

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**“THE PIDG TRUST”**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2016**

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

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## **THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

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

### **TRUSTEES**

SG Hambros Trust Company Limited – UK Resident Company  
8 St James's Square  
London  
SW1Y 4JU

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

Multiconsult Trustees Limited – Mauritian Resident Company (formerly MC Trust Limited)  
Les Cascades Building  
33 Edith Cavell Street  
Port-Louis, Mauritius

### **PARTICIPATING DONORS (“DONORS”)**

- The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Secretary of State for International Development at the Department for International Development (“DFID”)
- The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Secretary of State for the Department of Energy and Climate Change (“DECC”)
- Swiss State Federal Department of Economic Affairs, Education and Research of the Government of the Confederation of Switzerland (“SECO”)
- The Netherlands Ministry of Foreign Affairs (“DGIS”)
- Federal Republic of Germany, represented by KfW (“KfW”)
- The Government of Sweden represented by the Swedish International Development Cooperation Agency (“SIDA”)
- The World Bank Group, represented by International Finance Corporation (“IFC”)
- The Minister for Foreign Affairs of Ireland (“Irish Aid”) (cancelled membership of PIDG on 26 March 2015)
- The Australian Government Department of Foreign Affairs and Trade (“DFAT”)
- Norwegian Ministry of Foreign Affairs (“MFA”)

### **ENFORCER**

DFID

### **PROTECTOR**

MDY Legal LLP is acting as current protector of the PIDG Trust on behalf of the PIDG members.

### **CENTRAL MANAGEMENT OFFICE (“CMO”)**

MDY Legal LLP and EY LLP

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**LEGAL AND ADMINISTRATIVE INFORMATION (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**AUDITORS**

haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

**BANKERS**

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

**LEGAL ADVISORS**

MDY Legal  
Kings Buildings  
16 Smith Square  
London  
SW1P 3HQ

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The Trustees present the annual report and audited financial statements for the year ended 31 December 2016.

These financial statements have been prepared under the provisions of the Declaration of Trust defined below and in accordance with applicable International Financial Reporting Standards with the exception of IAS27, IAS32 and IAS21 as set out in note 1(a) of the financial statements.

#### BACKGROUND SUMMARY

PIDG is a multi-donor arrangement established and directed by the Participating Donors. PIDG aims to facilitate the provision of infrastructure needed to eliminate poverty in developing countries by encouraging private investment. PIDG has established the PIDG Trust as a vehicle for its activities. In general, this provides a vehicle for the Donors to pool, co-ordinate and administer funds in relation to all PIDG activities.

#### OBJECTS AND STRUCTURE

The PIDG Trust was established by a Declaration of Trust dated 1 December 2001 as amended by an Amended and Restated Declaration of Trust dated 14 March 2003 (the "Declaration of Trust"). The PIDG Trust has three Trustees – two based in Mauritius and one in the United Kingdom. The Trustees act jointly for and on behalf of the PIDG Trust. The PIDG Trust was established for the purposes of:

- i. facilitating the provision of the infrastructure needed to eliminate poverty in developing countries by encouraging private investment;
- ii. making investments in accordance with the investment plan adopted by the Trustees;
- iii. exercising any rights of control and influence arising from its investments;
- iv. investing, applying or otherwise using its funds for the relief of poverty in developing countries in such manner as the Trustees with the consent of the Protector but otherwise in their discretion think fit;
- v. administering and paying PIDG general administration costs and project development costs.

#### OPERATIONAL PROCEDURES

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

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

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

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

Before acting, the Trustees require the approval of the CMO and the relevant Participating Donors. In particular, for certain acts in relation to investment vehicles, the Trustees cannot act without the prior written permission of the Protector of the PIDG Trust.

In particular, the Trustees act at the instruction of the CMO and in accordance with the Declaration of Trust.

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### REPORTING RESPONSIBILITIES

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

- i. within 45 days after the end of each quarter unaudited financial statements for each quarter in respect of the funds it has held or holds;
- ii. within 45 days of the end of each quarter, progress reports on the status of the activities of all entities which the Trustees support and in the case of PIDG investment vehicles, any special reports relating to the investments of the vehicle in such form and detail as PIDG may require but in any event confirming that all investments during that quarter were made in compliance with the vehicle's investment policy;
- iii. reports on the activities of the PIDG Trust;
- iv. an annual management assertion, together with an attestation from the Trustees' external auditors of the satisfactory performance of the procedures and controls used by the Trustees in administering the funds it holds;
- v. annual audited accounts of the PIDG Trust and of each investment vehicle prepared in accordance with international accounting standards; and
- vi. any legal opinions and advice received by the Trustees.

The CMO co-ordinates the provision of ii) and iii) from PIDG investment vehicles. The CMO circulates all of the above reports to PIDG members. Additional reports may be required in relation to a particular investment vehicle. Any such requirements are set out in the relevant funding documentation.

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

### INVESTMENT POLICY

The PIDG Trust can only apply funds to an investment which is consistent with the "Ethical Policies" of the PIDG Trust as set out in Schedule 2 of the Declaration of Trust.

The CMO is responsible for confirming that an investment is consistent with the Ethical Policies.

### REVIEW OF ACTIVITIES

The PIDG Trust was involved in funding the following companies and programmes in the year ended 31 December 2016:

- The Emerging Africa Infrastructure Fund Limited ("EAIF")
- GuarantCo Limited ("GuarantCo Mauritius")
- InfraCo Asia Development Pte. Ltd. ("InfraCo Asia Devt")
- InfraCo Asia Investment Limited ("InfraCo Asia Inv")
- InfraCo Africa Limited ("InfraCo Africa")
- Technical Assistance Facility ("TAF")
- ICF Debt Pool LLP ("ICF-DP")
- Green Africa Power LLP ("GAP")
- InfraCo Africa Investment Limited ("InfraCo Africa Inv")
- Frontier Africa Investment Resource Ltd ("FAIR")

### RESULTS

The results for the period and movement in accumulated funds are set out on page 9 within the Statement of Accumulated Funds.

### AUDIT INFORMATION

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

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

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**TRUSTEES' REPORT (continued)**

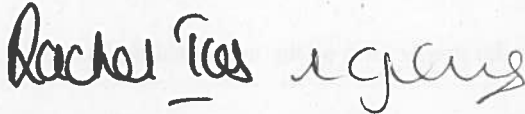
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**AUDITORS**

Messrs haysmacintyre have expressed their willingness to continue in office as auditors.

Approved by the Trustees and signed on their behalf:



**SG Hambros Trust Company Limited**  
**8 St James's Square**  
**London**  
**SW1Y 4JU**

10th October 2017



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

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We have audited the non-consolidated financial statements of the Private Infrastructure Development Group ("PIDG") Trust for the year ended 31 December 2016 which comprise the Balance Sheet, the Capital Account, the Statement of Accumulated Funds, the Cash Flow Statement and the related notes on pages 11 to 22. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

**Respective responsibilities of Trustees and auditors**

As described in the Trustees' Report, the Trustees are responsible for the preparation of the non-consolidated financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the non-consolidated financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statement is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the non-consolidated financial statements give a true and fair view of the state of the PIDG Trust's affairs as at 31 December 2016 and of its results of operations and cash flows for the year then ended, have been properly prepared in accordance with applicable International Financial Reporting Standards with the exception of IAS27, IAS32 and IAS21 as set out in note 1(a) of the financial statements.


In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

**Matters on which we report by exception**

We have nothing to report in respect of the following matters where we 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
- we have not received all the information and explanations we require for our audit.



**Gareth Ogden (Senior statutory auditor)**  
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square  
London  
WC1R 4AG



THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	2016 US\$	2015 US\$
<b>Non-current assets</b>			
Investments	2	773,835,867	719,979,360
<b>Current assets</b>			
Debtors	3	10,000,003	10,000,003
Cash and cash equivalents	4	35,536,206	27,367,646
		<u>45,536,209</u>	<u>37,367,649</u>
<b>TOTAL ASSETS</b>		<u><u>\$819,372,076</u></u>	<u><u>\$757,347,009</u></u>
<b>CAPITAL, FUNDS AND LIABILITIES</b>			
Capital account		787,801,177	528,077,058
Accumulated funds	6	31,076,819	22,091,656
<b>Capital and funds</b>		<u>818,877,996</u>	<u>550,168,714</u>
<b>Non-current liabilities</b>			
Loans	5	-	206,638,017
<b>Current liabilities</b>			
Other payables		494,080	540,278
		<u>494,080</u>	<u>207,178,295</u>
<b>TOTAL CAPITAL, FUNDS AND LIABILITIES</b>		<u><u>\$819,372,076</u></u>	<u><u>\$757,347,009</u></u>

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



SG Hambros Trust Company Limited

10th October 2017

The notes on pages 11 to 22 form part of these financial statements.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

CAPITAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 US\$	2015 US\$
<b>Balance brought forward</b>		528,077,058	512,590,910
Grant contributions received		67,006,650	35,748,653
Participatory notes issued in the year		18,073,900	-
		<u>613,157,608</u>	<u>548,339,563</u>
Unsecured loans treated as capital reallocated in the year		206,638,017	-
		<u>819,795,625</u>	<u>548,339,563</u>
Impairment of value of investments	2	(45,096,605)	(35,943,449)
Reversal of previous impairment	2	13,669,983	15,654,006
Returned capital over accrued in prior year		-	27,090
Exchange (loss) on year end revaluation		(567,826)	(312)
Transfer from accumulated funds		-	160
<b>Balance carried forward</b>		<u><u>\$787,801,177</u></u>	<u><u>\$528,077,058</u></u>

The notes on pages 11 to 22 form part of these financial statements.

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**STATEMENT OF ACCUMULATED FUNDS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Year ended 31 December		Year ended 31 December	
	2016	2016	2015	2015
	US\$	US\$	US\$	US\$
<b>INCOME</b>				
Contributions receivable to cover costs and fees		23,525,580		6,372,823
Bank deposit interest		59,551		49,504
		<u>23,585,131</u>		<u>6,422,327</u>
<b>EXPENDITURE</b>				
<b>Funding</b>				
TAF Grants	7,408,606		3,764,834	
Grants to other facilities	44,500		27,090	
TAF project grants returned	(321,319)		(37,090)	
Return of grants	-		(1,380)	
Grant underspend refunded	1,269,779		1,386,802	
	<u>8,401,566</u>		<u>5,140,256</u>	
<b>Administration</b>				
SG Hambros Trust Company Limited				
Annual Management fee	201,961		245,770	
Multiconsult Trustees Management fee	53,415		63,150	
Central Management Office (CMO)	3,694,266		2,999,258	
Consultancy fees	2,178,931		2,062,483	
Legal fees	24,126		7,662	
Auditor's remuneration:-				
Audit fee	14,051		33,362	
Other expenses	4,775		40,458	
Loss/(Gain) on foreign currency exchange	26,877		(1,838)	
	<u>6,198,402</u>		<u>5,450,305</u>	
<b>Total expenditure</b>		<u>(14,599,968)</u>		<u>(10,590,561)</u>
<b>Surplus/(deficit) for the year</b>		<u>8,985,163</u>		<u>(4,168,234)</u>
Transfer to capital account		-		(160)
<b>Surplus/(deficit) for the year transferred to accumulated funds</b>		<u>8,985,163</u>		<u>(4,168,394)</u>
<b>Accumulated funds brought forward</b>		<u>22,091,656</u>		<u>26,260,050</u>
<b>Accumulated funds carried forward</b>		<u><u>\$31,076,819</u></u>		<u><u>\$22,091,656</u></u>

The notes on pages 11 to 22 form part of these financial statements.

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Year ended 31 December 2016 US\$</b>	<b>Year ended 31 December 2015 US\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus/(deficit) for the year	8,985,163	(4,168,394)
Adjustments for:		
Interest income	(59,551)	(49,504)
Decrease in debtors	-	7,573,807
Decrease in current liabilities	(46,198)	(1,235,930)
Exchange loss on funds advanced	(567,826)	(312)
<i>Net cash inflow from operating activities</i>	<u>8,311,588</u>	<u>2,119,667</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of shares in EAIIF	(2,000,000)	(1,800,000)
Acquisition of shares in GuarantCo	(20,991,100)	(4,000,000)
Acquisition of shares in InfraCo Africa	(29,224,171)	(14,872,715)
Acquisition of shares in InfraCo Asia Development	(16,449,661)	(14,469,245)
Acquisition of shares in InfraCo Asia Investment	-	(5,138,775)
Member's capital contribution in GAP LLP	(16,618,197)	-
Acquisition of shares in InfraCo Africa Investment	-	(2)
Acquisition of shares in FAIR	-	(1)
Interest received	59,551	49,504
<i>Net cash outflow from investing activities</i>	<u>(85,223,578)</u>	<u>(40,231,234)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from contributions to capital account	85,080,550	35,775,903
<i>Net cash inflow from financing activities</i>	<u>85,080,550</u>	<u>35,775,903</u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,168,560</b>	<b>(2,335,664)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>27,367,646</u>	<u>29,703,310</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><u>\$35,536,206</u></u>	<u><u>\$27,367,646</u></u>

The notes on pages 11 to 22 form part of these financial statements.

**1. ACCOUNTING POLICIES**

**(a) Basis of preparation**

The non-consolidated financial statements have been prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards, with the exception of:

- IAS27 which states that consolidated financial statements should include all subsidiaries of the parent undertaking.

The PIDG Trust invests in special purpose companies and LLPs in order to further its international development objectives. These subsidiary entities carry on activities distinct from the PIDG Trust and the Trustees consider that the consolidation of these special purpose entities and LLPs would not be appropriate and therefore consolidated accounts are not prepared.

- IAS32 which states that a contractual obligation to deliver cash to another entity should be treated as a liability.

The funding instruments received by the PIDG Trust to invest in the special purpose entities have historically comprised grant contributions and loans. Previously any proceeds of a distribution received by the PIDG Trust from underlying entities would be applied in the following order:

1. To repay loans
2. To be recycled in the PIDG Trust
3. Any surplus proceeds not recycled within 2 years would be paid pro-rata to each donor

However following changes to the terms of the funders' agreements all funding instruments are now repayable to the issuers on the same terms i.e. pro-rata to each donor in respect of all contributions (grant funding, loans and participatory notes). If the donor elects not to be repaid then the funds would be recycled by the PIDG Trust.

The Trustees have considered the substance of the funding instruments (grant funding, loans and participatory notes). Whilst they contain some of the characteristics of a liability, the Trustees have concluded that the most appropriate accounting treatment is to recognise all instruments in the capital account (equity) in order that the Trust's accounts remain clear and understandable in the respect of the treatment and valuation of funds received from donors and their onward investment in the underlying entities.

- IAS21 which states that exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in income account in the period in which they arise.

The Trustees have concluded that the most appropriate accounting treatment is to recognise foreign exchange differences which derive from amounts advanced in respect of an issue of share capital in the capital account, rather than the income account in order that the Trust's accounts remain clear and understandable in respect of the treatment and valuation of funds received from donors and their onward investment in the underlying entities.

**(b) Reporting currency**

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

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**(c) Foreign currency exchange differences**

Transactions in currencies other than the reporting currency are translated at the exchange rates ruling at the date of such transactions. Monetary assets and liabilities denominated in currencies other than the reporting currency are retranslated at exchange rates ruling at the balance sheet date. All differences are dealt with in the fund from which they arose and therefore are included in the Statement of Accumulated Funds, except where exchange rate gains or losses derive from amounts advanced in respect of an issue of share capital, in which case they are taken to the capital account.

**(d) Investments in undertakings**

Investments in undertakings are stated at cost less provision for impairment in value of investments. It is the Trustees' policy to write the cost of investments down to the value of the net assets of the special purpose companies held at each balance sheet date. Impairment provisions are charged to the capital account on the basis that capital has been invested for the purpose of acquiring share capital of special purpose companies.

**(e) Cash and cash equivalents**

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

**(f) Grant funding, loans and participatory notes**

The amount repayable under all funding instruments is dependent upon there being a distribution from the relevant underlying entity of the Trust. Therefore both capital contributions and loans are valued on the basis of the pro-rata share of the net assets (at book value) of the underlying entity to which they relate and are included within the Capital Account.

**(g) Capital account**

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

**(h) Accumulated funds**

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

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

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



THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

2. INVESTMENTS		EAIF	GuarantCo Limited	InfraCo Africa Limited	InfraCo Asia Development Limited	InfraCo Asia Investment Limited	ICF Debt Pool LLP	Green Africa Power LLP	InfraCo Africa Investment Limited	FAIR	TOTAL
(a) Shares in PIDG special purpose companies at cost		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	USD	US\$
As at 1 January 2016		389,869,700	247,218,327	142,803,045	82,068,701	27,319,426	4	19,764,835	2	1	909,044,041
Additions at cost		2,000,000	20,991,100	29,224,171	16,449,661	-	-	16,618,197	-	-	85,283,129
As at 31 December 2016		\$391,869,700	\$268,209,427	\$172,027,216	\$98,518,362	\$27,319,426	\$4	\$36,383,032	\$2	\$1	\$994,327,170
<b>Impairment in value</b>											
As at 1 January 2016		13,669,983	37,940,679	102,389,351	28,787,563	-	-	6,277,103	2	-	189,064,681
Impairment in year		-	3,363,481	18,759,524	17,811,287	-	-	5,162,313	-	-	45,096,605
Reversal of previous impairment		(13,669,983)	-	-	-	-	-	-	-	-	(13,669,983)
As at 31 December 2016		\$-	\$41,304,160	\$121,148,875	\$46,598,850	\$-	\$-	\$11,439,416	\$2	\$-	\$220,491,303
<b>Net book value</b>											
As at 31 December 2016		\$391,869,700	\$226,905,267	\$50,878,341	\$51,919,512	\$27,319,426	\$4	\$24,943,616	\$-	\$1	\$773,835,867
As at 31 December 2015		\$376,199,717	\$209,277,648	\$40,413,694	\$53,281,138	\$27,319,426	\$4	\$13,487,732	\$-	\$1	\$719,979,360

The above investments represent:

EAIF - the entire share capital of 39,186,969 Ordinary US\$10 shares  
 GuarantCo Limited 268,299,175 Ordinary US\$1 shares, being 88.75% of the share capital  
 InfraCo Africa Limited - the entire share capital of 110,089,574 Ordinary £1 shares  
 InfraCo Asia Development Limited - the entire share capital of 63,654,385 Ordinary £1 shares  
 InfraCo Asia Investment Limited - the entire share capital of 27,319,426 Ordinary US\$1 shares  
 ICF Debt Pool - a member's capital contribution of €3  
 Green Africa Power LLP - a member's capital contribution of £25,372,547  
 InfraCo Africa Investment Limited - the entire share capital of 1 Ordinary £1 share  
 FAIR - the entire share capital of 1 Ordinary US\$1 share

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 2. INVESTMENTS (continued)

#### (b) The Emerging Africa Infrastructure Fund Limited (EAIF)

##### Constitution

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

As at 31 December 2016, EAIF reported net assets of US\$412,344,141 (2015: US\$376,199,717) and a profit for the year to 31 December 2016 of US\$34,144,424 (2015: US\$15,009,552). Therefore the investment in EAIF as at 31 December 2016 is included in the accounts at US\$391,869,700 (2015: US\$376,199,717), representing the lower of cost and share of net asset value.

#### (c) GuarantCo Limited

##### Constitution

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

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

As at 31 December 2016, GuarantCo Limited reported net assets of US\$255,667,906 (2015: US\$237,973,257) and a loss for the year to 31 December 2016 of US\$3,296,451 (2015: loss US\$7,256,775). Therefore the investment in GuarantCo Limited as at 31 December 2016 is included in the accounts at US\$226,905,267 (2015: US\$209,277,648) representing the lower of cost and the PIDG Trust's proportional share of net asset value.

#### (d) InfraCo Africa Limited (InfraCo Africa)

##### Constitution

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

As at 31 December 2016, InfraCo Africa reported company net assets of £41,458,725 or US\$50,878,341 (2015: £27,252,166 or US\$40,413,694) and a loss for the year to 31 December 2016 of £7,762,199 or US\$9,525,807 (2015: loss £14,308,056 or US\$21,218,181). Therefore the investment in InfraCo Africa as at 31 December 2016 is included in the accounts at US\$50,878,341 (2015: US\$40,413,694) representing the lower of cost and share of net asset value.

#### (e) ICF Debt Pool LLP (ICF DP)

##### Constitution

ICF DP was incorporated as a Limited Liability Partnership in England on 10 September 2011 with an investment from the members (at that time the Trustees of the PIDG Trust) of €3. The ICF DP, a PIDG facility created with the support of IFC and KFW, supports infrastructure investments that have lost reasonably expected access to private financial markets due to the global economic crisis.

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

KFW entered into a Conditional Loan Agreement with the PIDG Trust dated 5 October 2009, for a maximum total amount of US\$10,000,000 to be used as a contribution to the cost of the establishment, operation and financing of the ICF DP.

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. INVESTMENTS (continued)**

**(f) InfraCo Asia Development Pte. Ltd (InfraCo Asia Devt)**

**Constitution**

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

As at 31 December 2016, InfraCo Asia Devt reported group net assets of US\$51,919,512 (2015: US\$53,281,137) and a comprehensive loss for the year to 31 December 2016 of US\$10,369,609 (2015: loss US\$9,691,287). The total of US\$51,919,512 (2015: US\$53,281,138) included in the accounts represents the lower of cost and share of net asset value.

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

**Constitution**

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

As at 31 December 2016, InfraCo Asia Inv reported net assets of US\$28,054,663 (2015: US\$27,363,764) and a comprehensive profit for the year to 31 December 2016 of US\$690,899 (2015: US\$688,792). The total of US\$27,319,426 (2015: US\$27,319,426) included in the accounts represents the lower of cost and share of net asset value.

**(h) Green Africa Power LLP (GAP LLP)**

**Constitution**

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

As at 31 December 2013 no investment had been made nor had any commitment to invest been issued.

As at 31 December 2016, GAP LLP reported group net assets of £20,325,555 or US\$24,943,616 (2015: £9,095,183 or US\$13,487,732) and a comprehensive loss for the year to 31 December 2016 of £1,569,628 or US\$1,926,255 (2015: loss £1,961,360 or US\$2,908,606). The total of US\$24,943,616 (2015: US\$13,487,732) included in the accounts represents the lower of cost and share of net asset value.

**(i) InfraCo Africa Investment Limited (InfraCo Africa Inv)**

**Constitution**

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

As at 31 December 2016, InfraCo Africa Investment Limited reported a net liability of £92,327 or US\$113,304 (2015: liability £41,493 or US\$61,532) and a loss for the year to 31 December 2016 of £50,834 or US\$62,384 (2015: loss £41,494 or US\$61,534). Its share capital as at 31 December 2016 consists of one share of £1.

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 2. INVESTMENTS (continued)

#### (j) Frontier Africa Investment Resource Ltd (FAIR)

##### Constitution

The company was incorporated in the Republic of Mauritius on 13 July 2015. The company is in the process of being dissolved and did not trade.

FAIR is yet to file annual accounts. Its share capital as at 31 December 2016 consists of one share of US\$1.

### 3. DEBTORS

	2016 US\$	2015 US\$
Accrued income – grants receivable	3	3
Loan to ICF Debt Pool LLP	10,000,000	10,000,000
	<u>\$10,000,003</u>	<u>\$10,000,003</u>

### 4. CASH AND CASH EQUIVALENTS

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

	2016 US\$	2015 US\$
Balances at bank	35,536,206	27,367,646
Cash and cash equivalents	<u>\$35,536,206</u>	<u>\$27,367,646</u>

### 5. LOAN AGREEMENTS AND PARTICIPATORY NOTES

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

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

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

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



# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 5. LOAN AGREEMENTS AND PARTICIPATORY NOTES (continued)

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

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

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

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

- (d) KFW, (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 5 October 2009 to lend a maximum total amount of US\$10,000,000 as a contribution to the financing of and the establishment and operation of ICF DP or such other purpose of the PIDG as may be agreed by the lender with PIDG.

- (e) DFID, (as the Lender) entered into an agreement with the PIDG Trust (as the Borrower) on 31 March 2014 to lend a maximum total amount of US\$80,880,000 plus the US\$ equivalent of GBP 18,000,000 (US\$29,948,588) as a contribution to the financing and operation of EAIF or such other purpose of the PIDG as may be agreed by the lender with PIDG. The US\$80,880,000 portion of the loan converted existing grant funding, disbursed to the PIDG Trust, to a loan.

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

The below is a summary of the total included in the capital account as at 31 December 2016:

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

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

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2016	2016	2016	2016	2016	2016	2016	2015
6. ACCUMULATED FUNDS	TAF General (window 1) US\$	TAF VGF (window 3) US\$	TAF DevCo US\$	Viet Hydro US\$	EU ITF US\$	General Admin fund US\$	2016 Total Accumulated funds US\$	Total US\$	
<b>INCOME</b>									
Contributions receivable:-									
DFID	11,478,300	4,999,814	-	-	-	1,374,636	17,852,750	2,119,053	
DGIS	-	-	-	-	-	608,625	608,625	564,665	
SECO	120,000	1,880,000	-	-	-	702,694	2,702,694	529,644	
SIDA	-	-	-	-	-	474,525	474,525	716,924	
IFC	-	-	-	-	-	476,298	476,298	372,352	
MFA	-	-	-	-	-	348,300	348,300	426,065	
ICF Debt Pool	-	-	-	-	-	-	-	347,246	
EIB	-	-	-	-	624,808	-	624,808	1,065,129	
DFAT	-	-	-	-	-	437,580	437,580	231,745	
Interest receivable	58,534	-	-	-	-	1,017	59,551	49,504	
<b>Net income receivable</b>	<b>11,656,834</b>	<b>6,879,814</b>			<b>624,808</b>	<b>4,423,675</b>	<b>23,585,131</b>	<b>6,422,327</b>	
<b>EXPENDITURE</b>									
<b>Funding</b>									
TAF Grants	6,578,288	-	-	830,318	-	-	7,408,606	3,764,834	
Grants to other facilities	(321,319)	-	-	-	44,500	-	44,500	27,090	
TAF project grants returned	-	-	-	-	-	-	(321,319)	(37,090)	
Return of capital	-	-	-	-	-	-	-	(1,380)	
Grant underspend refunded	83,897	1,185,882	-	-	-	-	1,269,779	1,386,802	
<b>Administration</b>									
Annual Management fee:-	-	-	-	-	-	-	-	-	
SG Hambros Trust Co	-	-	-	-	-	201,961	201,961	245,770	
Multiconsult Trustees	-	-	-	-	-	53,415	53,415	63,150	
PMU	-	-	-	-	-	3,694,266	3,694,266	2,999,258	
Consultancy fees	252,496	141,646	-	-	523,937	1,260,852	2,178,931	2,062,483	
Legal fees	-	-	-	-	-	24,126	24,126	7,662	
Auditor's remuneration:-									
Audit fee	-	-	-	-	-	14,051	14,051	33,362	
Other	-	-	-	-	-	-	-	-	
Other expenses	1,841	457	-	-	451	2,026	4,775	40,458	
Currency movement	-	-	-	-	-	26,877	26,877	(1,838)	
<b>Total expenditure</b>	<b>6,595,203</b>	<b>1,327,985</b>		<b>830,318</b>	<b>568,888</b>	<b>5,277,574</b>	<b>14,599,968</b>	<b>10,590,561</b>	
<b>Surplus/(deficit) in year</b>	<b>5,061,631</b>	<b>5,551,829</b>		<b>(830,318)</b>	<b>55,920</b>	<b>(853,899)</b>	<b>8,985,163</b>	<b>(4,168,234)</b>	
Transfers between funds	(82,359)	-	-	110	-	82,249	-	(160)	
Transfers to capital account	-	-	-	-	-	-	-	-	
Accumulated funds b/fwd	3,397,797	15,572,679	130,000	830,208	35,517	2,125,455	22,091,656	26,260,050	
<b>Accumulated funds c/fwd</b>	<b>8,377,069</b>	<b>21,124,508</b>	<b>130,000</b>	<b>-</b>	<b>91,437</b>	<b>1,353,805</b>	<b>\$31,076,819</b>	<b>\$22,091,656</b>	



# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 6. ACCUMULATED FUNDS (Continued)

##### (a) General Administration Costs

General Administration Costs will include the following:-

- (a) CMO's fees and reimbursable expenses;
- (b) Trustee's fees and reimbursable expenses and any fees and expenses properly due to the Protector and Enforcer under the Declaration of Trust;
- (c) Technical advice to PIDG;
- (d) All reasonable costs relating to hosting PIDG meetings, but excluding travel and accommodation costs of Donors' representatives ("Meeting Costs");
- (e) Any other administration costs approved by PIDG from time to time.

##### (b) Technical Assistance Facility (TAF)

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

The facility has been split into three funding windows:

- Window 1 General Technical assistance
- Window 2 Capital Markets Development
- Window 3 Output Based Aid/Viability Gap Funding

During 2016:

- The PIDG Trust executed thirty new TAF grants for PIDG initiatives totalling US\$27,102,008.
- US\$6,578,287 was disbursed to PIDG Facilities for thirty projects and US\$321,244 in returned unspent funds was received from PIDG Facilities in relation to five projects.
- US\$1,185,882 has been returned to Irish Aid from a grant that has expired.
- US\$83,897 has been returned to the Austrian Government from a grant that has expired.

##### (c) AgDevCo

Through the PIDG, DFID has provided funding to AgDevCo. A non-profit, social impact investor, AgDevCo specialises in investing in African agricultural companies that are at their earliest stages, turning them into commercially viable businesses that can then find support through private investors and ploughing its profits back into future investments.

The Participating Donors have agreed that AgDevCo shall be an Affiliated PIDG Facility until such time as DFID's funding has been fully disbursed or such other time that the Participating Donors may agree.

No funds were received in the years 2014, 2015 and 2016.

##### (d) Viet Hydro

Viet Hydro is the first instance of a TAF Window 3 Viability Gap Funding grant. It is a US\$5 million VGF grant to support InfraCo Asia's 30MW run-of-the-river Coc San Hydropower project in Vietnam. The approved US\$5 million of TAF VGF grant funds is held in a Blocked Account within the PIDG Trust.

During 2016, the balance of US\$830,318 was drawn down from the Blocked Account.

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 6. ACCUMULATED FUNDS (Continued)

#### (e) EU ITF

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

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

During 2016 a total of €568,437 was disbursed by the PIDG Trust from funds received from EUAITF to EAIF for the Bumbuna Phase II Hydro-Electric Project and to InfraCo Africa for the Lake Victoria Marine Transport Project

### 7. TAXATION

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

### 8. RELATED PARTY TRANSACTIONS

During the period under review, the following related party transactions occurred and balances were outstanding as at 31 December 2016;

#### Transactions with the Trustees of the Trust:

		2016 US\$	2015 US\$
<b>Fees Charged</b>			
SG Hambros Trust Company Ltd	Annual Management fee	201,961	245,770
Multiconsult Trustees Ltd	Annual Management fee	53,415	63,150
		<u>          </u>	<u>          </u>
<b>Amounts owed at the year end</b>			
Multiconsult Trustees Ltd		-	51,525
SG Hambros Trust Company Ltd		92,475	107,152
		<u>          </u>	<u>          </u>
<b>Transactions with the Protector and CMO/Adhoc Legal</b>			
<b>MDY Legal</b>			
Fees Charged		3,694,266	2,999,258
		<u>          </u>	<u>          </u>
<b>Balance payable at the year end</b>			
CMO		304,855	290,279
		<u>          </u>	<u>          </u>

#### Control

The PIDG Trust is controlled jointly by the three Trustees, who act in consultation with the CMO and the relevant Participating Donors. DFID is the Enforcer of the PIDG Trust and MDY Legal is currently acting as Protector of the PIDG Trust.

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 9. SUBSEQUENT EVENTS

The following events occurred after the reporting period. These do not alter the PIDG Trust accounts for 2016, but they are obligations that a subsidiary of the Trust has made which should be brought to the attention of the Participating Donors.

#### **InfraCo Africa Limited**

- (a) LVMT (Uganda) Limited was incorporated on 3 February 2017 and InfraCo Africa Ltd holds 100% of the ordinary shares.

#### **Infraco Asia Development Pte. Ltd.**

- (a) On 12 January 2017, the Group through its wholly owned subsidiary InfraCo Asia Philippines Waste Management Pte Ltd, incorporated a wholly owned subsidiary InfraCo Philippines Waste Co Pte Ltd. whose principal activity is investment holding.
- (b) On 12 January 2017, the Group through its wholly owned subsidiary InfraCo Asia Philippines Waste Management Pte Ltd, incorporated a wholly owned subsidiary InfraCo Philippines Energy Co Pte Ltd. whose principal activity is investment holding.
- (c) On 16 January 2017, the Group through its wholly owned subsidiary InfraCo Myanmar Hybrid See Pte Ltd, jointly incorporated a 50% joint venture entity, Golden Sunland Singapore Pte. Ltd. whose principal activity is investment holding.
- (d) On 9 February 2017, the Company incorporated a wholly owned subsidiary InfraCo Asia Hydroponics Farm Pte. Ltd. whose principal activity is investment holding
- (e) On 16 February 2017, the Company issued 7,038,197 shares to the shareholders for the consideration of US\$8,706,250 received from the shareholders on 23 November 2016.
- (f) On 14 March 2017, the Company incorporated a wholly owned subsidiary InfraCo Asia SL Biomass Pte. Ltd. whose principal activity is investment holding.
- (g) On 15 March 2017, the Company completed the sale of its 100% interest in InfraCo Asia Bangladesh Power Pte. Ltd..
- (h) On 15 March 2017, pursuant to the exercise of call and put option by the project partners of Metro Power Company Limited (Metro Power), the Group, through its wholly owned subsidiary, InfraCo Asia Keenjhar Wind Pte. Ltd. completed the disposal of its 10% interest in Metro Power. The consideration for the disposal was at par value of the shares in Metro Power.

#### **InfraCo Asia Investments Pte. Ltd.**

- (a) On 8 February 2017, a voluntary repayment of US\$4,200,000 was received from Viet Hydro Pte. Ltd. In respect of the loan extended to the related company.

#### **Green Africa Power**

- (a) In January 2017 a further €7,200,000 was advanced to Senergy 2 SAS in respect of the Bokhol Solar project in Senegal.

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 10. CONTINGENT LIABILITIES

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

### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

#### Fair Values

The PIDG Trust's financial assets include non-current investments which are reviewed for impairment each year end.

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

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

#### Associated Risks

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



PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

APPENDIX 1

Donor funds outstanding held by PIDG Trust (ACTUAL)

		Funds receivable											
EAIF	Capital	GuarantCo	InfraCo Africa	InfraCo Asia Devt	InfraCo Asia Inv	GAP	ICF Debt pool	InfraCo Africa Inv	FAIR	Aggregate	Capital	Total	
		Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital			
DFID	322,869,757	215,292,227	106,632,590	71,235,236	26,485,395	28,120,363	-	-	-	770,635,568	-	-	
SECO	22,000,000	35,000,000	23,499,973	10,000,000	-	-	-	-	-	90,499,973	-	-	
SIDA	20,000,000	15,000,000	-	-	-	-	-	-	-	35,000,000	-	-	
ADA	-	-	7,439,202	-	-	-	-	-	-	7,439,202	-	-	
DGIS	26,999,943	-	35,556,194	-	-	-	-	-	-	62,556,137	-	-	
DFAT	-	2,917,200	-	22,993,637	-	-	-	-	-	25,910,837	-	-	
DECC	-	-	-	-	-	8,510,186	-	-	-	8,510,186	-	-	
Other	-	-	-	-	-	-	4	2	1	-	-	7	
Gross fund	391,869,700	268,209,427	173,127,959	104,228,873	26,485,395	36,630,549	4	2	1	1,000,551,910	-	-	
Impairment	-	(41,304,160)	(12,148,875)	(46,598,850)	-	(11,439,416)	-	(2)	-	(220,491,303)	-	-	
Returned capital	-	-	27,090	-	-	-	-	-	-	27,090	-	-	
Forex diff	-	-	(1,100,743)	(1,772,290)	834,030	(247,517)	-	-	-	(2,286,520)	-	-	
	391,869,700	226,905,267	50,905,431	55,857,733	27,319,425	24,943,616	4	-	1	777,801,177	-	-	
Funds invested													
EAIF	Capital	GuarantCo	InfraCo Africa	InfraCo Asia Devt	InfraCo Asia Inv	GAP	ICF Debt pool	InfraCo Africa Inv	FAIR	Aggregate	Capital	Total	
DFID	322,869,757	215,292,227	105,551,847	69,462,946	273,19425	28,073,933	-	-	-	768,550,135	-	-	
SECO	22,000,000	35,000,000	23,499,973	10,000,000	-	-	-	-	-	90,499,973	-	-	
SIDA	20,000,000	15,000,000	-	-	-	-	-	-	-	35,000,000	-	-	
ADA	-	-	7,439,202	-	-	-	-	-	-	7,439,202	-	-	
DGIS	26,999,943	-	35,556,194	-	-	-	-	-	-	62,556,137	-	-	
DFAT	-	2,917,200	-	19,055,417	-	-	-	-	-	21,972,617	-	-	
DECC	-	-	-	-	-	8,309,099	-	-	-	8,309,099	-	-	
Other	-	-	-	-	-	-	4	2	1	-	-	7	
Funds inve	391,869,700	268,209,427	172,027,216	98,518,363	273,19425	36,383,032	4	2	1	994,327,170	-	-	
Funds outstanding - to be invested (A - B)													
EAIF	Capital	GuarantCo	InfraCo Africa	InfraCo Asia Devt	InfraCo Asia Inv	GAP	ICF Debt pool	InfraCo Africa Inv	FAIR	Aggregate	Capital	Total	
DFID	-	-	1,100,743	1,772,290	(834,030)	46,430	-	-	-	2,085,433	-	-	
SECO	-	-	-	-	-	-	-	-	-	-	-	-	
SIDA	-	-	-	-	-	-	-	-	-	-	-	-	
ADA	-	-	-	-	-	-	-	-	-	-	-	-	
DGIS	-	-	-	3,938,220	-	20,1087	-	-	-	3,938,220	-	-	
DFAT	-	-	-	-	-	-	-	-	-	20,1087	-	-	
DECC	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	
Forex diff	-	-	(1,100,743)	(1,772,290)	834,030	(247,517)	-	-	-	(2,286,520)	-	-	
	-	-	-	3,938,220	-	-	-	-	-	3,938,220	-	-	

PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST  
APPENDIX 2

Net book value of investments by Donor

		Funds Invested (A)												
EAIF	Capital	GuarantCo		InfraCo Africa		InfraCo Asia		InfraCo Asia Invt		ICF Debt pool		FAIR		Aggregate Total
		Capital		Capital	Devt Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	Capital	
DFID	322,869,757	215,292,227	105,531,847	70,510,180	273,194,25	28,073,933	-	-	-	-	-	-	769,597,369	
SECO	22,000,000	35,000,000	23,499,973	10,000,000	-	-	-	-	-	-	-	-	90,499,973	
SIDA	20,000,000	15,000,000	-	-	-	-	-	-	-	-	-	-	35,000,000	
ADA	-	-	7,439,202	-	-	-	-	-	-	-	-	-	7,439,202	
DGIS	26,999,943	-	35,556,194	-	-	-	-	-	-	-	-	-	62,556,137	
DFAT	-	2,917,200	-	18,008,183	-	-	-	-	-	-	-	-	20,925,383	
DECC	-	-	-	-	-	8,309,099	-	-	-	-	-	-	8,309,099	
Other	-	-	-	-	-	-	-	-	4	-	-	1	7	
	391,869,700	268,209,427	172,027,16	98,518,363	273,194,25	36,383,032	4	4	2	2	1	1	994,327,170	
Impairment (B)														
EAIF	Capital	GuarantCo	InfraCo Africa	InfraCo Asia	InfraCo Asia Invt	GAP	ICF Debt pool	InfraCo Africa Invt	FAIR	Aggregate Total				
DFID	-	(33,154,929)	(74,320,010)	(32,855,737)	-	(8,826,900)	-	-	-	(149,157,576)				
SECO	-	(5,389,988)	(16,549,680)	(4,729,966)	-	-	-	-	-	(26,669,634)				
SIDA	-	(2,309,995)	-	-	-	-	-	-	-	(2,309,995)				
ADA	-	-	(5,239,002)	-	-	-	-	-	-	(5,239,002)				
DGIS	-	-	(25,040,183)	-	-	-	-	-	-	(25,040,183)				
DFAT	-	(449,248)	-	(9,013,147)	-	(2,612,516)	-	-	(2)	(9,462,395)				
DECC	-	-	-	-	-	-	-	-	-	(2,612,516)				
Other	-	-	-	-	-	-	-	-	-	(2)				
	-	(41,304,160)	(121,148,875)	(46,598,850)	-	(11,439,416)	-	(2)	-	(220,491,303)				
Net book value of amounts invested (A - B)														
EAIF	Capital	GuarantCo	InfraCo Africa	InfraCo Asia	InfraCo Asia Invt	GAP	ICF Debt pool	InfraCo Africa Invt	FAIR	Aggregate Total				
DFID	322,869,757	182,137,298	312,118,37	37,654,443	273,194,25	19,247,033	-	-	-	620,439,793				
SECO	22,000,000	29,610,012	6,950,293	5,270,034	-	-	-	-	-	63,830,339				
SIDA	20,000,000	12,690,005	-	-	-	-	-	-	-	32,690,005				
ADA	-	-	2,200,200	-	-	-	-	-	-	2,200,200				
DGIS	26,999,943	-	10,516,011	-	-	-	-	-	-	37,515,954				
DFAT	-	2,467,952	-	8,995,036	-	-	-	-	-	11,462,988				
DECC	-	-	-	-	-	5,696,583	-	-	-	5,696,583				
Other	-	-	-	-	-	-	4	-	1	5				
	391,869,700	226,905,267	50,878,341	51,919,513	273,194,25	24,943,616	4	1	1	773,835,867				