InfraCo Africa Investment Limited

Company Registration No: 9152403

Directors' report and financial statements

For the 18 month period ended 31 December 2015

INFRACO AFRICA INVESTMENT LIMITED

COMPANY INFORMATION

Directors	Peter Barlow Brian Count Roderick Evison Katharine Painter
Company secretary	Jordan Company Secretaries Limited
Registered number	9152403
Registered office	The Dutch House Fourth Floor 307-308 High Holborn London WC1V 7LL
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor Times House Throwley Way Sutton Surrey SM1 4JQ

INFRACO AFRICA INVESTMENT LIMITED

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INFRACO AFRICA INVESTMENT LIMITED

DIRECTORS' REPORT
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2015

The Directors present their Report together with the financial statements of InfraCo Africa Investment Limited (the "Company") for the 18 month period ended 31 December 2015.

Directors

The Directors who served during the period were:

Peter Barlow (appointed 29 July 2014)
Brian Count (appointed 29 July 2014)
Roderick Evison (appointed 29 July 2014)
Katharine Painter (appointed 29 July 2014)

Principal activities

The principal activities of the Company will be to seek, undertake due diligence in respect of, appraise and, if thought fit, invest in, manage and ultimately dispose of, interests in Infrastructure Projects with the objective of:

(a) addressing market failures in the supply of capital to early stage infrastructure projects in Eligible Countries which can delay and sometimes prevent financial close of viable infrastructure projects; and

(b) facilitating the accelerated construction and completion of Infrastructure Projects that satisfy the criteria for Bridge Investments and/or Impact Investments

Review of operations and financial results

The results of the Company for the period, set out on page 6, show a loss on ordinary activities before tax of (£41,494). The shareholders' funds of the Company, set out on page 7, total (£41,493).

Dividends

No dividends were declared or paid by the Company during the period.

Going concern

The Company has met its day to day working capital through the support of its sister company (InfraCo Africa Limited). The Company's ultimate parent (the Private Infrastructure Development Group Trust) has assured the Directors that financial support is available, and remains effective for at least twelve months from the date that these financial statements are signed, if the Company fails to meet its obligations from its own resources. The Directors have considered the ultimate parent's letter of support, for the 12 months following the approval date of these financial statements, and, on the basis of this, the directors consider that for the foreseeable future, the Company will continue to have sufficient funds for the financial statements to be prepared on the going concern basis.

Statement of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information, and
- these financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime

Auditors

The auditors for the period were Mazars LLP.

This report was approved by the Board and signed on its behalf.

B. Count

Brian Count
Director

Date: 25/4/2016

INFRACO AFRICA INVESTMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INFRACO AFRICA INVESTMENT LIMITED

We have audited the financial statements of InfraCo Africa Limited for the 18 month period ended 31 December 2015, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and related notes.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the 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 financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result for the period then ended;
- have been properly prepared in accordance with IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INFRACO AFRICA INVESTMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INFRACO AFRICA INVESTMENT LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies' regime.

J. Seaman

Jonathan Seaman (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Date: 26 April 2016

INFRACO AFRICA INVESTMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2015

	Note	2015 £
Administrative expenses	3	(41,494)
Operating loss	4	**(41,494)**
Loss on ordinary activities before taxation		(41,494)
Tax on loss on ordinary activities	6	-
Loss for the financial year	11	(41,494)

The amounts above all relate to continuing operations.

There were no other items of comprehensive income.

The notes on pages 10 to 17 form part of these financial statements.

INFRACO AFRICA INVESTMENT LIMITED
Registered number: 9152403

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 £	£
Assets			
Current assets			
Cash at bank and in hand		-	
Trade and other receivables	7	595	
Total current assets			595
Total assets			595
Equity and liabilities			
Capital and reserves			
Share capital	10	1	
Retained earnings	11	(41,494)	
Total equity	12		(41,493)
Current liabilities			
Trade and other payables	8		42,088
Total equity and liabilities			595

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

B. Count

Brian Count
Director

Date: 25/4/2016

The notes on pages 10 to 17 form part of these financial statements.

INFRACO AFRICA INVESTMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2015

	Note	Share Capital	Retained Earnings	Attributable to owners of the parent
		£	£	£
Opening Balance 29 July 2014	**10, 11**	-	-	-
Loss for the period	**11**	-	(41,494)	(41,494)
Total comprehensive loss for the period		-	(41,494)	(41,494)
Issue of shares	**10**	1	-	1
Balance at 31 December 2015	**12**	**1**	**(41,494)**	**(41,493)**

INFRACO AFRICA INVESTMENT LIMITED

STATEMENT OF CASH FLOWS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2015

	2015
	£
Cash flows from operating activities	
Loss for the period	(41,494)
Add/(deduct):	
(Increase) in receivables	(594)
Increase in payables	42,088
Net cash used in operating activities	-
Net (decrease) in cash and cash equivalents	-
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	-

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements are presented in Pound Sterling (£), which is also the Company's functional currency.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates, outlined in note 2. It also requires management to exercise judgment in applying the accounting policies.

The financial statements have been prepared on a historical cost basis.

Standards, amendments and interpretations

Adopted in the current year

All IFRSs issued with an effective date before the end of the reporting period have been fully adopted. There has been no material impact on the financial statements of the Company as the result of standards adopted during the reporting period.

In issue but not yet effective

The following standards, amendments and interpretations are either not relevant to the Company's operations or are currently under assessment for their applicability to the Company's operations:

Amendments to Standards	Effective date
IAS 1 (amendment) 'Presentation of Financial Statements' Disclosure initiative	1 January 2016
IAS 16 (amendment) 'Property, Plant and Equipment' and IAS 38 (amendment) 'Intangible Assets' Clarification of acceptable methods of depreciation and amortisation	1 January 2016
IAS 16 (amendment) 'Property, Plant and Equipment' and IAS 41 'Agriculture' Agriculture: Bearer plants	1 January 2016
IAS 27 (amendment) 'Separate Financial Statements' Equity Method in Separate Financial Statements	1 January 2016
IFRS 10 (amendment) 'Consolidated Financial Statements', IFRS 12 (amendment) 'Disclosure of Interest in Other Entities' and IAS 28 (amendment) 'Investments in Associates and Joint Ventures' Investment entities: Applying the consolidation exception	Expected to be endorsed after 1 January 2016
IFRS 11 (amendment) 'Joint Arrangements' Accounting for acquisitions of interests in joint operations	1 January 2016
Annual Improvements to IFRS (2012 - 2014)	1 January 2016
IAS 7 (amendment) 'Statement of Cash Flows' Disclosure initiative	Expected to be endorsed before 1 January 2017
IAS 12 (amendment) 'Income Taxes' Recognition of deferred tax assets for unrealised losses	Expected to be endorsed before 1 January 2017
IFRS 9 'Financial instruments' The standard replaces IAS 39 'Financial Instruments: Recognition and Measurement', containing revised requirements in relation to classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.	Expected to be endorsed before 1 January 2018
IFRS 15 'Revenue from Contracts with Customers' The standard replaces IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations on revenue recognition, presenting a five stage approach to the recognition of revenue.	Expected to be endorsed before 1 January 2018
IFRS 16 'Leases'	Expected to be endorsed before 1 January 2019
IFRS 14 'Regulatory Deferral Accounts'	Will not be endorsed by the EU
IFRS 10 (amendment) 'Consolidated Financial Statements' and IAS 28 (amendment) 'Investments in Associates and Joint Ventures' Sale or contribution of assets between an investor and its associate or joint venture	Endorsement has been postponed indefinitely

The adoption of the above mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

The Company is however continuing to assess the full impact that adopting IFRS 15 and IFRS 9 will have on future financial statements, and therefore the full effect is yet to be determined.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

1.2 Going concern

The Directors have deemed this Company to be non-trading/dormant. The Company will meet any future day to day working capital requirements through its sister company, InfraCo Africa Limited. The Directors have received funding assurances from its Donors, through the Private Infrastructure Development Group Trust supporting the payment of any liabilities that become due.

1.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.4 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of comprehensive income.

1.5 Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

1.6 Dividends

Dividends are recognised when they become legally payable.

1.7 Cash and cash equivalents

Cash and cash equivalents include deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

2. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

3. Administrative expenses

	2015
	£
Other administrative expenses	41,494
	41,494

4. Operating loss

The operating loss is stated after charging:

	2015
	£
Auditors' remuneration	5,000
	5,000

5. Director's benefit expenses

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. These include the directors of the company listed on page 1.

	2015
	£
Salary	11,815
Social security contributions and similar taxes	2,954
	14,769

During the period 4 directors were remunerated. Retirement benefits were not accrued to directors during the period.

6. Taxation

	2015 £
Current tax expense	-
Current tax charge	
Deferred tax asset charge	-
Total tax charge	-

	2015 £
Loss before tax	(41,494)
Tax at the standard UK rate of tax of 20%	
Effect of:	
Non-deductible expenses	9,130
Income not chargeable to tax	
Chargeable gains	
Adjust closing deferred tax to average of 20%	
Adjust opening deferred tax to average of 20%	
Unutilised losses	32,364
Deferred tax not recognised	
Total tax charge for the period	-

On the basis of the results of the company for the 18 month period ended 31 December 2015, there is no charge for corporation tax.

The company has estimated losses of £32,364 available to carry forward against future trading profits and carried forward capital losses of £nil. A deferred tax asset has not been provided as there is no certainty to its recoverability.

7. Trade and other receivables

	2015 £
Other Receivable	1
VAT Receivable	594
	595

As at 31 December 2015 there were £595 of trade and other receivables past 3 months due.

8. Trade and other payables

	2015 £
Amounts owed to related entity	37,088
Audit Fee Accrual	5,000
	42,088

The carrying value of trade and other payables classified as financial liabilities approximates fair value.

9. Financial instruments - Risk Management

The Company is exposed through its operations to the following financial risks:

- Credit risk, and
- Liquidity risk

The Company may be exposed to the following financial risks in the future:

- Interest rate risk
- Foreign exchange risk, and
- Other market price risk

In common with all other businesses, the Company is, or may be in the future, exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

(i) Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Trade and other payables

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include trade and other receivables, trade and other payables.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company would be exposed to credit risk from sales of projects. Management would conduct an internal "know your customer" check on all potential purchasers prior to entering into sales agreements.

Credit risk could also arise from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only credit rated parties with minimum rating "A" would be accepted.

Management would monitor the credit ratings of counterparties regularly.

Market risk

Market risk would arise from the Company's use of interest bearing, tradable and foreign currency financial instruments. The risk would be that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

The Company is not susceptible to interest rate risk as it does not have any borrowings.

Foreign exchange risk

The Company is not susceptible to foreign exchange risk as it only transacted in £ GBP.

Foreign exchange risk would arise if the Company entered into transactions denominated in a currency other than its functional currency. Where possible, the Company would settle the liabilities in the foreign currency.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£	£	£	£	£
At 31 December 2015					
Trade and other payables	5,000	23,898	13,190	-	-
Total	5,000	23,898	13,190	-	-

Capital Disclosures

The Company's objectives when managing capital are:

To safeguard the Company's ability to continue as a going concern and safeguard the interest of shareholders.

The Company manages the capital structure and would make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust its returns to shareholders or new share issues. The Company monitors its capital and assets requirements for activities on a monthly basis and manages its financing and capital accordingly.

The capital relates to equity which is wholly contained on the face of the Statement of Financial Position.

10. Share capital

	2015 £
Allotted, called up and fully paid	
(29 July 2014: 1 Ordinary share issued, Ordinary shares of £1 each)	1

11. Reserves

	Retained earnings £
At 29 July 2014	-
Loss for the 18 month period ended 31 December 2015	(41,494)
At 31 December 2015	(41,494)

12. Reconciliation of movement in shareholders' funds

	2015 £
Opening shareholders' funds	-
Loss for the 18 month period ended 31 December 2015	(41,494)
Shares issued during the period	1
Closing shareholders' funds	(41,493)

13. Ultimate parent undertaking and controlling party

The Company's ultimate controlling entity is the Private Infrastructure Development Group Trust. The Private Infrastructure Development Group Trust does not prepare consolidated accounts.