



ISLANDS DEVELOPMENT COMPANY LTD

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DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2015

The directors present herewith their report and audited financial statements of the company for the year ended 31 March 2015.

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.

The wholly owned subsidiaries, the Green Island Construction Company Limited, and Green Tree Investment Company Limited carry on the business of building contractors and financing, developing, managing and leasing immovable properties, respectively.

Results

As shown in the statement of income on page 5 activities of the current year give the group a profit of R 20,010,333 (2014 - R 7,684,501) and the company a profit of R 17,131,277 (2014 - R 17,131,277) after taxation.

Application of profits and revenue reserves (company)

The profit for the year with revenue reserves from prior years give the company R 55,332,675 (2014 - R 36,331,308) available for distribution.

The directors propose to distributed dividends of R 3,000,000 in the year, giving a distribution of R 14.04 (2014 - NIL) per share.

Increase in share capital

During the year the company increased its authorised capital to R 21,330,924 and issued 76,967 fully paid shares of R 100 each.

Fixed assets

Major changes to fixed assets of the group during the year represents:

- purchase of a Dornier aircraft at a cost of R 20,972,738
- purchase of sundry machinery tools at a cost of R 2,087,326
- construction of manager's house & guest house at a cost of R 7,819,696

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. Desaubin	0	0
Ms. S. Naiken	0	0
Mr. P. Payet	0	0

All directors of the company are citizens of Seychelles.

Mr. D. Dogley and Mr. H. Aglae retire from the board in accordance with Articles of Association and being eligible offer themself for re-election.

No contract of significance subsisted with the company or its subsidiary at any time during the year in which the directors had directly or indirectly, a material interest.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2015

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

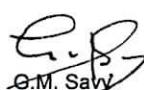
The retiring auditors are Pool & Patel who are eligible for re-appointment.

DIRECTORS



P. Lablache

Chairman



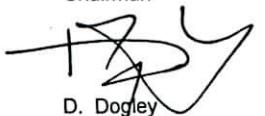
O.M. Sawy

Chief Executive Officer



R. Renaud

Deputy Chief Executive Officer




D. Dogley

P. Payet




H. Aglae

S. Naiken



L. Desaubin

16 June 2015



INDEPENDENT AUDITOR'S REPORT

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

We have audited the accompanying financial statements of Islands Development Company Limited on pages 4 to 16, which comprise the balance sheet for the Parent Company and the Group as at March 31, 2015, the income statement including the 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 have no relation with, or material interest in the Company (or any of its subsidiaries), other than in our capacities as auditors, tax and business advisors and arm's length dealings with the company in the ordinary course of business.

Opinion

In our opinion, the accompanying financial statements of Islands Development Company Limited set out on pages 4 to 16 give a true and fair view of the financial position of Parent Company and the Group as at March 31, 2015, 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

16 June 2015

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARY

Consolidated statement of financial position

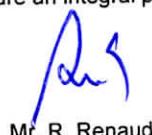
Financial statements are prepared in Seychelles Rupees

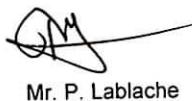
Note	CONSOLIDATED		COMPANY	
	2015	2014	As at 31 March	2014
Assets				
Property, plant and equipment	12	88,708,338	68,356,870	68,269,583
Investments	13	50,237	50,237	150,237
Lendings	20	2,169,690	2,169,690	2,169,690
Capital work in progress	21	51,227,671	977,931	6,779,823
Deferred income tax asset	10	873,181	663,287	672,335
Non-current assets		143,029,117	72,218,015	59,863,774
Inventories	15	16,581,710	16,793,558	9,761,927
Taxation	10	1,939,363	727,431	701,581
Trade and other receivables	16	103,113,115	78,893,709	62,175,231
Cash and cash equivalent		31,737,242	18,987,420	30,109,972
Current assets		153,371,430	115,402,118	102,748,711
Total assets		296,400,547	187,620,133	180,790,379
				137,423,798
Liabilities				
Employee benefit obligations	17	2,416,288	2,151,289	2,317,343
Deferred tax liability	10	368,541	152,340	0
Deferred grants	14	23,624,549	25,647,363	23,624,549
Borrowings	18	76,702,117	604,234	12,952,025
Non-current liabilities		103,111,495	28,555,226	38,893,917
Borrowings	18	25,492,146	21,965,642	11,468,930
Trade and other payables	19	85,573,529	71,886,220	56,763,934
Current liabilities		111,065,675	93,851,862	68,232,864
Total liabilities		214,177,170	122,407,088	107,126,781
				77,891,475
Share capital	11	21,330,924	13,634,300	21,330,924
Share subscription in advance		0	7,696,625	0
Retained earnings		60,892,453	43,882,120	52,332,674
Equity		82,223,377	65,213,045	73,663,598
Total liabilities and equity		296,400,547	187,620,133	180,790,379
				137,423,798

The notes on pages 8 to 16 are an integral part of these financial statements.

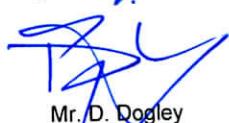
Directors


Mr. G. Savy


Mr. R. Renaud


Mr. P. Lablache


Ms. S. Naiken


Mr. D. Dogley


Mr. H. Aglae


Ms. L. Desaubin


Mr. P. Payet

16 June 2015

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARY

Statement of income - by nature of expense and retained earnings

Financial statements are prepared in Seychelles Rupees

	Note	CONSOLIDATED		COMPANY	
		2015	2014	As at 31 March	2014
Revenue	3	248,004,351	249,656,524	121,120,417	92,024,318
Direct costs	4	(149,356,945)	(166,320,549)	(61,910,796)	(46,380,191)
Other income	5	25,065,573	16,758,202	27,678,382	16,758,202
Administrative salaries and benefits	6	(43,866,162)	(41,048,231)	(28,800,657)	(25,292,566)
Depreciation (net of deferred grant credit)	12/14	(11,467,270)	(11,697,375)	(8,224,844)	(9,798,575)
Camp running expenses		(4,436,904)	(2,984,018)	0	0
Fuel for electricity generation & island use		(8,213,193)	(4,986,660)	(8,213,193)	(4,986,660)
Repairs and maintenance		(8,006,749)	(6,379,942)	(8,006,749)	(6,167,543)
Communication		(1,841,312)	(1,969,477)	(1,841,312)	(1,667,733)
External transportation		(4,339,961)	(3,206,778)	(4,339,961)	(2,253,630)
Exchange (losses)/gains (operating)		2,054,575	(1,699,240)	1,081,800	(1,689,212)
Utilities		(3,261,803)	(1,362,423)	(1,341,228)	(1,105,648)
Travelling		(4,754,576)	(1,256,197)	(1,644,138)	(1,153,515)
Management fee		0	(7,316,235)	0	0
Insurances		(1,151,199)	(1,141,748)	(577,005)	(439,148)
Other expenses		(4,766,994)	(4,148,024)	(1,936,240)	(2,028,377)
Operating profit		29,661,431	10,897,829	23,044,476	5,819,722
Finance income	8	461,676	74,785	460,032	74,785
Finance costs	9	(5,767,439)	(827,604)	(3,697,376)	(525,228)
Finance costs - net		(5,305,763)	(752,819)	(3,237,344)	(450,443)
Profit before income tax		24,355,668	10,145,010	19,807,132	5,369,279
Income tax expense	10	(4,345,335)	(2,460,510)	(2,675,856)	(306,509)
Profit for the year		20,010,333	7,684,500	17,131,276	5,062,770
Dividends		(3,000,000)	0	(3,000,000)	0
		17,010,333	7,684,500	14,131,276	5,062,770
Retained earnings 1 April		43,882,120	36,197,620	38,201,398	33,138,628
Retained earnings 31 March		60,892,453	43,882,120	52,332,674	38,201,398

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Cash flow statement

Financial statements are prepared in Seychelles Rupees.

Note	CONSOLIDATED		COMPANY	
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit /loss for the year before exceptional item	24,355,668	10,145,011	19,807,132	5,369,280
Adjustments for:-				
Taxation paid	10	(5,550,960)	(6,154,668)	(2,563,343)
Loan liability extinguished	11	0	(337,037)	0
Depreciation (net of adjustment for deferred grant)	12/14	11,467,270	11,697,375	8,224,844
Changes in provision for employee benefits	17	264,999	667,372	246,051
Profit on disposal of tangible fixed assets		0	(71,500)	0
Finance costs	8/9	5,305,763	752,819	3,237,344
		35,842,740	16,699,372	28,952,028
Changes in working capital				13,029,333
Decrease in inventories		211,848	(2,786,526)	(1,672,109)
Increase in debtors		(24,219,406)	(7,718,144)	(12,570,110)
Increase in creditors		13,687,309	(11,357,446)	13,036,183
Cash generated from operations		25,522,491	(5,162,744)	27,745,992
Interest received	8	12,563	74,785	10,919
Interest paid	9	(3,508,721)	(827,604)	(649,291)
Net cash from operating activities		22,026,333	(5,915,563)	27,107,620
Cash flows from investing activities				
Payments to acquire tangible fixed assets	12	(42,039,091)	(10,942,849)	(28,421,791)
Proceeds from sale of assets		0	71,500	0
Net cash used in investing activities		(42,039,091)	(10,871,349)	(28,421,791)
Cash flow from financing activities				
Loan repaid	18	(4,168,272)	0	(3,918,575)
Cost of buildings to be disposed under finance lease		(42,052,201)	0	0
Loans received		84,066,513	2,383,795	18,546,600
Dividend paid		(3,000,000)	0	(3,000,000)
Net cash used in financing activities		34,846,040	2,383,795	11,628,025
Increase in cash and cash equivalents		14,833,282	(14,403,117)	10,313,854
Exchange on bank balances		449,113	0	449,113
Cash & cash equivalent at 1 April		(1,198,662)	13,204,455	12,602,163
Cash & cash equivalents 31 March		14,083,733	(1,198,662)	23,365,130
				12,602,163

ISLANDS DEVELOPMENT COMPANY LIMITED

FIVE YEAR FINANCIAL SUMMARY - 31 MARCH 2015

Financial statements are prepared in Seychelles Rupees

	2015	2014	2013	2012	2011
Balance sheet					
Share capital					
Authorised	21,331	13,635	13,635	13,635	13,635
Issued and Fully paid	21,331	13,634	13,634	13,634	13,634
Retained earnings	55,332	38,201	33,139	30,145	22,874
Deferred grants	23,625	25,647	27,550	29,413	31,883
Long term loan	12,952	0	8,034	7,750	7,476
Net assets employed	113,240	77,482	82,357	80,942	75,867
Profit and loss					
Turnover	121,120	120,019	213,500	155,062	113,954
Profit / loss before taxation	19,807	5,369	4,740	(3,316)	8,721
Exceptional item - creditor written back	0	0	0	13,568	0
	19,807	5,369	4,740	10,252	8,721
Taxation	(2,676)	(307)	(1,746)	(2,981)	(3,841)
	17,131	5,062	2,994	7,271	4,880
Dividends	0	0	0	0	0
	17,131	5,062	2,994	7,271	4,880
Retained earnings - 1 April	38,201	33,139	30,145	22,874	17,994
Retained earnings - 31 March	55,332	38,201	33,139	30,145	22,874

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Financial statements are prepared in Seychelles Rupees

1 Reporting entity

Island 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 at 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.

The wholly owned subsidiaries, the Green Island Construction Company Limited and Green Tree Investment Company Limited carry on the business of building contractors and financing, developing, managing and leasing immovable properties, respectively.

2 Summary of significant accounting policies

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 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 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. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements, are disclosed in the notes below.

2.2 Basis of consolidation

Subsidiaries are all 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 are only from the date the control commenced or up to the date the control ceased.

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

2.3 Comparatives

Where necessary comparatives figures have been adjusted to confirm to changes in the current year. In particular, for comparatives for the group, the financial statements reflect the financial position of the company at 31 March 2012 and the financial performance for the year then ended.

2.4 Functional and reporting currency

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

2.5 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 statement of income.

2.6 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 statement of income.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Financial statements are prepared in Seychelles Rupees

2.6 Foreign currency translation (cont...)

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 (Sr)	
	2015	2014	2013	2014-2015	2013-2014
US \$ / Sr	13.83	12.36	11.57	-12%	-7%
Euro / Sr	14.95	16.99	15.28	12%	-11%

2.7 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 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	4 years	Staff houses	33 years
Office building	25 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 income or expenses in the statement of income.

2.8 Inventories

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

Cost is based on the averaging 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 statement of income.

2.9 Taxation

The tax expense for the period comprises of current and deferred tax.

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.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Financial statements are prepared in Seychelles Rupees

2.10 *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.

2.11 *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.

2.12 *Government grants*

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

Grants towards acquisition of fixed assets - Deferred and 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.

2.13 *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.

Retention withheld by clients is recognised in the income statement when received by the company.

2.14 *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.

2.15 *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.

2.16 *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 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.

Property leased by the company where the company transfers substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is apportioned between the liability and the finance charges using the implicit interest method.

3 Revenue Analysis of revenue by category	Consolidated		Company	
	2015	2014	2015	2014
Construction	150,372,373	179,017,666	23,488,439	21,385,460
Transportation	55,905,499	51,642,135	55,905,499	51,642,135
Maintenance of villas & upkeep of Islands	25,457,189	6,681,704	25,457,189	6,681,704
Property rental	16,269,290	12,315,019	16,269,290	12,315,019
Total	248,004,351	249,656,524	121,120,417	92,024,318

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

4 Cost of sales	Consolidated		Company	
	2015	2014	2015	2014
<u>Analysis of cost by category</u>				
Construction				
Material	71,806,586	102,000,041	8,421,760	5,556,467
Labour	31,938,017	24,544,154	7,876,694	1,047,370
Subcontractor	0	0	0	0
Accommodation	0	0	0	0
	103,744,603	126,544,195	16,298,454	6,603,837
Transportation				
Insurance	3,139,161	2,831,520	3,139,161	2,831,520
Repairs & maintenance	15,629,730	12,370,788	15,629,730	12,370,788
Staff costs	10,645,859	9,521,184	10,645,859	9,521,184
Fuel and oil	12,300,901	12,385,381	12,300,901	12,385,381
Other operational costs	3,896,691	2,667,481	3,896,691	2,667,481
	45,612,342	39,776,354	45,612,342	39,776,354
Total	149,356,945	166,320,549	61,910,796	46,380,191
5 Other income	Consolidated		Company	
	2015	2014	2015	2014
Guest house activities	3,982,701	3,588,590	3,982,701	3,588,590
Surplus from sale of produce	1,800,677	1,213,225	1,800,677	1,213,225
Surplus from shop sales	122,224	197,646	122,224	197,646
Landing fees	1,149,265	808,818	1,149,265	808,818
Recharges to subsidiary	0	7,316,235	2,612,809	7,316,235
Late development penalty	3,771,647	1,212,370	3,771,647	1,212,370
Income from coral fill	4,480,931	1,174,909	4,480,931	1,174,909
Profit on asset disposal	3,159,539	71,500	3,159,539	71,500
Social security refund	6,598,589	0	6,598,589	0
Other		1,174,909	0	1,174,909
Total	25,065,573	16,758,202	27,678,382	16,758,202
6 Employee salaries and benefits expense	Consolidated		Company	
	2015	2014	2015	2014
Wages and salaries	36,359,242	37,486,228	26,395,610	24,001,547
Pension costs	403,496	291,433	362,797	262,975
Employee benefits cost	7,103,424	3,270,570	2,042,250	1,028,044
Total	43,866,162	41,048,231	28,800,657	25,292,566
7 Profit for the year	Consolidated		Company	
	2015	2014	2015	2014
Profit for the year has been arrived at after charging/(crediting):				
Auditors remuneration	355,000	315,000	230,000	185,000
Profit on sale of fixed assets	0	0	0	(71,500)
Rents paid	2,206,505	1,804,260	658,933	388,200
8 Finance income	Consolidated		Company	
	2015	2014	2015	2014
Interests on deposits and bonds	12,563	74,785	10,919	74,785
Exchange gains on banks	449,113	0	449,113	0
Total	461,676	74,785	460,032	74,785
9 Finance costs	Consolidated		Company	
	2015	2014	2015	2014
Interest on loan	1,807,260	0	789,367	0
Interest on overdraft	1,701,461	(827,604)	649,291	525,228
Exchange loss on loan	2,258,718		2,258,718	0
Total	5,767,439	(827,604)	3,697,376	525,228

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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10 Taxation

10 (A) Group

	Balance sheet		Statement of income	
	2015	2014	2015	2014
10.1 Current tax				
Balance due from previous year	(727,431)	1,316,935	0	0
Adjustment to prior year provision	(19,501)	(5,629)	(19,501)	(5,629)
Adjustment due to revision in tax rate	0	(979,884)	0	(979,884)
Paid/refund received for prior year	(100,341)	(1,515,396)	0	0
Provision for the year	2,975,713	3,762,975	2,975,713	3,762,975
Provisionally paid for current year	(4,067,803)	(3,306,432)	0	0
Total	(1,939,363)	(727,431)	2,956,212	2,777,462
10.2 Deferred tax asset				
Employee compensation obligation	377,286	334,693	(42,593)	155,000
Tax losses and credits	0	0	0	0
Deferred due to accelerated tax depreciation	404,318	328,594	(75,724)	(328,594)
Other temporary deductible differences	91,577	0	(91,577)	3,960
Total	873,181	663,287	(209,894)	(169,634)
10.3 Deferred tax liability				
Deferred due to accelerated tax depreciation	0	0	0	(861,632)
Assessable differences on unrealised exchange gains	368,541	152,340	216,201	(618,525)
Total	368,541	152,340	216,201	(1,480,157)
Total deferred tax expense (Group)			6,307	(1,649,791)
10.4 Corporate social responsibility tax			1,382,816	1,332,839
Total income tax expense (Group)			4,345,335	2,460,510
10 (B) Company				
10.1 Current tax				
Balance due from previous year	(899,100)	697,478	0	0
Adjustment to prior year provision	(19,501)	(5,629)	(19,501)	(5,629)
Adjustment due to revision in tax rate	0	(979,884)	0	(979,884)
Paid/refund received for prior year	0	(799,364)	0	0
Provision for the year	2,052,000	1,600,000	2,052,000	1,600,000
Provisionally paid for current year	(1,834,980)	(1,411,701)	0	0
Total	(701,581)	(899,100)	2,032,499	614,487
10.2 Deferred tax asset	2015	2014	2015	2014
Employee compensation obligation	347,601	310,694	(36,907)	173,585
Tax losses and credits	0	0	0	0
Deferred due to accelerated tax depreciation	233,157	357,880	124,723	(1,139,910)
Other temporary deductible differences	91,577	0	(91,577)	3,960
Total	672,335	668,574	(3,761)	(962,365)
10.3 Deferred tax liability				
Other temporary deductible differences	0	81,246	(81,246)	81,246
Total deferred tax expense	672,335	749,820	(85,007)	(881,119)
10.4 Corporate social responsibility tax			728,364	573,141
Total income tax expense			2,675,856	306,509

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

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11 Authorised and issued capital

Authorised and issued and fully paid 213,309 shares of R 100 each	21,330,924	13,634,300
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During the year the company increased its authorised capital to R 21,330,925 and issued 76,967 fully paid shares of R 100 each.

12 Property, plant and equipment

12 (A) Group

	Buildings & utilities	Aircraft	Machinery & fittings	Vehicles, boats & trailers	Total
Cost					
At 1 April 2013	135,327,142	0	37,328,501	17,499,709	190,155,352
Additions	3,128,269	20,972,738	7,530,737	2,209,808	33,841,552
Disposal	0	0	0	0	0
At 31 March 2014	138,455,411	20,972,738	44,859,238	19,709,517	223,996,904
Accumulated depreciation and impairment					
At 1 April 2013	80,905,686	0	26,653,397	14,239,399	121,798,482
Annual depreciation	8,394,198	712,499	2,970,782	1,412,605	13,490,084
Disposals	0	0	0	0	0
At 31 March 2014	89,299,884	712,499	29,624,179	15,652,004	135,288,566
Carrying amount					
At 1 April 2013	54,421,456	0	10,675,104	3,260,310	68,356,870
At 31 March 2014	49,155,527	20,260,239	15,235,059	4,057,513	88,708,338

12 (B) Company

	Buildings & utilities	Boats & engines	Machinery & fittings	Vehicles, aircraft & trailers	Total
Cost					
At 1 April 2014	125,413,602	6,071,175	35,787,516	8,486,784	175,759,077
Additions	128,269	179,061	656,353	21,656,216	22,619,899
Disposal	0	0	0	0	0
At 31 March 2015	125,541,871	6,250,236	36,443,869	30,143,000	198,378,976
Accumulated depreciation and impairment					
At 1 April 2014	79,896,892	5,565,835	26,419,632	7,979,376	119,861,735
Annual depreciation	7,422,619	237,757	1,601,923	985,359	10,247,658
Disposals	0	0	0	0	0
At 31 March 2015	87,319,511	5,803,592	28,021,555	8,964,735	130,109,393
Carrying amount					
At 1 April 2014	45,516,710	505,340	9,367,884	507,408	55,897,342
At 31 March 2015	38,222,360	446,644	8,422,314	21,178,265	68,269,583

13 Investments

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

	% Holding	2015	2014
Held in group company			
Green Island Construction Company Limited	100%	100,000	100,000
Other			
Desroches Island Lodge Limited	1%	48,237	48,237
Paradise Marine Limited	20%	2,000	2,000
Total		150,237	150,237

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

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14 <i>Deferred grants</i>	Consolidated		Company	
	2015	2014	2015	2014
Balance 1 April	25,647,363	27,550,180	25,647,363	27,550,180
Amortisation for the year	(2,022,814)	(1,902,817)	(2,022,814)	(1,902,817)
Balance 31 March	23,624,549	25,647,363	23,624,549	25,647,363

15 <i>Inventories</i>	Consolidated		Company	
	2015	2014	2015	2014
Copra	151,816	121,700	151,816	121,700
Employee shop stocks	1,017,242	1,123,547	1,017,242	1,123,547
Live stock & livestock products	151,000	156,000	151,000	156,000
Engineering spares	4,808,266	3,885,371	4,808,266	3,885,371
Materials on site/Building materials	8,322,104	8,920,129	1,502,321	216,389
Fuel and sundry	2,131,282	2,586,811	2,131,282	2,586,811
Total	16,581,710	16,793,558	9,761,927	8,089,818

16 <i>Trade and other receivables</i>	Consolidated		Company	
	2015	2014	2015	2014
Receivables from related parties (Notes 20)	16,156,853	13,378,864	16,156,853	23,059,899
Trade receivables	20,259,640	13,444,984	20,259,640	2,001,843
Completed works awaiting certification	681,769	3,987,734	0	0
Construction debtors	40,774,407	43,042,973	11,605,476	10,093,696
Prepaid goods and credit with suppliers	8,969,111	1,067,443	0	0
Other receivables	16,271,335	3,971,711	14,153,262	14,449,682
Total	103,113,115	78,893,709	62,175,231	49,605,120

17 <i>Employee benefit obligations</i>	Consolidated		Company	
	2015	2014	2015	2014
1 April	2,151,289	1,483,917	2,071,292	1,467,511
Benefits paid	(875,449)	(424,263)	(836,017)	(424,263)
Current service cost	1,140,448	1,091,635	1,082,068	1,028,044
Total	2,416,288	2,151,289	2,317,343	2,071,292

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

18 <i>Borrowings</i>	Consolidated		Company	
	2015	2014	2015	2014
Non current				
Bank loan	76,702,118	604,234	12,952,025	0
Total	76,702,118	604,234	12,952,025	0
Current				
Bank loans	7,838,640	1,779,560	4,724,086	0
Bank overdrafts	17,653,506	20,186,082	6,744,844	6,363,823
Total	25,492,146	21,965,642	11,468,930	6,363,823
Total borrowings	102,194,264	22,569,876	24,420,955	6,363,823

18.1 <i>Repayments</i>	Consolidated		Company	
	2015	2014	2015	2014
Repayable within 1 year	25,492,149	21,965,642	4,724,086	6,363,823
Repayable later than 1 year and no later than 5 years	38,670,965	604,234	12,952,025	0
Repayable later than 5 years	38,031,150	0	0	0
Total	102,194,264	22,569,876	17,676,111	6,363,823

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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18 Borrowings (cont..)

18.2 Currency profile

US \$	17,676,111	11,312,637	17,676,111	0
Seychelles R	84,518,153	11,257,239	0	6,363,823
Total	102,194,264	22,569,876	17,676,111	6,363,823

18.3 Finance cost profile

3 months Libor + 5% (average 5.24%)	6,548,706	11,312,637	0	0
Lending rate @5.23%	17,676,111	0	0	0
Lending rate + 3% (Average 10%)	19,340,976	11,257,239	0	6,363,823
Lending rate @ 11%	58,628,471	0	0	0
Total	102,194,264	22,569,876	0	6,363,823

19 Trade and other payables

	Consolidated		Company	
	2015	2014	2015	2014
Trade payables	36,229,265	1,541,187	14,476,960	13,914,190
Advances on contracts	16,399,380	17,218,537	13,245,001	11,443,143
Construction creditors	5,017,245	17,585,533	5,017,245	5,212,530
Payables to related parties (Note 20)	0	0	9,066,705	0
Salaries payable - construction workers	4,430,255	2,369,941	4,430,255	2,369,941
Staff performance incentives	1,045,068	2,000,000	1,045,068	2,000,000
Deferred revenue	4,203,332	1,932,031	4,203,332	1,932,031
Other accruals	18,248,984	29,238,991	5,279,368	6,855,916
Total	85,573,529	71,886,220	56,763,934	43,727,751

20 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.

20.1 Sale of goods; services and expenses recovered

	Consolidated		Company	
	2015	2014	2015	2014
To associated companies	0	0	20,820,154	38,732,559
To subsidiary	0	0	36,117,400	36,182,019
	0	0	56,937,554	74,914,578

20.2 Purchase of services

	Consolidated		Company	
	2014	2013	2015	2014
From associated company	11,150,722	9,674,149	11,150,722	3,153,765

20.3 Year end balances receivable from arising from purchase of services

	2015		2014	
	2015	2014	2015	2014
From associated company	0	0	16,156,853	13,378,864
To subsidiary	0	0	(9,066,705)	9,681,035
	0	0	7,090,148	23,059,899

20.4 Loans to associated company

	Consolidated		Company	
	2015	2014	2015	2014
At 1 April	2,169,690	2,169,690	2,169,690	2,169,690
Loan given	0	0	0	0
Loan repaid	0	0	0	0
At 31 March	2,169,690	2,169,690	2,169,690	2,169,690

Loans and advances to/from related parties are free of interest and have no specific repayment terms.

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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20 Related parties and transactions (cont..)

20.5 Directors emoluments, pensions or compensation of parent company from group

	Consolidated		Company	
	Salary for Management 2015	2014	Fees, Pensions & Others 2015	2014
Mr. G.M. Savy	775,542	771,684	0	0
Mr. R. Renaud	369,036	350,409	0	0
Mr. P. Lablache	0	0	47,509	42,357
Mr. D. Dogley	0	0	27,553	21,177
Mr. H. Aglae	0	0	27,553	21,177
Ms. L. Desaubin	0	0	27,553	21,177
Ms. S. Renaud	0	0	27,553	21,177
Mr. P. Payet	0	0	27,553	21,177
Total	1,144,578	1,122,093	185,274	148,242

21 Commitments

21.1 Capital commitments

Work in progress for own use represents cost to date (R 2,395,647) for additional workers accommodation at the camp in Zone 21, and construction of a generator room and manager's and staff housing on Astove. The final cost of the work is estimated at R 3.5m and R 7m respectively, financed entirely by the company and is due to be completed by December 2015.

21.2 Operating lease commitments - company as a lessor

The company leases outer islands and buildings from Seychelles Government 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:

	US\$	Rupees
Repayable no later than 1 year	837,314	210,000
Repayable later than 1 year and no later than 5 years	3,589,516	1,050,000
Repayable later than 5 years	32,907,951	9,450,000
	37,334,781	10,710,000

21.3 Work in progress to be disposed under finance lease

The subsidiary, the Green Tree Investment Compan Limited is undertaking two projects which will be disposed under a financial lease, details of which are as follows:

	Ministry of Land Use Extension	Mayor's office Ex Court of Appeal
Work in progress in the statement of financial position	37,881,849	4,170,352
Expected cost of completion	104,580,505	4,696,332
Interest reimbursed by lessee during construction	3,868,045	85,640
Bank commitment fees reimbursed by lessee	784,354	35,222
Anticipated duration of lease	108 months	108 months
Commencement date	1 Dec 2015	1 Jun 2015
Monthly rental	1,899,433	74,642
Implicit interest rate	9%	9%
Gross investment in lease	205,138,764	8,061,444
Fair value of lease on commencement date	122,057,565	4,797,679
Unearned finance income	83,081,199	3,263,765

No contingent rents have been recognized for any fluctuation in interest rate which has increased from 9% to 11%. In accordance with the contract, the subsidiary is negotiating revised monthly rental to compensate this increase.

The future minimum lease payments receivable under non cancellable finance leases is as follows:

	Ministry of Land Use Extension		Mayor's Office Ex Court of Appeal	
	Rental	Net Present Value	Rental	Net Present Value
Receivable within 1 year	22,793,196	17,208,863	895,716	988,647
Receivable later than 1 year and no later than 5 years	75,977,320	43,535,004	3,433,578	1,576,460
Receivable over 5 years	106,368,248	22,337,332	3,732,150	698,658
Total	205,138,764	83,081,199	8,061,444	3,263,765

22 Contingencies

The directors are not aware of any outstanding contingent liabilities at 31 March 2015.