



ISLANDS DEVELOPMENT COMPANY LTD

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DIRECTORS REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023



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ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

The Directors are pleased to present their report and audited financial statements of the Company and the group for the year ended 31 March 2023.

Activities

The principal activity of the company during the year was the management of the outlying islands and Silhouette as mandated by Government, the transportation related thereto and construction activities.

The Company is also actively engaged in promoting tourism and private investment, which has resulted in the Company engaging in the construction of resorts and villas on islands that it manages.

The activities of its subsidiaries are as follows:

- Green Island Construction Company Ltd – Building contractor
- Green Tree Investment Company Ltd – Developing, managing and leasing immovable properties

Operational review

This is the sixth year that members of the present Board of Directors, who were appointed in January 2017, append their signatures to the audited financial statements of the Islands Development Company and its subsidiaries.

We do so proudly, as the company has registered a number of firsts during the past twelve months. The group turnover has exceeded SCR 1 Billion for the very first time, while profit before taxation has gone over SCR 100 Million, also for the first time.

We therefore hand over a thriving enterprise to the next Board of Directors, and we do so with the expectation that it will bring the same sustained interest to the company's plans, activities and development as we did.

The group turnover is in fact SCR 1,254,169,688, say one and a quarter Billion Rupees. When the Board started in 2017, this was just below SCR 400 Million. Profit before tax has more than quintupled over the past six years from SCR 20.084 Million to SCR 112.31 Million.

It is evident that IDC and GICC have significantly expanded their operations since 2017 and this is one result of the dynamic synergy and healthy dialogue that has existed between the Board and IDC's senior management, supported by a motivated staff at all levels.

The group's financial performance has been boosted over the past two years by the expansion of construction activities under GICC, as it took on a series of prestigious and high value projects like Hilton's Mango Resort in south Mahé, and the present Seafront development at Roche Caiman. GICC has now become synonymous with quality of work, fair pricing and timely delivery of the project. As a result, the company continues to be awarded interesting and substantial contracts.

Much emphasis has been placed during the past year on the development of agriculture, especially on two islands: Desroches and Coëtivy. A consultancy by an Israeli firm has clearly indicated the massive potential of this sector. With the necessary investment and wise management, Coëtivy by itself, with 400 hectares of available agricultural land can contribute significantly to the country's food security, as well as the company's bottom line possibly more than GICC is presently doing with construction.

The construction phase of the 6 star resort on Ile Plate is almost over and soon clients will be travelling to that island for their holidays. Until three years ago, Ile Plate did not contribute anything to the company's finances and this will now change radically as IDC will be providing the high-end establishment with flights, services, utilities and shipping.

The other hotel projects, although smaller than Ile Plate, will complete IDC's palette of tourism destinations on the islands that it manages. These will be the small hotel at Grand Barbe on Silhouette's less well-known western coast, a boutique establishment on Coëtivy and a lodge on Assomption, some 1,140 km from Mahé, but only 40 km from Aldabra, the World Heritage site.

In order to provide enhanced connectivity with the 14 islands, IDC will be acquiring a new vessel as well as a modern aircraft over the next 9 months. In fact, the new Landing Craft, built to international standards in Goa, should be arriving in Port Victoria within the next three months. It will provide much needed support to Enterprise II, IDC's workhorse of

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

12 years, but which is now showing its age and needs to be replaced in the not too distant future. The Tecnam STOL aircraft is expected early in 2024 and it is a much-awaited addition to the fleet of Beechcraft. This newly developed plane, with its STOL capability will have the great advantage of landing on Remire, Poivre and Cosmoledo, 3 islands which face some challenges of air access presently.

The staff at IDC Head Office is now looking forward to moving to the company's new and spacious premises at Ile du Port during the last quarter of this year. This will undoubtedly elevate staff morale further, which should translate into greater commitment to the company and its performance.

In concluding, it is probably worth mentioning that in March 2017, IDC's asset value was SCR 447,666,447 and in 2023 it is SCR 871,963,532.

It is possible that we knew what we were doing as a Board.

Results

As shown in the statement of income on page 7, the activities of the current year for the group have resulted in a profit of SCR 82,211,928 (2022 – SCR 36,084,018) and the company a profit of SCR 46,110,062 (2022 – SCR 16,870,977) after taxation.

Application of profits and revenue reserves (Company)

The profit for the year with revenue reserves from prior years gives the Company SCR 198,368,180 (2022 – SCR 172,258,118) available for distribution.

Directors and their interest in the Company

The Directors of the Company during the year and their interests, in accordance with the register maintained under Section 111 of the Companies Act 1972, were as follows:

	SHARES HELD	
	1 April	31 March
Mr. G. Savy	-	-
Mr. P. Lablache	-	-
Mrs. S. Francis	-	-
Mr. P. Berlouis	-	-
Ms. A. Antat	-	-
Mrs. A. Lebon	-	-
Mr. W. Confait	-	-
Mr. C. Lionnet	-	-
Mr. D. Matatiken	-	-

All Directors of the Company are citizens of Seychelles.

Mr. C. Lionnet and Mr. D. Matatiken retire from the board in accordance with Articles of Association and being eligible offer themselves for re-election.

No contract of significance subsisted with the Company or its subsidiary at any time during the year in which any Director had a direct or indirect material interest.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

Statement of Directors' responsibilities

The Directors are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for the period. In preparing those accounts, the Directors are required to:


- prepare financial statements on a going concern basis unless it is inappropriate to assume continuance of business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- disclose and explain any material departures from applicable accounting standards.

The Companies Act 1972 also requires the Directors to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the Company and detect fraud and other irregularities.

Auditors

The retiring auditors are Pool & Patel, who are eligible for re-appointment.

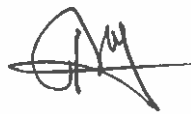
DIRECTORS



Mr. P. Berlouis
Chairman



Mr. G. Sávy
Chief Executive Officer



Mr. P. Lablache
Director




Mr. D. Matatiken
Director




Ms. A. Antat
Director



Mrs. A. Lebon
Director



Mrs. S. Francis
Director



Mr. W. Confait
Director



Mr. C. Lionnet
Deputy Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

ISLANDS DEVELOPMENT COMPANY LIMITED AND SUBSIDIARIES

Opinion

We have audited the financial statements of Islands Development Company Limited on pages 6 to 24, which comprise the statement of financial position for the Parent Company and the Group as at 31 March 2023, the statement of income by nature and retained earnings and cash flow statement for the year then ended, a five year financial summary and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small Medium Enterprises (IFRS for SMEs) and requirements of the Seychelles Companies Act, 1972 and the Public Enterprise Monitoring Commission Act, 2013.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS for SMEs) and requirements of the Seychelles Companies Act, 1972 and Public Enterprise Monitoring Commission Act, 2013, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (cont...)

ISLANDS DEVELOPMENT COMPANY LIMITED AND SUBSIDIARIES

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ICAEW membership number of the engagement partner responsible for signing this independent auditors' report is 6813446.


POOL & PATEL
CHARTERED ACCOUNTANTS
7 June 2023

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Consolidated statement of financial position

Financial statements are prepared in Seychelles Rupees

	Note	Group		Company	
		2023	As at 31 March 2022	2023	2022
Assets					
Property, plant and equipment	12	276,918,032	291,040,959	256,770,786	281,473,169
Investments	13	1,394,205	4,599	1,494,305	104,699
Lendings	20/21	-	19,042,646	-	8,000,000
Capital work in progress to be converted to lending	20	64,099,503	1,217,655	-	-
Due from related party	21	-	14,736,039	-	14,736,039
Capital work in progress	22	132,364,120	29,635,040	132,364,120	30,852,695
Deferred income tax asset	10	14,757,660	6,474,296	12,352,406	4,285,475
Non-current assets		489,533,520	362,151,234	402,981,617	339,452,077
Lendings	20	17,670,019	18,046,643	-	-
Asset held for sale	12	2,845,407	2,845,407	2,845,407	2,845,407
Inventories	15	35,310,721	48,392,217	17,754,288	14,800,805
Taxation	10	-	-	-	3,000,000
Trade and other receivables	17	277,053,448	215,829,615	121,131,127	94,974,757
Cash and cash equivalent		49,550,417	42,332,589	23,076,230	22,637,350
Current assets		382,430,012	327,446,471	164,807,052	138,258,319
Total assets		871,963,532	689,597,705	567,788,669	477,710,396
Liabilities					
Employee benefit obligations	16	8,057,551	5,775,120	7,421,872	5,363,534
Borrowings	18	129,314,066	124,613,910	77,019,155	75,184,017
Non-current liabilities		137,371,617	130,389,030	84,441,027	80,547,551
Borrowings	18	172,961,150	68,423,299	113,300,051	51,883,555
Taxation	10	21,606,955	1,159,518	16,266,667	-
Trade and other payables	19	248,227,630	257,228,200	94,750,770	109,545,792
Current liabilities		442,795,735	326,811,017	224,317,488	161,429,347
Total liabilities		580,167,352	457,200,047	308,758,515	241,976,898
Share capital	11	21,330,924	21,330,924	21,330,924	21,330,924
Retained earnings		231,134,206	168,922,278	198,368,180	172,258,118
Deferred grants	14	39,331,050	42,144,456	39,331,050	42,144,456
Equity		291,796,180	232,397,658	259,030,154	235,733,498
Total liabilities and equity		871,963,532	689,597,705	567,788,669	477,710,396

The notes on pages 10 to 24 are an integral part of these financial statements.

Directors

Mr. P. Berlobis
Chairman

Mr. D. Matatiken

Mrs. S. Francis

Mr. G.M. Savy
Chief Executive Officer

Ms. A. Antat

Mr. W. Confait

Mr. P. Lablache

Mrs. A. Lebon

Mr. C. Lionnet
Deputy Chief Executive Officer

7 June 2023

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES
Statement of income - by nature of expense and retained earnings
 Financial statements are prepared in Seychelles Rupees

	Note	Group		Company	
		As at 31 March			
		2023	2022	2023	2022
Revenue	3	1,238,260,865	546,331,485	740,579,439	427,324,770
Direct costs	4	(900,679,185)	(341,787,823)	(496,922,766)	(284,563,347)
Other income	5	15,908,823	30,148,201	13,971,027	28,953,524
Dividend income		-	-	-	-
Administrative salaries and benefits	6	(84,041,352)	(80,265,870)	(69,836,192)	(61,732,151)
Camp running expenses		(12,160,061)	(4,188,585)	-	-
Communication		(6,686,786)	(6,272,702)	(6,686,786)	(6,272,702)
Depreciation (net of deferred grant credit)	12/14	(38,788,805)	(37,119,148)	(31,655,150)	(32,102,644)
Exchange losses (operating)		(10,393,240)	(7,969,745)	(10,245,747)	(6,537,076)
External transportation		(6,041,636)	(10,737,662)	(6,041,636)	(10,737,662)
Fuel for electricity generation & island use		(13,466,185)	(11,897,856)	(13,466,185)	(11,897,856)
Insurances		(3,438,332)	(2,413,252)	(2,500,241)	(1,451,775)
Rental		(1,974,850)	(986,252)	-	-
Repairs and maintenance		(15,351,687)	(13,897,782)	(15,083,879)	(13,897,782)
Subscriptions and donations		(4,538,615)	(1,343,047)	(3,280,204)	(1,323,223)
Travelling & transport		(7,030,689)	(5,672,980)	(1,701,519)	(270,598)
Utilities		(5,420,757)	(4,675,183)	(2,688,053)	(2,414,372)
Other expenses		(20,289,572)	(15,725,797)	(20,343,284)	(14,704,227)
Operating profit		123,867,936	31,526,002	74,098,824	8,372,879
Finance income	8	7,127,013	58,504,399	4,253,843	49,377,521
Finance costs	9	(20,080,400)	(36,775,071)	(15,929,103)	(31,100,670)
Finance costs - net		(12,953,387)	21,729,328	(11,675,260)	18,276,851
Share of profit in associate	13	1,391,606	-	1,391,606	-
Profit before income tax		112,306,155	53,255,330	63,815,170	26,649,730
Income tax expense	10	(30,094,227)	(17,171,312)	(17,705,108)	(9,778,753)
Profit for the year after income tax		82,211,928	36,084,018	46,110,062	16,870,977
Dividend		(20,000,000)	-	(20,000,000)	-
		62,211,928	36,084,018	26,110,062	16,870,977
Retained earnings 1 April		168,922,278	132,838,260	172,258,118	155,387,141
Retained earnings 31 March		231,134,206	168,922,278	198,368,180	172,258,118

The notes on pages 10 to 24 are an integral part of these financial statements.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES
Cash flow statement

Financial statements are prepared in Seychelles Rupees.

	Note	Group		Company	
		2023	As at 31 March 2022	2023	2022
Cash flows from operating activities					
Profit for the year		112,306,155	53,255,330	63,815,170	26,649,730
Adjustments for:-					
Taxation paid	10	(17,930,154)	(15,541,599)	(6,505,372)	(7,919,177)
Depreciation (net of adjustment for deferred grant)	12/14	38,788,805	37,119,148	31,655,150	32,102,644
Changes in provision for employee benefits	16	2,282,431	667,929	2,058,338	609,284
Profit on sale of apartments		(4,698,908)	-	-	-
Profit on disposal of tangible assets	5	(56,000)	(21,298,566)	(56,000)	(6,083,166)
Share of profit from associate	13	(1,389,606)	-	(1,389,606)	-
Finance costs (net)	8/9	12,953,387	(21,729,328)	11,675,260	(18,276,851)
		142,256,110	32,472,914	101,252,940	27,082,464
Changes in working capital					
Decrease / (Increase) in inventories	15	2,731,374	14,662,192	(2,953,483)	2,589,935
Increase in debtors	17	(61,223,834)	(84,023,688)	(26,156,370)	(16,879,535)
Increase / (Decrease) in creditors and advances on contracts	19	(14,250,570)	64,650,592	(20,795,022)	13,793,184
Cash generated from operations		69,513,080	27,762,010	51,348,065	26,586,048
Proceeds from sale of apartments		15,049,030	-	-	-
Interest received	8	492,561	574,978	492,561	574,978
Interest paid	9	(16,389,800)	(11,294,417)	(12,834,699)	(6,740,932)
Net cash from operating activities		68,664,871	17,042,571	39,005,927	20,420,094
Cash flows from investing activities					
Payments to acquire tangible fixed assets	12	(27,479,283)	(39,584,433)	(9,766,173)	(36,247,784)
Work in progress for lending	20	(64,099,503)	-	-	-
Work in progress for own use	22	(101,511,425)	(24,646,774)	(101,511,425)	(24,646,774)
Lending repaid	20	21,542,440	21,542,440	-	-
Proceeds from disposal of tangible fixed assets		56,000	12,887,131	56,000	12,771,657
Net cash used in investing activities		(171,491,771)	(29,801,636)	(111,221,598)	(48,122,901)
Cash flow from financing activities					
Loans repaid	18	(85,706,489)	(47,958,953)	(52,187,847)	(31,272,679)
Loans received	18	93,555,188	51,599,490	57,848,080	15,549,040
Advances (to)/from related parties	21	14,736,039	8,136,844	22,736,039	21,136,844
Dividend paid		(14,000,000)	-	(14,000,000)	-
Net cash from financing activities		8,584,738	11,777,381	14,396,272	5,413,205
Decrease in cash and cash equivalents		(94,242,162)	(981,684)	(57,819,399)	(22,289,602)
Exchange losses on bank balances	9	(3,690,600)	(24,493,215)	(3,094,404)	(24,359,738)
Cash & cash equivalent at 1 April		22,869,942	48,344,841	3,174,703	49,824,043
Cash & cash equivalents 31 March		(75,062,820)	22,869,942	(57,739,100)	3,174,703
Cash in hand and banks		49,550,417	42,332,589	23,076,230	22,637,350
Bank overdrafts		(124,613,237)	(19,462,647)	(80,815,330)	(19,462,647)
Cash & cash equivalents 31 March		(75,062,820)	22,869,942	(57,739,100)	3,174,703

ISLANDS DEVELOPMENT COMPANY LIMITED

Five year financial summary - 31 March 2023
Prepared in Seychelles Rupees

	2023	2022	2021	2020	2019
	SCR '000				
Statement of financial position					
Share capital					
Authorised	21,331	21,331	21,331	21,331	21,331
Issued and fully paid	21,331	21,331	21,331	21,331	21,331
Retained earnings	198,368	172,258	155,387	133,709	130,115
Deferred grants	39,331	42,144	45,000	47,869	50,796
Long term loans	190,319	127,068	178,539	58,882	66,346
Net assets employed	449,349	362,801	400,257	261,791	268,588
Statement of income					
Turnover	740,579	427,325	209,931	272,148	297,399
Profit before taxation	62,423	26,649	41,445	13,848	45,458
Taxation	(17,705)	(9,778)	233	(5,254)	(3,664)
	44,718	16,871	41,678	8,595	41,794
Share of profit in associate	1,392	-	-	-	-
	46,110	16,871	41,678	8,595	41,794
Dividends	(20,000)	-	(20,000)	(5,000)	(3,000)
	26,110	16,871	21,678	3,595	38,794
Retained earnings - 1 April	172,258	155,387	133,709	130,115	91,321
Retained earnings - 31 March	198,368	172,258	155,387	133,709	130,115

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023

Financial statements are prepared in Seychelles Rupees

1 Reporting entity

Islands Development Company Limited, wholly owned by the Seychelles Government, is incorporated and domiciled in the Seychelles. The address of the company's registered office is New Port, Mahe, Seychelles.

The company's principal activity is the management of outer islands on behalf of the Seychelles Government, transportation thereto and construction activities.

The activities of the subsidiaries are:

- Green Island Construction Company Limited - Building contractors
- Green Tree Investment Company Limited - Developing, financing and managing immovable properties.

2 Summary of significant accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated below.

2.1 Basis of presentation

The statements of the group are prepared in accordance with the requirements of the Seychelles Companies Act, 1972 and the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's). They have been prepared under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.20. (Significant accounting judgements and estimates.) The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

New standards, amendments and interpretation adopted by the company

The following amendments to the International Accounting Standards that are relevant for the preparation of the financial statements have been adopted by the company for the first time with effect from financial year beginning on 1 January 2022.

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

New standards and amendments issued but not yet effective

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback)
- AS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants)

The above standards have not, and are not expected to have, a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Going concern

The group's current liabilities exceed its current assets by SCR 60,365,723 (company - SCR 59,510,436) excluding retentions withheld for completed projects by the group of SCR 80m (company - SCR 45m).

The financial statements have nevertheless been prepared on the basis of going concern on the assumption that the company manages the risk through liquidity gap analysis and maturity profile of assets and liabilities and when necessary by keeping credit lines available. If the company ceased to be a going concern, provision would have to be made to reduce the values of its assets to their estimated recoverable amounts and provide for any further liabilities which may arise.

2.3 Basis of consolidation

Subsidiaries are entities over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than half of the voting rights.

Where a subsidiary either began or ceased to be a subsidiary, the results are included only from the date the control commenced or up to the date the control ceased.

Inter-company transactions, balances and unrealised gains within the group, which are related parties, are eliminated in full.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023

Financial statements are prepared in Seychelles Rupees

2 Summary of significant accounting policies (cont...)

2.4 Comparatives

Where necessary comparatives figures have been adjusted to conform to changes in the current year.

2.5 Functional and reporting currency

The financial statements are presented in the Seychelles Rupee, which is the reporting currency under the Companies Act, 1972.

2.6 Impairment of non financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest of levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Financial instruments

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

Trade receivables
Equity instruments
Cash and cash equivalents
Lendings
Trade payables
Loans and borrowings

Financial assets

Financial assets are classified into one of the categories discussed below, depending on the purpose for which the asset was acquired and contractual terms of cash flows:

Fair value through profit or loss (FVTPL)

This category comprises only in-the-money derivatives. The group does not have any such assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Fair value through other comprehensive income (FVOCI)

These assets arise from strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. The company holds no such investments.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial instruments which require payments of contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method.

A financial asset is derecognised when the rights to receive cash flows has expired or rights to the asset have been transferred and the company has transferred all the risks and rewards of ownership.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are amounts due from customers for construction completed, goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days and therefore are classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Equity instruments

Unlisted investments in subsidiaries or associates are carried at cost or the investments underlying value, if lower. On disposal gains or losses are included in the income statement.

Associates are entities over which the group has significant influence but not control, generally accompanying a shareholding between 15 % and 50 % of the voting rights.

As there are no published price quotations available for the group's associates, the group accounts for the investments at cost and its share of retained earnings in the associate.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023

Financial statements are prepared in Seychelles Rupees

2 Summary of significant accounting policies (cont...)

2.7 Financial instruments (cont...)

Financial assets (cont...)

Lendings

Lendings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost.

Financial liabilities

Financial liabilities are recognised at amortised cost, namely original debt less principal payments and amortisations. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A financial liability is derecognised when the obligations under the liability are discharged, cancelled or expired.

Trade and other payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. Other liabilities are stated at original debt less principal repayments and amortizations.

Loans and borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost.

Borrowings are classified as non-current liabilities if the borrowings are only repayable on the availability of net cash flows of the group and such availability is not anticipated for at least 12 months after the reporting date.

2.8 Financial risk management

The group's activities expose it to risks that arise from its use of financial instruments. This note describes the objectives, policies and processes for managing those risks and the methods used to measure them.

The Directors have overall responsibility for the determination of the risk management objectives and policies that seek to reduce risk as far as possible without unduly affecting the competitiveness and flexibility and, whilst retaining ultimate responsibility, they delegate the authority for designing and operating processes that ensure their effective implementation.

There have been no substantive changes in the group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is mainly exposed to credit risk from credit sales, related party receivable and cash resources. It is group's policy to seek advance payments and to assess the credit risk of new customers before entering into contracts or providing services. Cash deposits are held with banks with high credit ratings.

Impairment and uncollectability of financial assets

Impairment of financial assets are estimates based on an 'expected credit loss' (ECL) model. The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The group considers past events, current and future conditions that can affect recoverability of cash flows when assessing ECL. Details of the group's impairment

Whilst cash and cash equivalents are subject to impairment requirements, the identified impairment loss is considered immaterial.

The group enjoys contractors lien, giving it security interest in property until paid for work done on the property and therefore, no provision has been made for construction receivables.

The group has not experienced historical credit losses either from customers or related parties nor does it expect so in the near future, and therefore no provision has been made during the year.

To measure expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due. The expected losses are based on historical credit losses which are adjusted to reflect current and future economic factors which can affect the ability of customers to settle the receivables.

Market risks

Foreign currency risk

Some of the group's receivables and payables are denominated in foreign currency. Consequently the group is exposed to the risk that the exchange rate of the Seychelles rupee relative to the foreign currencies may change in a manner which has a material effect on the reported values of the company's assets and liabilities denominated in foreign currency. The group mitigates the risk by seeking payments from customers in currencies which match expenditure, when possible.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023
Financial statements are prepared in Seychelles Rupees

2 Summary of significant accounting policies (cont...)

2.8 Financial risk management/ Market risks/ Foreign exchange risks (cont...)

The currency profile of financial assets and financial liabilities denominated in foreign currency is as follows:

At 31 March 2023	In SCR				Total
	Euro	USD	SCR	Others	
Group					
Assets (net of credit impairment)					
Trade & other receivables	22,621,480	171,989,678	69,258,440	13,183,850	277,053,448
Cash & cash equivalents	147,628	41,819,636	7,583,153	-	49,550,417
	22,769,108	213,809,314	76,841,593	13,183,850	326,603,865
Liabilities					
Employee benefits	-	-	8,057,551	-	8,057,551
Borrowings	-	95,261,793	207,013,423	-	302,275,216
Taxation	-	-	21,606,955	-	21,606,955
Trade & other payables	26,324,490	110,369,852	107,049,444	4,483,844	248,227,630
	26,324,490	205,631,645	343,727,373	4,483,844	580,167,352
Net balance sheet position	(3,555,382)	8,177,669	(266,885,780)	8,700,006	(253,563,487)
Company					
Assets (net of credit impairment)					
Trade & other receivables	197,365	104,270,831	16,662,931	-	121,131,127
Cash & cash equivalents	134,028	19,271,866	3,670,336	-	23,076,230
	331,393	123,542,697	20,333,267	-	144,207,357
Liabilities					
Employee benefits	-	-	7,421,872	-	7,421,872
Taxation	-	-	16,266,667	-	16,266,667
Borrowings	-	77,003,877	113,315,329	-	190,319,206
Trade & other payables	14,484,107	27,410,164	52,239,528	616,971	94,750,770
	14,484,107	104,414,041	189,243,396	616,971	308,758,515
Net balance sheet position	(14,152,714)	19,128,656	(168,910,129)	(616,971)	(164,551,158)

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The group's interest risk would arise from long term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk.

Liquidity risk

Liquidity risk arises from the management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The group identifies this risk through periodic liquidity gap analysis and maturity profile of assets and liabilities, and when necessary by keeping committed credit lines available.

The group's policy is to ensure that it always has sufficient cash to allow it to meet its liabilities when they come due.

2.9 Capital risk management

The group's objective when managing capital risk is to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and the benefit of other stakeholders and maintain an optimal capital structure to reduce cost of capital.

Loans from shareholders in form of a subordinated debt are treated as part of equity. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, return capital, issue new shares or sell assets to reduce debt.

The group manages gearing on the basis of gearing ratio,

	Group		Company	
	2023	2022	2023	2022
Borrowings	302,275,216	193,037,209	190,319,206	127,067,572
Cash and cash equivalents	(49,550,417)	(42,332,589)	(23,076,230)	(22,637,350)
Net debt	252,724,799	150,704,620	167,242,976	104,430,222

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023

Financial statements are prepared in Seychelles Rupees

2 Summary of significant accounting policies (cont...)

2.9 Capital risk management (cont ...)

	Group		Company	
	2023	2022	2023	2022
Total equity	252,465,130	190,253,202	219,699,104	193,589,042
Gearing ratio	100%	79%	76%	54%

2.10 Foreign currency transaction

Foreign currency transactions are translated in the Seychelles Rupee at the rate of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in Statement of income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income within finance income or costs. All other exchange gains and losses are presented in the statement of income within other income or expenses.

The Banks mid-rates for the period were:

Currency	Exchange rates at 31 March			Changes in percent (SCR)	
	2023	2022	2021	2022-2023	2021-2022
US \$ / SCR	14.20	14.83	20.87	4%	29%
Euro / SCR	15.48	16.55	24.52	6%	33%

2.11 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner indicated by the management. Internally constructed assets are recognised at cost of material and direct labour attributable to a project.

The group adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when cost is incurred if the replacement part is expected to provide future benefits to the group. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to statement of income during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The estimated useful lives range as follows:

Machinery, furniture & equipment	5 -10 years	Computers	5 years
Motor vehicles	5 years	Staff houses	33 years
Office building	25 years	Hotels & airstrips	25 years
Aircraft	10 years	Airstrip	25 years

The assets residual values and depreciation methods are reviewed, and adjusted prospectively, if there is an indication or a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income or expenses in the statement of income.

2.12 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is based on first in first out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

At each reporting date, inventories are assessed for impairment. If the inventory is impaired, the carrying amount is reduced to its selling price less cost to complete and sell; and the impairment loss is recognised immediately in statement of income.

2.13 Taxation

The tax expense for the period comprises of current business, tourism marketing and deferred taxes.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unused tax losses or tax credits.

The current income tax charge and deferred tax is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the reporting date.

2.14 Government grants

Grants received in prior years for acquisition of fixed assets is amortised over useful lives of the asset.

Notes to the financial statements for the year ended 31 March 2023
Financial statements are prepared in Seychelles Rupees

2 Summary of significant accounting policies (cont...)

2.15 Revenue recognition

In relation to the rendering of services, revenue is recognised by reference to the state of completion of the transaction at the balance sheet date. In relation to construction activities, revenue is recognised by reference to the state of completion of the construction at the balance sheet date. Retention withheld by clients for construction activities is recognised in the income statement when received. In relation to sale of apartments, revenue is recognised upon formal sign off and handover of completed apartments.

2.16 Leases

The Seychelles Government has granted 99 year leases (Commencing 20 December 1994), for islands managed by the company at a paid up nominal rent.

The group leases out (as operating leases) various islands or parts thereof on sub leases.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit and loss account on a straight line basis over the period of the lease.

2.17 Provisions

Provisions are recognised, where the group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The company recognises a provision for onerous contracts when the expected benefit to be derived from a contract are less than the unavoidable costs of meeting the obligation under the contract.

2.18 Dividends

Dividends are recognised as a liability in the period in which they are declared.

2.19 Contingent liability

A contingent liability is either a possible obligation which existence will only be confirmed in the future, or a present obligation that is not recognised as either it is not probable, or the amount cannot be measured reliably. Contingent liabilities are not recognised but are disclosed, unless the possibility of an outflow of economic resources is remote.

2.20 Significant accounting judgements and estimates

In preparing the financial statements management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities, and disclosures of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

Functional currency

The choice of the functional currency of the company has been based on factors such as the primary economic environment in which the entity operates, the currency that mainly influences sales prices for goods and services, cost of providing goods and services and labour costs. The functional currency has been assumed by the Directors to be the Seychelles Rupee.

Depreciation and amortisation policies

The directors have estimated the recoverable amount of the property plant and equipment and intangible assets using cash flow projections and concluded, based on this estimate, that the assets are not impaired.

Retirement benefit obligations

Employment Amendments Act (1999) requires employees to be compensated upon retirement or resignation for continuous service from date of their employment. The cost of defined benefit pension plans has been determined using the method as per the Seychelles Employment Act and the directors have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

Deferred tax

At each reporting date, deferred tax assets are reviewed and adjusted, if necessary, by a valuation allowance, so that the net carrying amount equals the highest amount that is more likely than not to be recovered, based on current or estimated future taxable profits. Any changes to the valuation allowance are recognised in the tax expense.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023
Financial statements are prepared in Seychelles Rupees

3 Revenue

Analysis of revenue by category	Group		Company	
	2023	2022	2023	2022
Construction	1,045,809,257	358,797,215	563,176,861	266,578,110
Transportation	102,823,994	81,036,248	102,823,994	81,036,248
Utility supply	44,554,702	49,317,392	44,554,702	49,317,392
Maintenance of villas & upkeep of Islands	10,728,880	10,603,764	10,728,880	10,603,764
Sale of produce	4,827,253	3,906,182	4,827,253	3,906,182
Sale of apartments	15,049,030	26,787,610	-	-
Property rental	14,467,749	15,883,074	14,467,749	15,883,074
Total	1,238,260,865	546,331,485	740,579,439	427,324,770

4 Cost of sales

Analysis of cost by category	Group		Company	
	2023	2022	2023	2022
Construction and other				
Material	717,084,945	195,199,739	362,926,742	175,085,401
Labour	81,610,714	49,480,777	42,621,632	30,930,119
Cost from produce	1,496,789	1,438,361	1,496,789	1,438,361
Cost of apartments	10,609,133	18,559,480	-	-
	810,801,581	264,678,357	407,045,163	207,453,881
Transportation				
Insurance	2,968,538	4,489,665	2,968,538	4,489,665
Repairs & maintenance	39,512,760	36,509,389	39,512,760	36,509,389
Staff costs	22,000,292	18,877,621	22,000,292	18,877,621
Fuel and oil	22,611,445	15,429,100	22,611,445	15,429,100
Other operational costs	2,784,569	1,803,691	2,784,568	1,803,691
	89,877,604	77,109,466	89,877,603	77,109,466
Total	900,679,185	341,787,823	496,922,766	284,563,347

5 Other income

Analysis of other income	Group		Company	
	2023	2022	2023	2022
Guest house activities	6,812,495	4,004,649	6,812,495	4,004,649
Surplus from shop sales	420,993	246,460	420,993	246,460
Landing fees	2,856,001	2,772,816	2,856,001	2,772,816
Surplus from sale of coral fill	3,639,883	725,812	3,639,883	725,812
Profit from disposal of property, plant and equipment	56,000	21,298,566	56,000	21,183,166
Other income	2,123,451	1,099,898	185,655	20,621
Total	15,908,823	30,148,201	13,971,027	28,953,524

6 Administrative salaries and benefits expense

Analysis of administrative salaries and benefits expense	Group		Company	
	2023	2022	2023	2022
Wages and salaries	69,351,903	68,292,281	60,562,073	50,659,327
Pension costs	1,814,183	1,036,783	1,680,050	981,963
Employee benefits	4,813,319	6,985,239	4,550,929	6,911,594
Other employment costs	8,061,947	3,951,567	3,043,140	3,179,267
Total	84,041,352	80,265,870	69,836,192	61,732,151

7 Profit for the year

Analysis of profit for the year	Group		Company	
	2023	2022	2023	2022
Profit for the year has been arrived at after charging:				
Auditors remuneration	558,000	495,500	325,000	295,000
Rents paid	2,332,450	1,343,852	357,600	357,600

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023

Financial statements are prepared in Seychelles Rupees

8 Finance income

	Group		Company	
	2023	2022	2023	2022
Interests on deposits and bonds	492,561	574,978	492,561	574,978
Interest on lendings	2,873,170	3,773,283	-	-
Exchange gain on loans	3,761,282	54,156,138	3,761,282	48,802,543
Total	7,127,013	58,504,399	4,253,843	49,377,521

9 Finance costs

	Group		Company	
	2023	2022	2023	2022
Interest on loans	9,644,519	9,496,935	6,779,829	4,736,213
Interest on overdraft	6,745,281	2,784,921	6,054,870	2,004,719
Exchange losses on bank balances	3,690,600	24,493,215	3,094,404	24,359,738
Total	20,080,400	36,775,071	15,929,103	31,100,670

10 Taxation

Group	Statement of financial position		Statement of income	
	2023	2022	2023	2022
Current tax				
Balance due to/(from) previous year	1,159,518	6,366,026	-	-
Adjustment to prior year provision	(69,928)	1,065,072	(69,928)	1,065,072
Paid for prior years	(1,089,590)	(7,356,715)	-	-
Provision for the year	32,340,288	6,385,135	32,340,288	6,385,135
Provisionally paid for current year	(10,733,333)	(5,300,000)	-	-
Total	21,606,955	1,159,518	32,270,360	7,450,207
Deferred tax asset				
Employee compensation obligation	2,014,388	1,443,781	(570,607)	(624,761)
Deferred due to accelerated tax depreciation	13,198,866	13,934,683	735,817	(5,760,695)
Other temporary deductible differences	-	-	-	4,317,509
Total	15,213,254	15,378,464	165,210	(2,067,947)
Deferred tax liability				
Other temporary deductible differences	455,596	8,904,168	(8,448,572)	8,904,168
Total deferred tax asset/expense	14,757,660	6,474,296	(8,283,362)	6,836,221
Tourism marketing tax			6,107,231	2,884,884
Total income tax expense			30,094,227	17,171,312
Company				
Current tax				
Balance due to/(from) previous year	(3,000,000)	1,461,920	-	-
Adjustment to prior year provision	-	1,065,072	-	1,065,072
(Paid)/refund received for prior year	3,000,000	(2,526,992)	-	-
Provision for the year	22,000,000	-	22,000,000	-
Provisionally paid for current year	(5,733,333)	(3,000,000)	-	-
Total	16,266,667	(3,000,000)	22,000,000	1,065,072
Deferred tax asset				
Employee compensation obligation	1,855,468	1,340,884	(514,584)	(627,746)
Deferred due to accelerated tax depreciation	11,018,006	11,708,957	690,951	(6,035,686)
Other temporary deductible differences	(521,068)	(8,764,366)	(8,243,298)	12,984,928
Total	12,352,406	4,285,475	(8,066,931)	6,321,496
Tourism marketing tax			3,772,039	2,392,185
Total income tax expense			17,705,108	9,778,753

11 Authorised and issued capital

	2023	2022
Authorised and issued and fully paid 213,309 shares of SCR 100 each	21,330,924	21,330,924

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023

Financial statements are prepared in Seychelles Rupees

12 Property, plant and equipment
Group

	Buildings & utilities	Aircraft	Machinery & fittings	Vehicles, boats & trailers	Total
Cost					
At 1 April 2021	261,001,379	112,239,601	158,206,615	23,927,655	555,375,250
Additions	22,721,214	2,931,835	12,608,790	1,322,594	39,584,433
Disposal	-	(20,972,738)	-	(375,000)	(21,347,738)
Classified as non-current assets held for sale	(7,944,263)	-	-	-	(7,944,263)
At 31 March 2022	275,778,330	94,198,698	170,815,405	24,875,249	565,667,682
Additions	2,444,897	-	22,503,456	2,530,930	27,479,283
Disposal	-	-	-	(214,596)	(214,596)
At 31 March 2023	278,223,227	94,198,698	193,318,861	27,191,583	592,932,369
Accumulated depreciation and impairment					
At 1 April 2021	126,945,407	18,435,217	87,510,240	21,518,582	254,409,446
Annual depreciation	8,420,150	7,377,197	22,837,362	1,340,595	39,975,304
Disposals	-	(14,284,173)	-	(375,000)	(14,659,173)
Classified as non-current assets held for sale	(5,098,856)	-	-	-	(5,098,856)
At 31 March 2022	130,266,701	11,528,241	110,347,602	22,484,177	274,626,721
Annual depreciation	9,835,446	6,147,563	24,189,816	1,429,386	41,602,211
Disposals	-	-	-	(214,596)	(214,596)
At 31 March 2023	140,102,147	17,675,804	134,537,418	23,698,967	316,014,336
Carrying amount					
At 31 March 2022	145,511,629	82,670,457	60,467,803	2,391,072	291,040,959
At 31 March 2023	138,121,080	76,522,894	58,781,443	3,492,616	276,918,032

Company

Cost					
At 1 April 2021	245,901,570	112,239,601	132,982,274	16,804,295	507,927,740
Additions	22,721,214	2,931,835	9,992,627	602,108	36,247,784
Disposal	-	(20,972,738)	-	-	(20,972,738)
Classified as non-current assets held for sale	(7,944,263)	-	-	-	(7,944,263)
At 31 March 2022	260,678,521	94,198,698	142,974,901	17,406,403	515,258,523
Additions	2,444,897	-	6,876,186	445,090	9,766,173
Disposal	-	-	-	(214,596)	(214,596)
At 31 March 2023	263,123,418	94,198,698	149,851,087	17,636,897	524,810,100
Accumulated depreciation and impairment					
At 1 April 2021	113,892,472	18,435,217	70,823,626	15,058,268	218,209,583
Annual depreciation	7,332,993	7,377,197	19,510,729	737,881	34,958,800
Disposals	-	(14,284,173)	-	-	(14,284,173)
Classified as non-current assets held for sale	(5,098,856)	-	-	-	(5,098,856)
At 31 March 2022	116,126,609	11,528,241	90,334,355	15,796,149	233,785,354
Annual depreciation	8,875,730	6,147,563	18,785,242	660,021	34,468,556
Disposals	-	-	-	(214,596)	(214,596)
At 31 March 2023	125,002,339	17,675,804	109,119,597	16,241,574	268,039,314
Carrying amount					
At 31 March 2022	144,551,912	82,670,457	52,640,546	1,610,254	281,473,169
At 31 March 2023	138,121,079	76,522,894	40,731,490	1,395,323	256,770,786

Asset held for sale

The company accepted consideration of SCR 5m for sale of its current offices for which a deposit of SCR 5m has already been received.

	2023	2022	2023	2022
Cost of buildings	7,944,263	7,944,263	7,944,263	7,944,263
Accumulated depreciation	(5,098,856)	(5,098,856)	(5,098,856)	(5,098,856)
Non-current asset held for sale	2,845,407	2,845,407	2,845,407	2,845,407

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023

Financial statements are prepared in Seychelles Rupees

13 *Investments (company)*

Investments are stated at historical less any accumulated impairment losses in the following unquoted companies, incorporated in the Seychelles.

	% Holding	2023	2022
<u>Held in group companies</u>			
Green Island Construction Company Limited	100%	100,000	100,000
Green Tree Investment Company Limited	0.1%	100	100
<u>Other</u>			
Paradise Marine Limited	20%	3,903,290	3,903,290
Platte Island Development Limited		-	2,000
Poirre Island Lodge Limited	20%	2,599	2,599
Total		4,005,989	4,007,989
<u>Associated entities</u>			
Cost of investment		3,907,889	3,907,889
Disposal of investment		(2,000)	-
Share of post-acquisition losses		(2,511,684)	(3,903,290)
Total		1,394,205	4,599
Net investments		1,494,305	104,699

Unlisted investments in associates are carried at cost or the investments underlying value, if lower. On disposal gains or losses are included in the income statement.

14 *Deferred grants (company)*

	2023	2022
1 April	42,144,456	45,000,612
Amortisation for the year	(2,813,406)	(2,856,156)
At 31 March	39,331,050	42,144,456

15 *Inventories*

	Group		Company	
	2023	2022	2023	2022
Copra	134,810	392,376	134,810	392,376
Employee shop stocks	1,076,257	742,776	1,076,257	742,776
Live stock & livestock products	188,500	555,325	188,500	555,325
Engineering spares	6,606,783	5,688,343	6,606,783	5,688,343
Building materials	6,796,156	11,805,268	2,985,364	2,309,619
Fuel and sundry	6,762,574	5,112,366	6,762,574	5,112,366
Apartments available for sale	13,745,641	24,095,763	-	-
Total	35,310,721	48,392,217	17,754,288	14,800,805

16 *Employee benefit obligations*

	Group		Company	
	2023	2022	2023	2022
At 1 April	5,775,120	5,107,191	5,363,534	4,754,250
Current service cost	3,598,782	3,351,179	3,336,392	3,277,534
Benefits paid	(1,316,351)	(2,683,250)	(1,278,054)	(2,668,250)
At 31 March	8,057,551	5,775,120	7,421,872	5,363,534

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023

Financial statements are prepared in Seychelles Rupees

17 Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
Trade receivables	56,607,647	14,746,975	56,607,647	14,746,975
Construction debtors	113,584,337	104,874,951	56,738,331	30,633,329
Completed works awaiting certification	25,091,658	2,952,991	-	-
Prepaid goods and credit with suppliers	60,636,487	39,786,468	-	-
Lending instalment outstanding	-	2,156,484	-	-
Other receivables	21,133,319	51,311,746	7,785,149	49,594,453
Total	277,053,448	215,829,615	121,131,127	94,974,757

18 Borrowings

	Group		Company	
	2022	2022	2022	2022
Non current				
Bank loans	129,314,066	124,613,910	77,019,155	75,184,017
Current				
Bank loans	48,347,913	48,960,652	32,484,721	32,420,908
Bank operating overdrafts	124,613,237	19,462,647	80,815,330	19,462,647
Total	172,961,150	68,423,299	113,300,051	51,883,555
Total borrowings	302,275,216	193,037,209	190,319,206	127,067,572

Purpose
Repayable in SCR

Construction of head office (Total drawdown facility SCR 30m)	30,000,000	3,754,160	30,000,000	3,754,160
Construction of condominiums & National Library	68,158,103	65,969,637	-	-
Working capital	127,113,237	27,962,647	2,500,000	8,500,000
Total	225,271,340	97,686,444	32,500,000	12,254,160

Repayable in USD

Purchase of aircraft	42,376,850	54,816,954	42,376,850	54,816,954
Purchase of generator	8,857,789	17,511,237	8,857,789	17,511,237
Construction of head office (Total drawdown facility US\$ 5m)	19,095,130	11,322,752	19,095,130	11,322,752
Working capital	6,674,107	11,699,822	6,674,107	11,699,822
Total	77,003,876	95,350,765	77,003,876	95,350,765

Total bank loans	302,275,216	193,037,209	109,503,876	107,604,925
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Repayments

Repayable within 1 year	172,961,150	68,423,299	113,300,051	51,883,555
Repayable later than 1 year and no later than 5 years	129,314,066	124,613,910	77,019,155	75,184,017
Total	302,275,216	193,037,209	190,319,206	127,067,572

Currency profile

US \$	182,223,072	113,677,286	156,683,080	95,350,765
Seychelles R	120,052,144	79,359,923	33,636,126	31,716,807
Total	302,275,216	193,037,209	190,319,206	127,067,572

Finance cost profile

Lending rate @ 6.97% (2022 - 5.31%)	8,857,788	17,511,238	8,857,788	17,511,238
Lending rate @ 7.97% (2022 - 5.31%)	9,057,050	16,416,730	9,057,050	16,416,730
Lending rate @ 6% & 7.5% (2022 - 8.5%)	68,158,103	65,969,637	-	-
Lending rate @ 7.97% (2022 - 5.31%)	6,674,108	11,699,823	6,674,108	11,699,823
Lending rate @ 5.85%	33,319,800	38,400,223	33,319,800	38,400,223
Lending rate @ 5.95%	19,095,130	11,322,753	19,095,130	11,322,753
Lending rate @ 8.4%	30,000,000	3,754,160	30,000,000	3,754,160
Lending rate @ 7.5% & 7.9%	80,815,330	19,462,645	80,815,330	19,462,645
Lending rate @ 6% - 8.79%	43,797,907	-	-	-
Interest free	2,500,000	8,500,000	2,500,000	8,500,000
Total	302,275,216	193,037,209	190,319,206	127,067,572

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Notes to the financial statements for the year ended 31 March 2023
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18 Borrowings (cont ...)

Security provided

The borrowings are secured by:

Group

- Assignment of building insurance policy for SCR 34.2m.
- First line charge on property (H14213 & H14228)
- First line floating charge over the company's current and future assets to secure SCR 10 million, floating charges and corporate guarantee of the parent company for SCR 15 million and US 5.5 million, and assignment of contract payments and insurance policies.
- First line charges on the leasehold properties title V18455 for SCR 104,580,505 and title V1270 for SCR 4,696,332, corporate guarantee of IDC for SCR 109,300,000, assignment of proceeds from Ministry of Finance, Trade & Investment (MOF) by the company with confirmation of MOF to be included in the national budget.

Company

- First and third line floating charges over company's assets to secure SCR 7m and USD 2.5m.
- Fourth and fifth floating charge over company's asset to secure US 3.5m and 11m respectively.
- Mortgage on aircrafts to secure US\$ 2.2m with insurance policy assigned to lender.
- General floating charge on company's assets for USD 280,000.

19 Trade and other payables

	Group		Company	
	2023	2022	2023	2022
Trade payables	44,259,493	68,548,738	44,259,493	68,548,734
Construction creditors	60,622,622	29,410,552	-	-
Salaries payable - construction workers	23,350,838	18,856,213	14,486,803	16,093,813
Advances on contracts	46,954,247	98,889,073	-	-
Deferred revenue and deposits	603,506	880,522	603,506	880,522
Deposits received for purchase of condominiums	32,305,000	-	-	-
Dividend payable	13,000,000	7,000,000	13,000,000	7,000,000
Due to related parties	625,733	4,698	3,546,924	130,433
Statutory payables	16,024,770	25,430,695	15,263,096	13,482,677
Other accruals	10,481,421	8,207,709	3,590,948	3,409,613
Total	248,227,630	257,228,200	94,750,770	109,545,792

20 Lending (group)

Projects constructed and financed

Projects constructed and converted to lending under a financial lease are as follows:

Ministry of Land Use - Independence House:	
Anticipated duration of lease remaining	10 months
Commencement date	Dec, 2015
Monthly rental (subject to change in loan interest rates)	1,795,203
Implicit interest rate for 2022/ 2023	7.50%
Gross investment in lease	155,499,108
Fair value of lease on commencement date	111,569,183
Unearned finance income at 31 March 2023	622,551

Repayments

The future minimum discounted repayments at 31 March 2023, under a non cancellable financial lease, are as follows:

	2023	2022
Repayable within 1 year	17,670,019	18,046,643
Repayable later than 1 year and no later than 5 years	-	19,042,646
Total	17,670,019	37,089,289

The lending is subject to interest which mirrors the rate on borrowings.

Projects under construction to be converted to lending

The group has commenced renovations of the National Library Building which is expected to cost Scr 90 m and has also been awarded the construction of the Seychelles Revenue Commission (SRC) building estimated to cost of Scr 232m.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2023

Financial statements are prepared in Seychelles Rupees

20 Lending (group) (cont...)

Work in Progress at 31 March comprises of:

	2023	2022
Condominium - Phase 4	19,982,837	-
National Library	41,769,636	1,217,655
SRC Building	2,347,030	-
Total	64,099,503	1,217,655

The financing of the projects has been secured by bank loans of similar amounts which are repayable over 10 years, with a grace period of 18 and 24 months for the construction and renovations period. The loans will bear interest at a discount of 0.5% below the bank's prime lending rate.

Besides securities mentioned in note 8 borrowings for the Library renovations and SRC building are secured by a first line fixed charge on leasehold properties on which the SRC building will be situated.

As security, the group holds leasehold rights over land where a project is situated, which is surrendered at no cost upon repayment of the lending, which lasso coincides with repayment of the borrowing for the project.

21 Related parties and transactions

These relate to shareholders, directors and senior management of the company and the companies of which they are principal owners. Pricing policies and terms of these transactions are considered by the directors to have been conducted at an arms length unless stated otherwise below.

	Group		Company	
	2023	2022	2023	2022
Sale of goods; services and expenses recovered				
To ultimate parent	39,080,801	6,596,135	-	-
To subsidiaries	-	-	-	-
To associated companies	16,980,000	279,045,983	16,980,000	279,045,983
Total	56,060,801	285,642,118	16,980,000	279,045,983
Purchase of services				
From subsidiaries	-	-	-	16,804,698
From associated companies	9,238,722	-	9,238,722	-
Total	9,238,722	-	9,238,722	16,804,698
Loan to subsidiary				
Loan to subsidiary	-	-	-	8,000,000

There are no specific terms of repayment of the loan to subsidiary company, which is free of interest.

Year end balances (receivables/(payables))

Due to ultimate parent - (current)	(13,000,000)	(7,000,000)	(13,000,000)	(7,000,000)
Due to subsidiary - (non current)	-	-	(2,923,791)	(130,333)
Due from/(to) associated company - (non-current)	(253,386)	14,736,039	(253,386)	14,736,039

Dividends

Declared in the year (per share 2022: SCR 93.76; 2021: nil)	(20,000,000)	-	20,000,000	-
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Parent company directors emoluments, pensions or compensation

Mr. G. M. Savy	1,800,000	1,395,000	1,800,000	1,395,000
Mr. P. Lablache	72,960	72,960	36,480	36,480
Mrs. S. Francis	72,960	72,960	36,480	36,480
Ms. A. Antat	655,920	472,532	-	12,160
Mr. P. Berlouis	109,440	109,440	54,720	54,720
Mr. W. Confait	72,960	72,960	36,480	36,480
Mrs. A. Lebon	72,960	72,960	36,480	36,480
Mr. C. Lionnet	960,000	890,000	960,000	890,000
Mr. D. Matatiken	72,960	72,960	36,480	36,480
Total	3,890,160	3,231,772	2,997,120	2,534,280

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Notes to the financial statements for the year ended 31 March 2023

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22 Commitments

	Construction of offices & aviation facilities	Coetivy agricultural development and aqua culture	Vessels & aircraft	IT upgrade	Total
At 1 April 2022	14,276,282	7,122,070	8,284,244	1,170,099	30,852,695
Expenditures incurred during the year	65,219,059	16,732,948	26,517,852	141,542	108,611,401
Transferred to property, plant and equipment	-	-	-	-	-
Reclassified to current assets	-	-	(7,099,976)	-	(7,099,976)
At 31 March 2023	79,495,341	23,855,018	27,702,120	1,311,641	132,364,120
Source of funds: -					
- Borrowings	27,011,259	-	-	-	27,011,259
- Internal funds	52,484,082	23,855,018	27,702,120	1,311,641	105,352,861
At 31 March 2023	79,495,341	23,855,018	27,702,120	1,311,641	132,364,120
Estimated final cost	136,100,000	60,000,000	62,712,000	3,550,000	262,362,000

Construction of offices and aviation facilities

The company is to relocate to its new head office at Ile du Port in October 2023. The total project cost is estimated at SCR 90m. Additionally, new facilities for the aviation department, including offices and an aircraft hangar, are also being built at the ex Agro site. The project is expected to be completed by May 2024 at a cost of SCR 46.1m.

Coetivy agricultural development and aqua culture

The company has been mandated by the government to diversify its activities to support food security and develop the fisheries sector through aqua culture. The company anticipates to spend US\$ 1.7m to rehabilitate existing infrastructures on Coetivy for farming of prawns for the local market.

The company is also exploring the possibility of poultry production on Coetivy. The project is anticipated to cost SCR 35m.

Vessels and aircraft

The company entered into a contract to build a 30 meter landing craft to service the outer islands. The vessel is estimated to cost of US\$ 1.8m. The company is expected to take delivery of the landing craft in June 2023.

During the year, the orders for two second-hand aircraft were cancelled, and the advances are to be refunded by the seller. Instead the company has opted to purchase a new P2012 Stol aircraft at a cost of Euro 2.4m. The expected delivery date for this new aircraft is January 2024.

IT upgrade

The company has, up to the reporting date, spent SCR 1.3m towards upgrading its IT systems. The project is anticipated to be completed in October 2023 at a cost of US\$ 250,000.

Operating lease commitments - company as a lessor

The company leases outer islands and buildings under long term leases with rent reviews every 5 years and option to renew or extend the leases at the end of the lease period provided that the lessee has complied fully with the terms and conditions of the lease.

The future minimum lease payments receivable under non cancellable operating leases are as follows:

	US\$
Receivable no later than 1 year	735,890
Receivable later than 1 year and no later than 5 years	2,943,560
Receivable later than 5 years	30,893,780
	34,573,230

24 Contingencies

Contingent liability

The company has entered into a contract to purchase renewable energy for its own consumption and resale. The contract guarantees a minimum consumption threshold of 4,479,497 Kwh on aggregate per annum across three solar plants to be consumed by islands covered in the contract. Should the solar consumption from the solar plants fall below the minimum consumption threshold, then the company is required to compensate the solar energy producer for the shortfall in minimum consumptions. As of the reporting date, the minimum threshold had been fulfilled.

Notes to the financial statements for the year ended 31 March 2023

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24 Contingencies (cont...)

Contingent asset

The group is owed SCR 80m (company - SCR 45m) in retention, withheld for completed projects, subject to the company concluding its obligation to required standards.

