

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**“THE PIDG TRUST”**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2017**

# 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 2017**

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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 (“BEIS”) (formerly “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 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 2017**

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**AUDITORS**

haysmacintyre  
10 Queen Street Place  
London  
EC4R 1AG

**BANKERS**

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

**LEGAL ADVISORS**

MDY Legal  
Temple Chambers  
3.-7 Temple Avenue  
London  
EC4Y 0DA

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The Trustees present the annual report and audited financial statements for the year ended 31 December 2017.

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 IFRS10, 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 2017

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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 2017:

- 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 year and movement in accumulated funds are set out on page 10 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 2017**

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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  
31 August 2018

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

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**Opinion**

We have audited the non-consolidated financial statements of the Private Infrastructure Development Group ("PIDG") Trust for the year ended 31 December 2017 which comprise the Balance Sheet, the Capital Account, the Statement of Accumulated Funds, the Cash Flow Statement and the related notes on pages 12 to 23. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 2017 (subject to the second bullet point) and of its results of operations and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union with the exception of IFRS10, IAS32 and IAS21 as set out in note 1(a) of the financial statements.

**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 Trust 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust'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 trustees 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.

**Matters on which we are required to report by exception**

In the light of the 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.

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 by the trust, 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.



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

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**Responsibilities of trustees**

As explained more fully 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, the trustees are responsible for assessing the Trust'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 trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the non-consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated financial statements.

A further description of our responsibilities for the audit of the non-consolidated financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 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 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 trust and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Gareth Ogden** (Senior Statutory Auditor)

For and on behalf of haysmacintyre, Statutory Auditors

31 August 2018

10 Queen Street Place

London

EC4R 1AG

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

	Note	2017		2016	
		US\$	US\$	US\$	US\$
<b>Non-current assets</b>					
Investments	2		821,499,197		773,835,867
<b>Current assets</b>					
Debtors	3	10,534,668		10,000,003	
Prepaid shares		5,461,020		-	
Cash and cash equivalents	4	49,581,554		35,536,206	
			<u>65,577,242</u>	<u>35,536,206</u>	
<b>TOTAL ASSETS</b>			<u>\$887,076,439</u>		<u>\$819,372,076</u>
<b>CAPITAL, FUNDS AND LIABILITIES</b>					
Capital account			837,000,380		787,801,177
Accumulated funds	6		45,992,730		31,076,819
<b>Capital and funds</b>			<u>882,993,110</u>		<u>818,877,996</u>
<b>Current liabilities</b>					
Other payables	7	4,083,329		494,080	
			<u>4,083,329</u>	<u>494,080</u>	
<b>TOTAL CAPITAL, FUNDS AND LIABILITIES</b>			<u>\$887,076,439</u>		<u>\$819,372,076</u>

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


  
 SG Hambros Trust Company Limited  
 31 August 2018

The notes on pages 12 to 23 form part of these financial statements.

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**CAPITAL ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 US\$	2016 US\$
<b>Balance brought forward</b>		787,801,177	528,077,058
Grant contributions received		58,435,326	67,006,650
Participatory notes issued in the year		-	18,073,900
		<u>846,236,503</u>	<u>613,157,608</u>
Unsecured loans treated as capital reallocated in the year		-	206,638,017
		<u>846,236,503</u>	<u>819,795,625</u>
Impairment of value of investments	2	(18,319,974)	(45,096,605)
Reversal of previous impairment	2	8,994,797	13,669,983
Exchange profit/(loss) on year end revaluation		75,982	(567,826)
Transfer from accumulated funds		13,072	-
<b>Balance carried forward</b>		<u><u>\$837,000,380</u></u>	<u><u>\$787,801,177</u></u>

The notes on pages 12 to 23 form part of these financial statements.

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**STATEMENT OF ACCUMULATED FUNDS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Year ended 31 December</b>		<b>Year ended 31 December</b>	
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>INCOME</b>				
Contributions receivable to cover costs and fees		26,588,285		23,525,580
Bank deposit interest		184,609		59,551
		<u>26,772,894</u>		<u>23,585,131</u>
<b>EXPENDITURE</b>				
<b>Funding</b>				
TAF Grants	4,812,471		7,408,606	
Grants to other facilities	417,303		44,500	
TAF project grants returned	(75,220)		(321,319)	
Grant underspend refunded	-		1,269,779	
	<u>5,154,554</u>		<u>8,401,566</u>	
<b>Administration</b>				
SG Hambros Trust Company Limited				
Annual Management fee	200,505		201,961	
Multiconsult Trustees Management fee	74,200		53,415	
Central Management Office (CMO)	3,545,062		3,694,266	
Consultancy fees	2,646,147		2,178,931	
Legal fees	105,234		24,126	
Auditor's remuneration:-				
Audit fee	36,366		14,051	
Audit fee – under accrued in 2016	25,272		-	
Other expenses	4,893		4,775	
Loss on foreign currency exchange	51,678		26,877	
	<u>6,689,357</u>		<u>6,198,402</u>	
<b>Total expenditure</b>		<u>(11,843,911)</u>		<u>(14,599,968)</u>
<b>Surplus for the year</b>		14,928,983		8,985,163
Transfer (to) capital account		<u>(13,072)</u>		<u>-</u>
<b>Surplus for the year transferred to accumulated funds</b>		14,915,911		8,985,163
<b>Accumulated funds brought forward</b>		<u>31,076,819</u>		<u>22,091,656</u>
<b>Accumulated funds carried forward</b>		<u><u>\$45,992,730</u></u>		<u><u>\$31,076,819</u></u>

The notes on pages 12 to 23 form part of these financial statements.

**THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Year ended 31 December 2017 US\$</b>	<b>Year ended 31 December 2016 US\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus/(deficit) for the year	14,928,983	8,985,163
Adjustments for:		
Interest income	(184,609)	(59,551)
Increase in debtors	(534,665)	-
Increase/(decrease) in current liabilities	3,589,249	(46,198)
Exchange profit/(loss) on year end revaluation	75,982	(567,826)
<i>Net cash inflow from operating activities</i>	<u>17,874,940</u>	<u>8,311,588</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of shares in EAIF	-	(2,000,000)
Acquisition of shares in GuarantCo	(7,774,000)	(20,991,100)
Acquisition of shares in InfraCo Africa	(18,174,842)	(29,224,171)
Acquisition of shares in InfraCo Asia Development	(23,584,300)	(16,449,661)
Prepaid shares in InfraCo Asia Development	(5,461,020)	-
Member's capital contribution in GAP LLP	(7,455,365)	(16,618,197)
Interest received	184,609	59,551
<i>Net cash outflow from investing activities</i>	<u>(62,264,918)</u>	<u>(85,223,578)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from contributions to capital account	58,435,326	85,080,550
<i>Net cash inflow from financing activities</i>	<u>58,435,326</u>	<u>85,080,550</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>14,045,348</b>	<b>8,168,560</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>35,536,206</b></u>	<u><b>27,367,646</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><u><b>\$49,581,554</b></u></u>	<u><u><b>\$35,536,206</b></u></u>

The notes on pages 12 to 23 form part of these financial statements.

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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:

- IFRS10 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.

Under 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 2017

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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 participatory notes, capital contributions and loans are valued on the basis of the pro-rata share of the net assets (at book value) of the underlying entity to which they relate and are included within the Capital Account.

**(g) Capital account**

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

**(h) Accumulated funds**

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

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

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

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

2. INVESTMENTS	EAIIF	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										
As at 1 January 2017	391,869,700	268,209,427	172,027,216	98,518,362	27,319,426	4	36,383,032	2	1	994,327,170
Additions at cost	-	7,774,000	18,174,842	23,584,300	-	-	7,455,365	-	-	56,988,507
As at 31 December 2017	\$391,869,700	\$275,983,427	\$190,202,058	\$122,102,662	\$27,319,426	\$4	\$43,838,397	\$2	\$1	\$1,051,315,677
<b>Impairment in value</b>										
As at 1 January 2017	-	41,304,160	121,148,875	46,598,850	-	-	11,439,416	2	-	220,491,303
Impairment in year	-	-	6,996,148	11,323,826	-	-	-	-	-	18,319,974
Reversal of previous impairment	-	(7,221,915)	-	-	-	-	(1,772,882)	-	-	(8,994,797)
As at 31 December 2017	\$-	\$34,082,245	\$128,145,023	\$57,922,676	\$-	\$-	\$9,666,534	\$2	\$-	\$229,816,480
<b>Net book value</b>										
As at 31 December 2017	\$391,869,700	\$241,901,182	\$62,057,035	\$64,179,986	\$27,319,426	\$4	\$34,171,863	\$-	\$1	\$821,499,197
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

The above investments represent:

- EAIIF - the entire share capital of 39,186,969 Ordinary US\$10 shares
- GuarantCo Limited 276,073,175 Ordinary US\$1 shares, being 89.03% of the share capital
- InfraCo Africa Limited - the entire share capital of 123,888,100 Ordinary £1 shares
- InfraCo Asia Development Limited - the entire share capital of 81,859,651 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 £31,172,547
- 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 2017

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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 2017, EAIF reported net assets of US\$427,817,928 (2016: US\$412,344,141) and a profit for the year to 31 December 2017 of US\$15,473,786 (2016: US\$34,144,424). Therefore the investment in EAIF as at 31 December 2017 is included in the accounts at US\$391,869,700 (2016: US\$391,869,700), representing the lower of cost and share of net asset value.

#### (c) GuarantCo Limited

##### Constitution

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

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

As at 31 December 2017, GuarantCo Limited reported net assets of US\$271,692,704 (2016: US\$255,667,906) and a profit for the year to 31 December 2017 of US\$8,250,798 (2016: loss US\$3,296,451). Therefore the investment in GuarantCo Limited as at 31 December 2017 is included in the accounts at US\$241,901,182 (2016: US\$226,905,267) 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 2017, InfraCo Africa reported company net assets of £46,075,487 or US\$62,057,035 (2016: £41,458,725 or US\$50,878,341) and a loss for the year to 31 December 2017 of £9,698,153 or US\$13,062,013 (2016: loss £7,762,199 or US\$9,525,807). Therefore the investment in InfraCo Africa as at 31 December 2017 is included in the accounts at £46,075,487 or US\$62,057,035 (2016: £41,458,725 or US\$50,878,341) 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 2017

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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 2017, InfraCo Asia Devt reported group net assets of US\$64,179,986, after share application monies (2016: US\$51,919,512) and a comprehensive loss for the year to 31 December 2017 of US\$4,243,393 (2016: loss US\$10,369,609). The total of US\$64,179,986 (2016: US\$51,919,512) 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 2017, InfraCo Asia Inv reported net assets of US\$30,688,188 (2016: US\$28,054,663) and a comprehensive profit for the year to 31 December 2017 of US\$2,633,525 (2016: US\$690,899). The total of US\$27,319,426 (2016: 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 2017, GAP LLP reported group net assets of £25,371,583 or US\$34,171,863 (2016: £20,325,555 or US\$24,943,616) and a comprehensive loss for the year to 31 December 2017 of £753,972 or US\$1,015,492 (2016: loss £1,569,628 or US\$1,926,255). The total of £25,371,583 or US\$34,171,863 (2016: £20,325,555 or US\$24,943,616) 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 2017, InfraCo Africa Investment Limited reported a net liability of £9,943 or US\$13,392 (2016: liability £92,327 or US\$113,304) and a loss for the year to 31 December 2017 of £11,295 or US\$15,213 (2016: loss £50,834 or US\$62,384). Its share capital as at 31 December 2017 consists of one share of £1.

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 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 2017 consists of one share of US\$1.

### 3. DEBTORS

	2017 US\$	2016 US\$
Accrued income – grants receivable	534,668	3
Loan to ICF Debt Pool LLP	10,000,000	10,000,000
	<u>\$10,534,668</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:

	2017 US\$	2016 US\$
Balances at bank	49,581,554	35,536,206
Cash and cash equivalents	<u>\$49,581,554</u>	<u>\$35,536,206</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 2017**

**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 2017:

<b>Donor</b>	<b>Amount US\$</b>	<b>Purpose</b>
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
<b>Total</b>	<b>US\$214,828,588</b>	

- (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 2017

6.	ACCUMULATED FUNDS	2017	2017	2017	2017	2017	2017	2017	2016
		TAF General (window 1) US\$	TAF VGF (window 3) US\$	TAF DevCo US\$	EU ITF US\$	General Admin fund US\$	2017 Total Accumulated funds US\$	2016 Total US\$	
	<b>INCOME</b>								
	Contributions receivable:-								
	DFID	6,545,847	10,115,884	-	-	4,135,271	20,797,002	17,852,750	
	DGIS	-	-	-	-	572,641	572,641	608,625	
	SECO	2,000,000	-	-	-	650,653	2,650,653	2,702,694	
	SIDA	-	-	-	-	409,712	409,712	474,525	
	IFC	-	-	-	-	439,605	439,605	476,298	
	MFA	-	-	-	-	431,306	431,306	348,300	
	EIB	-	-	-	-	833,793	833,793	624,808	
	DFAT	-	-	-	-	453,573	453,573	437,580	
	Interest receivable	182,710	-	-	-	1,899	184,609	59,551	
	<b>Net income receivable</b>	<b>8,728,557</b>	<b>10,115,884</b>	<b>-</b>	<b>833,793</b>	<b>7,094,660</b>	<b>26,772,894</b>	<b>23,585,131</b>	
	<b>EXPENDITURE</b>								
	<b>Funding</b>								
	TAF Grants	4,662,471	-	150,000	-	-	4,812,471	7,408,606	
	Grants to other facilities	-	-	-	417,303	-	417,303	44,500	
	TAF project grants returned	(75,220)	-	-	-	-	(75,220)	(321,319)	
	Grant underspend refunded	-	-	-	-	-	-	1,269,779	
	<b>Administration</b>								
	Annual Management fee:-	-	-	-	-	-	-	-	
	SG Hambros Trust Co	-	-	-	-	200,505	200,505	201,961	
	Multiconsult Trustees	-	-	-	-	74,200	74,200	53,415	
	CMO	-	-	-	-	3,545,062	3,545,062	3,694,266	
	Consultancy fees	188,352	97,491	-	520,035	1,840,269	2,646,147	2,178,931	
	Legal fees	-	-	-	-	105,234	105,234	24,126	
	Auditor's remuneration:-								
	Audit fee	-	-	-	-	36,366	36,366	14,051	
	Audit fee – under accrued in 2016	-	-	-	-	25,272	25,272	-	
	Other	-	-	-	-	-	-	-	
	Other expenses	1,624	215	-	683	2,371	4,893	4,775	
	Currency movement	9,842	40,225	-	-	1,611	51,678	26,877	
	<b>Total expenditure</b>	<b>4,787,069</b>	<b>137,931</b>	<b>150,000</b>	<b>822,145</b>	<b>5,830,890</b>	<b>11,843,911</b>	<b>14,599,968</b>	
	<b>Surplus/(deficit) in year</b>	<b>3,941,488</b>	<b>9,977,953</b>	<b>(150,000)</b>	<b>(104,228)</b>	<b>1,263,770</b>	<b>14,928,983</b>	<b>8,985,163</b>	
	Transfers between funds	(307,000)	-	307,000	-	-	-	-	
	Transfers to capital account	-	-	-	-	-	-	-	
	Accumulated funds b/fwd	8,377,071	21,124,508	130,000	91,437	1,353,803	31,076,819	22,091,656	
	<b>Accumulated funds c/fwd</b>	<b>11,998,487</b>	<b>31,102,461</b>	<b>287,000</b>	<b>(12,791)</b>	<b>2,617,573</b>	<b>\$45,992,730</b>	<b>\$31,076,819</b>	

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

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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 Viability Gap Funding

During 2017:

- The PIDG Trust executed twenty-two new TAF grants for PIDG initiatives totalling US\$4,738,923.
- US\$4,812,471 was disbursed to PIDG Facilities and US\$75,220 in returned unspent funds was received from PIDG Facilities.
- US\$16,661,731 has been contributed to TAF by DFID in 2017.
- US\$2,000,000 has been contributed to TAF by SECO in 2017.

#### (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.

#### (d) 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 2017 a total of €822,145 was disbursed by the PIDG Trust from funds received from EUAITF to EAIF for the Bumbuna Phase II Hydro-Electric Project and to InfraCo Africa for the Lake Victoria Marine Transport Project.

THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

7. OTHER PAYABLES

	2017 US\$	2016 US\$
Deferred income	3,043,843	-
Other creditors	1,039,486	494,080
	<u>4,083,329</u>	<u>494,080</u>

8. TAXATION

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

9. RELATED PARTY TRANSACTIONS

During the period under review, the following related party transactions occurred and balances were outstanding as at 31 December 2017;

Transactions with the Trustees of the Trust:

	2017 US\$	2016 US\$
<b>Fees Charged</b>		
SG Hambros Trust Company Ltd Annual Management fee	200,505	201,961
Multiconsult Trustees Ltd Annual Management fee	74,200	53,415
	<u>274,705</u>	<u>255,376</u>
<b>Amounts owed at the year end</b>		
Multiconsult Trustees Ltd	42,500	-
SG Hambros Trust Company Ltd	104,471	92,475
	<u>146,971</u>	<u>92,475</u>
<b>Transactions with the Protector and CMO/Adhoc Legal</b>		
<b>MDY Legal</b>		
Fees Charged	3,545,062	3,694,266
	<u>3,545,062</u>	<u>3,694,266</u>
<b>Balance payable at the year end</b>		
CMO	45,960	304,855
	<u>45,960</u>	<u>304,855</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.

10. SUBSEQUENT EVENTS

The following events occurred after the reporting period. These do not alter the PIDG Trust accounts for 2017, but they are obligations that a subsidiary of the Trust has made which should be brought to the attention of the Participating Donors.

# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 10. SUBSEQUENT EVENTS (continued)

##### **InfraCo Asia Development Pte. Ltd.**

- (a) On 21 January 2018, InfraCo Asia Development Pte. Ltd incorporated a wholly owned subsidiary InfraCo Asia Narmada Biomass Pte. Ltd. whose principal activity is investment holding.
- (b) On 26 February 2018, InfraCo Asia Development Pte. Ltd incorporated a wholly owned subsidiary InfraCo Asia Bangladesh Solar Nano Grid Pte. Ltd. whose principal activity is investment holding.
- (c) In February 2018, InfraCo Asia Development Pte. Ltd officially launched the sales process of its interest in associate, Viet Hydro Pte. Ltd. and its subsidiary, Lao Cai Renewable (Vietnam) Energy Joint Stock Company (“Viet Hydro Group”).

As the market announcement was made after the reporting period, held for sale classification in respect of Viet Hydro Group was not adopted as at the reporting date.

- (d) On 1 March 2018, InfraCo Asia Development Pte. Ltd issued 1,100,000 shares to the shareholders for the consideration of US\$1,461,020 received from the PIDG Trust on 10 November 2017.

##### **Green Africa Power**

- (a) On 19 March 2018, the loan facility for the Bakhol Solar project in Senegal was repaid in full.
- (b) It has been agreed by the Board and the Members that the Partnership will be wound-up voluntarily and Mazars will be appointed as Liquidators for the purpose of the winding-up.

##### **Private Infrastructure Development Group Ltd (PIDG Ltd)**

- (a) The Private Infrastructure Development Group Ltd was incorporated on 20<sup>th</sup> March 2018 as a private company limited by shares under the laws of England and Wales with company number 11265124. This structure will now be responsible for the future governance in which both the PIDG Members, and the PIDG Companies, transfer decisions on certain matters to PIDG Ltd on 29 June 2018. The new governance framework was to be implemented in part by a Memorandum of Understanding which has amended some of the “core” PIDG documentation to implement the new governance framework.

#### 11. CONTINGENT LIABILITIES

A share pledge agreement between the trustees of the PIDG Trust and EAIF in favour of The Bank of New York Mellon, London Branch as Security Trustee for the Secured Parties has been in place since 29 October 2014 (the Original Pledge). Pursuant to a supplemental share pledge agreement dated 22 June 2016 (the Supplemental Pledge) and an amendment agreement to the Original Pledge and the Supplemental Pledge, the PIDG Trust has confirmed the security created by the Original Pledge and has granted the same security over all shares held by it in EAIF as at 22 June 2016, being 38,986,969 ordinary shares of 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).



# THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

#### **Fair Values**

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

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

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

#### **Associated Risks**

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

PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

APPENDIX 1

Donor funds outstanding held by PIDG Trust (ACTUAL)

Funds receivable										
E A I F Capital	GuarantCo Capital	InfraCo Africa Capital	InfraCo Asia Devt Capital	InfraCo Asia Inv Capital	GAP Capital	ICF Debt pool Capital	InfraCo Africa Inv Capital	FAIR Capital	Aggregate Total	
DFID	322,869,757	120,821,951	92,251,471	26,485,395	3,185,918	-	-	-	809,579,939	7
SECO	22,000,000	27,499,973	14,000,000	-	-	-	-	-	103,249,973	2
SIDA	20,000,000	-	-	-	-	-	-	-	35,000,000	1
ADA	-	7,439,202	-	-	-	-	-	-	7,439,202	1
DGIS	26,999,943	35,556,194	-	-	-	-	-	-	62,556,137	1
DFAT	-	5,941,200	22,993,637	-	-	-	-	-	28,934,837	1
DECC	-	-	-	-	12,227,141	-	-	-	12,227,141	2
Other	-	-	-	-	-	4	2	1	-	7
<b>Gross funds (A)</b>	<b>391,869,700</b>	<b>191,317,320</b>	<b>129,245,108</b>	<b>26,485,395</b>	<b>44,086,279</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1,058,987,236</b>	
Impairment	-	(28,145,022)	(52,461,656)	-	(9,666,535)	-	(2)	-	(224,355,460)	
Returned capital	-	27,090	-	13,072	-	-	-	-	27,090	
Transferred from income	-	-	-	834,030	(247,881)	-	-	-	13,072	
Forex difference	-	(1,115,262)	(1,681,425)	-	-	-	-	-	(2,210,538)	
	<b>391,869,700</b>	<b>62,084,126</b>	<b>75,102,027</b>	<b>27,319,425</b>	<b>34,171,863</b>	<b>4</b>	<b>-</b>	<b>1</b>	<b>832,461,400</b>	
Funds invested										
E A I F Capital	GuarantCo Capital	InfraCo Africa Capital	InfraCo Asia Devt Capital	InfraCo Asia Inv Capital	GAP Capital	CF Debt pool Capital	InfraCo Africa Capital	FAIR Capital	Aggregate Total	
DFID	322,869,757	119,706,689	89,109,026	27,319,425	3,182,077	-	-	-	806,117,801	7
SECO	22,000,000	27,499,973	10,000,000	-	-	-	-	-	99,249,973	1
SIDA	20,000,000	-	-	-	-	-	-	-	35,000,000	1
ADA	-	7,439,202	-	-	-	-	-	-	7,439,202	1
DGIS	26,999,943	35,556,194	-	-	-	-	-	-	62,556,137	1
DFAT	-	5,941,200	22,993,637	-	-	-	-	-	28,934,837	1
DECC	-	-	-	-	12,017,721	-	-	-	12,017,721	7
Other	-	-	-	-	-	4	2	1	-	7
<b>Funds invested (B)</b>	<b>391,869,700</b>	<b>190,202,058</b>	<b>122,102,663</b>	<b>27,319,425</b>	<b>43,838,398</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1,051,315,678</b>	
Funds outstanding - to be invested (A - B)										
E A I F Capital	GuarantCo Capital	InfraCo Africa Capital	InfraCo Asia Devt Capital	InfraCo Asia Inv Capital	GAP Capital	CF Debt pool Capital	InfraCo Africa Capital	FAIR Capital	Aggregate Total	
DFID	-	1,115,262	3,142,445	(834,030)	38,461	-	-	-	3,462,138	1
SECO	-	-	4,000,000	-	-	-	-	-	4,000,000	1
SIDA	-	-	-	-	-	-	-	-	-	1
ADA	-	-	-	-	-	-	-	-	-	1
DGIS	-	-	-	-	-	-	-	-	-	1
DFAT	-	-	-	-	209,420	-	-	-	209,420	1
DECC	-	-	-	-	-	-	-	-	-	1
Other	-	-	-	-	-	-	-	-	-	1
Forex difference	-	(1,115,262)	(1,681,425)	834,030	(247,881)	-	-	-	(2,210,538)	
	-	-	5,461,020	-	-	-	-	-	5,461,020	

PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

Net book value of investments by Donor

Funds invested										
	EAIF Capital	GuarantCo Capital	InfraCo Africa Capital	InfraCo Asia Devt Capital	InfraCo Asia Inv Capital	GAP Capital	ICF Debt pool Capital	InfraCo Africa Inv Capital	FAIR Capital	Aggregate Total
DFID	322,869,757	215,292,227	119,706,689	89,109,026	273,19,425	3,182,067	-	-	-	806,117,801
SECO	22,000,000	39,750,000	27,499,973	10,000,000	-	-	-	-	-	99,249,973
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	-	5,941,200	-	22,993,637	-	-	-	-	-	28,934,837
DECC	-	-	-	-	-	12,017,721	-	-	-	12,017,721
Other	-	-	-	-	-	-	4	2	1	7
<b>Funds invested</b>	<b>391,869,700</b>	<b>275,983,427</b>	<b>190,202,058</b>	<b>122,102,663</b>	<b>273,19,425</b>	<b>43,838,398</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1,051,315,678</b>
Impairment (B)										
	EAIF Capital	GuarantCo Capital	InfraCo Africa Capital	InfraCo Asia Devt Capital	InfraCo Asia Inv Capital	GAP Capital	ICF Debt pool Capital	InfraCo Africa Inv Capital	FAIR Capital	Aggregate Total
DFID	-	(26,587,258)	(80,650,107)	(38,285,873)	-	(7,016,581)	-	-	-	(152,539,819)
SECO	-	(4,908,879)	(18,527,584)	(4,296,520)	-	-	-	-	-	(27,732,983)
SIDA	-	(1,852,407)	-	-	-	-	-	-	-	(1,852,407)
ADA	-	-	(5,012,021)	-	-	-	-	-	-	(5,012,021)
DGIS	-	-	(23,955,310)	-	-	-	-	-	-	(23,955,310)
DFAT	-	(733,701)	-	(9,879,263)	-	(2,649,954)	-	-	-	(10,612,964)
DECC	-	-	-	-	-	-	-	-	-	(2,649,954)
Other	-	-	-	-	-	-	-	(2)	-	(2)
<b>Funds invested</b>	<b>-</b>	<b>(34,082,245)</b>	<b>(128,145,022)</b>	<b>(52,461,656)</b>	<b>-</b>	<b>(9,666,535)</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(224,355,460)</b>
Net book value of amounts invested (A - B)										
	EAIF Capital	GuarantCo Capital	InfraCo Africa Capital	InfraCo Asia Devt Capital	InfraCo Asia Inv Capital	GAP Capital	ICF Debt pool Capital	InfraCo Africa Inv Capital	FAIR Capital	Aggregate Total
DFID	322,869,757	188,704,969	39,056,582	50,823,153	273,19,425	24,804,096	-	-	-	653,377,982
SECO	22,000,000	34,841,121	8,972,389	5,703,480	-	-	-	-	-	71,516,990
SIDA	20,000,000	13,147,593	-	-	-	-	-	-	-	33,147,593
ADA	-	-	2,427,181	-	-	-	-	-	-	2,427,181
DGIS	26,999,943	-	11,600,884	13,114,374	-	-	-	-	-	38,600,827
DFAT	-	5,207,499	-	-	-	9,367,767	-	-	-	18,321,873
DECC	-	-	-	-	-	-	4	-	-	9,367,767
Other	-	-	-	-	-	-	-	1	-	5
<b>Funds invested</b>	<b>391,869,700</b>	<b>241,901,182</b>	<b>62,057,036</b>	<b>69,641,007</b>	<b>273,19,425</b>	<b>34,171,863</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>826,960,218</b>

