

# **ICF Debt Pool LLP**

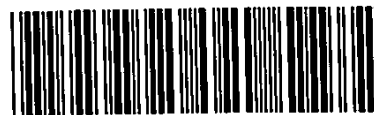
Registered Number: OC348514

Annual Report and Financial Statements

**30 September 2011**

(expressed in US dollars)

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# ICF Debt Pool LLP

Registered Number OC348514

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## Members

The members of ICF Debt Pool LLP from incorporation and up to the date of this report were.

KfW  
Minimax Ltd  
Multiconsult Trustees Ltd – designated member  
SG Hambros Trust Co Ltd – designated member

9215-6975 Quebec Inc became a member on 8 December 2009

## List of advisors

Legal Advisors	MDY Legal St Nicholas House St Nicholas Road Sutton, Surrey SM1 1EL United Kingdom	McCarthy Tétrault 1000 De La Gauchetière Street West Suite 2500 Montréal, Quebec Canada H3B 0A2
Independent Auditor	PricewaterhouseCoopers LLP 1250 René-Lévesque Blvd West Suite 2800 Montréal, Quebec Canada H3B 2G4	
Banker	Toronto-Dominion Bank 100 Wellington Street West 26 <sup>th</sup> Floor Toronto, Ontario Canada M5K 1A2	
Registered Office	St Nicholas House St Nicholas Road Sutton, Surrey SM1 1EL United Kingdom	

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# **ICF Debt Pool LLP**

Registered Number: OC348514

## **Members' Report**

**The members present their report and the financial statements for the year ended 30 September 2011.**

### **Incorporation and commencement**

ICF Debt Pool LLP (the "Partnership") was incorporated on 10 September 2009 and is expected to dissolve on 30 September 2027

### **Principal activity, business review and results**

The Partnership is a facility established by the Private Infrastructure Development Group ("PIDG"), a coalition of public donors mobilising private sector investment to assist developing countries to provide infrastructure vital to boost their economic development and combat poverty

The Partnership has a €500,000,000 commitment from the German institution KfW, acting on behalf of the Government of the Federal Republic of Germany, and US\$10,000,000 funding from Private Infrastructure Development Group Trust using funds provided by KfW

The investment activities of the Partnership consist primarily of parallel financing presented by originating International Financial Institutions. The Partnership may also undertake other business with the unanimous consent of members. The Partnership is managed and administered by Cordiant Capital Inc.

The financial statements of the Partnership include only the assets, liabilities, revenues and expenses of the Partnership, and do not include the other assets, liabilities, revenues and expenses of the partners. No provision for income taxes has been made in these financial statements since income is taxable only in the hands of the partners.

The Partnership achieved an operating profit for the year of US\$7,955,590. The members are satisfied that the financial performance of the Partnership was in line with initial projections over the year from 1 October 2010 to 30 September 2011.

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## **ICF Debt Pool LLP**

Registered Number OC348514

### **Results and allocation to members**

The results for the year are shown in the statement of comprehensive income on page 5. The Partnership has profits available for appropriation to its members of US\$5,010,867. Any profits are shared among the members as governed by the amended and restated Limited Liability Partnership deed dated 8 December 2009.

### **Principal risks and uncertainties**

The risks and uncertainties faced by the Partnership are those inherent within the financial services industry, but primarily include:

- Market risk – subject to market fluctuations and general economic conditions,
- Credit risk – exposed to counterparties not fulfilling their obligations,
- Operational risk – incurring losses resulting from inadequate or failed internal and external processes, systems and human error or from external events, and
- Regulatory risk – subject to the effects of changes in the laws, regulations, policies and interpretations and any accounting standards in the markets in which it operates

### **Policy for members' drawings, subscriptions and repayments of members' capital**

Policies for members' drawings, subscriptions and repayments of members' capital are governed by the Partnership deed.

Members may make, but no member is required to make, additional contributions to the Partnership until 8 December 2012. No member is entitled to be paid interest in respect of its contributions. A member is not entitled to the return of any part of its contribution. Each member shall be entitled to withdraw its share in the net profit of the Partnership at the close of each financial year-end. New members may be admitted to the Partnership at any time until 8 December 2012.

In summary, all net operating profits and losses are allocated amongst the members in proportion to their respective cash contributions.

Until 8 December 2012, the third anniversary of the first closing date, members are able, but not required, to make additional contributions to the Partnership.

### **Statement of members' responsibilities in respect of the Annual Report and the financial statements**

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial period. Under that law, the members have elected to prepare the financial statements in accordance with International Financial Reporting Standards (as adopted by the European Union).

## ICF Debt Pool LLP

Registered Number OC348514

Under company law as applied to limited liability partnerships, the members 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 Partnership and of the profit or loss of the Partnership for that period

In preparing these financial statements, the members are required to

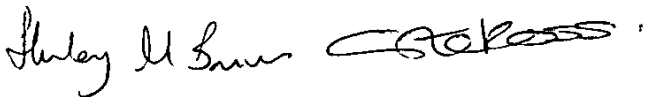
- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Partnership will continue in business

The members confirm that they have complied with the above requirements in preparing the financial statements

The members are responsible for keeping proper accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The Partnership is subject to the small companies regime of the Companies Act 2006 and meets the conditions to be exempt from audit

On behalf of the members,



16 May 2012  
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## ICF Debt Pool LLP

Registered Number OC348514

### Statement of Comprehensive Income

	Note	For the year ended 30 September 2011 US\$	For the period from 10 September 2010 to 30 September 2010 US\$
Revenue	2	9,971,696	491,495
Administrative expenses		2,016,106	4,503,924
Operating profit (loss)	3	7,955,590	(4,012,429)
Finance expense		(2,944,723)	(165,136)
Profit (loss) for the financial year available for division among members		5,010,867	(4,177,565)
Other comprehensive income, net of tax		-	-
Total comprehensive income (loss) for the year available for division among members		5,010,867	(4,177,565)

All activities derive from continuing operations.

The notes on pages 1 to 13 form part of these financial statements.

## ICF Debt Pool LLP

Registered Number OC348514

Balance Sheet

As at 30 September 2011

	Note	2011 US\$	2010 US\$
<b>Non-current assets</b>			
Loan investments	4	201,985,142	42,320,628
<b>Current assets</b>			
Receivables	6	4,252,896	1,161,624
Short-term investments	8	858,615	777,967
Cash and cash equivalents		12,670,256	3,078,855
		17,781,767	5,018,446
<b>Payables, falling due within one year</b>	7	274,053	382,882
<b>Net current assets</b>		17,507,714	4,635,564
<b>Net assets attributable to members</b>		219,492,856	46,956,192
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Loans	8	10,000,000	10,000,000
Accrued interest payable on loans and fees		644,050	133,753
		10,644,050	10,133,753
<b>Loans due to members in more than one year</b>			
Loans	9	207,015,500	40,000,000
<b>Members' other interests – Equity</b>			
Members' capital classified as equity	10	1,000,004	1,000,004
Other reserves	10	833,302	(4,177,565)
		1,833,306	(3,177,561)
<b>Total members' interest</b>		219,492,856	46,956,192

The notes on pages 1 to 13 form part of these financial statements

For the years ended 30 September 2011 and 2010, the Partnership was entitled to exemption under section 447 of the Companies Act 2006 (as by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small limited liability partnerships


The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime

The financial statements were approved by the members on 16<sup>th</sup> May 2012 and were signed on their behalf by

**S.G. Hambros Trust Co. Ltd.**

**Designated member**

Shirley M Bann 

## ICF Debt Pool LLP

Registered Number: OC348514

### Statement of Cash Flows

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	Note	For the year ended 30 September 2011 US\$	For the period from 10 September 2010 to 30 September 2010 US\$
Net cash inflow (outflow) from operating activities	11(a)	4,755,489	(4,791,171)
Capital expenditures and financial investments (net)	11(b)	(159,745,162)	(43,098,595)
Servicing of financing	11(b)	<u>(2,944,723)</u>	<u>(165,136)</u>
Net cash outflow before management of liquid resources and financing		(157,934,396)	(48,054,902)
Transactions with members	11(b)	<u>167,525,797</u>	<u>51,133,757</u>
Increase in cash during the year	11(c)	<u>9,591,401</u>	<u>3,078,855</u>

The notes on pages 1 to 13 form part of these financial statements



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# ICF Debt Pool LLP

## Notes to Financial Statements

30 September 2011

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### 1 Accounting policies

#### Basis of preparation

The financial statements are prepared on a going concern basis and on the basis of the accounting policies set out below. The financial statements have been prepared under the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, applicable International Financial Reporting Standards and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

#### Basis of consolidation

ICF Debt Pool LLP (the "Partnership") is a small entity and a member of a small group under the Companies Act 2006 and, as a result, has taken an exemption from the requirement to prepare consolidated financial statements.

#### Functional and presentation currency

Items included in the financial statements are measured using the US dollar, which is the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions in which the Partnership operates.

#### Loan investments

Loan investments are mainly parallel financings with an originating International Financial Institution ("IFI"). In cases where the syndicating IFI remains the lender of record, loans are structured to enable the Partnership to benefit from the IFI's preferred creditor status. Exceptionally, other lenders of record may have the preferential status of an export credit agency, or may be bilateral development finance institutions and thus enjoy a de facto preferred creditor status formally recognised by many developing countries.

Loans are recognised initially at fair value, which is the cash consideration to originate the loan net of unearned commitment and up-front fees, and are measured subsequently at amortised cost using the effective interest rate method. In the case of an impairment, the impairment loss is reported as a deduction of the carrying value of the loan and recognised in the statement of comprehensive income.

Interest income is recorded using the effective interest rate method on an accrual basis.

Fees related to loan origination, loan restructuring or renegotiating, and commitment fees are considered adjustments to loan yield and are deferred and amortised to "Commitment and other fee income from loan investments" over the estimated term of such loans.

# ICF Debt Pool LLP

Notes to Financial Statements

30 September 2011

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## Impairment of loan investments

Cordiant Capital Inc (the “Manager”) assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Manager uses to determine that there is objective evidence of an impairment loss include:

- a) significant financial difficulty of the issuer or obligor,
- b) a breach of contract, such as a default or delinquency in interest or principal payments,
- c) the lender, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,
- d) the probability that the borrower will enter bankruptcy or other financial reorganisation,
- e) the disappearance of an active market for that financial asset because of financial difficulties, or
- f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including
  - adverse changes in the payment status of borrowers in the portfolio, and
  - national or local economic conditions that correlate with defaults on the assets in the portfolio

The estimated period between a loss occurring and its identification is determined by the Manager for each identified portfolio. In general, the periods used vary between three and twelve months, in exceptional cases, longer periods are warranted.

The Manager first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Manager determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset’s carrying amount, including accrued interest, and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. If a loan investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Manager may measure impairment on the basis of an instrument’s fair value using an observable market price.

## **ICF Debt Pool LLP**

Notes to Financial Statements

30 September 2011

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The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Manager's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors) Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude) The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Manager to reduce any differences between loss estimates and actual loss experience

When a loan is uncollectible, it is written off against the related allowance for loan impairment Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined Impairment charges relating to loan investments are classified in loan impairment charges

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account The amount of the reversal is recognised in the statement of comprehensive income

### **Foreign currency translation**

Revenues and expenses are translated at the rate in effect at the transaction date Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rate prevailing at the balance sheet date Non-monetary assets and liabilities denominated in foreign currencies are translated at historical rates The resulting gains and losses, realised and unrealised, are recognised in the statement of comprehensive income.

### **Cash in hand and at bank**

Cash, for the purpose of the statement of cash flows, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

# ICF Debt Pool LLP

Notes to Financial Statements

30 September 2011

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## Administrative expenses

Administrative expenditures are accounted for on an accruals basis

## Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Partnership would receive or pay to settle a financial asset or financial liability as at the reporting date

Fair value is based on market prices where there is an active market. Otherwise, fair value is estimated by using valuation techniques or models that incorporate current market prices and the contractual prices of the underlying instruments, the time value of money, yield curves and volatility factors

The carrying value of certain financial assets corresponds to a reasonable approximation of fair value. The Partnership considers that the carrying values of receivables, short-term investments and cash and cash equivalents approximate their fair values

## Risk management

The financial instruments of the Partnership and the nature of risks to which they may be subject are as follows

	Credit risk	Liquidity risk	Market risk	
			Currency	Interest rate
Measured at amortised cost				
Loan investments	X		X	X
Receivables	X		X	
Payables		X		
Loans and other debts due to members		X	X	X
Measured at fair value				
Short-term investments	X			
Cash and cash equivalents	X			

## Credit risk

The Partnership is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or from a concentration of transactions carried out with the same party, or from a concentration of financial obligations which have similar economic characteristics and could be affected similarly by changes in economic conditions. The Partnership does not directly hold any physical collateral as security for its financial assets

## ICF Debt Pool LLP

### Notes to Financial Statements

30 September 2011

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The Partnership makes loan investments which may be rated below investment grade or unrated. These loan investments may be subject to a greater loss of principal and interest than higher-rated loan investments. All of the Partnership's loan investments are in emerging markets. Investing in emerging markets involves additional credit risk and special considerations not typically associated with investing in other more established economies or credit markets. Such risks may include greater social, economic and political uncertainty, increased risk of nationalisation or expropriation of assets or confiscatory taxation, greater dependence on international trade, less liquidity, less capitalisation and less extensive regulation of the credit markets, greater volatility in currency exchange rates, greater risk of inflation, greater controls on foreign investment and limitations on the realisation of investments, repatriation of invested capital and the ability to exchange local currencies for US dollars, and less developed corporate laws.

Credit risk associated with loan investments and accrued interest income and other fees is minimised by the Partnership's diverse customer base covering many business sectors in a number of emerging markets. The Partnership follows a programme of credit evaluations of borrowers and has also established credit limits by counterparty and by country.

Financial forecasts, budgets and borrowers' actual results are monitored on a regular basis, as are news releases about industrial sectors and economic and political conditions.

Management believes that these policies and the borrowers' credit quality limit the credit risk.

The Partnership must make estimates in respect of the allowance for credit losses. Current economic conditions, historical information, reasons for an account to be past due and the borrowers' industrial sector of activity are all considered in determining when to allow for past due accounts. The same factors are considered when determining whether to write off amounts charged to the allowance account against the loan receivable. The allowance for credit losses is calculated on a specific loan basis.

#### *Impaired loans*

At year-end, there were no impaired loans. No provision for credit losses was recorded.

A loan is considered past due if the payment of principal or interest was not received by the contractual due date. As at 30 September 2011, one loan was past due but not impaired (2010 – nil).

The Partnership's maximum exposure to credit risk as at 30 September is as follows:

	2011 US\$	2010 US\$
Loan investments	201,985,142	42,320,628
Receivables	4,252,896	1,161,624
Short-term investments	858,615	777,967
Cash and cash equivalents	12,670,256	3,078,855
	<u>219,766,909</u>	<u>47,339,074</u>

## ICF Debt Pool LLP

### Notes to Financial Statements

30 September 2011

The Partnership offsets credit risk by depositing its cash and cash equivalents, including restricted cash, with high credit quality financial institutions. Credit risk associated with cash and cash equivalents is minimised substantially by ensuring that these assets are invested in one of the largest Canadian Schedule I banks.

#### Liquidity risk

Liquidity risk is risk that the Partnership will not be able to meet a demand for cash or fund its obligations as they come due.

The Partnership has concluded arrangements for cash drawdowns with its investors that match the requirements for cash by its borrowers.

The following table presents financial liabilities, derivatives and credit instruments as at 30 September by remaining contractual maturity.

	2011			
	Under 1 year US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
Payables	274,053	-	-	274,053
Accrued interest payable on loans and fees	644,050	-	-	644,050
Loans due to members	10,000,000	33,832,550	173,182,950	217,015,500
	2010			
	Under 1 year US\$	1 to 5 years US\$	Over 5 years US\$	Total US\$
Payables	382,882	-	-	382,882
Accrued interest payable on loans and fees	133,753	-	-	133,753
Loans due to members	10,000,000	2,000,000	38,000,000	50,000,000

At year-end, loan commitments represent an amount of US\$129,832,396 (2010 – US\$131,240,000). The disbursement timing is not determinable.

#### Market risk

The Partnership is exposed to market risk through the fluctuation of financial instrument fair values arising from changes in market prices. The significant market risks to which the Partnership is exposed are currency risk and interest rate risk.

# ICF Debt Pool LLP

## Notes to Financial Statements

30 September 2011

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### *Currency risk*

Currency risk refers to risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the US dollar due to changes in foreign exchange rates

The functional currency of the Partnership is the US dollar. The Partnership also transacts in euros, pounds sterling and Canadian dollars

As at 30 September 2011, the Partnership did not use derivative financial instruments (2010 – nil) to manage foreign exchange transaction exposures

### *Interest rate risk*

Interest rate risk refers to risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates

The interest rate exposure of the Partnership arises from its interest-bearing assets and accrued interest thereon. The Partnership's cash and cash equivalents include amounts on deposit with financial institutions and earn interest at market rates. The Partnership manages its cash exposure to interest rate risk by maximising the interest income earned on excess funds while maintaining the minimum liquidity necessary to conduct day-to-day operations. Fluctuations in market rates of interest on cash and cash equivalents do not have a significant impact on the Partnership's results of operations

As at 30 September 2011, the Partnership had US\$207,022,714 (2010 – US\$44,650,000) in loan investments exposed to interest rate risk. The interest rate risk is minimised by the fact that borrowings are at lower fixed rates than loan investments, which are made, as much as possible, at fixed rates. Residual risk is managed in accordance with the Partnership's asset and liability management policy

## 2 Revenue

Fees represent income derived from the origination of loans

	<b>For the year ended 30 September 2011 US\$</b>	<b>For the period from 10 September 2010 to 30 September 2010 US\$</b>
Interest income from loan investments	9,357,037	456,611
Up-front fee income from loan investments	387,532	26,211
Commitment and other fee income from loan investments	227,127	8,673
Total	<u>9,971,696</u>	<u>491,495</u>

# ICF Debt Pool LLP

Notes to Financial Statements

30 September 2011

## 3 Operating profit (loss)

Operating profit (loss) for the year is stated after charging

	For the year ended 30 September 2011 US\$	For the period from 10 September 2010 to 30 September 2010 US\$
Development costs	674	2,477,316
Legal fees	84,914	132,413
Management fees	1,667,374	1,620,128
Auditor's fees for non-audit services	53,060	25,800
	<u>1,806,022</u>	<u>4,255,657</u>

## 4 Loan investments

2011						
Loan	Country	Industry	Maturity date	Book value in foreign currency	Book value US\$	Portfolio %
Calidda	Peru	Natural gas distribution	October 15, 2019		27,350,153	13.21
Cai Lan Port	Vietnam	Port infrastructure	December 15, 2021		8,620,932	4.17
Cai Mep	Vietnam	Port infrastructure	December 15, 2022		4,036,129	1.95
Vinca-Ackruti	India	Housing	December 15, 2014		30,000,000	14.49
Zain – Iraq	Iraq	Mobile telecommunications	January 30, 2018		50,000,000	24.15
					<u>120,007,214</u>	<u>57.97</u>
<b>Euro Loans <sup>1</sup></b>						
INA Industrija	Croatia	Oil & gas producers	August 17, 2017	50,000,000	66,935,000	32.33
SA Taxi	South Africa	Transportation vehicle leasing	June 15, 2017	15,000,000	20,080,500	9.70
					<u>65,000,000</u>	<u>42.03</u>
					207,022,714	100.00
Unearned commitment and up-front fees					<u>(5,037,572)</u>	
Total loan investments					<u>201,985,142</u>	

<sup>1</sup> Euro loans converted at EUR/US\$ exchange rate of 1.3387



# ICF Debt Pool LLP

## Notes to Financial Statements

30 September 2011

Loan	Country	Industry	Maturity date	2010	
				Book value US\$	Portfolio %
Calidda	Peru	Natural gas distribution	October 15, 2019	12,250,000	27.44
Cai Mep	Vietnam	Port infrastructure	December 15, 2022	2,400,000	5.38
Vinca-Ackruti	India	Housing	December 15, 2014	30,000,000	67.18
				44,650,000	100.00
Unearned commitment and up-front fees				(2,329,372)	
Total loan investments				42,320,628	

The fair value for loan investments approximates \$183,500,000 (2010 – \$44,650,000). Fair value is determined as follows:

- For loans for which there is a liquid market – market price is used
- For loans to borrowers that have international bonds – market yields are used to determine the fair market value of future cash flows, with adjustments considering loan specificities
- Loans to other borrowers (currently comprise all loans disbursed) – a discounted future cash flow calculation is used, considering also the market interest rate, sovereign risk, borrower credit risk, any change in construction risk and any change in sponsor support, among other factors

## 5 Members' remuneration

A member's share in the profit or loss for the year is accounted for as an allocation. During the year, there were no drawings by nor was any remuneration paid to members.

	For the year ended 30 September 2011 US\$	For the period from 10 September 2010 to 30 September 2010 US\$
Profit (loss) for the financial year available for division among members	5,010,867	(4,177,565)
Profit (loss) affecting the member with the highest entitlement during the year	5,010,867	(4,177,548)

The average monthly number of members during the year was five (2010 – five members)

## ICF Debt Pool LLP

### Notes to Financial Statements

30 September 2011

#### 6 Receivables

	As at 30 September	
	2011 US\$	2010 US\$
Accrued interest income – loan investments	2,734,034	456,611
Accrued income – fees	991,387	428,156
Value-added tax recoverable	78,038	45,431
Prepaid insurance premiums	15,904	15,754
Deferred expenses – fees paid	433,533	215,672
	<u>4,252,896</u>	<u>1,161,624</u>

#### 7 Payables

Amounts falling due within one year

	As at 30 September	
	2011 US\$	2010 US\$
Amounts due to PIDG	75,000	-
Amounts due to Cordiant Capital Inc	199,053	382,882
	<u>274,053</u>	<u>382,882</u>

#### 8 Loans due to members within one year

The Partnership has a US\$10,000,000 subordinated non-interest-bearing loan from Private Infrastructure Development Group Trust payable on demand. The lender does not intend to demand repayment of this loan during the next year.

#### 9 Loans due to members in more than one year

##### Non-current liabilities – loans

The Partnership has

- US\$50,000,000 loan from KfW at annual interest of 2.69%, repayable in equal semi-annual payments of US\$2,000,000 starting in June 2015,

# ICF Debt Pool LLP

## Notes to Financial Statements

30 September 2011

- US\$50,000,000 loan from KfW at annual interest of 1.92%, repayable in equal semi-annual payments of US\$2,632,000 starting in September 2016,
- US\$20,000,000 loan from KfW at annual interest of 0.19%, repayable in equal semi-annual payments of US\$2,500,000 starting in March 2014, and
- €65,000,000 loan from KfW at annual interest of 1.53%, repayable in equal semi-annual payments of €3,250,000 starting in December 2015

### 10 Reconciliation of movements in members' other and members' total interests

	Members' capital classified as equity US\$	Other reserves US\$	Total US\$	Loans from and other amounts due to members US\$	Members' total interests US\$
Members' contributions	1,000,004	-	1,000,004	50,133,753	51,133,757
Loss for the period available for discretionary payment to members	-	(4,177,565)	(4,177,565)	-	(4,177,565)
<b>Members' interests at 30 September 2010</b>	<b>1,000,004</b>	<b>(4,177,565)</b>	<b>(3,177,561)</b>	<b>50,133,753</b>	<b>46,956,192</b>
Members' contributions	-	-	-	167,525,797	167,525,797
Profit for the year available for discretionary payment to members	-	5,010,867	5,010,867	-	5,010,867
<b>Members' interests at 30 September 2011</b>	<b>1,000,004</b>	<b>833,302</b>	<b>1,833,306</b>	<b>217,659,550</b>	<b>219,492,856</b>

# ICF Debt Pool LLP

Notes to Financial Statements

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## 11 Notes to statement of cash flows

### a) Reconciliation of operating profit to net cash inflow (outflow) from operating activities:

	For the year ended 30 September 2011 US\$	For the period from 10 September 2010 to 30 September 2010 US\$
Interest payable and similar charges	2,944,723	165,136
Operating profit (loss)	5,010,867	(4,177,565)
Increase in receivables	(3,091,272)	(1,161,624)
Increase (decrease) in payables	(108,829)	382,882
Net cash inflow (outflow) from operating activities	4,755,489	(4,791,171)

### b) Analysis of cash flows for headings netted in the statement of cash flows

	For the year ended 30 September 2011 US\$	For the period from 10 September 2010 to 30 September 2010 US\$
Capital expenditures and financial investments (net)		
Loan issuance	(159,664,514)	(42,320,628)
Purchase of short-term investments	(80,648)	(777,967)
	(159,745,162)	(43,098,595)
Servicing of financing		
Interest payable and similar charges	(2,944,723)	(165,136)
Transactions with members		
Capital contributions by members	-	1,000,004
Loans contributed by members and increase in accrued interest	167,525,797	50,133,753
	167,525,797	51,133,757

## ICF Debt Pool LLP

Notes to Financial Statements

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c) Analysis of changes in net funds since inception

	<b>Cash flows US\$</b>	<b>Total US\$</b>
Increase in cash and cash equivalents	<u>9,591,401</u>	<u>3,078,855</u>

### 12 Related parties

The Manager is the sole shareholder of 9215-6915 Quebec Inc , the special member of the Partnership. During the year ended 30 September 2011, in the ordinary course of business, management fees of US\$1,369,374 (2010 – US\$1,103,628) were paid to the Manager. Management fees of US\$298,000 (2010 – US\$516,500) were also paid to Private Infrastructure Development Group Trust. These transactions were recorded at the exchange amount, which is the amount of consideration established and agreed to by the parties.