

DIRECTORS REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024



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ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

The Directors are pleased to present their report and audited financial statements of the Company and the Group for the year ended 31 March 2024.

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

The financial year 2023-2024 was a period characterised by continuity and consolidation for the Islands Development Company (IDC) and its subsidiaries. Normally, a newly appointed Board would be endorsing these audited financial statements, as the official mandate of the current Board concluded in February 2023. However, with thirteen months passing without the appointment of a new Board, it is our privilege as the incumbent Directors to approve the accounts and we do so with immense pride in our accomplishments over the past year.

Financial Performance

The Group's financial performance has shown remarkable resilience amidst a challenging economic landscape. For the financial year ending 31st March 2024, we are pleased to report that the Group's turnover has once again surpassed the SCR 1 billion mark, reaching a total of SCR 1,031,826,871. This reflects the second consecutive year of exceeding the billion-rupee threshold, underscoring our sustained revenue generation capabilities and strategic acumen.

During the fiscal year, the Group achieved a profit before tax of SCR 22,449,794. This accomplishment was realised despite substantial investments in our aquaculture and aviation departments, which are central to our long-term strategy of diversifying our revenue streams and enhancing our competitive edge in these sectors. Further details on these investments are provided in subsequent sections of this report.

Additionally, the consolidated profit was influenced by a significant SCR 24 million subsidy allocated to the graduate units of the Perseverance Condominium project, alongside a significant contribution of SCR 19 million in kind towards the completion of the La Digue hospital. These subsidies underscore our commitment to social responsibility and community development, reflecting our dedication to supporting housing and health care initiatives that benefit the wider community.

Key Achievements

Construction

The highlight in the construction sector was the successful completion of the six-star Waldorf Astoria resort on Ile Plate, which officially welcomed guests in January 2024. This prestigious project epitomises our commitment to high-quality development on the islands. We eagerly anticipate the commencement of the Assumption and Grand Barbe (Silhouette) projects in the next fiscal year, which promise to bring significant economic activity and growth potential for the Group.

Moreover, after months of delays due to foundation issues, GICC is poised to commence work on the SRC building. Significant progress is also being made on Land Marine's Sea Front project, which includes the construction of a hotel, a commercial centre and a medical centre. The much-awaited renovation of Maison St. Joseph at Au Cap is also set to begin during the next financial year.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

Agriculture and Aquaculture

Trials on the farm on Desroches continue to yield promising results.

The 2023-2024 period witnessed substantial investment in the aquaculture sector with the relaunching of shrimp production on Coetivy. IDC has invested SCR 50 million of its own funds to rehabilitate nine ponds and establish a processing plant on the island. The white shrimp produced has been well-received in the local market. To reduce imports, transportation costs and potential disease introduction, IDC plans to invest in its own hatchery on Coetivy to produce the post-larvae (PL) on the island itself.

Infrastructure Development

A significant milestone this financial year was the relocation of the core administrative staff to the new head office premises at Ile du Port. It is gratifying to see the staff happily settled in their new offices, a move that was long-overdue. Soon, the Warehouse and Workshop staff will join the rest of the team at Ile du Port.

In 2025, the Aviation Department will relocate to the new Aviation Terminal at the ex-Agro property, further enhancing our facilities and ensuring that they have the best resources to thrive and offer top-tier service to clients flying to premier tourism establishments on the outer islands. The office block has already been renovated and we are awaiting the erection of hangars on-site. Plans for the new terminal building have been submitted to the Planning Authority for approval.

Transportation and Connectivity

To enhance connectivity with the islands, IDC has invested in a Tecnam STOL airplane, financed through the Group's own resources at a cost of EUR 2.4 million. The plane is scheduled to arrive in Seychelles during the second quarter of the year and will be a valuable addition to our fleet. Its capabilities for short take-off and landing will allow air access to all IDC islands, particularly those with short aerodromes.

Despite some delays, work on IDC's new landing craft is progressing well at the shipyard in Goa, India. This vessel will significantly bolster our logistical capabilities to and from the islands, complementing the services of Enterprise II in supplying the islands.

Outlook

Through prudent financial management and strategic investments, the Group continues to build a strong foundation for future growth and sustainability, ensuring value creation for our shareholder and positively impacting the communities we serve. The absence of a new Board has not impeded our progress and we are confident in the Group's ability to continue delivering strong financial results and operational excellence.

The Board extends its heartfelt gratitude to our dedicated employees, partners and stakeholders for their unwavering support and contributions to our achievements. Together, we look forward to a future of continued prosperity and growth.

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 6,317,414 (2023 - SCR 82,211,928) and the company a profit of SCR 12,102,146 (2023 - SCR 46,110,062) after taxation.

Application of profits and revenue reserves (Company)

The profit for the year with revenue reserves from prior years gives the Company SCR 190,470,326 (2023 - SCR 198,368,180) available for distribution.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2024

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	-	-
Ms. A. Antat	-	-
Mrs. A. Lebon	-	-
Mr. W. Confait	-	-
Mr. C. Lionnet	-	-
Mr. D. Matatiken	-	-
Mr. P. Berlouis (Resigned: 03.04.23)	-	-

All Directors of the Company are citizens of Seychelles.

Mr. G. Savy and Mr. P. Lablache 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.

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.

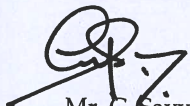
The Companies Act 1972 also requires the Directors to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the Company and detect fraud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

The directors consider they have met their responsibilities as set out in the Companies Act 1972.

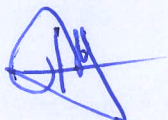
Auditors

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

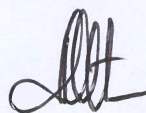
DIRECTORS



Mr. G. Savy
Chief Executive Officer



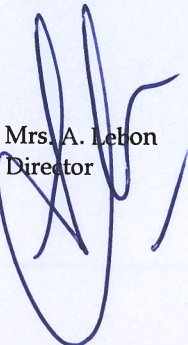
Mr. P. Lablache
Director



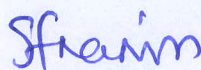
Mr. D. Matatiken
Director



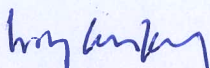
Ms. A. Antat
Director



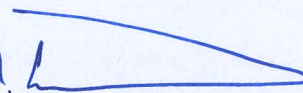
Mrs. A. Lebon
Director



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 25, which comprise the statement of financial position for the Parent Company and the Group as at 31 March 2024, 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 2024 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.

In arriving at our opinion, we have accepted assurances from the group's Quantity Surveyors on matters relating to measurement of works, fair value of internally constructed assets, recoverability of work in progress as at 31 March 2024 and distinguishing inventories paid for by clients and held on their behalf by the group.

Solvency and going concern considerations

The group has invested substantially in capital assets for own use in the year with additional capital projects in process, financed primarily through bank borrowings. This can affect the group's solvency if insufficient revenues are generated to meet its liabilities as they become due.

These financial statements have been prepared on the going concern basis which assumes the group will continue to maintain its current revenue streams and secure new income generating projects to meet its liabilities in a timely manner.

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.

INDEPENDENT AUDITOR'S REPORT (cont...)

ISLANDS DEVELOPMENT COMPANY LIMITED AND SUBSIDIARIES

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.

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
1 June 2024

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

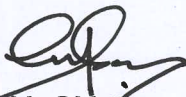
Consolidated statement of financial position

Financial statements are prepared in Seychelles Rupees

	Note	Group		Company	
		2024	As at 31 March 2023	2024	2023
Assets					
Property, plant and equipment	12	443,643,851	276,918,032	419,921,612	256,770,786
Investments	13	1,838,344	1,394,205	1,938,444	1,494,305
Lendings	21/22	64,907,008	-	-	-
Capital work in progress to be converted to lending	21	43,581,737	64,099,503	-	-
Capital work in progress	23	84,524,286	132,364,120	84,524,286	132,364,120
Deferred income tax asset	10	16,889,289	14,757,660	14,358,202	12,352,406
Non-current assets		655,384,515	489,533,520	520,742,544	402,981,617
Lendings	21	8,705,582	17,670,019	-	-
Asset held for sale	12	-	2,845,407	-	2,845,407
Biological assets	16	2,797,949	-	2,797,949	-
Inventories	15	32,554,780	35,310,721	23,384,200	17,754,288
Taxation	10	603,076	-	1,233,100	-
Trade and other receivables	18	215,366,654	277,053,448	109,229,720	121,131,127
Cash and cash equivalent		86,238,191	49,550,417	46,410,914	23,076,230
Current assets		346,266,232	382,430,012	183,055,883	164,807,052
Total assets		1,001,650,747	871,963,532	703,798,427	567,788,669
Liabilities					
Employee benefit obligations	17	8,994,871	8,057,551	8,168,299	7,421,872
Borrowings	19	181,881,007	129,314,066	168,639,323	77,019,155
Non-current liabilities		190,875,878	137,371,617	176,807,622	84,441,027
Borrowings	19	188,525,687	172,961,150	145,399,118	113,300,051
Taxation	10	-	21,606,955	-	16,266,667
Trade and other payables	20	345,420,671	248,227,630	131,744,470	94,750,770
Current liabilities		533,946,358	442,795,735	277,143,588	224,317,488
Total liabilities		724,822,236	580,167,352	453,951,210	308,758,515
Share capital	11	21,330,924	21,330,924	21,330,924	21,330,924
Retained earnings		217,451,620	231,134,206	190,470,326	198,368,180
Deferred grants	14	38,045,967	39,331,050	38,045,967	39,331,050
Equity		276,828,511	291,796,180	249,847,217	259,030,154
Total liabilities and equity		1,001,650,747	871,963,532	703,798,427	567,788,669

The notes on pages 10 to 25 are an integral part of these financial statements.

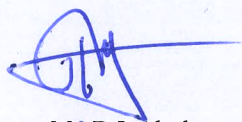
Directors

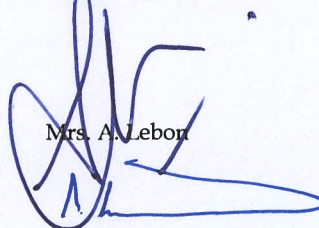

Mr. G.M. Savy
Chief Executive Officer


Ms. A. Antat

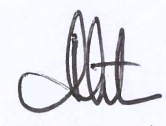
Mr. W. Confait

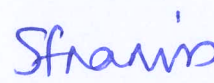
1 June 2024


Mr. P. Lablache


Mrs. A. Lebon

Mr. C. Lionnet
Deputy Chief Executive Officer


Mr. D. Matatiken


Mrs. S. Francis

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			
		2024	2023	2024	2023
Revenue	3	1,008,766,986	1,238,260,865	563,498,852	740,579,439
Direct costs	4	(735,848,637)	(900,679,185)	(341,028,641)	(496,922,766)
Other income	5	23,059,885	15,908,823	20,054,340	13,971,027
Administrative salaries and benefits	6	(89,048,474)	(84,041,352)	(75,089,408)	(69,836,192)
Bad debts		(6,779,565)	-	(6,779,565)	-
Camp running expenses		(8,660,136)	(12,160,061)	-	-
Communication		(8,910,446)	(6,686,786)	(8,910,446)	(6,686,786)
Depreciation (net of deferred grant credit)	12/14	(41,113,825)	(38,788,805)	(34,342,713)	(31,655,150)
Exchange losses (operating)		(2,888,441)	(10,393,240)	(5,377,096)	(10,245,747)
External transportation		(3,173,785)	(6,041,636)	(3,173,785)	(6,041,636)
Fuel for electricity generation & island use		(28,388,821)	(13,466,185)	(28,388,821)	(13,466,185)
Insurances		(4,250,936)	(3,438,332)	(2,538,160)	(2,500,241)
Impairment of inventory of graduate units		(5,980,679)	-	-	-
Rental		(1,323,899)	(1,974,850)	-	-
Repairs and maintenance		(11,548,319)	(15,351,687)	(11,473,281)	(15,083,879)
Subscriptions and donations		(973,652)	(4,538,615)	-	(3,280,204)
Travelling & transport		(9,005,231)	(7,030,689)	(2,164,103)	(1,701,519)
Utilities		(6,374,619)	(5,420,757)	(3,269,446)	(2,688,053)
Other expenses		(26,427,167)	(20,289,572)	(25,225,760)	(20,343,284)
Operating profit		41,130,239	123,867,936	35,791,967	74,098,824
Finance income	8	8,070,955	7,127,013	623,549	4,253,843
Finance costs	9	(27,195,539)	(20,080,400)	(17,461,171)	(15,929,103)
Finance costs - net		(19,124,584)	(12,953,387)	(16,837,622)	(11,675,260)
Share of profit in associate	13	444,139	1,391,606	444,139	1,391,606
Profit before income tax		22,449,794	112,306,155	19,398,484	63,815,170
Income tax expense	10	(16,132,380)	(30,094,227)	(7,296,338)	(17,705,108)
Profit for the year after income tax		6,317,414	82,211,928	12,102,146	46,110,062
Dividend	22	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
		(13,682,586)	62,211,928	(7,897,854)	26,110,062
Retained earnings 1 April		231,134,206	168,922,278	198,368,180	172,258,118
Retained earnings 31 March		217,451,620	231,134,206	190,470,326	198,368,180

The notes on pages 10 to 25 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	
		As at 31 March		2024	2023
		2024	2023	2024	2023
Cash flows from operating activities					
Profit for the year		22,449,794	112,306,155	19,398,484	63,815,170
Adjustments for:-					
Taxation paid	10	(40,474,042)	(17,930,154)	(26,801,901)	(6,505,372)
Depreciation (net of adjustment for deferred grant)	12/14	41,113,825	38,788,805	34,342,713	31,655,150
Changes in provision for employee benefits	17	937,320	2,282,431	746,427	2,058,338
Loss/(profit) on sale of apartments		25,124,507	(4,698,908)	-	-
Tangible assets scrapped		(2,097)	-	(2,097)	-
Profit on disposal of tangible assets	5	(2,225,110)	(56,000)	(2,225,110)	(56,000)
Impairment of inventory of graduate units		-	-	-	-
Changes in fair value of biological assets	16	(2,797,949)	-	(2,797,949)	-
Share of profit from associate	13	(444,139)	(1,389,606)	(444,139)	(1,389,606)
Finance costs (net)	8/9	19,124,584	12,953,387	16,837,622	11,675,260
		62,806,693	142,256,110	39,054,050	101,252,940
Changes in working capital					
Decrease / (Increase) in inventories	15	(4,075,975)	2,731,374	(5,629,912)	(2,953,483)
Decrease/(increase) in debtors	18	61,686,796	(61,223,834)	11,901,407	(26,156,370)
Increase / (Decrease) in creditors and advances on contracts	20	119,936,333	(14,250,570)	35,993,700	(20,795,022)
Cash generated from operations		240,353,847	69,513,080	81,319,245	51,348,065
Proceeds from sale of apartments		15,957,500	15,049,030	-	-
Interest received	8	595,083	492,561	594,949	492,561
Interest paid	9	(26,014,222)	(16,389,800)	(17,073,946)	(12,834,699)
Net cash from operating activities		230,892,208	68,664,871	64,840,248	39,005,927
Cash flows from investing activities					
Payments to acquire tangible fixed assets	12	(210,559,935)	(27,479,283)	(200,213,831)	(9,766,173)
Work in progress for lending	21	(123,811,173)	(64,099,503)	-	-
Decrease/(Increase) in work in progress for own use	23	47,839,834	(101,511,425)	47,839,834	(101,511,425)
Lending repaid	21	24,737,457	21,542,440	-	-
Proceeds from disposal of tangible fixed assets		5,000,000	56,000	5,000,000	56,000
Net cash used in investing activities		(256,793,817)	(171,491,771)	(147,373,997)	(111,221,598)
Cash flow from financing activities					
Capital grant received	14	1,507,823	-	1,507,823	-
Loans repaid	19	(92,171,145)	(85,706,489)	(72,471,995)	(52,187,847)
Loans received	19	117,799,011	93,555,188	15,000,000	57,848,080
Advances (to)/from related parties	22	13,102,799	14,736,039	130,011,570	22,736,039
Dividend paid		(19,000,000)	(14,000,000)	(19,000,000)	(14,000,000)
Net cash from financing activities		21,238,488	8,584,738	55,047,398	14,396,272
Decrease in cash and cash equivalents		(4,663,121)	(94,242,162)	(27,486,351)	(57,819,399)
Exchange losses on bank balances	9	(1,181,317)	(3,690,600)	(387,225)	(3,094,404)
Cash & cash equivalent at 1 April		(75,062,820)	22,869,942	(57,739,100)	3,174,703
Cash & cash equivalents 31 March		(80,907,258)	(75,062,820)	(85,612,676)	(57,739,100)
Cash in hand and banks		86,238,191	49,550,417	46,410,914	23,076,230
Bank overdrafts		(167,145,449)	(124,613,237)	(132,023,590)	(80,815,330)
Cash & cash equivalents 31 March		(80,907,258)	(75,062,820)	(85,612,676)	(57,739,100)

ISLANDS DEVELOPMENT COMPANY LIMITED

Five year financial summary - 31 March 2024

Prepared in Seychelles Rupees

	2024	2023	2022	2021	2020
	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	190,470	198,368	172,258	155,387	133,709
Deferred grants	38,046	39,331	42,144	45,000	47,869
Long term loans	314,038	190,319	127,068	178,539	58,882
Net assets employed	563,886	449,349	362,801	400,257	261,791
Statement of income					
Turnover	563,499	740,579	427,325	209,931	272,148
Profit before taxation	18,954	62,423	26,649	41,445	13,848
Taxation	(7,296)	(17,705)	(9,778)	233	(5,254)
	11,658	44,718	16,871	41,678	8,595
Share of profit in associate	444	1,392	-	-	-
	12,102	46,110	16,871	41,678	8,595
Dividends	(20,000)	(20,000)	-	(20,000)	(5,000)
	(7,898)	26,110	16,871	21,678	3,595
Retained earnings - 1 April	198,368	172,258	155,387	133,709	130,115
Retained earnings - 31 March	190,470	198,368	172,258	155,387	133,709

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

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 Ile du 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 material 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 2.21. (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 April 2023.

Disclosure of accounting policies - amendments to IAS 1 and IFRS practice statement 2

Definition of accounting estimates - amendments to IAS 8

Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12

International tax reform – pillar two model rules - amendments to IAS 12

New standards and amendments issued but not yet effective

Amendment to IAS 1 – Non-current liabilities with covenants

Amendment to IAS 7 and IFRS 7 - Supplier finance

Amendment to IFRS 16 – Leases on sale and leaseback

Amendments to IAS 21 - Lack of exchangeability

The above standards are not expected to have a material impact on the company 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 187,680,126 (company - SCR 94,087,705) excluding retentions withheld for completed projects by the group of SCR 54m (company - SCR 32m) .

The financial statements have nevertheless been prepared on the basis of going concern on the assumption that the group manages the risk through liquidity gap analysis and maturity profile of assets and liabilities and when necessary by keeping credit lines available . If the group 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.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

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

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 are eliminated in full.

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 group 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 group 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.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

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

2.7 Financial instruments (cont...)

Financial assets (cont...)

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.

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 amortisations.

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.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

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

2.8 Financial risk management (cont...)

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.

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.

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

At 31 March 2024	In SCR				Total
	Euro	USD	SCR	Others	
Group					
Assets (net of credit impairment)					
Taxation	-	-	603,076	-	603,076
Trade & other receivables	29,518	74,431,580	140,888,503	17,053	215,366,654
Cash & cash equivalents	189,092	62,536,570	23,512,529	-	86,238,191
	218,610	136,968,150	165,004,108	17,053	302,207,921
Liabilities					
Employee benefits	-	-	8,994,871	-	8,994,871
Borrowings	-	52,003,281	318,403,413	-	370,406,694
Trade & other payables	8,169,576	213,105,359	123,417,044	728,692	345,420,671
	8,169,576	265,108,640	450,815,328	728,692	724,822,236
Net balance sheet position	(7,950,966)	(128,140,490)	(285,811,220)	(711,639)	(422,614,315)
Company					
Assets (net of credit impairment)					
Taxation	-	-	1,233,100	-	1,233,100
Trade & other receivables	-	61,282,406	47,947,314	-	109,229,720
Cash & cash equivalents	175,492	33,140,700	13,094,722	-	46,410,914
	175,492	94,423,106	62,275,136	-	156,873,734
Liabilities					
Employee benefits	-	-	8,168,299	-	8,168,299
Borrowings	-	52,003,281	262,035,160	-	314,038,441
Trade & other payables	6,371,735	55,696,471	69,614,908	61,356	131,744,470
	6,371,735	107,699,752	339,818,367	61,356	453,951,210
Net balance sheet position	(6,196,243)	(13,276,646)	(277,543,231)	(61,356)	(297,077,476)

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

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

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 group 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	
	2024	2023	2024	2023
Borrowings	370,406,694	302,275,216	314,038,441	190,319,206
Cash and cash equivalents	(86,238,191)	(49,550,417)	(46,410,914)	(23,076,230)
Net debt	284,168,503	252,724,799	267,627,527	167,242,976
Total equity	238,782,544	252,465,130	211,801,250	219,699,104
Gearing ratio	119%	100%	126%	76%

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)	
	2024	2023	2022	2023-2024	2022-2023
US \$ / SCR	14.67	14.20	14.83	-3%	4%
Euro / SCR	15.88	15.48	16.55	-3%	6%

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

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

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

2.11 Property, plant and equipment (cont...)

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 Biological assets

Expenditure incurred on biological assets is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in statement of income for the period in which it arises.

2.14 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.

2.15 Government grants

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

2.16 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.

2.17 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 company 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.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

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

2.18 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.

2.19 Dividends

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

2.20 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.

2.21 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 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 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.

3 Revenue

Analysis of revenue by category	Group		Company	
	2024	2023	2024	2023
Construction	739,230,478	1,045,809,257	342,482,344	563,176,861
Transportation	116,420,446	102,823,994	116,420,446	102,823,994
Utility supply	61,185,478	44,554,702	61,185,478	44,554,702
Maintenance of villas & upkeep of Islands	15,684,866	10,728,880	15,684,866	10,728,880
Sale of produce	13,127,860	4,827,253	13,127,860	4,827,253
Sale of apartments	48,520,000	15,049,030	-	-
Property rental	14,597,858	14,467,749	14,597,858	14,467,749
Total	1,008,766,986	1,238,260,865	563,498,852	740,579,439

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

4 Cost of sales

Analysis of cost by category	Group		Company	
	2024	2023	2024	2023
Construction and other				
Material	465,285,362	717,084,945	195,119,359	362,926,742
Labour	87,905,440	81,610,714	30,915,275	42,621,632
Cost to produce	11,619,985	1,496,789	11,619,985	1,496,789
Cost of apartments	67,663,828	10,609,133	-	-
	632,474,615	810,801,581	237,654,619	407,045,163
Transportation				
Insurance	3,066,679	2,968,538	3,066,679	2,968,538
Repairs & maintenance	53,218,662	39,512,760	53,218,662	39,512,760
Staff costs	21,340,788	22,000,292	21,340,788	22,000,292
Fuel and oil	21,380,047	22,611,445	21,380,047	22,611,445
Other operational costs	4,367,846	2,784,569	4,367,846	2,784,568
	103,374,022	89,877,604	103,374,022	89,877,603
Total	735,848,637	900,679,185	341,028,641	496,922,766

5 Other income

	Group		Company	
	2024	2023	2024	2023
Guest house activities	9,993,192	6,812,495	9,993,192	6,812,495
Surplus from shop sales	1,289,262	420,993	1,289,262	420,993
Landing fees	4,062,104	2,856,001	4,062,104	2,856,001
Surplus from sale of coral fill	1,490,400	3,639,883	1,490,400	3,639,883
Profit from disposal of property, plant and equipment	2,225,110	56,000	2,225,110	56,000
Other income	3,999,817	2,123,451	994,272	185,655
Total	23,059,885	15,908,823	20,054,340	13,971,027

6 Administrative salaries and benefits expense

	Group		Company	
	2024	2023	2024	2023
Wages and salaries	67,515,481	69,351,903	59,063,185	60,562,073
Pension costs	1,875,008	1,814,183	1,745,948	1,680,050
Employee benefits	10,327,001	4,813,319	9,914,332	4,550,929
Other employment costs	9,330,984	8,061,947	4,365,943	3,043,140
Total	89,048,474	84,041,352	75,089,408	69,836,192

7 Profit for the year

	Group		Company	
	2024	2023	2024	2023
Profit for the year has been arrived at after charging:				
Auditors remuneration	618,000	558,000	360,000	325,000
Rents paid	1,681,499	2,332,450	357,600	357,600

8 Finance income

	Group		Company	
	2024	2023	2024	2023
Interests on deposits and bonds	595,083	492,561	594,949	492,561
Interest on lendings	7,447,272	2,873,170	-	-
Exchange gain on loans	28,600	3,761,282	28,600	3,761,282
Total	8,070,955	7,127,013	623,549	4,253,843

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

9 Finance costs

	Group		Company	
	2024	2023	2024	2023
Interest on loans	11,660,239	9,644,519	4,453,861	6,779,829
Interest on overdraft	14,353,983	6,745,281	12,620,085	6,054,870
Exchange losses on bank balances	1,181,317	3,690,600	387,225	3,094,404
Total	27,195,539	20,080,400	17,461,171	15,929,103

10 Taxation

Group	Statement of financial position		Statement of income	
	2024	2023	2024	2023
Current tax				
Balance due to/(from) previous year	21,606,955	1,159,518	-	-
Adjustment to prior year provision	(231,887)	(69,928)	(231,887)	(69,928)
Paid for prior years	(18,841,502)	(1,089,590)	-	-
Provision for the year	13,530,025	32,340,288	13,530,025	32,340,288
Provisionally paid for current year	(16,666,667)	(10,733,333)	-	-
Total	(603,076)	21,606,955	13,298,138	32,270,360
Deferred tax asset				
Employee compensation obligation	2,248,718	2,014,388	(234,330)	(570,607)
Deferred due to accelerated tax depreciation	13,188,379	13,198,866	10,487	735,817
Other temporary deductible differences	1,452,192	-	(1,452,192)	-
Total	16,889,289	15,213,254	(1,676,035)	165,210
Deferred tax liability				
Other temporary deductible differences	-	455,596	(455,596)	(8,448,572)
Total deferred tax asset/expense	16,889,289	14,757,660	(2,131,631)	(8,283,362)
Tourism marketing tax			4,965,873	6,107,231
Total income tax expense			16,132,380	30,094,227

Company

Current tax				
Balance due to/(from) previous year	16,266,667	(3,000,000)	-	-
Adjustment to prior year provision	(116,433)	-	(116,433)	-
(Paid)/refund received for prior year	(13,616,667)	3,000,000	-	-
Provision for the year	6,400,000	22,000,000	6,400,000	22,000,000
Provisionally paid for current year	(10,166,667)	(5,733,333)	-	-
Total	(1,233,100)	16,266,667	6,283,567	22,000,000
Deferred tax asset				
Employee compensation obligation	2,042,075	1,855,468	(186,607)	(514,584)
Deferred due to accelerated accounts depreciation	11,184,335	11,018,006	(166,329)	690,951
Other temporary deductible differences	1,131,792	(521,068)	(1,652,860)	(8,243,298)
Total	14,358,202	12,352,406	(2,005,796)	(8,066,931)
Tourism marketing tax			3,018,567	3,772,039
Total income tax expense			7,296,338	17,705,108

11 Authorised and issued capital

	2024	2023
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 2024

Financial statements are prepared in Seychelles Rupees

12 Property, plant & equipment

<u>Group</u>	Buildings & utilities	Aircraft	Machinery & fittings	Vehicles, boats & trailers	Total
Cost					
At 1 April 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)
Classified as non-current assets held for sale	7,944,263	-	-	-	7,944,263
At 31 March 2023	286,167,490	94,198,698	193,318,861	27,191,583	600,876,632
Additions	128,111,891	-	80,137,709	2,310,335	210,559,935
Disposal	(8,590,548)	-	(107,742)	-	(8,698,290)
At 31 March 2024	405,688,833	94,198,698	273,348,828	29,501,918	802,738,277
Accumulated depreciation and impairment					
At 1 April 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)
Classified as non-current assets held for sale	5,098,856	-	-	-	5,098,856
At 31 March 2023	145,201,003	17,675,804	134,537,418	23,698,967	321,113,192
Annual depreciation	8,513,625	6,164,405	27,824,153	1,404,548	43,906,731
Disposals	(5,888,705)	-	(36,792)	-	(5,925,497)
At 31 March 2024	147,825,923	23,840,209	162,324,779	25,103,515	359,094,426
Carrying amount					
At 31 March 2023	140,966,487	76,522,894	58,781,443	3,492,616	279,763,439
Classified as non-current assets held for sale	(2,845,407)	-	-	-	(2,845,407)
Carrying amount (net of assets held for sale)	138,121,080	76,522,894	58,781,443	3,492,616	276,918,032
At 31 March 2024	257,862,910	70,358,489	111,024,049	4,398,403	443,643,851

Company

Cost					
At 1 April 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)
Classified as non-current assets held for sale	7,944,263	-	-	-	7,944,263
At 31 March 2023	271,067,681	94,198,698	149,851,087	17,636,897	532,754,363
Additions	126,129,578	-	71,773,918	2,310,335	200,213,831
Disposal	(8,590,548)	-	(107,742)	-	(8,698,290)
At 31 March 2024	388,606,711	94,198,698	221,517,263	19,947,232	724,269,904
Accumulated depreciation and impairment					
At 1 April 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)
Classified as non-current assets held for sale	5,098,856	-	-	-	5,098,856
At 31 March 2023	130,101,195	17,675,804	109,119,597	16,241,574	273,138,170
Annual depreciation	8,513,625	6,164,405	21,723,790	733,799	37,135,619
Disposals	(5,888,705)	-	(36,792)	-	(5,925,497)
At 31 March 2024	132,726,115	23,840,209	130,806,595	16,975,373	304,348,292
Carrying amount					
At 31 March 2023	140,966,486	76,522,894	40,731,490	1,395,323	259,616,193
Classified as non-current assets held for sale	(2,845,407)	-	-	-	(2,845,407)
Carrying amount (net of assets held for sale)	138,121,079	76,522,894	40,731,490	1,395,323	256,770,786
At 31 March 2024	255,880,596	70,358,489	90,710,668	2,971,859	419,921,612

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

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	2024	2023
<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
Poivre Island Lodge Limited	20%	2,599	2,599
Total		4,005,989	4,005,989
<u>Associated entities</u>			
Cost of investment		3,905,889	3,907,889
Disposal of investment		-	(2,000)
Share of post-acquisition losses		(2,067,545)	(2,511,684)
Total		1,838,344	1,394,205
Net investments		1,938,444	1,494,305

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)

	2024	2023
1 April	39,331,050	42,144,456
Additions	1,507,823	-
Amortisation for the year	(2,792,906)	(2,813,406)
At 31 March	38,045,967	39,331,050

The company received a grant from SeyCCAT in the year to purchase surveillance equipment to manage remote marine protected areas effectively.

15 Inventories

	Group		Company	
	2024	2023	2024	2023
Copra	79,340	134,810	79,340	134,810
Employee shop stocks	1,256,525	1,076,257	1,256,525	1,076,257
Live stock & livestock products	2,997,468	188,500	2,997,468	188,500
Engineering spares	6,275,007	6,606,783	6,275,007	6,606,783
Building materials	4,443,470	6,796,156	2,186,615	2,985,364
Fuel and sundry	7,038,501	6,762,574	7,038,501	6,762,574
Inventories in transit	3,550,744	-	3,550,744	-
Apartments available for sale	6,913,725	13,745,641	-	-
Total	32,554,780	35,310,721	23,384,200	17,754,288

16 Biological assets

	2024	2023
1 April	-	-
Additions to biological assets	1,268,180	-
Increase due to biological transformation	8,354,375	-
Decrease due to mortality	(190,227)	-
Decrease due to harvest	(6,634,379)	-
At 31 March	2,797,949	-

The prawn farm operates nine ponds. The livestock typically takes three months for post larvae to mature and harvest.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

17 Employee benefit obligations

	Group		Company	
	2024	2023	2024	2023
At 1 April	8,057,551	5,775,120	7,421,872	5,363,534
Current service cost	3,105,091	3,598,782	2,692,422	3,336,392
Benefits paid	(2,167,771)	(1,316,351)	(1,945,995)	(1,278,054)
At 31 March	8,994,871	8,057,551	8,168,299	7,421,872

18 Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
Trade receivables	56,929,430	56,607,647	56,929,430	56,607,647
Construction debtors	88,750,801	113,584,337	42,480,754	56,738,331
Completed works awaiting certification	38,014,538	25,091,658	-	-
Prepaid goods and credit with suppliers	430,275	60,636,487	-	-
Due from related parties	2,875,077	-	3,946,575	369,747
Other receivables	28,366,533	21,133,319	5,872,961	7,415,402
Total	215,366,654	277,053,448	109,229,720	121,131,127

19 Borrowings

	Group		Company	
	2024	2023	2024	2023
Non current				
Bank loans	181,881,007	129,314,066	38,627,753	77,019,155
Borrowings from related parties	-	-	130,011,570	-
Total	181,881,007	129,314,066	168,639,323	77,019,155
Current				
Bank loans	21,380,238	48,347,913	13,375,528	32,484,721
Bank operating overdrafts	167,145,449	124,613,237	132,023,590	80,815,330
Total	188,525,687	172,961,150	145,399,118	113,300,051
Total borrowings	370,406,694	302,275,216	314,038,441	190,319,206

Purpose

Repayable in SCR

Construction of head office	-	30,000,000	-	30,000,000
Construction of National Library & SRC building	152,257,964	68,158,103	-	-
Working capital	166,145,449	127,113,237	262,035,160	83,315,330
Total	318,403,413	225,271,340	262,035,160	113,315,330

Repayable in USD

Purchase of aircraft	31,849,047	42,376,850	31,849,047	42,376,850
Purchase of generator	751,628	8,857,789	751,628	8,857,789
Construction of head office and warehouse	17,353,027	19,095,130	17,353,027	19,095,130
Working capital	2,049,579	6,674,107	2,049,579	6,674,107
Total	52,003,281	77,003,876	52,003,281	77,003,876

Total loans	370,406,694	302,275,216	314,038,441	190,319,206
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Repayments

Repayable within 1 year	188,525,687	172,961,150	145,399,118	113,300,051
Repayable later than 1 year and no later than 5 years	181,881,007	129,314,066	168,639,323	77,019,155
Total	370,406,694	302,275,216	314,038,441	190,319,206

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

21 Lending (group) (cont...)

Repayments

The future minimum discounted repayments at 31 March 2024, under a non cancellable financial lease, are as follows

	2024	2023
Repayable within 1 year	8,705,582	17,670,019
Repayable later than 1 year and no later than 5 years	40,533,250	-
Repayable later than 5 years	24,373,758	-
Total	73,612,590	17,670,019

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

Projects under construction to be converted to lending

Renovations of the National Library Building was completed during the year at a cost Scr 78 m and the company has started on the construction of the Seychelles Revenue Commission (SRC) building estimated to cost of Scr 232m. The company has also been awarded the contract to finance and renovate Independence House building, estimated to cost Scr 76 m.

Work in Progress at 31 March comprises of:	2024	2023
Condominiums for sale (impaired Scr 5,980,679)	9,746,444	19,982,837
National Library	-	41,769,636
SRC Building	33,835,293	2,347,030
Total	43,581,737	64,099,503

Financing for the projects is secured through bank loans of similar amounts which are repayable over 8-10 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.

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

22 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	
	2024	2023	2024	2023
Sale of goods; services and expenses recovered				
To ultimate parent	22,704,574	39,080,801	-	-
To associated companies	8,261,000	16,980,000	8,261,000	16,980,000
Total	30,965,574	56,060,801	8,261,000	16,980,000
Purchase of services				
From associated companies	9,237,969	9,238,722	9,237,969	9,238,722
Loan to/(from) subsidiaries				
Loan to/(from) subsidiaries			(130,011,570)	8,000,000

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

Year end balances receivables/(payables)

Due to ultimate parent - (current)	(14,000,000)	(13,000,000)	(14,000,000)	(13,000,000)
Due to subsidiary - (non current)	-	-	(1,152,782)	(2,923,791)
Due from/(to) associated company - (non-current)	2,875,077	(253,386)	2,875,077	(253,386)

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Notes to the financial statements for the year ended 31 March 2024

Financial statements are prepared in Seychelles Rupees

19 Borrowings (cont ...)

Currency profile	Group		Company	
	2024	2023	2024	2023
US \$	186,379,823	182,223,072	38,614,313	156,683,080
Seychelles R	184,026,871	120,052,144	275,424,128	33,636,126
Total	370,406,694	302,275,216	314,038,441	190,319,206

Finance cost profile

Interest bearing (6% -9%)	370,406,694	299,775,216	184,026,871	187,819,206
Interest free	-	2,500,000	130,011,570	2,500,000
Total	370,406,694	302,275,216	314,038,441	190,319,206

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 U\$ 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 14m and USD 2.5m.
- Fourth and fifth floating charge over company's asset to secure U\$ 3.5m respectively.
- Pledge over aircraft and a first line charge on parcel H113425 at Ile due Port.
- General floating charge on company's assets for USD 280,000.

20 Trade and other payables

	Group		Company	
	2024	2023	2024	2023
Trade payables	54,938,555	44,259,493	54,938,555	30,350,987
Construction creditors	28,633,049	60,622,622	8,970,850	12,816,845
Salaries payable - construction workers	19,015,959	23,350,838	11,162,119	14,486,803
Advances on contracts	175,275,015	46,954,247	18,699,875	1,091,661
Deferred revenue and deposits	426,331	603,506	426,331	603,506
Deposits received for purchase of condominiums	9,802,500	32,305,000	-	-
Dividend payable	14,000,000	13,000,000	14,000,000	13,000,000
Due to related parties	2,699	625,733	2,224,280	3,546,924
Statutory payables	28,362,547	16,024,770	18,440,381	15,263,096
Other accruals	14,964,016	10,481,421	2,882,079	3,590,948
Total	345,420,671	248,227,630	131,744,470	94,750,770

21 Lending (group)

Projects constructed and financed

Projects constructed and converted to lending as at 31 March 2024, under a financial lease, are as follows:

Seychelles National Institute for Culture Heritage and Arts (National Library)	84 Months
Duration of lease remaining at 31 March 2024	October, 2023
Commencement date	Scr 1,073,793
Monthly rental (subject to change in loan interest rates)	6 % p.a
Implicit interest rate for 2023/2024	Scr 96,806,679
Gross investment in lease	Scr 77,773,847
Fair value of lease on commencement date	Scr 16,752,330
Unearned finance income at 31 March 2024	

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22 Related parties and transactions (cont ...)

Dividends	Group		Company	
	2024	2023	2024	2023
Declared in the year (per share 2024: SCR 93.76; 2023: SCR 93.76)	20,000,000	20,000,000	20,000,000	20,000,000
Parent company directors emoluments, pensions or compensation				
Mr. G. M. Savy	1,800,000	1,800,000	1,800,000	1,800,000
Mr. P. Lablache	102,720	72,960	51,360	36,480
Mrs. S. Francis	102,720	72,960	51,360	36,480
Ms. A. Antat	699,501	655,920	-	-
Mr. W. Confait	102,720	72,960	51,360	36,480
Mrs. A. Lebon	102,720	72,960	51,360	36,480
Mr. C. Lionnet	960,000	960,000	960,000	960,000
Mr. D. Matatiken	102,720	72,960	51,360	36,480
Mr. P. Berlouis (resigned 3 April 2023)	-	109,440	-	54,720
Total	3,973,101	3,890,160	3,016,800	2,997,120

23 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
Expenditures incurred during the year	35,093,506	24,874,214	24,422,610	1,712,778	86,103,108
Transferred to property, plant and equipment	(97,244,917)	(33,673,606)	-	(3,024,419)	(133,942,942)
Reclassified to current assets	-	-	-	-	-
At 31 March 2024	17,343,930	15,055,626	52,124,730	-	84,524,286
Cost on completion	61,100,000	42,000,000	62,712,000	-	165,812,000
Date of completion	May 2025	March 2025	June 2024	March 2024	
Source of funds	Internal	DBS loan	Internal	Internal	

Construction of offices, workshop and aviation facilities

The company relocated to its new head office at Ile du Port in December 2023. The total project cost for the new head office amounted to SCR 97.2m. The company is also undertaking construction of a workshop at Ile du Port at an estimated cost SCR 15m and is expected to complete the project in August 2024. 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 government has mandated the company to diversify its activities in order to support food security and develop the fisheries sector through aquaculture. The company has invested SCR 33.6 million to rehabilitate existing infrastructure on Coetivy for prawn farming to cater to the local market. The company is now moving on to the second phase of the prawn project and is in discussions with the Development Bank of Seychelles for a US\$ 3 million loan to complete the prawn hatchery, processing plant, and solar power facilities for the plant.

Vessels and aircraft

The company entered into a contract to build a 30 meter landing craft to service the outer islands. The vessel, estimated to cost of US\$ 1.8m, is expected to be delivered in June 2024.

The company is to take delivery of a new P2012 Stol aircraft in June 2024. The aircraft is estimated to cost Euro 2.4m.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

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23 Commitments (cont)

IT upgrade

The IT project was completed in February 2024, within budget at a cost of SCR 3m.

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	30,157,890
	33,837,340

24 Contingencies

Contingent liability

The company has entered into a contract to purchase renewable energy for its own consumption and resale on Alphonse, Desroches and Platte. 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.

Contingent asset

The group is owed SCR 54m (company - SCR 32m) in retention, withheld for completed projects, subject to the company concluding its obligation to required standards.