THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP LIMITED

Annual report and financial statements for the year ended 31 December 2020

The Private Infrastructure Development Group Limited
Company number: 11265124
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London
EC3A 7BA

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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 high development impact by strengthening the local capacity, capability and 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.

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 its Credit Solutions businesses (EAIF and GuarantCo) to be consistently profitable.

PIDG also provides upstream technical assistance through its technical assistance arm and DevCo, and Developer-Investor services through InfraCo Africa and InfraCo Asia, which play a critical role in delivering PIDG's strategy and impact.

PIDG aims to be risk-aware, as opposed to risk-averse. We take 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.

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.

Business model *continued*

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 Mauritius[1] 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) since 2003 that are in operation today, being the Company and the other companies set out in note 23 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. Certain PIDG members also provide funding to the Trust for technical assistance grants that support PIDG Companies' activities and meet a range of needs associated with the infrastructure project development cycle; 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 (SLAs) 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.

Financial results

The Company's results for the year are set out on page 50. As a services company, income is received from charging PIDG companies and the Trust for its services through arms-length SLAs.

During the year to 31 December 2020 the Company received income of £6,137,590 from service level agreement related charges to other PIDG Companies (2019: £5,430,311). The rise in income reflected a wider range of services provided to the Group due to the expansion of the Company's services, particularly at a more senior level of expertise and hence at a higher transfer pricing margin. The Company also received a further £110,155 (2019: £109,058) of income through the recovery of rent from InfraCo Africa Ltd and EAIF on its shared offices at Bevis Marks.

The Company incurred costs of £5,417,397 (2019: £5,418,415) as it expanded its teams to help manage the Group and its stakeholders. This includes staff costs of £3,204,313 (2019: £2,453,545).

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, and the core operating costs of running the Company.

The Company's profit before tax was £801,089 (2019: £86,110). As at 31 December 2020 the Company had £387,847 (2019: £462,895) 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 (including PIDG Ltd) comply with the European Development Finance Institutions' *Principles for Responsible Tax in Developing Countries*.

[1] The Trust is UK tax resident.

Strategy

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 aims to ensure the long-term viability of these 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.

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:

- **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.
- **Replicability:** PIDG focuses on projects that can be replicated not only by PIDG in the future, but also by its partners and other organisations by demonstrating projects at the frontier can be implemented and are commercially viable. 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.
- **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.
- **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, for example, 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.

Strategic workstreams tied to the theory of change

Building on its mission, vision, and its five-year strategy, PIDG identified a set of strategic workstreams in its 2020 business plan to further strengthen its focus on delivering pioneering infrastructure. The related initiatives are linked to the Group's theory of change and are critical to drive the desired outcomes for people, planet, wider economy and market transformation.

Being additional and operating on the frontier remain key elements of PIDG's work. Diversifying into new sectors has therefore been identified as a priority for the Group. As set out in the five-year strategy, new sectors have been defined, in which a programmatic approach will be applied. This is aimed at achieving market transformation and establishing PIDG as a Centre of Excellence.

PIDG Programmatic sectors

Affordable Housing

Following on from the success of the Acorn accommodation transaction in Kenya, PIDG aspires to become a recognised leader in the structuring and execution of blended finance solutions which effectively mobilise private sector capital into green affordable and sustainable housing in its target markets.

PIDG sees an opportunity to partner with specialist affordable housing financial institutions and NGOs, as well as InfraCredit Nigeria, InfraZamin Pakistan, and future InfraCredits, to help mobilise local capital markets to finance more affordable housing projects as well as other infrastructure projects.

The key focus for PIDG is to continue to explore affordability in local markets and to further develop a solid understanding of what part of the lower end of the market can be served through PIDG investments taking PIDG's mandate to mobilise private investors into account. In addition, PIDG's focus will be on environmental sustainability, energy efficient solutions and green bonds in the housing sector as key drivers of sustainable urbanisation.

Off-grid Solar

PIDG aspires to become one of the largest financiers of mini-grids in sub-Saharan Africa, deploying equity, project finance debt and guarantees. Through its work in Africa, PIDG will also be in a position to leverage learnings and best practices and to determine the relevant strategies for Asia. PIDG aims to demonstrate to financial markets that well-structured mini-grids can be an attractive asset class to invest in and attract follow on capital into the sector.

The key focus in this area is to create access for the underserved as well as the productive use of off-grid energy, with particular emphasis on gender lens investing (e.g. through stimulating women-led businesses).

Water

PIDG's strategy for the water sector focuses on water infrastructure projects that aim to treat and supply drinking water to consumers in mandated countries. The strategy involves diversifying the pipeline, creating and nurturing strategic partnerships, and enhancing knowledge on innovative financing solutions.

PIDG aspires in time to provide thought leadership for developing and financing sustainable private water sector projects, mobilising private sector capital in its target markets as well as to harness the synergies of water and sanitation interventions with other sectors (e.g. affordable housing, special economic zones, rural / off-grid utilities), and to address public health and gender challenges.

The key focus in this area is to create access to Water, Sanitation and Hygiene (WASH) for the underserved and to promote the empowerment of women through water investments building on evidence. Nature based solutions will also be explored.

Special Economic Zones:

Sustainable manufacturing and industrialisation are key focus areas for several governments in PIDG's target geographies and include the set-up of Special Economic Zones to promote manufacturing, industrialisation and job creation. These initiatives also ensure value chains are kept in country, local economies are enhanced and local entrepreneurship and job creation take place.

PIDG is well placed to contribute to the infrastructure needs of these new developments, by focusing on infrastructure that serves job creating, conglomerates of businesses, logistics hubs, transport nodes and other designated initiatives promoting small scale manufacturing (including agro-processing), more traditional manufacturing and sustainable industrialisation.

For PIDG, the key focus is on stimulating local value addition, safe and decent jobs especially for women as well as promoting environmental sustainability in productive infrastructure. This will entail applying the PIDG climate standard and focusing on energy, transport, waste and water efficiency.

Development Impact

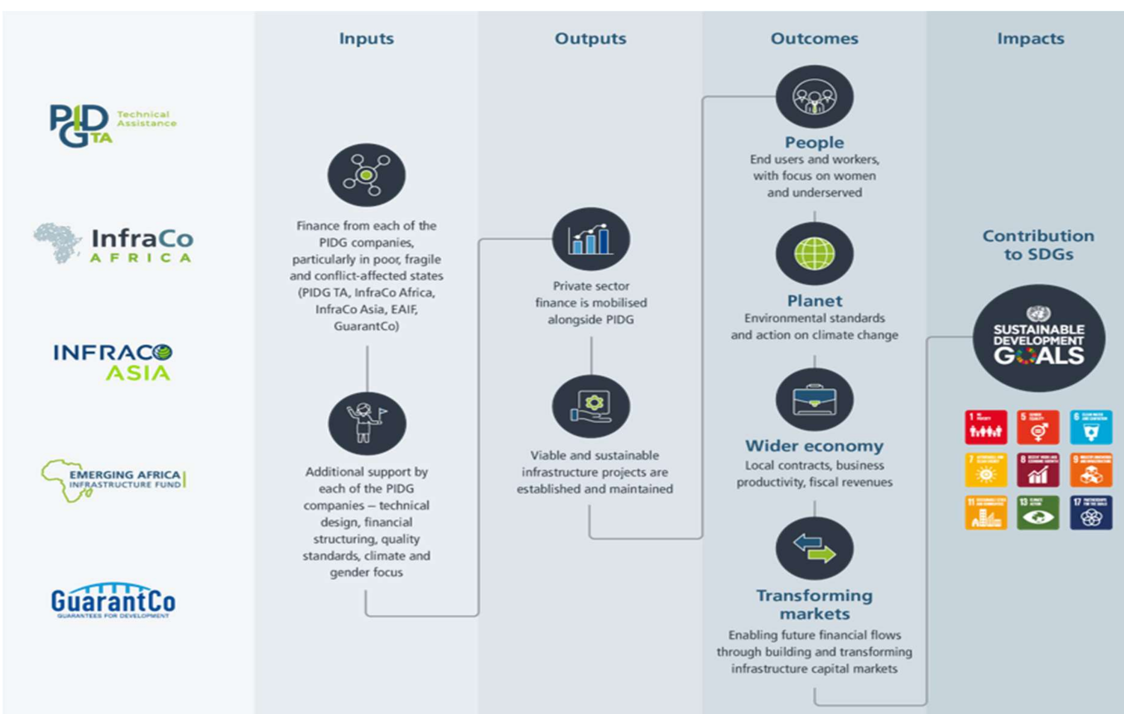
The countries in which we operate
PIDG develops and funds sustainable infrastructure in sub-Saharan Africa and south and south-east Asia. Since 2015, over 50% of PIDG projects have been in countries classified as Least Developed Countries and Other Low Income Countries by the OECD. Over 55% of projects financed were in fragile or conflict affected states.

Nearly 600 million people do not have access to electricity in Africa. While the number had decreased by 30 million in 2013-19, the 2020 World Energy Outlook by the International Energy Agency estimates an increase from 579 to 592 million in 2020. The extreme poverty rate in Sub-Saharan Africa remains as high as 40 percent. Because of rapid population growth, the number of Africans living below the International Poverty Line ($1.90 per day) increased from 416 million in 2015 to 433 million in 2018.

Almost 70% of sub-Saharan Africa's population and over 50% of the population in South Asia lives on less than US$3.20 per day. The latest World Bank data show that between 88 million and 115 million people could have been pushed into extreme poverty in 2020 because of the global contraction caused by COVID-19. The regions in which PIDG invests are also the most vulnerable to the effects of the changing climate. Those living in poverty or near the poverty line are particularly vulnerable to shocks such as natural disasters. Greater vulnerability means that they lose more when such shocks occur, which can quickly undo any progress on poverty reduction made.

PIDG mobilises private sector funding and capacities to deliver infrastructure projects that would not otherwise happen in the most difficult geographies and where it is most needed. PIDG investments transform economies and improve lives in these challenging markets.

PIDG Theory of Change



Development Impact against mission and theory of change

PIDG has an end to end system to drive and demonstrate development impact against its mission and theory of change, which is set out in more detail on the following pages.

The system includes:

1. An integrated KPI framework.
2. A systematic approach to assessing the impact potential of prospective investments; and consistent monitoring, evaluation and learning of the development impact generated at investment and portfolio level.
3. A portfolio approach that combines expected development impact and risk adjusted financial returns to ensure development impact, risk and financial return - and trade-offs across them - are explicitly factored into decision making.

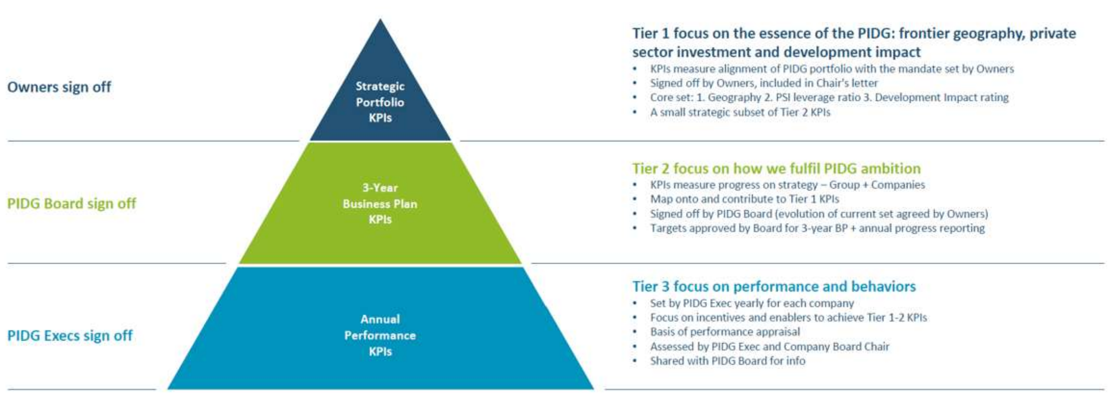
PIDG is a signatory to the Operating Principles of Impact Management and details of its first disclosure of compliance with the principles is available at www.pidg.org.

KPI Framework

At the PIDG Group level, the following KPIs will be monitored in 2021-23, with a mix of financial and impact performance indicators for all companies:

1. Total investment commitments in projects reaching financial close ($m).
2. Cumulative Private Sector Investment (PSI) mobilisation ratio in projects reaching financial close.
3. Number of projects reaching financial close.
4. Percentage of cumulative number of projects committed in LDC and OLIC (DAC I/II).
5. Percentage of cumulative number of projects committed in FCAS Countries.
6. Number of projects reaching financial close, scored as empowering women or transforming gender dynamics.
7. Portfolio carbon intensity by 2023 – against forecast trajectory.
8. Development Impact Rating – portfolio distribution, based on Development Impact Scorecard process.
9. Group financial sustainability milestones.

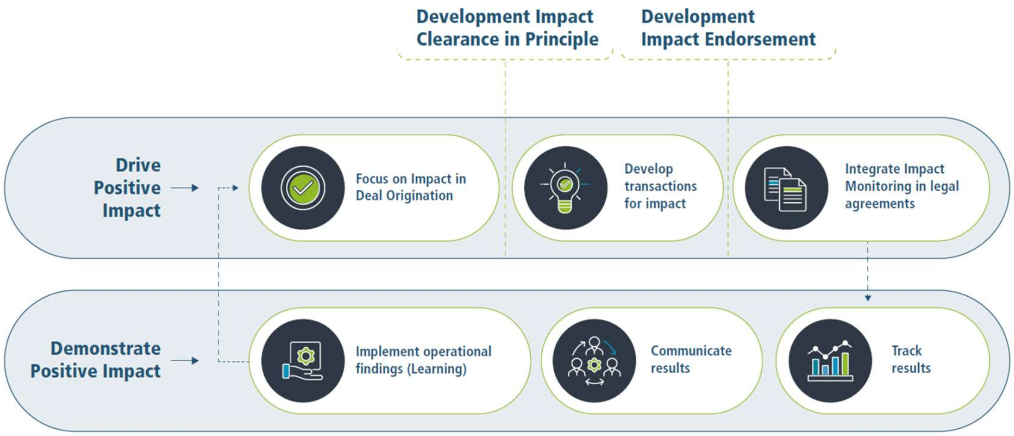
3-Tier KPI framework agreed with the Board and members for 2021-2023



Approach to assessing impact

PIDG uses a systematic approach to assessing the impact potential of prospective investments; and consistent monitoring, evaluation and learning of the development impact generated at investment and portfolio level.

The Company's Development Impact team has a de facto veto power on prospective investments, while deals that exceed expectations on climate, gender or market transformation are prioritised.



Development impact and risk adjusted financial returns

There is active communication and collaboration between teams working on development impact, financial performance and risk management. A 'capital and portfolio optimisation framework' is being finalised to define the desirable impact-financial frontier and set targets accordingly.

PIDG approach to Climate Change

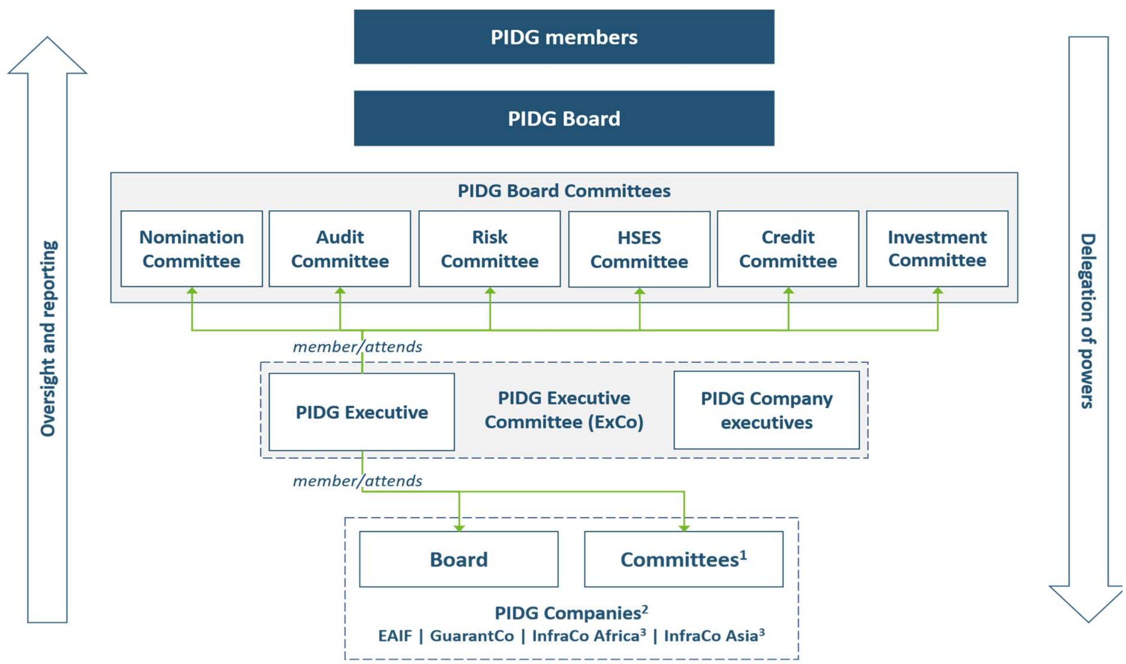
PIDG has developed a Climate Change approach to guide investments and operations at the Group level. The key principles are to commit to:

- 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 Contributions (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 (TFCD) and the transition towards including climate related disclosures in financial reporting (expected in 2021). PIDG's first full disclosure of alignment to TCFD recommendations will be published in May 2021.
- Setting targets to monitor PIDG's alignment to the Paris Agreement commitments.

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:** Demonstrating the technical and financial viability of low carbon and inclusive infrastructure will be crucial to a just transition towards net zero by 2050 and is at the core of the PIDG mandate. 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:** Screening of physical and transition climate risks are incorporated in Development Impact Review of each prospective investment and feed into the credit and investment decision making decisions.
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 or transitional projects. The main KPI for 2021-23 will be the estimated carbon intensity of PIDG investment across all sectors (tCo2 equivalent per $m invested). Other climate change related metrics cover investments, Green House Gas data gathering and PIDG operations and the number of innovative climate solutions financed. In 2020 we published the estimated carbon footprint of PIDG's investments, and we financially closed our first investment in on-grid solar with an energy battery storage system and our first investment in electric mobility.

Risk Management



Notes:
1. Committees of EAIF & GuarantCo are committees of Ninety One & GuarantCo Management Company respectively
2. ICF Debt Pool covered as part of separate governance arrangements
3. Comprise respective Development and Investment companies

Identifying and managing risk
The Board is responsible for maintaining and reviewing the effectiveness of PIDG's risk management systems from a strategic, financial, and operational perspective.

As PIDG operates at the frontier of low-income countries and fragile states, it is important that it is risk-aware, rather than risk-averse. The risk management processes are therefore designed to identify, assess, monitor and manage, rather than eliminate, risks to enable PIDG to achieve its strategy and objectives within its risk appetite.

Three Lines of Defence
PIDG is developing its risk management systems to operate a three lines of defence approach.

First line
The PIDG companies and business functions own and manage risks directly by identifying and defining risk, as well as the internal control environment that supports the management of risks.

Second line
The Company's Risk and Compliance functions and the compliance and risk (or equivalent) functions in each PIDG company, develop and maintain risk management policies and frameworks, identify and monitor risks, and provide assurance on selected aspects that is independent of the business functions.

Third line
Third line assurance work is performed through external compliance-based audits and deep-dive specialist reviews undertaken at the PIDG companies. The Company's Audit and Risk Committees are reviewing when PIDG should establish an Internal Audit function. Once in place, the function will enhance the level of assurance over PIDG's system of internal control.

Principal risks and uncertainties of PIDG Ltd
The key risks related to the Company and the associated system of internal control are noted below.

Conduct and reputational risk
The Company endeavours not to involve itself or the PIDG companies 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 PIDG Unified Investment Policy developed in 2018, the Company defined the sectors it plans to operate in and any deviation requires approval from PIDG companies members. The policy sets out certain excluded sectors in which PIDG companies will not invest. Whilst the Company does not itself invest in, nor lend to or provide guarantees for the infrastructure 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 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. They 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, safety, environmental and social 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 allows 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 human rights through to workplace safety initiatives and campaigns.

Legal risk
PIDG faces a risk of loss arising from a failure to act, or to document its agreements, in a legally effective manner. This could arise from lack of awareness or misunderstanding of, ambiguity in or reckless indifference to, the way law and regulation apply to PIDG, 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 in law to protect assets.

The Company mitigates these risks by requiring the PIDG companies to employ well-trained executives supported by appropriate internal policies and 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 order to ensure that it has access to sufficient liquidity at all times. 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 emerged rapidly and was unprecedented. It has caused major disruptions to both social and economic activities. It is having a very significant impact on all sectors across the world, including the markets in which we operate, the extent to which is still unknown. This may impact the Company's ability to manage 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, PIDG projects and its funding in the short and long-term. As the situation is both fluid and continuing to evolve, 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 2020. The report describes the roles, responsibilities and activities of the Board and its Committees.

PIDG Ltd will have been in place for three years in March 2021, and we have spent time in 2020 reflecting on how far we have come but also considering whether our governance arrangements meet our future needs.

While we recognise the huge amount of work the Board and its Committees have undertaken working with the Executive to evolve the Group functions and build out the work of our governing bodies, it is also recognised that the roles of the governing bodies now need to evolve to enable them to act more strategically and build improved information flows and connectivity across the governance framework.

We are using the governance effectiveness review, particularly the external Board Evaluation, to help identify actions we need to take to achieve this. 2021 will be a year of change, as we will use the governance effectiveness review to design a path for our ongoing effectiveness in years to come.

2020 has also been a year of reflection in terms of our ensuring that we have an inclusive culture aligned to our value. We undertook a Group-wide culture survey to understand the views of our people and to identify areas that we should focus on to ensure continuous improvement.

In early Summer we established a Diversity Task Force, made up of representatives from across the business and the governing bodies to help drive forward our Diversity and Inclusivity aspirations. While we have a diverse workforce and inclusive culture, we recognise there is always more that we can do. As part of the Task Force's work, a diversity survey was undertaken. To respond to its findings, unconscious bias training has been provided to everyone across the Group. The Task Force will remain in place to continue to identify any actions we can take to ensure that diversity and inclusion is at the heart of everything we do.

In January 2021, we were dismayed by the early demise of Oscar Kang'oro. Oscar had been Chair of the PIDG Credit Committee from inception, having previously been Chair of EAIF Credit Committee, and was Co-Chair of our Diversity Task Force. Our thoughts are with his wife, Sally, and their three children. He will be much missed.

As a result of COVID-19, 2020 has also been a year of a changed work environment. All our offices have been closed and travel restrictions have been in place for most of the year. This has required significant transformation to our operating practices and the ways in which we work. We have taken a number of steps to ensure our people remain engaged, motivated and feel part of the PIDG family. I am proud of the agility, resilience and flexibility of our people and businesses and how much has been achieved during the year. PIDG moves into 2021 stronger as a result.

Andrew Bainbridge

Board of Directors

Andrew Bainbridge

Non-Executive Chair of the Board
Chair of the Nomination Committee
Member of the Audit (resigned on 9 July 2020), Credit and HSES Committees

Appointed: 20 March 2018

Relevant experience

Andy has extensive experience with PIDG, having previously been Chair of GuarantCo and a Director of EAIF. He is also the Chair of ICF Debt Pool LLP. Until 2019, he was the Group Chief Executive Officer of the SBM banking group and previously held senior positions with Standard Chartered Bank and Barclays Bank. He has undertaken a number of Non-Executive roles over the last 15 years in addition to his executive roles, primarily in emerging markets where he has focused the majority of his career. He is a Fellow of the Institute of Financial Services and a Fellow of the Institute of Directors South Africa.

Key positions

Partner at Gateway Partners.
Chair of Cable & Wireless Seychelles Ltd.
Non-Executive Director, SBM Bank (India) Ltd.

Johan Bastin

Non-Executive Director
Member of the Nomination and Audit Committees and Investment and Divestment Asia Committee (disbanded on 14 January 2020)

Relevant experience

Johan previously served as a Director of EAIF. 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.

Key positions

Non-Executive Director of the Supervisory Boards of Metinvest B.V., DTEK Energy B.V., and D.Solutions B.V.
Chair of the Boards of DTEK Renewables B.V., D.Trading B.V. DTEK Grids B.V.
Non-Executive Director of London-based DTEK Finance Plc, DTEK International Ltd and DTEK Investments Ltd.

Patrick Crawford CB
Non-Executive Director
Interim Credit Committee Chair
Member of the Nomination and Risk Committees
Appointed: 20 March 2018

Relevant experience

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.

Key positions

Independent Non-Executive Director of FBN Bank (UK) Limited.

Rachel English
Independent Non-Executive Director
Member of the Nomination and Audit Committees

Appointed: 11 March 2019

Relevant experience

Rachel has held a number of board positions over the past 13 years in both the private and public sector. Previous Non-Executive roles include Chair of Acacia Mining plc (a FTSE 250 company operating in Africa), Chair of Adam Smith International (a global development advisory company), Chair of the Remuneration Committee at NHS London, and member of the Audit Committee for UK Department for International Development (DFID). Prior to this, Rachel held senior positions in leading energy companies, including BG Group, Royal Dutch Shell and Entergy, with responsibilities spanning corporate strategy, finance, 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.

Key positions

Senior Independent Director of Interswitch Holdings Ltd.
Director of Helios Social Enterprise.

Yukiko Omura
Non-Executive Director
Member of the Nomination and HSES Committees

Appointed: 20 March 2018

Relevant experience

Yukiko is the Chair of the Board of Directors of GuarantCo. She has more than 40 years of international professional experience in both the public and private financial sector. 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 started her career with the Inter-American Development Bank in Washington DC in the infrastructure department. She then went to work at various investment banks such as J.P. Morgan, Lehman Brothers, UBS Japan and Dresdner Bank in Tokyo, London and New York. She has strong experience in restructuring organisations and bringing change to meet the needs of changing market or other conditions. She is also a strong advocate of diversity of thought.

Key positions

Non-Executive Director of HSBC Bank PLC.
Non-Executive Director of Assured Guaranty Ltd.
Non-Executive Director of Nishimoto HD Co. Ltd.

Tania Songini
Non-Executive Director
Member of the Nomination, Audit and Risk Committees

Appointed: 20 March 2018

Relevant experience

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 NW Europe, before concentrating on a board portfolio career. Tania worked at Siemens for 18 years, during which she was involved in the energy, healthcare, mobile communications and logistics sectors. Her energy experience includes fossil and renewable power generation, transmission network infrastructure and storage. Her healthcare work focused on Public Private Partnership hospital managed equipment services.

Key positions

Non-Executive Director of Thrive Renewables plc.
Non-Executive Director of London Energy Ltd.
Non-Executive Director of Oxford Policy Management Ltd.
Non-Executive Director of Guernsey Electricity Ltd.

John Walker
Non-Executive Director and
Vice Chair Asia
Member of the Nomination Committee

Appointed: 20 March 2018

Relevant experience

John is Chair of the Board of Directors of the two InfraCo Asia companies. John was the Chair of Macquarie Capital Asia, the Chair and founder of Macquarie Group of Companies, Republic of Korea, and the Chair of Macquarie Project Services for Middle East and Asia until May 2020. John has worked with governments in Australia to deliver several large private infrastructure projects and was appointed as 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.

Key positions

Executive Chairman, Eastpoint Partner Ltd.
Chairman, Integra Communications.
Advisor to the task force established to create Indonesia's Sovereign Wealth Fund.
Vice Chairman, Asia, Glenfarne Infrastructure Holdings LLC.
Advisory Board member of north American institutional investors.

Governance

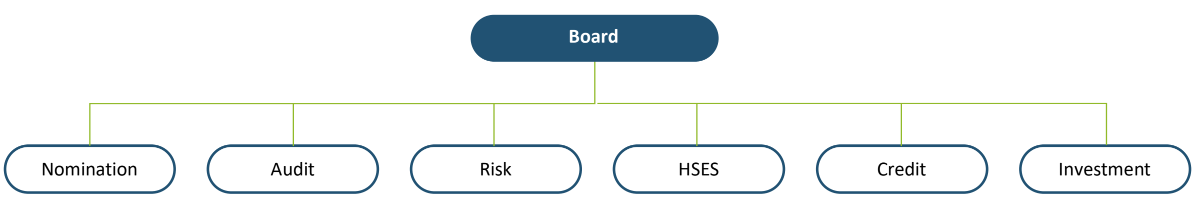
The Company and PIDG are committed to complying with all applicable laws and regulations in the jurisdictions in which they operate and while we do not fully apply the UK Corporate Governance Code (the Code), we apply it as is appropriate to our business' size and complexity. With a core value of integrity, 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 (on a voluntary basis) 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 partner of its various stakeholders.

The Company has adopted PIDG's Code of Conduct and 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 adheres 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



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, one being fully independent under the Code. 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, we have not appointed a Senior Independent Non-Executive Director. However, this remains under active consideration.

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

Board diversity
The Board understands the importance of diversity and the benefits a diverse Board can bring. PIDG is committed to ensuring diversity and all aspects of diversity remain front of mind when looking at succession planning. When selecting candidates, consideration is given to the benefits of diversity of gender and social and ethnic backgrounds.

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 (as set out in the table below).

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 with the support of the Nomination Committee.

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. Fortnightly calls were also held from April to August to ensure the members were kept fully up-to-date on the impact of COVID-19 to the Group. Additionally, the Executive team provides the Trust with a monthly update on activities and ensures 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 at least every three years, 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 up to a maximum term of nine years, with the possibility of a further one-year extension on an exceptional basis.

PIDG will normally engage with external search consultants for the Board's recruitment process.

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.

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 duties.

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. The details of the evaluation activities are set out in the Nomination Committee report.

During the year a comprehensive, objective and rigorous external evaluation of the Board and its Committees was undertaken by Genius Boards. Alongside this, an evaluation of the Boards of the PIDG companies was undertaken by the Company Secretary on behalf of the Chair.

As part of these workstreams, detailed assessments were undertaken on the performance of all Group company Directors and Committee Members. Further details on this work are set out in the Nomination Committee Report.

Meetings of the Board
The Board was unable to meet in person during the year and its meetings were held virtually, due to the travel restrictions in place as a result of COVID-19. To adapt to the new medium, additional meetings were held to ensure that meetings were focused and everyone was able to remain engaged, recognising the Directors are based in different time zones across the world.

The Board met for six scheduled meetings and three ad-hoc meetings were also held to review PIDG's response to COVID-19 and to discuss potential new funding, our governing bodies composition model, the establishment of a new subsidiary and the potential sale of a portfolio of businesses in one of the Group companies.

There was regular communication between the CEO, members of the Executive team and the Board and its Committees throughout the year. The Executive team provides 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	• Received regular updates and detailed monthly and quarterly reports on the performance of the Company and PIDG companies • Received regular updates on funding and capital position • Received the three 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	• Received regular update on the impact of COVID-19 to the Group's operations • Received quarterly portfolio and risk register updates • Received regular updates on the key and emerging risks • Received regular updates on Health, Safety, Environmental and Social matters • Reviewed and approved changes to OPPs and Code of Conduct for approval by the PIDG members • Reviewed and approved the Risk Appetite Framework and Statement for approval by the PIDG members • Considered a new Loss Given Default Model and Capital and Portfolio Optimisation Framework for the Group • Received annual assurance reports on the outcomes of the compliance monitoring programme and anti-money laundering review
Strategy	• Held first Strategy Day • Reviewed and helped develop the 10 Year Vision for PIDG • Reviewed and approved the Group Business Plan Vision and Roadmap • Reviewed and supported the sale of a portfolio of projects in InfraCo Asia • Reviewed key projects and Group company initiatives, including the development of InfraCredits/PIDG Ventures and PIDG InfraSolutions • Received regular updates on development impact and approved a new DI Scorecard and KPIs
Governance	• Reviewed and approved a number of governance changes, including a strategic review of the composition of PIDG governing bodies, future changes to the governance arrangements of the Group and changes to the Policy Review Framework • Approved changes to the Committees' Terms of Reference • Approved the establishment of new offices in Casablanca and a new subsidiary in Kenya • Considered the impact on the Group of Mauritius being placed on the EU list of high-risk countries on 1 October 2020 • Approved a new Remuneration Framework for approval by the PIDG members

Attendance at Board and Board Committee meetings

The table below indicates the attendance of all Directors at 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 2020:

	Board	Nomination Committee	Audit Committee	Risk Committee	Credit Committee	HSES Committee	Investment Committee
No. of meetings held	9	3	5	5	2	4	10
PIDG Directors							
Andrew Bainbridge	C - 9	C - 3	3[1]		2	4	
Johan Bastin	8	3	0[2]				
Patrick Crawford	9	3		5	2		
Rachel English	9	3	5				
Yukiko Omura	9	3				4	
Tania Songini	9	3	1[3]	5			
John Walker	7	3					
PIDG Committee Members							
Cyril Wong			C-5				
Kathie Painter			5				10
Dianne Rudo				C - 5			
Oscar Kang'oro				5	C – 2		
Amy Lee				5			
Godfrey Mwindaare				5			
Ana Corvalan					2		
Anthony Marsh					2		
Rachel Kyte						C - 3	
Peter Hutchison						4	
Philippe Valahu						4	
Clive Turton							C - 9
Marc Lagesse							DC - 10
Peter Kennedy							10

C - Chair
DC - Deputy Chair

[1] Andrew Bainbridge resigned from the Audit Committee on 8 July 2020 and attended all Committee meetings until his resignation. He has continued to attend the meetings as an observer.
[2] Johan Bastin was appointed to the Audit Committee on 1 October 2020 and was unable to attend the one meeting held as had a prior commitment on the meeting date prior to his appointment.
[3] Tania Songini was appointed to the Audit Committee on 1 October 2020 and attended the only meeting held following her appointment.

Board Committees

The Board has established six 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 are set out in the Committee reports that follow.

Committee meeting frequency
The Nomination, Audit, Risk and HSES Committees are scheduled to meet quarterly and meet at other times as is necessary to discharge their duties. The Credit and Investment Committees meet as and when it is required to respond to the needs of the business.

Changes to the Committees during the year
On 14 January 2020 the two Investment Committees (one for Africa and one for Asia) 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 (ToR), 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 external Board Evaluation, a review of the effectiveness of each Committee has been undertaken to assess whether it is working effectively and efficiently to fulfil its responsibilities and to identify and rectify any shortfalls in practices. This year we have agreed to move our ToRs to the industry standard as set by the Governance Institute (ICSA). We will be seeking approval of the new ToR when we present the findings of the Board Evaluation to Committees in April 2021.

In addition to the Board Committees, the Company is also supported by the Independent Panel (IP) on Development Impact. The Trust has selected three individuals to act as the members of the panel, reporting to the Board.

The IP 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.

The initial terms of the IP members conclude in 2021, and we are currently reviewing the role and form of the IP to ensure that it continues to evolve and meet PIDG's needs.

The Board has also established a Technical Assistance ('TA') Committee with independent members that is operated by the Executive, which approves TA and VGF grants.

Nomination Committee Report

Andrew Bainbridge
Chair of the Nomination Committee

I am pleased to report on how the Nomination Committee has discharged its duties during 2020 and its planned activities in 2021.

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 body's arrangements are consistent with best practice.

Activities during the year
The main area of focus for the Committee during the year was the oversight of the annual governance effectiveness review, the details of which are set out on the following page.

In terms of appointments, the Committee considered the renewal of the CEO's contract and recommended its extension until 31 March 2021 while the terms of his new service contract are agreed. The Committee and Board remain very satisfied with the performance of the CEO and the leadership he has shown in bringing the Group companies together under the umbrella of PIDG Ltd and the development of a 'One PIDG' strategy.

The Committee also considered and recommended changes to the composition of the Audit Committee, following my resignation for this to align to best practice. It also considered and recommended the composition of the Board of the Company's new subsidiary in Kenya that was incorporated in 2021.

Following a strategic review of the composition of the governing bodies and approval by the Board at the start of the year, the Committee has received regular updates on the stage of discussions of possible changes with PIDG's members. It was agreed with the members that the potential changes would be revisited once an external Board Evaluation had been undertaken.

The Committee oversaw a number of other governance activities including a review of the Group's Matters Reserved and Delegated Authorities and the impact of Mauritius being included on the EU revised list of high-risk countries on 1 October 2020 as having strategic deficiencies in their AML and counter terrorist financing frameworks. It also approved the PIDG Governance Enhancement Plan.

Areas of focus for 2021
The key area of focus for 2021 will be responding to the findings of the 2020 governance effectiveness review and the development and implementation of an action plan. The immediate focus will be to use the succession plan being developed to inform the approach to the renewal of all PIDG Group Board Directors and Committee members at the end of their three year terms in the first half of the year.

The Committee will also continue to oversee the broader governance enhancement activities already identified.

Now that the Company has been established for three years, an Executive Succession Plan will be developed with the support of the Committee during 2021.

Governance Effectiveness Review

The main area of focus for the Committee was the annual governance effectiveness review. This consisted of an external Board Evaluation, which we conduct at least every three years in line with best practice and our Appointments and Evaluation of Directors OPP, and an internal governance effectiveness review to consider those aspects of the Board level governance arrangements not captured by the external review conducted by the Company Secretary.

Review Panel

To oversee the external Board Evaluation, the Committee established a Review Panel to undertake the tender process, agree the scope of the review and oversee the findings. The Review Panel consisted of me as Board Chair, Patrick Crawford as the Non-Executive Director representative, Michelle Hill as Company Secretary and Lukas Schneller from SECO as the member representative.

Tender

As this was the Company's first external Board evaluation, having only been established in 2018, an extensive tender process was undertaken. Seven providers were invited to participate. These included the main board evaluation providers in the UK, along with other providers with good industry reputations and business psychology or leadership coaching experience. It was important to PIDG the evaluator understood our unique structure and where we are on the evolution of our governance arrangements, and that they would bring challenge to our thinking.

We were fortunate to receive some strong proposals. The Review Panel recommended the selection of Genius Boards to undertake the external review, as it was felt on balance, they best suited our needs. This proposal was supported and approved by the Committee.

Scope and key outputs

The focus of the external Board evaluation is to:

- review the effectiveness of the Board and each of its Committees.
- review the performance of PIDG Ltd Board Directors and Committee Chairs.
- develop a succession plan for the Board.
- create a Skills and Experience matrix for the Board.

The focus of the internal governance effectiveness review is to:

- review the effectiveness of the Boards of the PIDG companies.
- review the performance of the Committee members and Directors of the Boards of the PIDG companies not captured by the external review.

The findings from both reviews will be used to develop a governance enhancement plan and to create Skills and Experience Matrixes and Succession Plans for each of the Board Committees and Boards of the PIDG companies.

Review Process

The external Board evaluation included the attendance of the evaluator at Board and Committee meetings, their review of the meeting papers, discussions with each of the PIDG Ltd Board Directors and Committee Chairs to discuss overall effectiveness, and a comprehensive self-assessment and peer assessments of the skills and performance of each PIDG Ltd Board Director and Committee Chair.

The internal review included the completion of Board Effectiveness evaluation questionnaires by each Director on the Boards of the PIDG companies, discussions on the findings with the respective Board Chairs and discussions between the Board Chairs and the Company Secretary on the performance of the Directors who were not captured by the external review (the Chairs having canvassed the views of the Directors on individual performance ahead of those sessions).

Findings and Next Steps

The work on the governance effectiveness review is ongoing. Once the findings of both reviews are available, they will be presented to the Board and our members for consideration and the Directors and Committee Members will receive individual feedback sessions on their performance.

The final report will then be used by the Committee to agree the future composition of our governing bodies, develop a Succession Plan for the Board and its Committees and agree a governance enhancements plan. We will report on our progress against the actions identified in future reports.

Audit Committee Report

Cyril Wong
Chair of the Audit Committee

I am pleased to report on how the Audit Committee has discharged its duties during 2020 and its planned activities in 2021.

The Committee continued to focus on issues relating to PIDG's management and financial reporting, including ensuring the integrity of the financial reporting and the consideration of key accounting judgements with a particular focus this year on the approach to the valuation of project investments in InfraCo Africa and Asia.

The Committee agreed a provision of non-audit services policy, reviewed the need for an Internal Audit function, assessed the internal assurance and integrity of the development impact data included in the PIDG Annual Review[1], 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. The Committee has a deep knowledge and significant business experience in financial reporting, internal control and risk management 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. The Chair is also a standing invitee, following his resignation from the Committee in July 2020.

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.

Activities during the year

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.

[1] 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.

Activities during the year continued

The Audit Committee considered the following significant issues in relation to the financial statements for the Company for the year:

- Assessing the impact of COVID-19 on operations.
- The nature of the service level agreements and associated transfer pricing margin in place between the Company, the PIDG companies and the Trust.
- The application of IFRS 16 in terms of the lease and office equipment associated with the Company's office at 6 Bevis Marks, London EC3A 7BA, including the termination of one of the equipment contracts.
- The useful life of capitalised items.
- Bonus provisions for staff.

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.

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 PIDG's governance and assurance activities, the Audit Committee is considering when to establish an Internal Audit function.

To aid its decision making, the Committee has asked management to undertake a number of assessments, the findings of which will be used to aid its decision on the need for the function in 2021.

The key risks that the Company is exposed to are reported in the *Business Review* section on pages 11 - 12 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 is 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 2020 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 external 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 also monitors and controls non-audit work provided by the external Auditor and formalised its policy on the provision of non-audit services during the year. This policy sets out those activities the external Auditors are able to undertake and the approvals required depending on certain fee thresholds. The policy also sets out those 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 external Auditor's independence or objectivity.

The Audit Committee evaluates the performance of the external 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 2020 was deemed to be satisfactory.

Areas of focus for 2021
In 2021, the Committee will continue to focus on issues relating to PIDG's management and financial reporting and ensuring the integrity of the financial reporting and the consideration of key accounting judgements. We intended to agree a standardised approach to the valuation of project investments in InfraCo Africa and Asia by year end.

The Committee will also conclude its review of the need for an Internal Audit function, and if it deems it is now an appropriate time to establish the function, it will oversee the development of an Audit Universe and an Internal Audit programme.

The Committee will also continue to work with management on the development of the internal control framework.

Risk Committee Report

Dianne Rudo
Chair of the Risk Committee

I am pleased to report on how the Risk Committee has discharged its duties during 2020 and its planned activities in 2021.

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, the review of new products proposed by the PIDG Credit Solutions companies, and portfolio review and monitoring.

Activities during the year
A large focus of the Committee's time is on risk reporting. During the year, the Committee received regular reports on PIDG's credit and investment portfolio, including its project and corporate risk registers and on emerging risks and challenges. Regular updates were also provided on the analysis of the potential impacts of COVID-19 on PIDG and the PIDG companies.

In line with its annual programme, the Committee reviewed PIDG's Risk Appetite Framework and made recommendations to the Board on appropriate changes to risk appetite; it also focused on the alignment between the framework and the PIDG companies' Business Plans in order to ensure these were developed on a basis that took appropriate account of PIDG's risk appetite.

To gain assurance on how the risk framework is embedded within the business, the Committee also received reports on OPP compliance, the findings of the compliance monitoring activities and the annual AML report.

To ensure the risk framework remains fit for purpose, the Committee oversees the development of the OPPs and related risk frameworks and makes any necessary recommendations to the Board and PIDG members on changes for these.

The Committee also undertakes a 'deep dive' of each PIDG company annually, meeting with its senior executives to understand their views on the key risks to which their business is exposed in order to build its understanding of the risks of each companies' business. This year these sessions have also focused on the impact of COVID-19.

During the year, the Committee has also overseen the development of new credit models, frameworks and systems.

Further details on all these activities as set out on the following pages.

Private sessions were held by the Committee with the CRO in order to discuss his personal views on PIDG's overall risk profile and its management.

Areas of focus for 2021
The key areas of focus for 2021, will be the ongoing monitoring of the impact of COVID-19 on the Group's portfolio, ensuring the alignment of risk appetite to the PIDG strategy, and overseeing the ongoing development of the risk framework with a focus on credit and operational risks and IT systems upgrades as part of the implementation of a Data Warehouse.

Key Matters considered during the year

Matter Considered	***How the Committee addressed the matter***
Risk Framework	
Risk Management Framework (RMF)	The Committee is responsible for overseeing the annual review of the RMF. Management continued to make good progress on the roadmap and implementation of those aspects of the RMF developed from the prior year. The RMF was finalised upon the completion of the Unified Credit Model for the Credit Solutions companies. As part of the next evolution of the RMF, the Committee asked management to consider the advancements that could be made in terms of the third line of control and the seeking of independent assurance over the risk management systems and financial controls.
Risk Appetite	The Committee is responsible for recommending changes in the Group's overall risk appetite and tolerance to the Board for approval. The Committee considered the revised Risk Appetite framework and supported changes in the calculation methodology used to set Risk Appetite limits, which were updated to align to the risk assessment methodology of the new Unified Credit Rating Framework. The methodology was also enhanced to introduce a DI assessment overlay.
Operating Policies and Procedures (OPPs) and PIDG Code of Conduct	The Committee is responsible for recommending changes to the PIDG OPPs and Code of Conduct to the Board for onward recommendation for approval by the members. The OPPs set out the policies and procedures in place to manage key risks as identified by the members; there is then a broader policy framework in place to support these. All OPPs are reviewed on a regular cycle and the Committee approved the changes to the procurement, disclosure, conflicts of interests and complaints and whistleblowing OPPs and the Code of Conduct.
Compliance Monitoring Plan (CMP)	The Committee reviews and approves the annual CMP. The 2020 plan activities were expanded to provide coverage of all policy areas not previously reviewed and to provide additional assurance where incidents had occurred or areas that had been identified for improvement as part of the annual certification process.
Operational Risk Mapping	The Committee considered the approach to the operational risk mapping exercise, which will support the Audit Committee's consideration on whether to establish an Internal Audit function and aid the development of the internal control framework. This exercise provides a clear understanding of the operational risks across the business and the controls in place to manage these. The next step will be to assess both the inherent and residual risks and identify any further controls needed. The Committee recommended a risk-based approach to the work.
Portfolio reporting and Project and Corporate Risk Registers	The Committee is responsible for monitoring the changes to the risk profile of the PIDG-wide portfolio and uses the portfolio report and project risk registers received at each meeting to perform this role. The Committee also reviews the corporate risk register which brings together all the risks faced by PIDG.

Matter Considered *Risk Reporting*	***How the Committee addressed the matter***
Emerging Risks and Challenges	The Committee is responsible for monitoring emerging risks on behalf of the Board and receives bi-annual reports to enable its oversight. A number of risk ratings increased during the year. These related to Myanmar, the increased frequency and severity of adverse weather events and public debt-levels in sub-Saharan economies. As a result of COVID-19 a new risk for the spread of disease and its social and economic implications was added as a new key risk and was monitored closely by the Committee throughout the year.
COVID-19 Scenario Analysis	The Committee is responsible for reviewing the outcome and results of scenario testing, which is a key risk identification, measurement and management tool for PIDG. It received regular updates on the scenario analysis for the potential impacts of COVID-19 on PIDG's activities which were undertaken by the Risk function in conjunction with the different PIDG companies and it monitored the actual impacts.
Risks to the Business Plans	As part of the Committee's role in overseeing and advising the Board on future risk exposures, it reviewed the Risk function's assessment of the PIDG companies Business Plans. Consideration was given to the limits set in the Risk Appetite and whether these would constrain portfolio growth. The Committee also considered the key financial risks (including potential funding constraints and macro-economic environmental factors resulting from COVID-19) and non-financial risks (primarily arising from increased political risks in the countries in which we operate). The review was used to inform the Committee's consideration of the proposed Risk Appetite limits.
Annual Compliance Exercise	Alongside the Audit Committee, the Committee reviewed the results of the annual compliance exercise to understand the adequacy of the internal control framework. The process was enhanced from prior years from a self-certification exercise undertaken by the PIDG companies to include second line assurance through compliance monitoring activities and some third line assurance through a ISAE certification process. Compliance has improved year on year. The Committee gained comfort from the increased assurance provided by the new process.
AML Report	The Committee reviews the results of the AML exercise, which informs its view on the adequacy of the internal control framework. The Committee was comfortable with the controls in place, while recognising that PIDG works in high risk jurisdictions where the risk of bribery and corruption is elevated, against a backdrop of a constantly evolving landscape. There were some areas identified for enhancement to ensure consistency in practices across PIDG, however, there was a strong commitment to address the risk. AML training was provided to all employees, Directors and Committee Members during the year to increase understanding and awareness.

Key Matters considered during the year

Matter Considered	***How the Committee addressed the matter***
New Models, Frameworks and Systems	
Unified Credit Rating Framework (UCRF)	The Committee received regular updates throughout the year on the development of the UCRF and provided input into the rating process, the parameters and weights used in the UCR model, the application of a sovereign ceiling and the approach to rating different transaction structures. The model was adopted for the year end reporting process and provided a unified approach to project risk assessments, portfolio-wide risk aggregation, transaction pricing and capital allocation in credit companies.
Capital Allocation and Portfolio Optimisation Framework (CAPOF)	The Committee oversaw the development of the CAPOF which is being implemented to provide a consistent approach to the assessment of projects in order to identify those with the best risk return by ensuring an optimal balance between development impact and financial sustainability when deploying member capital. The framework will be used as a tool to help the PIDG companies select projects and to understand how to best allocate capital across the Group.
Loss Given Default Model (LDG Model)	The Committee reviewed the proposed approach to the development of a LGD Model for the credit businesses, which is a key input in the expected credit loss models and the CAPOF. The Committee reviewed the proposed approach to the model and the quantitative methodologies and expert judgements to be used.
Data Warehouse	The Committee received regular updates on the development of the Data Warehouse. The first phase of the work is focused on risk data and will be expanded over time to include DI, HSES and Finance data. This is a multiyear project and will improve and provide more reliable reporting once in place. As part of these activities and the broader activities of the DI, HSES and Finance teams, standardised data sets are being agreed to permit the comparability of results across PIDG.
Divisional Deep Dives Business Area Deep Dives	The Committee undertook 'deep dives' into GuarantCo, EAIF and InfraCo Africa which focused on the key risks to the businesses as a result of COVID-19. The 'deep dive' into InfraCo Asia was held before the emergence of COVID-19 and focussed on its business model, risks to its business plan and its risk register. The Committee finds these sessions very useful to gain a deeper understanding of risks of each PIDG company. It also takes the opportunity to meet in private with the Credit Solutions businesses local risk representatives in order to understand the dynamics with management and to provide them with the opportunity to raise any concerns they may have in private.

Health, Safety, Environment and Social Committee Report

Rachel Kyte
Chair of the HSES Committee

I am pleased to report on how the Health, Safety, Environmental and Social Committee has discharged its duties during 2020 and its planned activities in 2021.

Roles and responsibilities
The Committee's main duties are to monitor performance and key risks PIDG faces in relation to HSES management and governance, to oversee the development and effectiveness of HSES policies, standards and procedures and the processes and systems put in place to meet PIDG's objectives (protecting employees, the communities in which we operate, and the natural environment); to monitor the effectiveness of operations across PIDG in delivering continuous improvements in HSES on projects; and to provide assurance to the Board, the Trust and PIDG members of high HSES governance standards.

Activities during the year
The Committee received at each meeting a comprehensive report from the HSES Director. The report provided an update on a number of matters, including the implementation of the HSES Framework and supporting roadmap, the status of serious incidents, investigations and the HSES project Watchlist, the HSES Risk Register and methodology, HSES policy development, HSES reviews and assurance visits, and the status of GBVH, modern slavery and child labour safeguarding.

The HSES Director's report also provided details of any lessons learnt reports issued, updates on the status of training and performance management, and continuous improvement activities undertaken in the period.

During the year, the Committee also considered the impact of COVID-19 on HSES performance across PIDG and provided guidance to management on how to manage HSES risks in the COVID-19 environment.

The Committee continued to work with management on the ongoing development of the HSES Risk Management Framework and oversaw the development of the HSES portfolio risk assessment process.

At each meeting it also met with local HSES representatives and company Executives from each of the PIDG companies to discuss its portfolio HSES risk assessments, objectives and targets.

From a development impact perspective, the Committee considered the work being undertaken to socialise climate change standards and to develop an environmental policy. It also oversaw the development and implementation of gender-based violence risk actions, modern slavery and child labour safeguarding activities and received updates on the socialisation of the PIDG Safeguarding policy and the PIDG Life Saving Rules campaign.

Areas of focus for 2021
During 2021, the Committee will continue to focus on monitoring the development of the HSES management systems, policies, standards, guidelines and tools in areas including health and safety, environment and climate, communication and engagement, training, and reporting.

Areas of focus for 2021 *continued*

The Committee will also monitor developments from lessons learnt, the development of new tools, including the Self-Assessment Questionnaires designed to provide guidance to PIDG companies and the companies they work with. While travel restrictions remain in place due to COVID-19,it will also oversee the work of management to develop an incident investigation best practice guideline, and a land acquisition, livelihood restoration and resettlement standard.

Other areas of focus will include the development of a PIDG HSES Centre of Excellence and the ongoing development of HSES standards in areas such as health and wellbeing, social performance, human rights and security. The ongoing improvements in PIDG HSES will further PIDG's development impact and efforts to lead and ensure our impact on climate change.

Credit Committee Report

Patrick Crawford
Interim Chair, Credit Committee

I am pleased to report on how the Credit Committee has discharged its duties during 2020 and its planned activities in 2021.

I became the interim Chair of the Committee in January 2021 following the sudden and much mourned loss of Oscar Kang'oro who had been inaugural chair since 2018.

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

Activities during the year
As a result of COVID-19 there has been a lower level of new business activity in PIDG's credit businesses which has reduced the work of the Committee during the year.

The Committee considered and approved two proposals during the year and approved PIDG's Credit Risk Management Policy.

The Committee approved the EAIF Zimborders project on the border post of the North-South corridor in Zimbabwe, which is a high development impact project of significant importance for the African continent.

The Committee also reviewed a further transaction for our guarantee business that did not proceed.

Areas of focus for 2021
The Committee's focus will be on the continued development of the lending and guarantee strategy and business model to advance the PIDG Group's strategic objectives, monitoring lending and guarantee risks, and assess any necessary changes to the lending and guarantee policy.

The Committee's consideration of credit investments will be enhanced in 2021, as the result of the approval of a risk-adjusted return methodology for the Credit Solutions businesses at the end of 2020. This methodology will be used as a key driver for setting the pricing expected on each transaction and will serve as a key input into credit decisions. For the first time the Committee will now also be able to evaluate risk-adjusted returns in the context of the development impact a transaction is expected to create, utilising objective data from development impact scorecards. Further, the Committee will be in a position to evaluate credit investments on a portfolio, rather than standalone, basis.

Areas of focus for 2021 *continued*

The work of the Committee will also be dependent on the focus of the two Credit Solutions businesses.

EAIF's focus will be to align all transactions to the Paris Agreement; continue its work in relation to capital market development; continue its support of the roll out of cost-efficient DCI / broadband solutions on the African continent; and continue its development of affordable housing and the Special Economic Zones.

GuarantCo will continue to focus on local currency transactions in low income countries across Africa and Asia, particularly in off-grid energy and affordable housing transactions. It will also continue to develop its longer term strategy of building a presence in a market before establishing a local guarantor that could continue its work at a greater pace and scale as has been successfully achieved with InfraZamin Pakistan in 2020 and InfraCredit in Nigeria in 2016.

Investment Committee Report

Clive Turton
Chair of the Investment Committee

I am pleased to report on how the Investment Committee has discharged its duties during 2020 and its planned activities in 2021.

Roles and responsibilities

The Investment Committee's main duties are to develop the non-credit investment and divestment strategy for the PIDG Group in Africa and Asia, oversee and monitor the investment and divestment performance of the investment portfolios, approve investment and divestment proposals, work with other Board Committees, PIDG Group committees and Executives to achieve a fully integrated organisation and provide monitoring and oversight of investment and development risk. When overseeing the investment activities, the Committee is required to make decisions taking account of the need to create financial, economic and developmental impact value (within risk appetite) in the short, medium and long term.

Activities during the year

The Committee met regularly during the year with its main focus on the approval of investments and divestments in projects. The Committee reviewed the progress of the InfraCo Africa and InfraCo Asia project portfolios, including the progress made on projects by the teams and its development partners.

Projects approved by the Committee included Africa GreenCo in Zambia, Lake Victoria Marine Transport in Uganda, Bumbuna II Hydro Project in Sierra Leone, Corbetti Geothermal Power Project in Ethiopia, Acorn Student Accommodation in Kenya, Palawan Hybrid Solar Power in Philippines, InfraZamin in Pakistan (to issue credit guarantees for infrastructure-related debt instruments), Myanmar Rural Electrification Services and Indonesia Rural Wireless Broadband Project. Details on these projects can be found on the PIDG website at www.pidg.org.

When making investment decisions, the Committee considered, amongst other factors, the rationale for the projects, the developer / partner / sponsor support, the country of operation, local government and regulatory frameworks, key project risks and mitigants, project economics and PIDG's requirements for additionality and development impact. The Committee also assessed the progress of the investment projects against key milestones, budgets, development impact and HSES requirements.

Areas of focus for 2021

During 2021, the Committee will focus on assisting the Board to set, guide and oversee the implementation of the non-credit investment and divestment strategy for PIDG, and advise the Board on appropriate levels of non-credit investment and divestment risk and how best to balance short, medium and long-term investment, divestment and development objectives to help achieve PIDG's strategic objectives.

The Committee's oversight role will also develop in 2021 to provide portfolio management oversight and guidance to PIDG.

Areas of focus for 2021 *continued*

The work of the Committee is dependent on the focus of the two development and investment businesses (InfraCo Africa and InfraCo Asia) and its focus will be driven by their activities.

InfraCo Africa's focus in 2021 will be on consolidating its commitments at financial close, and on construction and exits as the projects in its portfolio mature. It will also focus on raising the profile of InfraCo Africa Investments in the external marketplace and build a network of contacts to continue delivering a pipeline of investment opportunities. It also plans to leverage its position within PIDG to provide equity financing and act as a 'developer' for the PIDG Credit Solutions companies, by sharing its expertise when structuring PIDG Ventures transactions.

InfraCo Asia will continue to focus on the affordable housing sector and will work with PIDG TA to fund capacity-building for local developers to design projects focused on women empowerment and the highest environmental best practice standards. It will also continue to develop off-grid solar projects by replicating pilots already undertaken. In the water sector, it will provide leadership and viable financing options for projects in tier two cities, municipality areas and semi-rural areas and will support the development of infrastructure within special economic zones in sectors including waste management, transport and renewable energy.

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 reviewed at least every three years.

As Non-Executives, 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	£22,000 (£22,000)
Yukiko Omura	£15,500 (£28,000)
Tania Songini	£17,000 (£29,500)
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 held throughout the year. To ensure the ongoing development of our employees and the effectiveness of these sessions, all managers and employees received performance review training during the year. To seek the views and opinions of employees, an employee culture survey and a diversity survey were conducted during the year. The results of which will be used by PIDG to continue to improve the working environment.

The Executive team is responsible for keeping employees up to date with developments and the performance of the business, which is achieved through regular scheduled meetings. To respond to the work from home requirements set by governments, fortnightly Townhalls have been held to ensure employees were kept up to date and felt engaged while working from home. The day to day management of the Company is led by the CEO and the Executive team, whose members are not Directors of the Company.

The remuneration of the Company's employees is determined by the PIDG Remuneration Framework which has been reviewed during the year. The revised framework proposed is currently being reviewed by our members. There are seven permanent members of staff who are part of the Executive team and all seven are remunerated with 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 pension[1] (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 PIDG 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 fees or benefits from either the Trust or the Company in relation to these services, aside from reimbursement of sundry business expenses.

[1] 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.

Directors' Report

The Directors present the Directors' report and the audited financial statements for the year ended 31 December 2020.

Directors
Details of the current Directors are set out on pages 14 to 17 of this report.

Company Secretary
The Company Secretary is Michelle Hill (appointed 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 s.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. While the Company is not required provide a s.172 statement, to align to best practice, it plans to enhance its reporting in this area for its 2021 Annual Report.

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 2020, 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 50. The Company did not declare any dividends for the year ended 31 December 2020 (2019: £nil).

Political donations
The Company did not make any political donations in the year ended 31 December 2020 (2019: £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
The Board has a well-established process to authorise conflicts or potential conflicts in line with the Articles of Association. On appointment, a Director is required to declare their interests and these are approved by the Board as appropriate. At each meeting, the Directors are required to declare any potential new interests for the Board's consideration. 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 an annual appraisal. Outputs from this appraisal process are 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 number 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 to reduce overall time spent flying.

Greenhouse gas emissions *continued*
Employee travel reduced significantly in 2020 due to the travel restrictions in place as a result of COVID-19. The Company plans to use the learnings from this changed environment to reconsider its working practices.

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 30 March 2022. 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 s.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 Company anticipates continued reduction in travel and staff working from home, pending advice from the UK government. The Group narrowly missed its KPI targets due to transactions being delayed due to COVID-19 and this is being closely monitored into 2021. Business planning in the year has taken this into account and no serious impact on the Group's results is expected. Whilst there is pressure on members' budgets due to COVID-19, members have confirmed their ongoing support for the funding for PIDG Ltd.

On 28 January 2021, the Company established an overseas subsidiary called 'The Private Infrastructure Development Group (Kenya) Limited' to provide local staff to oversee the Group's African based projects.

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:

J.P.S. Crawford

Patrick Crawford
Director
30 March 2021

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 the Companies Act. 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
- Assess 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:

J.P.S. Crawford

Patrick Crawford
Director
30 March 2021

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 2020 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 accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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.

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

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring management and the audit committee;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- considering the effectiveness of the control environment in monitoring compliance with laws and regulations.

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.

BDO LLP

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
30 March 2021

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

Income statement for the year ended 31 December 2020

	Notes	2020 £	2019 £
Revenue	4	6,137,590	5,430,311
Other income	5	110,155	109,058
Operating costs	6	(5,417,397)	(5,418,415)
Finance income	8	115	627
Finance expense	8	(29,374)	(35,471)
Profit before tax		**801,089**	**86,110**
Taxation	9	(168,549)	(23,613)
Profit on ordinary activities after taxation		**632,540**	**62,497**

Statement of comprehensive income for the year ended 31 December 2020

	Notes	2020 £	2019 £
Profit on ordinary activities after taxation		632,540	62,497
Other comprehensive income		-	-
Total comprehensive income for the year		**632,540**	**62,497**

The notes on pages 54 to 73 form part of these financial statements.

Statement of financial position as at December 2020

	Notes	2020 £	2019 £
Assets			
Property, plant and equipment	10	387,847	462,895
Other receivables	12	159,943	159,943
Right of use (ROU) assets	19	375,343	498,092
Total non-current assets		**923,133**	**1,120,930**
Cash and cash equivalents	11	1,240,479	650,358
Trade and other receivables	12	968,247	340,813
Total current assets		**2,208,726**	**991,171**
Total assets		**3,131,859**	**2,112,101**
Equity and liabilities			
Called up share capital	14	1	1
Retained earnings		1,453,258	820,718
Total equity		**1,453,259**	**820,719**
Trade and other payables	13	1,153,913	623,322
Total current liabilities		**1,153,913**	**623,322**
Other payables	13	55,891	47,068
Lease liabilities	13	468,796	620,992
Total non-current liabilities		**524,687**	**668,060**
Total equity and liabilities		**3,131,859**	**2,112,101**

Authorised for issue and approved by the Board on 30 March 2021.

J.P.S. Crawford

Patrick Crawford
Director

The notes on pages 54 to 73 form part of these financial statements.

Statement of changes in equity for the year ended 31 December 2020

	Notes	Share capital	Retained earnings	Total
		£	£	£
Balance as 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 period		-	62,497	62,497
Balance as at 31 December 2019		1	820,718	820,719
Profit for the period		-	632,540	632,540
Balance as at 31 December 2020		**1**	**1,453,258**	**1,453,259**

The notes on pages 54 to 73 form part of these financial statements.

Cash flow statement for the year ended 31 December 2020

	Notes	2020 £	2019 £
Operating activities			
Profit before taxation		801,089	86,110
Adjustments for:			
Depreciation	10	123,763	106,020
Interest received	8	(115)	(627)
Interest paid	8	29,374	35,471
Depreciation of ROU assets recognised	19	169,213	166,751
Operating cash flows before movement in working capital		**1,123,324**	**393,725**
(Increase) / Decrease in trade and other receivables		(627,434)	343,052
Increase in trade and other payables		387,218	240,057
Cash generated from operations		**883,108**	**976,834**
Corporation tax		(168,549)	(23,613)
Net cash generated from operating activities		**714,559**	**953,221**
Investing activities			
Acquisition of property, plant and equipment	10	(48,715)	(121,672)
ROU assets recognised	19	(46,464)	(664,843)
Retained earnings adjustment for 2018 on adoption of IFRS 16	19	-	63,349
Net cash generated from investing activities		**(95,179)**	**(723,166)**
Financing activities			
Issue of shares		-	-
Interest received	8	115	627
Interest paid	8	(29,374)	(35,471)
Net cash generated from financing activities		**(29,259)**	**(34,844)**
Net increase in cash and cash equivalents		**590,121**	**195,211**
Cash and cash equivalents at the beginning of the period		650,358	455,147
Cash and cash equivalents at end of the period		**1,240,479**	**650,358**

The notes on pages 54 to 73 form part of these financial statements.

1. General information

The Private Infrastructure Development 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 is detailed in the *Business review* section of this report.

On 7 January 2020, the Company established an overseas branch called 'The Private Infrastructure Development Group Limited (Singapore Branch)' whose registered office is 8 Cross Street, #23-04/05, Manulife Tower, Singapore. The purpose of the Branch is to provide local staff to oversee the Group's projects based in Asia. The financial results for the Branch have been consolidated with the Company's results above and within the notes below. As required by Singaporean law, it will also submit its own local statutory accounts.

2. Standards issued but not yet effective

The Company adopted all accounting standards, interpretations and amendments that were effective as of 1 January 2020.

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.

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 EU (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 SLAs that are 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 three years to 31 December 2023 and detailed cashflows to 31 March 2022. 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 2021 Company 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 PIDG Trust that the Company can access, and the SLAs 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 to provide the company with a Revolving Facility Agreement for up to 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.

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.

3. Accounting policies *continued*

Taxation continued

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; and
- 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:

<u>Cash and cash equivalents</u>
Cash and cash equivalents are comprised of cash at banks and demand deposits with a maturity of three months or less.

<u>Trade and other payables</u>
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.

<u>Trade and other receivables</u>
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.

3. Accounting policies *continued*

Financial instruments continued

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

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 2020 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 but the Group's remuneration framework is currently under review by its members. The bonus provision for 2020 will be further refined as part of the Company's performance review process that is due to complete in April 2021.

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 uncertain whether the company will or will not exercise this option to break the lease in February 2023, given the planned increase in headcount across the Group, therefore the present value has been calculated up to this date.

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 PIDG Trust) and its members, 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 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 (2019: £nil).

Service level agreements (SLAs)
For the year ended 31 December 2020, the Company recharged out its costs to the PIDG Trust and the other PIDG companies.

Transfer pricing (TP) margin
An arms-length transfer pricing margin is added to charges stemming from SLAs with group companies. During the financial year under review, the average TP Margin was 17% (2019: 12%).

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 2020, the Company identified one new contract that would be classified as ROU assets:

3. Accounting policies *continued*

Leases (IFRS 16) continued

- Office equipment
  Office equipment that is controlled entirely by the Company.

  The contract for office equipment recognised under IFRS 16 was terminated in early 2020 and was subsequently replaced by a contract from a new supplier. The previous lease was fully amortised up to the end of the first quarter and the new lease has been recognised as a lease liability and corresponding right-of-use asset on the balance sheet.

  Additional office equipment contracts were reviewed for the year and were deemed to be of low value, hence were expensed to the period they related to.

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 Revolving Facility Agreement the Company has with GuarantCo, 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:

	2020	**2019**
	£	**£**
Recharges to PIDG Trust and PIDG companies	5,159,598	4,860,277
Transfer pricing margin	977,992	570,034
	6,137,590	**5,430,311**

Analysis of revenue by location of customers:

	2020	**2019**
	£	**£**
UK	1,388,722	1,156,545
Mauritius	3,386,871	3,192,754
Singapore	1,361,997	1,081,012
	6,137,590	**5,430,311**

5. Other income

Other income of £110,155 (2019: £109,058) relates to rental income for the shared office space at 10th floor, 6 Bevis Marks, London EC3A 7BA charged to PIDG Group companies

	2020 £	2019 £
EAIF	3,623	7,887
InfraCo Africa	106,532	101,171
	110,155	**109,058**

6. Operating costs

	2020 £	2019 £
Staff costs (note 7)	3,204,313	2,453,545
Premises costs	178,569	220,077
Professional fees and contractors	1,323,294	1,564,539
Travel and subsistence costs	48,871	306,775
Information technology	148,741	163,165
Marketing and communications	40,676	25,587
Development impact studies	70,266	250,424
Professional indemnity insurance	9,445	24,910
Depreciation (note 10)	123,763	106,020
ROU depreciation (note 19)	169,213	166,751
Foreign currency exchange losses	37,061	67,362
Other	63,185	69,260
	5,417,397	**5,418,415**

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

	2020 £	2019 £
Audit of the Company's accounts	16,000	15,600
Co-ordination of the group audit	15,000	14,000
Review of PIDG's Annual Review	5,400	5,200
	36,400	**34,800**

7. Staff costs

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

	2020	**2019**
	£	**£**
Salaries (including bonuses)	2,612,634	1,861,959
National insurance	290,016	205,838
Other employee benefits	73,563	58,738
Pension costs	123,716	81,715
Other personnel costs	104,384	245,295
	3,204,313	**2,453,545**

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 £1,853 (2019: £14,631) 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 £1,646,059 (2019: £1,282,361).

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 46 (2019: 34).

	2020	**2019**
	No.	**No.**
PIDG Board and Committee members	20	19
Support - Finance, Human Resources, Operations, Legal	13	6
Development Impact	5	3
Investor Relations including Communications	4	3
Risk, Health and Safety	4	3
	46	**34**

An average of 5 people (2019: 1) are fully recharged to other entities within the group, and there is an average of 1 person (2019: 1) fully recharged to PIDG Ltd from other entities within the group.

8. Finance income and expense

	2020 £	2019 £
Finance income:		
Interest received from banks	**115**	**627**
Finance expense:		
Bank charges	3,855	3,762
Credit card fees	86	66
Interest on ROU liability (note 19)	25,433	31,643
	29,374	**35,471**

9. Taxation

	2020 £	2019 £
Current tax		
Current period (note 13)	159,535	13,447
Adjustment to prior period	191	3,972
Deferred tax		
Current period	(12,304)	6,345
Adjustment to prior period	21,127	(151)
Taxation	**168,549**	**23,613**
Adjustment to retained earnings and deferred tax on adoption of IFRS 16	-	14,859
	168,549	**38,472**

	2020 £	2019 £
Profit on activities before corporation tax	801,089	86,110
Tax at the standard rate of corporation tax (19%)	152,207	16,361
Effects of:		
Expenses not deductible for tax	(4,976)	3,431
Adjustment to prior year	21,318	3,821
Adjustment to retained earnings on adoption of IFRS 16	-	14,859
	168,549	**38,472**

9. Taxation *continued*

Deferred tax

	Temporary differences
	£
Opening	
Charge through the income statement	47,068
As at 31 December 2019	**47,068**
Current period	(12,304)
Adjustment to prior period	21,127
As at 31 December 2020 (note 13)	**55,891**

10. Property, plant and equipment

	Leasehold improvement	IT equipment & software	Fixtures & fittings	Total
	£	£	£	£
Cost				
As at 1 January 2020	258,431	259,281	105,245	622,957
Additions	-	47,517	1,198	48,715
As at 31 December 2020	**258,431**	**306,798**	**106,443**	**671,672**
Accumulated depreciation				
As at 1 January 2020	(43,072)	(84,812)	(32,178)	(160,062)
Depreciation charge for the year	(25,843)	(76,751)	(21,169)	(123,763)
As at 31 December 2020	**(68,915)**	**(161,563)**	**(53,347)**	**(283,825)**
Net book value				
As at 31 December 2019	215,359	174,469	73,067	462,895
As at 31 December 2020	**189,516**	**145,235**	**53,096**	**387,847**

11. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank		
Pounds Sterling (GBP £)	1,092,006	223,733
Euros (EUR €)	826	2,032
United States Dollars (USD $)	147,647	424,593
	1,240,479	**650,358**

12. Trade and other receivables

	2020	2019
	£	£
Due within one year		
Trade receivables	825,609	135,690
Prepayments and accrued income	111,662	159,590
Lease asset	30,976	45,533
	968,247	**340,813**
Due after more than one year		
Rental deposit	158,099	158,099
Other receivables	1,844	1,844
	159,943	**159,943**
	1,128,190	**500,756**

The rental deposit was paid to GuarantCo Management Company Limited (GMC) - the fund manager of GuarantCo - 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 SLA fees due from other PIDG companies.

		Past due			
	0 - 30 days	**31 - 60 days**	**61 - 90 days**	**Over 91 days**	**Total**
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount	784,424	-	41,185	-	825,609
Loss provision	-	-	-	-	-

13. Trade and other payables

	2020 £	2019 £
Due within one year		
Trade payables	126,592	172,133
Other payables	48,334	75,755
Accruals and deferred income	611,944	339,677
VAT and social security	207,508	22,310
Corporation tax (note 9)	159,535	13,447
	1,153,913	**623,322**
Due after more than one year		
Lease liability	468,796	620,992
Deferred tax (note 9)	55,891	47,068
	524,687	**668,060**
	1,678,600	**1,291,382**

The average trade creditors days for the year ended 31 December 2020 was 12 (2019: 17).

14. Share capital

	2020 No.	2020 £	2019 No.	2019 £
Authorised and issued				
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 shareholders not recognised elsewhere.
Retained earnings (ROU) Adjustment	Adjustment to retained earnings due to reversal of accruals recognition of expenses applicable to IFRS 16.

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:

	2020	**2019**
	£	**£**
Within one year	297,341	297,666
Between two and five years	327,482	624,823
	624,823	**922,488**

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 2020 were £297,666 (2019: £207,813).

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**	**2020**
	£	**£**	**£**
Within one year	4,013	118,023	122,036
Between two and five years	4,420	129,986	134,406
	8,433	**248,009**	**256,442**

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

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 SLA fees 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 2020 has been to convert foreign currency receipts back to Pound Sterling to match its Pound Sterling outgoings as and when it is practical to do so.

The Company's exposure to foreign currency risk as at 31 December 2020 was:

	2020		2019	
	EUR/GBP	**USD/GBP**	**EUR/GBP**	**USD/GBP**
	£	**£**	**£**	**£**
Assets				
Cash and cash equivalents		147,647	2,032	424,593
Trade and other receivables	-	(38,328)	-	(52,237)
	-	109,319	2,032	372,356
Liabilities				
Trade and other payables	(18,084)	(10,978)	(9,406)	(73,696)
	(18,084)	(10,978)	(9,406)	(73,696)
Net exposure	**(18,084)**	**98,341**	**(7,374)**	**298,660**

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.

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 regularly 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.

As at 31 December 2020 the Company had cash and cash equivalents of £1,240,479 (2019: £650,358) with a further £968,247 (2019: £340,813) in current assets. This is £1,054,813 (2019: £367,849) 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; and
- 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:

	2020		2019	
	Assets held at amortised cost	**Financial liabilities at amortised cost**	**Assets held at amortised cost**	**Financial liabilities at amortised cost**
	£	**£**	**£**	**£**
Financial assets				
Cash and cash equivalents	1,240,479	-	650,358	-
Trade and other receivables	1,048,521	-	435,262	-
Total financial assets	**2,289,000**	**-**	**1,085,620**	**-**
Financial liabilities				
Trade and other payables	-	1,463,174	-	1,230,867
Total financial liabilities	**-**	**1,463,174**	**-**	**1,230,867**

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 £6,247,745 to related parties (2019: £5,539,369). The amounts relating to this within revenue and other income were:

	2020	**2019**
	£	**£**
The Emerging Africa Infrastructure Fund Limited	1,430,323	1,093,905
GuarantCo Limited	1,435,824	1,117,476
InfraCo Africa Limited*	1,483,787	1,239,673
InfraCo Asia Investments Pte Ltd	136,200	108,504
InfraCo Asia Development Pte Ltd	1,225,797	972,508
ICF Debt Pool LLP	23,310	22,910
PIDG Trust	512,504	984,392
	6,247,745	**5,539,368**

During the year the Company paid operating expenses of £72,303 to related parties (2019: £60,758). The amounts relating to this within operating costs were:

	2020	**2019**
	£	**£**
InfraCo Africa Limited*	72,303	56,560
InfraCo Asia Development Pte Ltd	-	4,187
ICF Debt Pool LLP	-	11
	72,303	**60,758**

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

18. Related party transactions *continued*

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

	2020	**2019**
	£	**£**
The Emerging Africa Infrastructure Fund Limited	92,927	(25,613)
GuarantCo Limited	39,111	6,206
InfraCo Africa Limited*	192,576	91,403
InfraCo Asia Investments Pte Ltd	9,481	(13,969)
InfraCo Asia Development Pte Ltd	33,936	(21,931)
ICF Debt Pool LLP	(9,959)	17,073
PIDG Trust	439,578	49,019
	797,650	**102,188**

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

19. Leases (IFRS 16)

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

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

In 2020, the Company continued to unwind the rental lease on the balance sheet. During 2020 the contract for office equipment was replaced, therefore the old asset was de-recognised and a new asset recognised under IFRS 16 accordingly using a discount factor of 5% based on the 1-month USD LIBOR interest rate at 1st Feb 2020 of 2% plus a margin of 3%, a margin that is in line with the inter-group loan agreement (note 21).

19. Leases (IFRS 16) *continued*

ROU Assets	**Rental Lease**	**Office Equipment**	**Total**
	£	**£**	**£**
At 1 Jan 2020	495,631	2,461	498,092
Additions	-	46,464	46,464
	495,631	**48,925**	**544,556**
Depreciation	(159,263)	(9,950)	(169,213)
As at 31 Dec 2020	**336,368**	**38,975**	**375,343**

Lease Liabilities	**Rental Lease**	**Office Equipment**	**Total**
	£	**£**	**£**
At 1 Jan 2020	549,216	2,625	551,841
Additions	-	46,464	46,464
	549,216	**49,089**	**598,305**
Interest	23,816	1,617	25,433
Lease Payments	(191,152)	(11,047)	(202,199)
As at 31 Dec 2020	**381,880**	**39,659**	**421,539**

Note that the lease liability amount reflected in the Statement of Financial Position, also includes £46,932 (2019: £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	177,539	30,119	207,658
Between two and five years	-	-	-

Lease Liabilities	**Rental Lease**	**Office Equipment**	**Total**
	£	**£**	**£**
Within one year	205,475	31,343	236,818
Between two to five years	-	-	-

19. Leases (IFRS 16) *continued*

Net Balance sheet effect of Lease

	2020	**2019**
	£	**£**
ROU Assets	375,343	498,092
Retained earnings (ROU) Adjustment	(63,349)	(63,349)
ROU Liability	(421,539)	(551,841)
Net effect	**(109,545)**	**(117,098)**

Sensitivity analysis of discount factor

Change to discount factor	**% change to present value Office Equipment**
2% increase	-4%
2% decrease	5%

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. 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 Group narrowly missed its targets due to small number of transactions being delayed due to COVID-19 and this is being closely monitored into 2021 by the PIDG Executives, PIDG Ltd Board and members. Detailed business planning in the year has taken this into account and no serious impact on the Group's business results is expected. Whilst there is pressure on members' budgets due to COVID-19, members have confirmed their ongoing support for the funding for PIDG Ltd.

On 28th January 2021, the Company established an overseas subsidiary called 'The Private Infrastructure Development Group (Kenya) Limited' whose registered office is P.O. Box 736 Sarit Centre, Riverside Drive Road, Riverside Drive, Nairobi, Kenya. The purpose of this Subsidiary is to provide local staff to oversee the Group's African based projects.

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) InfraCo Africa Investment Ltd (England);
(6) InfraCo Asia Investments Pte. Ltd. (Singapore); and
(7) ICF Debt Pool LLP (England) – a limited liability partnership that is closed to new business, which is outside the scope of the oversight and governance provided by PIDG Ltd.

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 Foreign, Commonwealth and Development Affairs of the United Kingdom of Great Britain and Northern Ireland acting through the Foreign, Commonwealth and Development Office;
(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.

Definitions

AML	Anti-Money Laundering
BP	Business Plan
the Board	The Board of Directors of the Private Infrastructure Development Group Limited
BREEAM	Building Research Establishment Environmental Assessment Method
CAPOF	Capital Allocation and Portfolio Optimisation Framework
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMP	Compliance Monitoring Plan
the Code	The UK Corporate Governance Code 2018
Companies Act	The UK Companies Act 2006
COO	Chief Operating Officer
COVID-19	Coronavirus disease
Credit Solutions businesses	EAIF and GuarantCo
CRO	Chief Risk Officer
DAC I/II	Development Assistance Committee Least Developed Countries (LDCs) / Low Income Countries which are not LDCs
DCI	Digital Communications Infrastructure
DevCo	The Infrastructure Development Collaboration Partnership Fund, which is a trust fund within the IFC
DI	Development Impact
EAIF	The Emerging Africa Infrastructure Fund Limited
EU	European Union
EUR	Euro
FCAS	Fragile and Conflict-Affected States
GBP	British Pound Sterling
GMC	GuarantCo Management Company Limited
Governance Institute	The Chartered Governance Institute
the Group	All the companies in the Private Infrastructure Development Group including PIDG Limited and the companies set out in note 23. For ICF Debt LLP, only limited central services are provided and all other activities are outside the scope of the oversight and governance provided by PIDG Ltd
GuarantCo	GuarantCo Limited
HSES	Health, Safety, Environment and Social
IASB	International Accounting Standards Board

ICSA	Institute of Company Secretaries and Administrators
IFC	International Finance Corporation
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IP	Independent Panel
IT	Information Technology
ISAE	International Standard on Assurance Engagements
LDC	Least Developed Country
LGD	Loss Given Default
LIBOR	London Inter-Bank Offered Rate
KPI	Key Performance Indicator
MDB	Multilateral Development Bank
Members	The governments of the UK, Netherlands, Switzerland, Australia, Sweden, Germany and the IFC
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
OLIC	Other Low Income Countries
OPPs	Operating Policies and Procedures
Owners	The governments of the UK, Netherlands, Switzerland, Australia, Sweden, Germany and the IFC
Parent	The PIDG Trust
PIDG	All the companies in the Private Infrastructure Development Group including PIDG Limited and the companies set out in note 23
PIDG Executive	Members of The Private Infrastructure Development Group Limited Executive Committee
PIDG TA	PIDG's technical assistance arm that provided grants that support PIDG companies' activities
PSI	Private Sector Investment
ROU	Right of use
RMF	Risk Management Framework
s172	Section 172 of the UK Companies Act 2006
SDG	Sustainable Development Goals
SECO	Staatssekretariat for Airshaft / Swiss State Secretariat for Economic Affairs
SEZ	Special Economic Zones
SLA	Service Level Agreement
TAF	Technical Assistance Facility
tCo2	Total Carbon Dioxide

TFCD	Task Force on Climate-Related Financial Disclosures
ToR	Terms of Reference
the Trust	The Private Infrastructure Development Group Trust
TP	Transfer Pricing
Trustees	SG Kleinwort Hambros Trust Company (UK) Limited, Minimax Limited, Multiconsult Limited
UCRF	Unified Credit Rating Framework
UK	United Kingdom
US	United States
USD	United States Dollar
VAT	Value Added Tax
VGF	Viability Gap Funding
WASH	Water, Sanitation and Hygiene