

## 6.11

### Island Development Company Group Ltd. (IDC)



#### 6.11.1

##### Strategic Overview

###### 6.11.1.1

###### *Mandate*

- To carry on the business of the managers and developers of Islands and estates either as owners or lessees.
- To carry on farming and land settlement activities.
- To carry on the business of manufacturers of copra, coconut oil, soaps and detergents, animal feeds and of any other products.
- To carry on the business of fishing and processing of fish.
- To act as consultants on the management and development of islands and estates.
- To act as importers, exporters and distributors of goods and materials.
- To carry on business as a building and construction contractor generally including but not limited to all types of civil engineering works and projects.
- To carry on business as project manager and works supervisor in connection with civil engineering projects and construction projects and works generally.
- To carry on business as a provider of civil engineering and architectural services.
- To carry on business as labour contractor.
- To carry on business as importer, wholesaler, retailer and commission agent.

###### 6.11.1.2

###### *Vision*

" To transform the outer islands into a more productive and economically sustainable environment for the betterment of Seychelles"

###### 6.11.1.3

###### *Mission*

" To ensure that the islands actively contribute to the socio-economic development of the Seychelles in an environmentally sustainable manner"

###### 6.11.1.4

###### *Strategic Priorities for 2024-2026*

- Increase in agricultural farming
- Engage in food securities
- Engage in Aquaculture
- Green Energy production for all Islands
- Increase in Air Fleets to cater the growth of the Outer Islands
- To Develop sand pile for the use of the community
- To engage in developing community projects
- To works as an arm of the Government for the Development of Infrastructures of the Country
- To Develop a strong Maintenance team for maintaining the Government Assets such as Hospital, School and other infrastructures

###### 6.11.1.5

###### *Key Challenges*

- Change in Mandate by the Government.
- Change in policies by the Government affecting IDC and it's group of companies

## 6.11.2

### Outlook of Financial Strategy

#### 6.11.2.1

#### Projected Financial Position of Island Development Company Group Ltd.

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
<b>Assets:</b>							
Property, Plant and equipment	215,438	298,120	291,041	276,918	403,074	449,374	459,574
Investments	5	5	5	1,394	1,394	1,394	1,394
Lendings/Green Tree WIP	55,197	37,306	19,043	64,100	149,775	155,184	97,592
Due from related parties	22,854	22,873	14,736	-	28,000	20,000	20,000
Capital work in progress	102,663	6,206	30,853	132,364	138,364	132,125	109,125
Deferred income tax asset	7,988	13,311	6,474	14,758	13,258	11,758	10,258
<b>Non-Current Assets</b>	<b>404,145</b>	<b>377,820</b>	<b>362,151</b>	<b>489,534</b>	<b>733,865</b>	<b>769,834</b>	<b>697,942</b>
Lendings/Green Tree WIP	15,563	17,553	18,047	17,670	49,258	77,592	82,592
Asset held for sale	-	-	2,845	2,845	-	-	-
Inventories	16,353	65,900	48,392	35,311	35,000	25,000	30,000
Taxation	-	-	-	-	-	-	-
Trade and other receivables	111,962	131,806	215,830	277,053	262,327	273,603	209,655
Cash and cash equivalent	41,868	61,541	42,333	49,550	43,206	56,172	58,148
<b>Current Assets</b>	<b>185,746</b>	<b>276,800</b>	<b>327,446</b>	<b>382,430</b>	<b>389,792</b>	<b>432,366</b>	<b>380,394</b>
<b>Total Assets</b>	<b>589,891</b>	<b>654,619</b>	<b>689,598</b>	<b>871,964</b>	<b>1,123,657</b>	<b>1,202,201</b>	<b>1,078,337</b>
<b>Liabilities:</b>							
Employee benefit obligations	4,437	5,107	5,775	8,058	8,863	8,613	7,713
Deferred tax liability	-	-	-	-	-	-	-
Borrowings	172,216	192,175	124,614	129,314	184,543	138,798	117,332
<b>Non- Current Liabilities</b>	<b>176,652</b>	<b>197,283</b>	<b>130,389</b>	<b>137,372</b>	<b>193,407</b>	<b>147,411</b>	<b>125,045</b>
Borrowings	51,367	59,223	68,423	172,961	48,746	55,750	42,855
Taxation	2,417	6,366	1,160	21,607	36,146	49,076	14,400
Trade and other payables	139,547	192,578	257,228	248,228	478,040	491,645	398,184
<b>Current Liabilities</b>	<b>193,330</b>	<b>258,167</b>	<b>326,811</b>	<b>442,796</b>	<b>562,931</b>	<b>596,471</b>	<b>455,438</b>
<b>Total Liabilities</b>	<b>369,982</b>	<b>455,450</b>	<b>457,200</b>	<b>580,167</b>	<b>756,338</b>	<b>743,883</b>	<b>580,484</b>
Share Capital	21,331	21,331	21,331	21,331	21,331	21,331	21,331
Retained earnings	150,709	132,838	168,922	231,134	307,389	399,187	441,602
Deferred Grants	47,869	45,001	42,144	39,331	38,600	37,800	34,920
<b>Equity</b>	<b>219,909</b>	<b>199,170</b>	<b>232,398</b>	<b>291,796</b>	<b>367,320</b>	<b>458,318</b>	<b>497,853</b>
<b>Total Liabilities and equity</b>	<b>589,891</b>	<b>654,619</b>	<b>689,598</b>	<b>871,964</b>	<b>1,123,657</b>	<b>1,202,201</b>	<b>1,078,337</b>

### 6.11.2.2 Projected Statement of Comprehensive Income of IDCL

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Revenue	600,029	555,832	546,331	1,238,261	1,029,724	1,077,998	955,861
Direct costs	(395,628)	(376,564)	(341,788)	(900,679)	(707,049)	(733,290)	(667,213)
Other Income	24,622	43,170	30,148	15,909	37,231	36,023	37,023
Administrative Salaries and Benefits	(65,734)	(70,339)	(80,266)	(84,041)	(85,850)	(86,850)	(85,350)
Camp running Expenses	(7,847)	(6,398)	(4,189)	(12,160)	(11,160)	(13,160)	(12,160)
Communication	(4,705)	(5,791)	(6,273)	(6,687)	(5,694)	(6,644)	(6,394)
Depreciation (net of deferred grant credit	(27,620)	(28,097)	(37,119)	(38,789)	(42,600)	(45,500)	(48,300)
Exchange (losses/gain (operating)	(1,732)	(13,158)	(7,970)	(10,393)	8,500	9,000	5,000
External transportation	(7,340)	(3,168)	(10,738)	(6,042)	(6,063)	(6,563)	(7,563)
Fuel for electricity generation & island use	(23,458)	(10,968)	(11,898)	(13,466)	(25,106)	(23,106)	(25,106)
Insurances	(5,185)	(3,643)	(2,413)	(3,438)	(4,628)	(4,128)	(4,478)
Other expenses	(16,435)	(8,422)	(15,726)	(20,290)	(13,236)	(13,147)	(11,288)
Rental	(3,533)	(2,787)	(986)	(1,975)	(2,724)	(2,474)	(2,624)
Repairs and maintenance	(12,283)	(17,803)	(13,898)	(15,352)	(21,028)	(20,225)	(23,485)
Subscriptions and donations	-	-	(1,343)	(4,539)	(649)	(849)	(699)
Revegetation restoration of Farquhar	(7,386)	-	-	-	-	-	-
Travelling	(4,941)	(5,614)	(5,673)	(7,031)	(5,791)	(5,971)	(7,171)
Utilities	(5,417)	(4,226)	(4,675)	(5,421)	(3,879)	(4,379)	(5,879)
Operating profit	35,408	42,027	31,526	123,868	139,999	156,737	90,174
Finance income	9,129	17,977	58,504	7,127	1,050	1,850	1,625
Finance cost	(17,966)	(38,248)	(36,775)	(20,080)	(16,074)	(12,620)	(10,728)
Finance costs-net	(8,836)	(20,271)	21,729	(12,953)	(15,024)	(10,770)	(9,103)
Share of losses in associate	-	-	-	1,392	-	-	-
Profit before income tax	26,572	21,755	53,255	112,306	124,975	145,967	81,071
Income tax expense	(12,562)	(19,626)	(17,171)	(30,094)	(28,721)	(34,169)	(18,656)
Profit for the year	14,010	2,129	36,084	82,212	96,254	111,798	62,415
Dividends	(5,000)	(20,000)	-	(20,000)	(20,000)	(20,000)	(20,000)
Profit for the year after dividends	9,010	(17,871)	36,084	62,212	76,254	91,798	42,415
Retained earnings 1 April	141,699	150,709	132,838	168,922	231,134	307,389	399,187
<b>Retained earnings 31 March</b>	<b>150,709</b>	<b>132,838</b>	<b>168,922</b>	<b>231,134</b>	<b>307,389</b>	<b>399,187</b>	<b>441,602</b>

**6.11.2.3 Projected Cash flow Statement of Island Development Company Group Ltd.**  
**SCR ('000)**

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
<b>Cash flows from operating activities</b>							
Profit for the year before exceptional item	26,572	21,755	53,255	112,306	124,975	145,967	81,071
<i>adjustments for:</i>							
Taxation paid	(12,397)	(20,999)	(15,542)	(17,930)	(12,682)	(19,738)	(51,832)
Depreciation (net of adjustment for deferred grant)	27,620	28,097	37,119	38,789	42,600	45,500	48,300
Changes in provision for employee benefits	989	671	668	2,282	806	(250)	(900)
Profit on sale of apartment	-	-	-	(4,699)	-	-	-
Profit on disposal of tangible assets	(8,700)	(10)	(21,299)	(56)	-	-	-
Tangible assets decommissioning and scrapped	-	2,143	-	(1,390)	-	-	-
Finance costs	8,836	20,271	(21,729)	12,953	15,024	10,770	9,103
	42,920	51,929	32,473	142,256	170,723	182,248	85,742
<b>Changes in working capital</b>							
Asset held for sale	-	-	-	-	2,845	-	-
Inventories	35,229	(46,702)	14,662	2,731	311	10,000	(5,000)
Trade and other receivables	7,508	(19,844)	(84,024)	(61,224)	14,726	(11,276)	63,948
Trade and other payables	(29,436)	33,031	64,651	(14,251)	229,812	13,605	(93,461)
<b>Cash generated from/(utilised) in operations</b>	<b>56,221</b>	<b>18,414</b>	<b>27,762</b>	<b>69,513</b>	<b>418,418</b>	<b>194,578</b>	<b>51,229</b>
Proceeds from sale of apartment	-	-	-	15,049	-	-	-
Interest received	9,129	6,263	575	493	1,050	1,850	1,625
Interest paid	(16,903)	(12,362)	(11,294)	(16,390)	(16,074)	(12,620)	(10,728)
<b>Net Cash from / ( used) in operating activities</b>	<b>48,447</b>	<b>12,315</b>	<b>17,043</b>	<b>68,665</b>	<b>403,393</b>	<b>183,808</b>	<b>42,126</b>
<b>Cash flows from investing activities</b>							
Payments to acquire tangible fixed assets	(13,952)	(118,637)	(39,584)	(27,479)	(166,745)	(93,811)	(58,500)
Investment in work in progress	(40,209)	96,457	(24,647)	(165,611)	(123,264)	(27,502)	75,592
Lending repaid	11,596	15,902	21,542	21,542	-	-	-
Proceeds from disposal of tangible fixed assets	8,700	10	12,887	56	-	-	-
<b>Net cash used in investing activities</b>	<b>(33,866)</b>	<b>(6,268)</b>	<b>(29,802)</b>	<b>(171,492)</b>	<b>(290,009)</b>	<b>(121,314)</b>	<b>17,092</b>
<b>Cash flow from financing activities</b>							
Capital grant received	-	-	-	-	(731)	(800)	(2,880)
Loans repaid	(85,720)	(120,005)	(47,959)	(85,706)	(75,851)	(65,989)	(35,772)
Loans received	26,916	125,093	51,599	93,555	111,478	12,620	10,728
Changes in related party balances	(8,998)	(18)	8,137	14,736	(28,000)	10,011	-
Dividend paid	(5,000)	-	-	(14,000)	(20,000)	(20,000)	(20,000)
<b>Net cash used in financing activities</b>	<b>(72,803)</b>	<b>5,069</b>	<b>11,777</b>	<b>8,585</b>	<b>(13,104)</b>	<b>(64,158)</b>	<b>(47,924)</b>
Increase/(decrease) in cash and cash equivalents	(58,222)	11,116	(982)	(94,242)	100,280	(1,663)	11,294
Exchange losses on bank balances	(836)	11,714	(24,493)	(3,691)	-	-	-
Cash & cash equivalent at 1 April	84,572	25,515	48,345	22,870	(75,063)	25,218	23,554
Cash & cash equivalent at 31 March	25,515	48,345	22,870	(75,063)	25,218	23,554	34,848
Cash in hand and banks	41,868	61,541	42,333	49,550	43,206	56,172	58,148
Bank overdrafts	-	-	-	-	(17,988)	(32,617)	(23,299)
<b>Cash &amp; cash equivalent at 31 March</b>	<b>41,868</b>	<b>61,541</b>	<b>42,333</b>	<b>49,550</b>	<b>25,218</b>	<b>23,554</b>	<b>34,848</b>

#### 6.11.2.4 Projected Capital Investment Plan of Island Development Company Group Ltd.

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Expected Completion Date	Actual Figures			Provisional	Forecast		
						2020	2021	2022		2024	2025	2026
<b>Major Capital Investments</b>												
Buildings and Utilities	Buildings to accommodate Staff on the Islands. IDC is also moving to it's own Head office at Ile Du Port in December 2023				Completed							
Purchase of Aircraft	New Aircraft is required to increase the network to outer Islands to meet the passenger transfer demands for new Tourism development in Assumption Island and proposed for Coetivy Island	Buildings and utilities are essential part of living on the Islands. IDC's own New Head office.	Depends on the requirement for each Island. IDC Ho will cost SR 90m	Own funds are used for the outer Islands building. IDC has borrowed SR 65m from Alsalam Bank for the new Head office and Warehouse facility at Ile Du Port	Ongoing for Outer Islands. New Head Office is finishing in December 2023	8,922	16,878	22,721	2,445	94,975	10,000	-
Machinery and Fittings	Generators, Solar Panels, Desalinators and Incinerator is required for the Islands survival for water and electricity and switch to green energy to save substantial electricity generating costs	The New Aircraft will generate more revenues in the coming years.	Purchased 3rd Beechcraft in 2022 at SR 61m. On order Tecnam Aircraft for a value of SR 42m	3rd Aircraft was purchased with a bank loan from Alsalam Bank and Tecnam Aircraft will be purchased from IDC own funds	3rd Beechcraft is in operation. Tecnam Aircraft will be in operation in 2024.	61,476	(18,041)	-	18,495	30,000	-	-
Vehicles and Boats	New Landing craft to carry construction materials and supplies to outer Islands.	Without the Electricity and water the Islands can't be developed for habitation and Tourism Development. Also IDC is building a New Hangar at Pt. La Rue in Mahe.	Replacing for Generators and utility services equipments on need basis. IDC is building a New Aircraft Hangar in Mahe at a cost of approx.. SR 60m	Own funds	Hangar work in progress	4,104	22,551	12,609	22,503	21,692	40,000	2,000
Prawns production processing Plants	New business activity for IDC to reduce the reliance on importation of prawns by the country.	IDC is proposing a New class I landing craft in 2026 that will reduce the charter from 3rd parties to a considerable extent and save money for the company.	SR 65m	Borrowed fund in the year 2026	Yet to place the order for the Landing craft	(2,405)	948	2,316	1,312	8,200	56,000	
		This project is an import substitution for the country and at the same time going to increase the revenue for IDC substantially in the coming years. Currently 8 ponds are in production on Coetivy. Also the prawn processing plants are under installation on Coetivy Island.	SR 40m	Own funds	Ongoing	-			32,283	6,000		

## 6.11.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

### 6.11.3.1 Tax Implications by the Operations of Island Development Company Group Ltd.

Type of Tax	SCR ('000)						
	Actual Figures			Provisional		Forecast	
	2020	2021	2022	2023	2024	2025	2026
Business Tax	4,327	17,077	7,393	12,389	5,769	14,335	2,187
CSR TAX	1,782	1,559	-	-	-	-	-
TOURISM AND MARKETING TAX	1,782	1,559	493	2,453	1,589	1,974	1,428
VAT	2,865	3,393	11,451	32,683	47,670	59,220	42,840

### 6.11.3.2 Anticipated Dividend Declarations By Island Development Company Group Ltd.

Nature of Dividend	SCR ('000)						
	Actual Figures			Provisional		Forecast	
	2020	2021	2022	2023	2024	2025	2026
Dividends in Cash	5,000	20,000	-	20,000	20,000	20,000	20,000
Dividends in lieu of Cash	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,000</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

### 6.11.3.3 Debt Payments Forecasts By Island Development Company Group Ltd.

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing						
				Actual Figures			Provisional		Forecast	
				2020	2021	2022	2023	2024	2025	2026
Loan 01 From Nouvobanq Bank	Borrowings/ Opening Balance	2nd Beechcraft Loan in USD	-	26,269	21,844	30,433	17,222	10,581	2,657	-
	Interest for the Year		-	1,588	1,560	806	719	539	216	-
	Repayment of Capital		-	6,013	819	14,016	7,360	8,464	2,872	-
	Exchange Adjustment		-	-	7,848	-	-	-	-	-
	Balance carried forward		-	21,844	30,433	17,222	10,581	2,657	-	-
Loan 02 From Nouvobanq Bank	Borrowings	Generator Loan in USD	-	29,310	22,272	33,245	17,763	9,733	-	-
	Interest for the Year		-	1,262	1,299	252	623	467	-	-
	Repayment of Capital		-	7,038	760	15,734	8,653	10,200	-	-
	Exchange Adjustment		-	-	10,434	-	-	-	-	-
	Balance carried forward		-	23,534	33,245	17,763	9,733	-	-	-
Loan 03 From Nouvobanq Bank	Borrowings	COVID Working Capital Loan in USD	-	-	18,790	18,790	12,073	7,585	1,957	-
	Interest for the Year		-	-	-	373	538	403	181	-
	Repayment of Capital		-	-	-	9,930	5,026	6,031	2,139	-
	Exchange Adjustment		-	-	-	2,840	-	-	-	-
	Balance carried forward		-	-	18,790	12,073	7,585	1,957	-	-
Loan 04 From	Borrowings	3rd Beechcraft Loan in USD	-	-	60,564	61,879	38,400	33,320	30,915	28,100
	Interest for the Year		-	-	1,315	2,486	2,144	1,930	1,737	1,563

Alsalam Bank	Repayment of Capital		-	-	-	3,242	7,225	4,335	4,552	5,007
	Exchange Adjustment		-	-	-	(22,722)	-	-	-	-
	Balance carried forward		-	-	61,879	38,400	33,320	30,915	28,100	24,657
Loan 05 From Alsalam Bank	Borrowings	New Head Office and WH Loan in USD	-		10,363	11,429	11,783	19,095	18,158	16,962
	Interest for the Year		-	-	431	354	436	828	745	708
	Repayment of Capital		-	-	-	-	588	1,765	1,941	2,329
	Loan added		-		635	-	7,464			
	Balance carried forward		-	-	11,429	11,783	19,095	18,158	16,962	15,340
Loan 06 From Alsalam Bank	Borrowings	New Head Office and WH Loan in SR	-	-	-	467	3,754	30,000	41,520	37,314
	Interest for the Year		-	-	137	245	316	2,520	2,394	2,274
	Repayment of Capital		-	-	-	330	-	6,000	6,600	7,260
	Loan added		-		330	3,372	25,930	15,000	-	-
	Balance carried forward		-	-	467	3,754	30,000	41,520	37,314	32,328
Loan 07 From Ministry of Finance	Borrowings	COVID Working Capital Loan	-	-	18,000	14,500	8,500	2,500	-	-
	Interest for the Year		-	-	-	-	-	-	-	-
	Repayment of Capital		-	-	3,500	6,000	6,000	2,500	-	-
	Balance carried forward		-	-	14,500	8,500	2,500	-	-	-
Loan 08 From Nouvobanq Bank	Borrowings	Independence House ANNEX Loan for Green Tree Investment	-	91,837	81,089	66,072	49,382	15,863	-	-
	Interest for the Year		-	9,594	6,359	4,761	2,865	1,719	-	-
	Repayment of Capital		-	10,748	15,017	16,690	33,519	17,582	-	-
	Balance carried forward		-	81,089	66,072	49,382	15,863	-	-	-
<b>Note: Loan repayment guaranteed by MOF</b>										
Loan 09 From Nouvobanq Bank	Borrowings	National Library Loan for Green Tree Investment	-	-	-	-	16,588	49,596	82,193	73,905
	Interest for the Year		-	-	-	8	1,692	5,079	4,597	3,543
	Repayment of Capital		-	-	-	-	-	12,886	12,886	12,886
	Added further disbursement		-	-	-	16,588	33,008	40,404	-	-
	Balance carried forward		-	-	-	16,588	49,596	82,193	73,905	64,562
<b>Note: Loan repayment guaranteed by MOF</b>										
Loan 10 From Nouvobanq Bank	Borrowings	Independence House Renovations Loan for Green Tree Investment	-	-	-	-	-	1,400	37,900	5,650
	Interest for the Year		-	-	-	-	-	1,500	2,750	2,640
	Repayment of Capital		-	-	-	-	-	5,000	35,000	8,290
	Added Loan		-	-	-	-	-	40,000	-	-
	Balance carried forward		-	-	-	-	-	37,900	5,650	-
<b>Note: Loan repayment guaranteed by MOF</b>										
Loan 11 From Nouvobanq Bank	Borrowings	La Digue Hospital Loan for Green Island Construction in USD but converted in	-	-	-	-	-	-	-	-
	Interest for the Year		-	-	-	-	-	-	-	-
	Repayment of Capital		-	-	-	-	-	-	-	-
	LDH - Term loan to obtain		-	-	-	-	-	-	-	-

	Balance carried forward	SCR for presentation here	-	-	-	-	-	-	-	-	-
<b>Note: Loan repayment guaranteed by MOF</b>											
Loan 12 From Noulobanq Bank	Borrowings	La Digue Hospital Loan for Green Island Construction in USD but converted in SCR for presentation here	-	-	-	-	-	-	-	-	-
	Interest for the Year		-	-	-	-	-	-	1,090	-	-
	Repayment of Capital		-	-	-	-	-	-	1,090	-	-
	LDH - Term loan to obtain		-	-	-	-	-	-	-	-	-
	Balance carried forward		-	-	-	-	-	-	-	-	-
<b>Note: Loan repayment guaranteed by MOF</b>											
Loan 13 From Noulobanq Bank	Borrowings	CONDO Loan for Green Tree Investment	-	27,467	35,661	-	-	-	-	-	-
	Interest for the Year		-	4,238	4,098	-	-	-	-	-	-
	Repayment of Capital		-	-	41,060	-	-	-	-	-	-
	Added further disbursement		-	8,194	5,400	-	-	-	-	-	-
	Balance carried forward		-	35,661	-	-	-	-	-	-	-
<b>Note: Loan repayment guaranteed by MOF</b>											
<b>TOTAL</b>				<b>385,686</b>	<b>606,399</b>	<b>487,585</b>	<b>497,844</b>		<b>582,304</b>	<b>455,841</b>	<b>345,319</b>

#### **6.11.3.4 Anticipated Subventions and Grants By Island Development Company Group Ltd.**

IDC has no anticipated subventions

#### **6.11.3.5 Contingencies of Island Development Company Group Ltd.**

R ('000)

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees							
				Actual Figures			Provisional		Forecast		
				2020	2021	2022	2023	2024	2025	2026	
Guarantees	Government	With Britton Norman for Recovery of Advance paid for the purchase of Islander Aircraft USD 487,000	-	-	-	-	6,818	-	-	-	
	Guaranteed for Green Tree Investment	On completion of 40 Graduate apartments at the IDC Condominium sites, there is a potential loss of SR 31.9m in the books of Green Tree Investment Company Ltd. The loss is supposed to be recouped by the sales of two blocks of Luxury Units consisting of 19 apartments each for which construction has not started.	-	-	-	-	-	31,900	-	-	
<b>TOTAL</b>	-	-	-	-	-	-	-	<b>6,818</b>	<b>31,900</b>	-	-

### 6.11.3.6 Assumptions used for the Financial Projections of Island Development Company Group Ltd.

- Hotel/Tourism Development on outer Islands depend on Government approval.
- Hotel/Tourism Development on outer Islands depend on EIA approval.
- Foreign Exchange fluctuations in the forecasted years.
- Regulatory changes by SCAA impacting Aircraft Operations.
- Availability of unrestricted Air Operating License from SCAA.
- COVID like situations.
- Changes in the Bank interest impacting loan balances.

### 6.11.4 KPIs, Risk Management Strategy and Reporting Obligations

#### 6.11.4.1 Key Performance Indicators of the Island Development Company Group Ltd.

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional	Forecast		
		2020	2021	2022	2023	2024	2025	2026
Net Profit Margin	-	2.33%	0.38%	6.60%	6.64%	9.35%	10.37%	6.53%
Asset Turnover	-	101.72%	84.91%	79.22%	142.01%	94.06%	89.26%	87.97%
Current Ratio	-	0.96	1.07	1.00	0.86	0.84	1.05	1.23
Return on Asset	-	2.38%	0.33%	5.23%	9.43%	8.79%	9.26%	5.74%
Cash Ratio	-	21.66%	23.84%	12.95%	11.19%	3.89%	13.53%	18.75%
Interest cover ratio	-	1.97	1.10	0.86	6.17	12.12	13.93	10.84
ROCE	-	10%	12%	10%	32%	22%	21%	12%
Debt Ratio	-	62.72%	69.57%	66.30%	66.54%	66.45%	62.05%	54.18%
ROE	-	8%	1%	19%	33%	29%	27%	13%

#### 6.11.4.2 Risks and Resilience Plan of the Island Development Company Group Ltd.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Change of Management-BoDs	For change of Management- IDC has succession Plan in place for change of management. However, the Board of Directors are appointed by the President of the country. A new BoD always follows after each changes. Until such time a new BoD is announced, the sitting BoD remain in the office.
	Demand for request beyond the Strategic Plan	Company have a team of professionals to take the right decisions for a strategic change of plan.
	Intense competition within construction industry, including the entry of new players or the emergence of more technologically advanced competition.	Company over the years have diversified into activities such as maintenance contract for the hotel, Villas , Hospitals and any type of infrastructures beside producing water, electricity and sell to the hotels in Outer Islands to replace reliance on the commercial projects.
Financial Risks	Working Capital deficit	With the increased revenue on opening of Platte hotel, hotel on Assumption Island and existing hotel on Desroches Island, company does not envisage working capital shortages.
	Unexpected inflation of materials	Unexpected inflation is not controllable nor can be predicted beside a certain percentage based on current inflation rates. Construction projects always keep a cushion of 3-5% towards the inflation during the pendency of the projects. Maintenance contract are designed to exclude the cost of replaced materials paid by the principal as extras.
	High Level of Debt	Company has a strategy to reduce the external debts taken for creating IDC assets for future generations/enhance the revenues. However, in Green Tree Investment Company Ltd engaged in doing BOT (Build, Operate and Transfer) projects on behalf of Government of Seychelles,

		the debts are guaranteed by the Budget allocation by MOF. Hence the BOT project debts will not pose any burden to IDC.
	Insufficient cash reserves	Insufficient cash reserves will happen in case of too many capital investments. Company have carefully projected the investment plans for 2024, 2025 and 2026
Operational Risks	Labour shortages or labour demand	IDC have good proportion of local employees beside the foreign employees engaged in the construction activities. The current labour market will not pose much difficulty in the recent future.
	Supply chain Disruptions	Supply chain disruptions caused by Pandemic is unpredictable.
	Project delays	Since IDC started commercial projects, the completion dates for none of the projects have been overshoot reason being a good team of profession and well planning. The current trend will continue.
Compliance and Regulatory Risks	Legal and Liability issue due to projects	All projects come with a late delivery penalty clause. Due implementation process is adopted to avoid any delays. IDC have not experienced any delay penalties on any contract executed and handed over this far.
Environmental and Social Risks	Rising water level that affects the capital works	All our commercial projects are fully covered through a Contractors All Risk policy for any natural calamities. On completion of the projects, the building with all plant and machineries in situ are handed over to the Developer for their insurance cover and cancel the Contractors All Risk policy.
	Rising water level that affects the inland infrastructures	IDC have Fire Industrial policies for all assets on all the outer Islands and inner Islands with adequate cover for any loss.
PESTEL	Change of Mandate by the Shareholder/Government	This will pose a problem in the event the current Mandate is withdrawn and replaced by another Mandate with limitations/restrictions on the current activities. This will have to be dealt by the Shareholder/Government.
	Technology Disruptions	IDC upgrades the changing technology within the limited resources and the trend will be continued. Any unforeseen changes at a later date and not known currently will be analysed when it occurs.
	Market fluctuations- changes in the demand for construction services due to economic downturns, market saturations, or shifts in customer preferences.	IDC being a fully owned Government Company, will have sufficient Government projects/maintenance contracts to perform without depending on commercial projects limited due to economic downturn. Instead of new projects, the maintenance of Government assets such as Hospital, schools and other infrastructures will keep the company with plenty of works.

#### 6.11.4.3 *List of External Reporting's by the Island Development Company Group Ltd.*

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report
Year-end Audited Financials	PEMC/MOF	Audited Financials	Yearly

#### 6.11.5 Stakeholder Engagement

The MTFS is in draft mode and yet to be approved by the BoDs and the responsible Minister for IDC. As such, the statement of commitments by the CEO, BoDs and the responsible minister is not included.