

The rental deposit was paid to GuarantCo Management Company Limited (GMC) for office space at 10th Floor, 6 Bevis Marks, London EC3A 7BA. See note 16 for further information.

The lifetime expected loss provision for trade receivables is £nil as noted below. The majority of trade receivables arise from service level agreement fees due from other PIDG companies.

	0 – 30 days	Past due			Total
		31 – 60 days	61 – 90 days	Over 91 days	
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount	(306,496)	-	442,186	-	135,690
Loss provision	-	-	-	-	-

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Notes to the financial statements for the year ended 31 December 2019 *continued*

13. Trade and other payables

	2019 £	2018 £
<i>Due within one year</i>		
Trade payables	172,133	164,350
Other payables	75,755	25,480
Accruals and deferred income	339,677	255,535
VAT and social security	22,310	303,229
Corporation tax (note 9)	13,447	141,915
	623,322	890,509
<i>Due after more than one year</i>		
Lease liability	620,992	134,801
Deferred tax (note 9)	47,068	26,015
	668,060	160,816
	1,291,382	1,051,325

The average trade creditors days for the year ended 31 December 2019 was 17 (2018: 19).

14. Share capital

	2019 Number	2019 £	2018 Number	2018 £
<i>Authorised and issued</i>				
1 ordinary share at £1	1	1	1	1
	1	1	1	1

15. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Retained earnings	Net gains and losses and transactions with owners not recognised elsewhere.
Retained earnings (ROU)	Adjustment to retained earnings due to reversal of accruals recognition of expenses applicable to IFRS 16.

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Notes to the financial statements for the year ended 31 December 2019 *continued*

16. Operating leases

As at the end of the reporting period the Company had future minimum payments under non-cancellable operating leases as set out below:

	2019	2018
	£	£
Within one year	297,666	207,813
Between two and five years	624,822	922,488
	922,488	1,130,301

Operating lease payments are for the Company's material sub-lease agreement with GMC for the office space at 10th Floor, 6 Bevis Marks, London EC3A 7BA. The lease end date is 4 February 2028 with the option to break the lease in February 2023. The terms of the lease included a rent-free period of six months followed by a further twelve months at reduced rent. Rental payments for the period ended 31 December 2019 were £207,813 (2018: £59,468).

A portion of the lease costs are recharged to two PIDG companies who share the Company's office, EAIF and InfraCo Africa Ltd. The Company expects the following receipts:

	EAIF	InfraCo Africa Ltd	2019
	£	£	£
Within one year	4,024	118,346	122,370
Between two and five years	8,433	248,009	256,442
	12,457	366,355	378,812

The Company has extended the same lease incentives and break clause it enjoys through its sub-lease agreement to both EAIF and InfraCo Africa Ltd.

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Notes to the financial statements for the year ended 31 December 2019 *continued*

17. Financial risk management

Management continually monitors the Company's risk exposure and ensures that there are appropriate systems of controls in place to create an acceptable balance between the potential cost to the Company should a risk occur and the cost of managing those risks. This section provides details of the Company's exposure to financial risks and describes the methods used by management to control such a risk.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations to the Company as and when they fall due. The Company's maximum exposure to credit risk is represented by the carrying value of its financial assets.

The Company's primary exposure to credit risk relates to its cash and cash equivalents with Barclays Bank, a regulated financial institution. The Company is also exposed to credit risk on trade receivables, representing service level agreement (SLA) fees due. SLA fees are due from other PIDG Companies. An analysis of the ageing of these is provided in note 12.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. A significant amount of the Company's income is denominated in US dollars and the Company also holds cash in both US dollars and Euros, as well as Pounds Sterling. The Company's principal foreign exchange risk arises from the income received in these currencies, whilst most of its operating costs are incurred in Pounds Sterling.

The strategy of the Company for the year ended 31 December 2019 has been to convert foreign currency receipts back to Pound Sterling when it is practical to do so.

The Company's exposure to foreign currency risk at 31 December 2019 was:

	2019		2018	
	EUR/GBP	USD/GBP	EUR/GBP	USD/GBP
	£	£	£	£
<i>Assets</i>				
Cash and cash equivalents	2,032	424,593	465	76,460
Trade and other receivables	-	(52,237)	-	171,989
	2,032	372,356	465	248,449
<i>Liabilities</i>				
Trade and other payables	(9,406)	(73,696)	(3,606)	(22,247)
Net exposure	(7,374)	298,660	(3,141)	226,202

The estimated impact on the Company's post-tax profit and net assets caused by a 5% variance in the exchange rate used to measure assets and liabilities held in foreign currencies is insignificant, assuming all other variables are held constant.

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Notes to the financial statements for the year ended 31 December 2019 *continued*

17. Financial risk management *continued*

Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due or will have to do so at cost. The Company monitors its liquidity risk using cash flow forecasts.

The Company considers its share capital and retained earnings to be its total capital. This is shown in the statement of changes in equity. The Company currently has no borrowings.

At 31 December 2019 the Company had cash and cash equivalents of £650,358 (2018: £455,147) with a further £340,813 (2018: £681,386) in current assets. This is £367,849 (2018: £246,024) in excess of current trade and other payables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to minimal interest rate risk on its cash balances.

Fair value of financial instruments

Financial instruments are defined in note 3. The Company considers the following to be its principal financial instruments, from which financial instrument risk arises:

- Cash and cash equivalents.
- Trade and other receivables, excluding prepayments.
- Trade and other payables.

The Directors consider there to be no difference between the carrying value of the Company's financial assets and liabilities and their fair value due to their short-term nature.

At the reporting date, the Company held the following financial assets and liabilities, itemised by category:

	2019		2018	
	Loans and receivables	Financial liabilities measured at amortised cost	Loans and receivables	Financial liabilities measured at amortised cost
	£	£	£	£
<i>Financial assets</i>				
Cash and cash equivalents	650,358	-	455,147	-
Trade and other receivables	435,262	-	814,367	-
Total financial assets	1,085,620	-	1,269,514	-
<i>Financial liabilities</i>				
Trade and other payables	-	1,230,867	-	883,395
Total financial liabilities	-	1,230,867	-	883,395

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Notes to the financial statements for the year ended 31 December 2019 *continued*

18. Related party transactions

The Board considers the following to be related party transactions:

- Transactions and balances between the Company, the Trust and other PIDG companies.
- Transactions and balances with entities controlled by the Company's key management personnel.

During the year the Company provided services of £5,539,369 to related parties (2018: £4,547,856). The amounts relating to this within revenue and other income were:

	2019	Period from 20 March to 31 December 2018
	£	£
The Emerging Africa Infrastructure Fund Limited	1,093,905	554,127
GuarantCo Limited	1,117,476	548,307
InfraCo Africa Limited	1,239,673	582,819
InfraCo Asia Investments Pte Ltd	108,504	60,507
InfraCo Asia Development Pte Ltd	972,508	485,575
ICF Debt Pool LLP	22,910	4,801
PIDG Trust	984,392	2,311,720
	5,539,368	4,547,856

During the year the Company paid operating expenses of £106,977 to related parties (2018: £252,651). The amounts relating to this within operating costs were:

	2019	Period from 20 March to 31 December 2018
	£	£
ICF Debt Pool LLP	11	-
InfraCo Africa Limited*	56,560	3,981
InfraCo Asia Development Pte Ltd	4,187	25,107
Oxford Policy Management Ltd	46,219	-
Exousia Capital Limited	-	169,400
MC Consulting Partners Limited	-	54,163
	106,977	252,651

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Notes to the financial statements for the year ended 31 December 2019 *continued*

18. Related party transactions *continued*

The following balances were owed by / (owed to) related parties at 31 December and were included in the Company's statement of financial position:

	2019	2018
	£	£
The Emerging Africa Infrastructure Fund Limited	(25,613)	66,429
GuarantCo Limited	6,206	59,591
InfraCo Africa Limited*	91,403	106,921
InfraCo Asia Development Pte Ltd	(21,931)	54,492
ICF Debt Pool LLP	17,073	5,869
Exousia Capital Limited	-	(14,880)
InfraCo Asia Investments Pte Ltd	(13,969)	3,900
PIDG Trust	49,019	227,838

Exousia Capital Limited and MC Consulting Partners Limited were related parties by virtue of each being controlled by a member of the Company's key management personnel. Both MC Consulting Partners Limited and a portion of Exousia Capital Limited represent pre-incorporation costs. The contract with MC Consulting Partners Limited was terminated on 31 March 2018 and the contract with Exousia Capital Limited was terminated on 04 July 2019. All other companies listed above are subsidiaries of the PIDG Trust, which is the Company's ultimate Parent entity.

*Includes the figures for InfraCo Africa (East Africa) Limited, a 100% subsidiary of InfraCo Africa Limited.

19. Leases (IFRS 16)

The Company has two leases that in 2019, under IFRS 16, it now needs to recognise on its balance sheet. These relate to the rental lease on its office at 6 Bevis Marks, London, EC3A 7BA and to office equipment in use at that office.

A discount factor of 5% has been used based on the 1 month USD LIBOR interest rate at 1st Jan 2019 of 2% plus 3%, as per the inter-group loan agreement (note 21).

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Notes to the financial statements for the year ended 31 December 2019 *continued*

19. Leases (IFRS 16) *continued*

ROU Assets	Rental lease £	Office Equipment £	Total £
At 1 Jan 2019	651,413	-	651,413
Additions	-	13,430	13,430
	651,413	13,430	664,843
Depreciation	(155,782)	(10,969)	(166,751)
As at 31 December 2019	495,631	2,461	498,092

Lease Liabilities	Rental lease £	Office Equipment £	Total £
At 1 Jan 2019	651,413	-	651,413
Additions	-	13,430	13,430
	651,413	13,430	664,843
Interest	31,254	389	31,643
Lease Payments	(133,451)	(11,194)	(144,645)
As at 31 December 2019	549,216	2,625	551,841

Note that the lease liability amount reflected in the Statement of Financial Position, also includes £69,151 in relation to the shared office space that was not subject to change due to IFRS 16.

As at the end of the reporting period the Company had future expected balances for operating leases recognised by IFRS 16:

ROU Assets	Rental lease £	Office equipment £	Total £
Within one year	336,368	-	336,368
Between two and five years	-	-	-

Lease Liabilities	Rental lease £	Office equipment £	Total £
Within one year	381,881	-	381,881
Between two and five years	-	-	-

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Notes to the financial statements for the year ended 31 December 2019 *continued*

19. Leases (IFRS 16) *continued*

Retained earnings (ROU) Adjustment for 2018

	Retained Earning (ROU) £	Lease Liability (ROU) £
Reverse accrual	(116,397)	116,397
Recognise actual expense	38,189	(38,189)
Adjustment to deferred tax	14,859	-
	(63,349)	78,208

Net Balance sheet effect of Lease

	2019 £	2018 £
ROU Assets	498,092	-
Retained earnings (ROU) Adjustment	(63,349)	-
ROU Liability	(551,841)	-
Net effect	(117,098)	-

Sensitivity analysis of discount factor

	% change to present value Rental lease	% change to present value Office equipment
Change to discount factor		
2% increase	-4%	-1%
2% decrease	4%	1%

20. Contingent liabilities

As at the date of issue and authorisation of these financial statements the Company did not have any contingent liabilities.

21. Intra-Group Loan Agreement

On 19th March 2019, the Company entered into a Revolving Facility Agreement with GuarantCo Ltd. This agreement allows the Company to borrow up to US\$5 million if there is any risk that it will not have sufficient funds to meet its financial obligations as they fall due. Funds borrowed can only be used to cover the Company's operating costs.

Interest on any loan amount is set at 3% above the 1-month USD LIBOR interest rate, as varied from time to time. Interest accrues daily and paid monthly in arrears.

Full or partial repayment of the loan is to be made subject to the Company receiving sufficient funds from PIDG trust or other PIDG companies to cover the loan and accrued interest.

22. Post balance sheet events

The global outbreak of COVID-19 in early 2020 is rapidly emerging and unprecedented. It is causing major disruptions to both social and economic activities. It will likely have a very significant impact on all sectors across the world, including the markets in which we operate. This may impact the Company's ability to manage the Group's delivery of members targets, as well as the members' future funding levels for the Group. The Directors will continue to work with senior management to closely monitor the situation and assess the impact on operations, the Group's projects and funding in the short and long-term. As the situation is fluid and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company.

23. Related undertakings

The PIDG companies (in addition to the Company) and their countries of registration are:

- (1) The Emerging Africa Infrastructure Fund Limited (Mauritius) (EAIF);
- (2) GuarantCo Limited (Mauritius) (GuarantCo);
- (3) InfraCo Africa Limited (England) (InfraCo Africa);
- (4) InfraCo Asia Development Pte. Ltd. (Singapore) (InfraCo Asia);
- (5) ICF Debt Pool LLP (England) – a limited liability partnership that is closed to new business;
- (6) InfraCo Africa Investment Ltd (England); and
- (7) InfraCo Asia Investments Pte. Ltd. (Singapore).

24. Shareholders and members

The shareholders of the Company are:

SG Kleinwort Hambros Trust Company (UK) Limited, Multiconsult Trustees Limited and Minimax Limited, acting for and on behalf of The Private Infrastructure Development Group Trust (the Trust).

The current members of PIDG are:

- (1) The Secretary of State for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland acting through the Department for International Development;
- (2) The Government of the Netherlands represented by the Directorate-General for International Cooperation – the Netherlands Minister for Foreign Trade and Development Co-operation;
- (3) The Swiss State Secretariat for Economic Affairs;
- (4) The Commonwealth of Australia as represented by the Department of Foreign Affairs and Trade;
- (5) The Swedish International Development Co-operation Agency;
- (6) KfW Group, a German development bank; and
- (7) The International Finance Corporation, a member of the World Bank Group.