



ISLANDS DEVELOPMENT COMPANY LTD

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DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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ISLANDS DEVELOPMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2011

The directors present herewith their report and audited financial statements of the company for the year ended 31 March 2011.

Activities

The principal activity of the company during the year was the management of outlying islands, the transportation related thereto on behalf of the Seychelles Government and construction activities.

The company is also actively engaged in promoting tourism and private investment which has resulted in the company engaging itself in construction activities of resorts and villas on island managed by itself.

Results

As shown in the profit & loss account on page 4 activities of the current year give the company a profit of R 4,879,827 after taxation.

Application of profits and revenue reserves

The results for the current year and accumulated losses from prior years give the company R 22,874,899 available for distribution.

The directors do not propose to distribute a dividend for the current year.

Fixed assets

Major additions to fixed assets represents additions to:

Machinery and Equipment	-	R 1.9 m
Generator room - Assumption	-	R 539 K
Generator room - Remire	-	R 270 k
Grand Kaz - Desroches	-	R 946 k
Manager's house - Farquhar	-	R 1.1 m
Guest house - Platte	-	R 1.9 m
Guest house - Remire	-	R 827 k
Staff house - Remire	-	R 835 k
Staff house - Silhouette	-	R 1.4 m

The carrying amounts of property, plant and equipment are reviewed to determine whether they are in excess of their market or recoverable amount at balance sheet date. If the carrying amount exceeds the recoverable amount, the asset is written down to the lower amount.

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.M.Savy	0	0
Mr. P. Lablache	0	0
Mr. R. Renaud	0	0
Mr. D. Dogley	0	0
Mr. H. Aglae	0	0
Ms. L. Désaubin	0	0
Ms. S. Renaud	0	0
Mr. P. Payet	0	0

Mr. H. Aglae and Ms. L. Désaubin 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 at any time during the year in which the directors had directly or indirectly, a 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:-

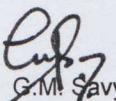
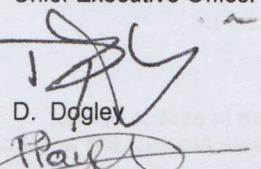
- prepare financial statements on the going concern basis unless it is inappropriate to assume continuance of business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- disclose and explain any material departures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

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

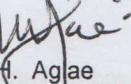
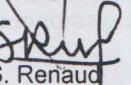
Auditors

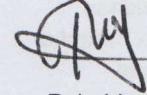
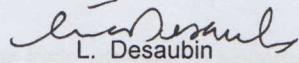
The retiring auditors are Pool & Patel who are eligible for re-appointment.

DIRECTORS


G.M. Savy
Chief Executive Officer

D. Dogley

P. Payet
30 June 2011


R. Renaud
Deputy Chief Executive Officer

H. Agae

S. Renaud


P. Lablache
Chairman

L. Desaubin



INDEPENDENT AUDITOR'S REPORT

ISLAND DEVELOPMENT COMPANY LIMITED

We have audited the accompanying financial statements of Island Development Company Limited on pages 4 to 14 which comprise the Statement of financial position as at March 31, 2011, the Statement of comprehensive income and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management, under the historical cost convention and the financial reporting provisions of the Seychelles Companies Act 1972.

This report is made solely for the Company's members as a body in accordance with Section 158 of the Companies Act 1972. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Members as a body for our audit work, for this report or for the opinion we have formed.

Management's Responsibility for the Financial Statements

Management is responsible for keeping proper accounting records and for the preparation of financial statements that give a true and fair view of the company's affairs in accordance with the financial reporting provisions of the Seychelles Companies Act 1972, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We have no relationship with, or material interest in the company other than in our capacity as auditors and tax and business advisors and arms length dealings with the company in the ordinary course of business.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and that these are in accordance with the accounting records maintained by the management. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements set out on pages 4 to 14 give a true and fair view of the financial position of Island Development Company Limited as at March 31, 2011, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting provisions of the Seychelles Companies Act 1972.

Pool . Patel
POOL & PATEL
CHARTERED ACCOUNTANTS

39 June 2011

LAND DEVELOPMENT COMPANY LIMITED

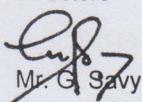
Statement of financial position

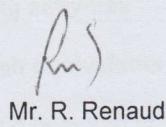
Financial statements are prepared in Seychelles Rupees

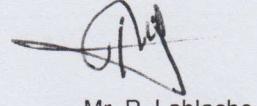
	Note	As at 31 March	
		2011	2010
Assets			
Property, plant and equipment	11	62,925,873	60,695,481
Investments	12	50,237	1,935,237
Lendings	19	1,885,000	0
Capital work in progress	20	107,901	189,706
Deferred income tax asset	9	4,047,902	8,497,360
Non-current assets		69,016,913	71,317,784
Inventories	14	5,239,367	1,602,372
Trade and other receivables	15	52,790,941	51,476,385
Cash and cash equivalent		5,037,093	9,396,704
Current assets		63,067,401	62,475,461
Total assets		132,084,314	133,793,245
Liabilities			
Employee benefit obligations	16	827,315	2,922,764
Deferred tax liability	9	1,594,547	2,203,177
Deferred grants	13	31,883,038	34,353,078
Borrowings	17	7,476,376	7,212,403
Non-current liabilities		41,781,276	46,691,422
Borrowings	17	217,024	493,078
Trade and other payables	18	53,576,815	54,979,373
Current liabilities		53,793,839	55,472,451
Total liabilities		95,575,115	102,163,873
Share capital	10	13,634,300	13,634,300
Retained earnings		22,874,899	17,995,072
Equity		36,509,199	31,629,372
Total liabilities and equity		132,084,314	133,793,245

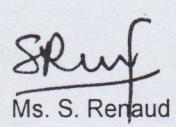
The notes on pages 8 to 14 are an integral part of these financial statements.

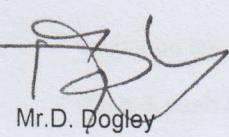
Directors

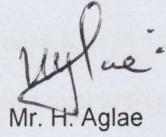

Mr. G. Savoy

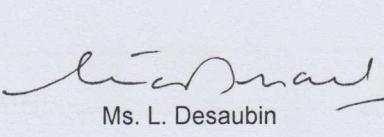

Mr. R. Renaud

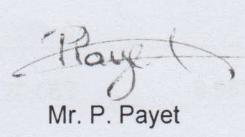

Mr. P. Lablache


Ms. S. Renaud


Mr. D. Dogley


Mr. H. Aglae


Ms. L. Desaubin


Mr. P. Payet

ISLAND DEVELOPMENT COMPANY LIMITED

Statement of income - by nature of expense and retained earnings

Financial statements are prepared in Seychelles Rupees

	Note	Year ended 31 March	
		2011	2010
Revenue			
Other income	3	68,285,987	135,833,093
Direct costs for construction	4	11,946,183	7,143,247
Employee salaries and benefits expense (Excluding construction)		(25,673,522)	(90,379,560)
Depreciation and amortisation		(17,230,115)	(15,499,084)
Adjustment for deferred grants	11	(9,866,261)	(9,610,768)
Fuel for electricity generation & island use		2,470,040	1,700,041
Repairs and maintenance		(2,476,703)	(3,928,285)
Communication		(6,607,727)	(9,513,515)
External transportation		(1,268,426)	(1,454,793)
Exchange (losses)/gains (operating)		(3,855,594)	(2,169,563)
Utilities		(2,238,377)	6,434,860
Travelling		(904,038)	(895,426)
Insurances		(661,805)	(1,254,036)
Other expenses		(592,963)	(544,657)
		(2,307,683)	(2,101,166)
Operating profit		9,018,996	13,760,388
Finance income	7	3,454	5,169
Finance costs	8	(301,794)	(216,936)
Finance costs - net		(298,340)	(211,767)
Profit before income tax			
Income tax expense	9	8,720,656	13,548,621
		(3,840,829)	(1,890,416)
Profit for the year		4,879,827	11,658,205
Dividends		0	0
		4,879,827	11,658,205
Retained earnings 1 April		17,995,072	(1,847,732)
First time adoption of deferred taxation		0	8,184,599
Restated retained earnings 1 April		22,874,899	17,995,072
Retained earnings 31 March		22,874,899	17,995,072

ISLAND DEVELOPMENT COMPANY LIMITED

Cash flow statement

Financial statements are prepared in Seychelles Rupees.

Note	As at 31 March	
	2011	2010
Cash flows from operating activities		
Profit for the year	4,879,827	9,764,755
Adjustments for:-		
Taxation	3,840,829	3,783,866
Depreciation	9,866,261	9,610,768
Changes in provision for employee benefits	(608,630)	(240,570)
Profit on disposal of tangible fixed assets	(27,960)	0
Deferred grants amortised	(2,470,040)	(1,700,040)
Impairment of work in progress	81,805	1,103,260
Finance costs	(298,340)	(211,767)
Changes in working capital	15,263,752	22,110,272
Increase in inventories	(3,636,995)	(215,084)
Increase in debtors	(1,314,557)	9,844,322
Decrease in creditors	(2,028,724)	(22,108,449)
Cash generated from operations	8,283,476	9,631,061
Interest received	3,454	5,169
Interest paid	(301,794)	(216,936)
Net cash from operating activities	7,985,136	9,419,294
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(12,125,720)	(9,765,900)
Proceeds from sale of assets	57,027	0
Net cash used in investing activities	(12,068,693)	(9,765,900)
Cash flow from financing activities		
Loan received	0	0
Loan repaid	0	0
Dividend paid	0	0
Net cash used in financing activities	0	0
Decrease in cash and cash equivalents	(4,083,557)	(346,606)
Cash & cash equivalent and overdraft at 1 April	8,903,626	9,250,232
Exchange adjustments on cash & cash equivalent	0	0
Cash & cash equivalent and overdraft at 31 March	4,820,069	8,903,626

ISLAND DEVELOPMENT COMPANY LIMITED

FIVE YEAR FINANCIAL SUMMARY - 31 MARCH 2011

Financial statements are prepared in Seychelles Rupees

	2011	2010	2009	2008	2007
Balance sheet					
Share capital					
Authorised	13,635	13,635	13,635	13,635	13,635
Issued and Fully paid	13,634	13,634	13,634	13,634	13,634
Retained earnings	20,893	17,995	2,880	(16,831)	(22,276)
Deferred liabilities	827	2,923	3,163	934	2,931
Deferred grants	31,883	34,353	36,053	37,840	36,201
Long term loan	7,476	7,212	7,017	6,792	6,592
Net assets employed	74,713	76,117	62,747	42,369	37,082
Profit and loss					
Turnover	113,954	168,097	325,685	16,686	22,201
Profit before taxation	8,721	13,549	14,983	5,445	(4,423)
Taxation	(3,841)	(1,890)	0	0	0
	4,880	11,659	14,983	5,445	(4,423)
Dividends	0	0	0	0	0
	4,880	11,659	14,983	5,445	(4,423)
Retained earnings - 1 April	17,996	(1,848)	(16,831)	(22,276)	(17,853)
First time recognition of deferred taxes	0	8,185	0	0	0
Restated retained earnings 1 April	17,996	6,337	(16,831)	(22,276)	(17,853)
Retained earnings - 31 December	22,876	17,996	(1,848)	(16,831)	(22,276)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011
 Financial statements are prepared in Seychelles Rupees

1 Reporting entity

- Island Development Company Limited is a wholly owned Seychelles Government company incorporated and domiciled in the Seychelles. The address of the company's registered office is IDC, New Port, Mahe, Seychelles.
- The company's principal activity is the management of outer islands, transportation related thereto on behalf of the Seychelles Government and construction activities.

2 Summary of significant accounting policies

This is the first set of financial statement prepared by Island Development Company Limited in accordance with IFRS for Small and Medium-sized entities (IFRS for SME's) which has resulted in recognition of deferred taxation as from the current year (Note 9)

The principle 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 above.

2.1 Basis of presentation

The statements of Island Development Company Limited 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, (modified by the revaluation of investment property, biological assets etc.)

The preparation of financial statements in conformity with IFRS for SME's requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies.

2.2 Functional and reporting currency

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

2.3 Impairment of financial assets

The carrying amounts of the financial assets is reviewed by the directors periodically to determine whether it is in excess of its market or recoverable amount in the balance sheet. If there is any evidence of other then a temporary impairment in the carrying amount of an asset, it is written down to its fair value or recoverable amount and the loss recognised in the income statement.

2.4 Foreign currency translation

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 profit and loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss within "finance income or costs". All other exchange gains and losses are presented in profit and loss within "other (losses)/gains net".

The Banks mid-rates for the period were:

Currency	Exchange rates at 31 December			Changes in percent	
	2011	2010	2009	2010-2011	2009-2010
US-\$	11.65	12.03	16.84	3%	29%
Euro	16.47	16.12	22.27	-2%	28%

ISLAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Financial statements are prepared in Seychelles Rupees

2.4 *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.

The company 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 company. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to profit or loss 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	10 years	Cold storage facilities	10 years
Motor vehicles	4 years	Staff houses	33 years
Office building	4 years	Hotels & airstrips	25 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses)-net in the statement of comprehensive income.

2.5 *Inventories*

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

Cost is based on the first-in, first -out principle 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; the impairment loss is recognised immediately in profit or loss.

2.6 *Taxation*

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense as recognised as other comprehensive income is also recognised directly in other comprehensive income.

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.

2.7 *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.8 *Trade receivables*

Trade receivables are initially recognised at the transaction price. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to original terms of the receivables.

ISLAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Financial statements are prepared in Seychelles Rupees

2.9 Government grants

Subventions, grants or assets received from the Seychelles Government are dealt with as follows:-

Grants towards acquisition of fixed assets - Amortised over estimated useful lives of the assets.

Grants for recurrent expenditure - Treated as revenue on an accrual basis.

Grants for managing Government assets - offset against operating costs.

2.10 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Revenue is shown net of sales/value-added tax, returns, rebates and discounts and after eliminating sales within the group.

2.11 Borrowings

Borrowings are recognised initially at transaction price and subsequently at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance cost.

Borrowings are classified as current liabilities unless the company/group has an unconditional right to defer settlement of the liability for 12 months after the reporting date.

2.12 Employee benefit obligations

Employment Amendments Act (1999) requires employees to be compensated upon retirement or resignation for continuous service from date of their employment. The financial statements include liability accrued to the employee in full with the expense included as part employment costs.

2.13 Leases

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

The company leases out (as operating leases) various islands or parts thereof on a sub lease.

3 Revenue

Analysis of revenue by category

	2011	2010
Construction activities	49,557,822	118,278,983
Management of transportation (Net surplus)	6,230,424	6,384,782
Property rental	12,497,741	11,169,328
Total	68,285,987	135,833,093

4 Other income

	2011	2010
Subvention	0	2,250,000
Guest house activities	1,531,604	1,093,011
Maintenance of villas and hotels	4,662,275	1,292,358
Insurance claim	3,163,763	
<i>Sale of produce</i>	284,052	42,103
<i>Shop sales</i>	178,520	160,225
<i>Landing fees</i>	404,336	466,607
Other	1,721,633	1,838,943
Total	11,946,183	7,143,247

ISLAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

5 Employee salaries and benefits expense

	2011	2010
Wages and salaries	14,432,856	11,678,162
Employers Social Security	413,565	1,648,280
Pension costs	139,651	129,350
Employee benefits cost	2,244,042	2,043,291
Total	17,230,114	15,499,083

The cost of employers Social Security for 2010 is for six months to 30 June 2010. Thereafter, a personal taxation was introduced which required wages and salaries to be grossed up by 20 % and the employee subjected to tax at a rate of 15%.

6 Profit for the year

	2011	2010
Profit for the year has been arrived at after charging/(crediting):		
Auditors remuneration	194,250	185,000
Depreciation	9,866,261	9,610,768
Directors remuneration (Note 6)	328,302	285,480
Profit on sale of fixed assets	27,960	0
Rents paid	745,500	455,850
Rents received	(12,497,741)	(11,169,328)

7 Finance income

	2011	2010
Interest on deposits and bonds	3,454	5,169
Total	3,454	5,169

8 Finance costs

	2011	2010
Interest on loan	(263,974)	(195,813)
Overdraft interest	(37,820)	(21,123)
Total	(301,794)	(216,936)

9 Taxation

	Balance sheet		Profit & loss	
	2011	2010	2011	2010
9.1 Current tax				
Provision for the year	0	0	0	0
Provisionally paid for current year	0	0	0	0
Total	0	0	0	0
9.2 Deferred tax asset				
Employee compensation obligation	22,989	519,284	496,295	83,736
Tax losses and credits	1,981,822	5,349,954	3,368,133	(1,893,450)
Other temporary deductible differences	2,043,091	2,628,122	585,031	4,409,652
Total	4,047,902	8,497,360	4,449,459	2,599,938
9.3 Deferred tax liability				
Deferred due to accelerated tax depreciation	(1,594,547)	(2,203,177)	(608,630)	(709,522)
Total	(1,594,547)	(2,203,177)	(608,630)	(709,522)
Total deferred tax expense			3,840,829	1,890,416
Total income tax expense			3,840,829	1,890,416

Tax losses amounting to expire R 1,271,895 in 2012 and R 4,733,625 in 2016.

Until 2010, the cost of compensation was deductible for tax purposes in the year the payment is made and tax relief will be available at a rate of 200%.

ISLAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011
Financial statements are prepared in Seychelles Rupees

10 Authorised and issued capital

Authorised and issued and fully paid 136,343 shares of R 100 each	13,634,300	13,634,300
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11 Property, plant and equipment

	Buildings & utilities	Boats & engines	Machinery & fittings	Vehicles & trailers	Total
Cost					
At 1 April 2010	93,198,289	5,461,601	30,065,911	8,828,973	137,554,774
Additions	8,136,003	177,050	3,462,667	350,000	12,125,720
Disposal				(288,741)	(288,741)
At 31 March 2011	101,334,292	5,638,651	33,528,578	8,890,232	149,391,753
Accumulated depreciation and impairment					
At 1 April 2010	54,278,922	3,501,957	11,577,907	7,500,507	76,859,293
Annual depreciation	6,224,116	530,387	1,993,137	1,118,621	9,866,261
Disposals				(259,674)	(259,674)
At 31 March 2011	60,503,038	4,032,344	13,571,044	8,359,454	86,465,880
Carrying amount					
At 1 April 2010	38,919,367	1,959,644	18,488,004	1,328,466	60,695,481
At 31 March 2011	40,831,254	1,606,307	19,957,534	530,778	62,925,873

12 Investments

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

	% Holding	2011	2010
Desroches Island Lodge Limited	1%	48,237	48,237
Paradise Marine Limited	20%	2,000	0
Joint venture in Enterprise II	20%	0	1,887,000
Total		50,237	1,935,237

The joint venture to purchase Enterprise II was incorporated as Paradise Marine Limited during the year and the company's initial investment was converted to share capital of R 2,000 and the balance as a long term loan. (Note 19)

13 Grants & subventions

	2011	2010
Balance 1 April		
Amortisation for the year	34,353,087	36,053,128
Balance 31 March	31,883,047	34,353,087

Grants credited to profit and loss account for the year represent:-

	2010
Annual allocation for management of transportation	0
Amortisation of grants received for fixed assets	2,470,040
	1,700,041
	2,470,040
	3,950,041

ISLAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Financial statements are prepared in Seychelles Rupees

14 Inventories

	2011	2010
Copra	0	12,357
Employee shop stocks	743,906	722,017
Live stock & livestock products	46,300	216,681
Engineering spares	2,710,419	0
Fuel and sundry	1,738,742	651,317
Total	5,239,367	1,602,372

15 Trade and other receivables

	2011	2010
Receivables from related parties	1,735,427	33,888
Trade receivables	13,462,964	7,574,598
Construction debtors	35,015,004	33,817,903
Other payables	2,577,544	10,049,996
Total	52,790,939	51,476,385

16 Employee benefit obligations

	2011	2010
1 April	2,922,764	3,163,333
Benefits paid	(2,165,114)	(889,674)
Current service cost	69,665	649,105
Total	827,315	2,922,764

Employment Amendment Act (1999) requires employees to be compensated upon retirement or resignation for continuous service from their date of original employment.

17 Borrowings

	2011	2010
Non current		
Loan from Housing Corporation	7,476,376	7,212,403
	7,476,376	7,212,403
Current		
Bank overdrafts	217,024	493,078
	217,024	493,078
Total borrowings	7,693,400	7,705,481

The loan is unsecured and bears interest of 3%.

18 Trade and other payables

	2011	2010
Trade payables	22,814,927	22,257,400
Construction creditors	24,016,986	29,474,318
Salaries payable - construction workers	3,059,989	1,433,017
Deferred revenue	1,740,022	0
Other accruals	1,944,891	1,814,638
Total	53,576,815	54,979,373

19 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.

ISLAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Financial statements are prepared in Seychelles Rupees

19.1 Sale of services

	2011	2010
To associated company	1,056,685	493,036
Total	1,056,685	493,036

19.2 Purchase of services

	2011	2010
From associated company	0	0
Total	0	0

19.3 Year end balances arising from purchase of services

	2011	2010
From associated company	1,735,427	33,888
Total receivable	1,735,427	33,888

19.4 Loans to associated company

	2011	2010
At 1 April	0	0
Conversion of advances to joint venture to loan	1,885,000	0
Loan repaid	0	0
At 31 December	1,885,000	0

19.5 Directors emoluments, pensions or compensation

	Salary for Management		Fees, Pensions & Others	
	2011	2010	2011	2010
Mr. G.M. Savy	328,302	285,480	0	0
Mr. R. Renaud	0	0	10,500	18,000
Mr. P. Lablache	0	0	35,649	0
Mr. D. Dogley	0	0	19,325	18,000
Mr. H. Aglae	0	0	19,325	18,000
Ms. L. Desaubin	0	0	19,325	18,000
Ms. S. Renaud	0	0	19,325	18,000
Mr. P. Payet	0	0	19,325	18,000
Total	328,302	285,480	142,774	100,500

20 Commitments

20.1 Capital commitments

Capital work in progress represents works being undertaken towards the reconstruction of 5 staff houses and a generator room on Assumption Island. The cost of completion for both projects is estimated at R3M, being financed entirely by the company.

20.2 Operating lease commitments - company as a lessor

The company leases out outer islands and buildings under long term leases. The lease is subject to rent reviews every 5 years. There is the option to renew or extend the lease 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:

	Euro	US\$	Rupees
Repayable no later than 1 year	180,000	578,016	500,400
Repayable later than 1 year and no later than 5 years	900,000	2,415,600	1,530,000
Repayable later than 5 years	8,820,000	24,249,720	14,898,000
	9,900,000	27,243,336	16,928,400

1 Contingencies

The directors are not aware of any outstanding contingent liabilities at 31 March 2011.

ISLANDS DEVELOPMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

Financial Statements are prepared in Seychelles Rupees

	REF		2010
Subvention for recurrent expenditure		0	0
Contribution from transportation activities	B	5,173,739	8,634,782
Other income	A	14,472,296	4,690,918
Surplus from construction activities	C	23,884,300	27,899,423
Rental from hotels		12,497,741	11,169,328
Sale of fuel		14,721,625	3,020,604
		70,749,701	55,415,055
Produce			
Income	D	598,787	696,406
Less: direct expenses	E	(314,735)	(654,303)
		284,052	42,103
Shop			
Sales		2,479,263	2,918,070
Less: cost of sales		(2,300,743)	(2,757,845)
		178,520	160,225
Other Income			
Interest received		3,454	5,169
Exchange gain		0	6,434,860
		3,454	6,440,029
		71,215,727	62,057,412
Overheads			
Advertisement		34,905	49,565
Audit		186,500	200,000
Bank charges & interest		138,448	21,123
Directors fees		142,772	100,500
Donations & subscriptions		457,145	661,380
Electricity & water		904,038	895,426
Employment costs		17,230,115	15,499,084
Entertainment & accommodation		35,808	86,210
Exchange loss		2,238,374	0
Fuel for electricity generation & island use		19,130,328	6,948,889
Insurance		592,963	544,657
Legal & professional expenses		165,623	350,533
Licences		94,661	101,839
Loan interest		263,974	195,813
Printing, stationery & postage		969,639	441,140
Repairs & maintenance	F	6,607,727	9,513,515
Warehouse rent		120,000	110,000
Telephone & communications		1,268,426	1,454,793
Transportation & fuel costs	G	3,855,594	2,169,563
Travelling		661,805	1,254,036
		(55,098,847)	40,598,066
Depreciation adjustment		16,116,880	21,459,347
Charge for the year		9,866,261	9,610,768
Less: adjustment for deferred grant		(2,470,040)	(1,700,041)
		(7,396,221)	(7,910,727)
Profit/(loss) for the year		<u>8,720,659</u>	<u>13,548,620</u>