



ISLANDS DEVELOPMENT COMPANY LTD

P.O Box 638, New Port Mahé, Seychelles

Telephone: 4384640

Fax: 4224467

Email: ceo@idc.sc

Please address all correspondence to Chief Executive Officer

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

INDEX

	PAGE
DIRECTORS REPORT	1 - 2
AUDITORS REPORT	3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF INCOME	5
CASH FLOW STATEMENT	6
FIVE YEAR FINANCIAL SUMMARY	7
NOTES TO THE ACCOUNTS	8 - 17

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

The directors present herewith their report and audited financial statements of the company and the group for the year ended 31 March 2016.

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 islands 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 contractor 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 18,628,103 (2015 - R 20,010,333) and the company a profit of R 8,330,385 (2015 - R 17,131,276) after taxation.

Application of profits and revenue reserves (company)

The profit for the year with revenue reserves from prior years give the company R 60,663,059 (2015 - R 55,332,674) available for distribution.

The directors distributed a dividend of R 3,000,000 during the year, giving a distribution of R 14.06 (2015 - R 14.06) per share.

Fixed assets

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

- Extension of workers comp of - R 2.39 m
- Generator room, managers house and staff accommodation on Astove - R 8.39 m
- Plane parking facility - R 1.06 m
- Purchase of 2 Generators - R 0.948 m
- Sundry construction equipment - R 5.68 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. Desaubin	0	0
Ms. S. Naiken	0	0
Mr. P. Payet	0	0
	<hr/>	<hr/>

All directors of the company are citizens of Seychelles.

MS. S. Naiken and Ms. L. Desaubin retires from the board in accordance with Articles of Association and being eligible offer themselves for re-election.

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

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

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



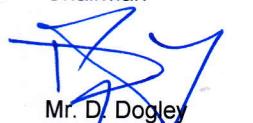
Mr. P. Lablache
Chairman



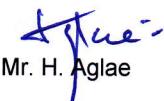
Mr. G.M. Savy
Chief Executive Officer



Mr. R. Renaud
Deputy Chief Executive Officer


Mr. D. Dogley

Mr. P. Payet


Mr. H. Aglae
Ms. S. Naiken
Ms. L. Desaunib

28 July 2016



INDEPENDENT AUDITOR'S REPORT

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

We have audited the accompanying financial statements of Islands Development Company Limited & subsidiaries on pages 4 to 17, which comprise the balance sheet for the Parent Company and the Group as at March 31, 2016, 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 International Financial Reporting standards for small and medium sized entities IFRS for SME'S) and 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 set out on pages 4 to 17 give a true and fair view of the financial position of Islands Development Company Limited & subsidiaries for the year ended 31 March, 2016, 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, the Public Enterprise Monitoring Commission Act 2013, and International Financial Reporting Standards for small and medium sized entities (IFRS for SME'S) .
- the company has maintained proper and adequate accounting records during the year
- we have been availed all information necessary for the purposes of our audit and were satisfied with the information received.
- The information given by the Directors in the annual report in relation to the financial year under reference is consistent with the accounts.

2016
Pool Patel
POOL & PATEL
CHARTERED ACCOUNTANTS

28 July 2016

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Consolidated statement of financial position
Financial statements are prepared in Seychelles Rupees

	Note	CONSOLIDATED		COMPANY	
		As at 31 March		2016	2015
		2016	2015		
Assets					
Property, plant and equipment	12	92,789,672	88,708,338	74,040,956	68,269,583
Investments	13	3,951,527	50,237	4,051,527	150,237
Lendings	20	94,021,812	2,169,690	-	2,169,690
Due from associate	21	12,335,014	16,156,853	12,335,014	16,156,853
Capital work in progress	22	3,825,177	51,227,671	3,594,442	6,779,823
Deferred income tax asset	10	1,534,267	873,181	987,824	672,335
Non-current assets		208,457,469	159,185,970	95,009,763	94,198,521
Lendings	20	2,206,466	-	-	-
Inventories	15	43,141,332	16,581,710	33,216,333	9,761,927
Taxation	10	-	1,939,363	2,655,031	701,581
Trade and other receivables	16	82,545,300	86,956,262	52,799,594	46,018,378
Cash and cash equivalent		128,249,508	31,737,242	108,592,007	30,109,972
Current assets		256,142,606	137,214,577	197,262,965	86,591,858
Total assets		464,600,075	296,400,547	292,272,728	180,790,379
Liabilities					
Employee benefit obligations	17	2,251,120	2,416,288	2,032,229	2,317,343
Deferred tax liability	10	203,993	368,541	-	-
Deferred grants	14	21,930,668	23,624,549	21,930,668	23,624,549
Borrowings	18	107,455,233	76,702,117	13,690,136	12,952,025
Non-current liabilities		131,841,014	103,111,495	37,653,033	38,893,917
Borrowings	18	33,922,263	25,492,146	11,799,080	11,468,930
Taxation	10	47,302	-	-	-
Trade and other payables	19	200,938,016	85,573,529	163,826,632	56,763,934
Current liabilities		234,907,581	111,065,675	175,625,712	68,232,864
Total liabilities		366,748,595	214,177,170	213,278,745	107,126,781
Share capital	11	21,330,924	21,330,924	21,330,924	21,330,924
Retained earnings		76,520,556	60,892,453	57,663,059	52,332,674
Equity		97,851,480	82,223,377	78,993,983	73,663,598
Total liabilities and equity		464,600,075	296,400,547	292,272,728	180,790,379

The notes on pages 8 to 17 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

28 July 2016

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Cash flow statement

Financial statements are prepared in Seychelles Rupees.

2015	Note	CONSOLIDATED		COMPANY	
		As at 31 March		As at 31 March	As at 31 March
		2016	2015		
Cash flows from operating activities					
1,120,411					
1,910,795					
7,678,382					
3,800,657					
3,224,844					
3,213,193					
3,006,749					
841,312					
339,961					
081,800					
341,228					
644,138					
(577,005)					
(658,277,307)					
044,476					
460,032					
697,375					
237,344					
807,132					
675,855					
131,275					
000,000					
31,276					
01,395					
32,674					
Cash flows from investing activities					
Payments to acquire tangible fixed assets	12	(14,862,065)			
Cost of buildings to be disposed under finance lease		(57,731,569)	(42,039,091)	(14,681,972)	(28,421,791)
Cost building for resale		(230,735)		3,185,381	
Repayment under finance lease	20	235,121			
Net cash used in investing activities		(72,589,248)	(42,039,091)	(11,496,591)	(28,421,791)
Cash flow from financing activities					
Loans repaid	20	(20,355,471)	(4,168,272)	(18,430,804)	(3,129,208)
Cost of building converted to finance lesae		-	(42,052,201)	-	-
Loans received	18	66,537,453	84,066,513	19,980,215	18,546,600
Dividend paid		(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Net cash from (used) in financing activities		43,181,982	34,846,040	(1,450,589)	12,417,392
Increase in cash and cash equivalents					
103,742,137		14,833,282	82,379,681	10,313,854	
Exchange gains / losses on bank balances	8/9	(614,903)	449,113	(614,903)	449,113
Cash & cash equivalent at 1 April		14,083,733	(1,198,662)	23,365,130	12,602,163
Cash & cash equivalents 31 March		117,210,967	14,083,733	105,129,908	23,365,130

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

Statement of income - by nature of expense and retained earnings

Financial statements are prepared in Seychelles Rupees

	Note	CONSOLIDATED		COMPANY	
		2016	2015	As at 31 March	2016
Revenue	3	339,597,329	248,004,351	152,676,985	121,120,417
Direct costs	4	(227,951,176)	(149,356,945)	(87,954,468)	(61,910,796)
Other income	5	16,858,145	25,065,573	17,273,742	27,678,382
Administrative salaries and benefits	6	(46,150,616)	(43,866,162)	(32,700,906)	(28,800,657)
Depreciation (net of deferred grant credit)	12/14	(14,667,877)	(11,467,270)	(10,402,099)	(8,224,844)
Camp running expenses		(6,910,652)	(4,436,904)	-	-
Fuel for electricity generation & island use		(7,134,123)	(8,213,193)	(7,134,123)	(8,213,193)
Repairs and maintenance		(7,786,258)	(8,006,749)	(7,786,258)	(8,006,749)
Communication		(2,704,296)	(1,841,312)	(2,704,296)	(1,841,312)
External transportation		(3,790,995)	(4,339,961)	(3,790,995)	(4,339,961)
Exchange (losses)/gains (operating)		(1,013,452)	2,054,575	(1,498,447)	1,081,800
Utilities		(3,520,301)	(3,261,803)	(916,307)	(1,341,228)
Travelling		(3,658,588)	(4,754,576)	(1,350,907)	(1,644,138)
Insurances		(1,713,179)	(1,151,199)	(571,165)	(577,005)
Rental		(1,879,390)	(2,206,505)	(120,000)	(658,000)
Other expenses		(3,210,200)	(2,560,489)	(2,174,630)	(1,277,307)
Operating profit		24,364,371	29,661,431	10,846,126	23,044,476
Finance income	8	7,803,757	461,676	520,221	460,032
Finance costs	9	(7,255,976)	(5,767,439)	(2,216,279)	(3,697,376)
Finance costs - net		547,781	(5,305,763)	(1,696,058)	(3,237,344)
Profit before income tax		24,912,152	24,355,668	9,150,068	19,807,132
Income tax expense	10	(6,284,049)	(4,345,335)	(819,683)	(2,675,856)
Profit for the year		18,628,103	20,010,333	8,330,385	17,131,276
Dividends		(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
		15,628,103	17,010,333	5,330,385	14,131,276
Retained earnings 1 April		60,892,453	43,882,120	52,332,674	38,201,398
Retained earnings 31 March		76,520,556	60,892,453	57,663,059	52,332,674

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

FIVE YEAR FINANCIAL SUMMARY - 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

	2016	2015	2014	2013	2012
Balance sheet					
Share capital					
Authorised	21,331	21,331	13,635	13,635	13,635
Issued and fully paid	21,331	21,331	13,634	13,634	13,634
Retained earnings	57,662	52,332	38,201	33,139	30,145
Deferred grants	21,931	23,625	25,647	27,550	29,413
Long term loan	18,842	12,952	-	8,034	7,750
Net assets employed	119,766	110,240	77,482	82,357	80,942
Profit and loss					
Turnover	152,677	121,120	120,019	213,500	155,062
Profit before taxation	9,150	18,817	5,369	4,740	(3,316)
Exceptional item - creditor written back	-	-	-	-	13,568
	9,150	18,817	5,369	4,740	10,252
Taxation	(820)	(1,686)	(307)	(1,746)	(2,981)
	8,330	17,131	5,062	2,994	7,271
Dividends	(3,000)	(3,000)	-	-	-
	5,330	14,131	5,062	2,994	7,271
Retained earnings - 1 April	52,332	38,201	33,139	30,145	22,874
Retained earnings - 31 March	57,662	52,332	38,201	33,139	30,145

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 the Green Tree Investments Company Limited, carry on the business of building contractor and of developing and leasing immovable properties, respectively.

2 Summary of significant accounting policies

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

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 than 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 2016

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 financial 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)	
	2016	2015	2014	2015-2016	2014-2015
US \$ / Sr	13.50	13.83	12.36	2%	-12%
Euro / Sr	15.27	14.95	16.99	-2%	12%

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
Aircraft	10 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 costs 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 business, corporate social responsibility and deferred taxes.

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

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

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

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

Grants for managing Government assets - offset against

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 for construction activities is recognised in the income statement when received.

2.14 Borrowings & lendings

Borrowings and lendings 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 or income.

Borrowings and lendings are classified as current liabilities or assets unless there is an unconditional right to defer settlement of the liability or asset 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 of property are classified as finance leases where the terms of the lease transfer substantially all the benefits and risks of ownership to the lease. Financial leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding.

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.

3 Revenue

Analysis of revenue by category

	Consolidated		Company	
	2016	2015	2016	2015
Construction				
Sale of leased property	142,034,096	150,372,373	51,577,151	23,488,439
Transportation	96,463,399	-		
Maintenance of villas & upkeep of Islands	52,488,110	55,905,499	52,488,110	55,905,499
Property rental	24,458,444	25,457,189	24,458,444	25,457,189
Total	24,153,280	16,269,290	24,153,280	16,269,290
	339,597,329	248,004,351	152,676,985	121,120,417

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	Consolidated		Company	
	2016	2015	2016	2015
4 Cost of sales				
Analysis of cost by category				
<u>Construction</u>				
Material	135,517,915	71,806,586	25,799,479	8,421,760
Labour	37,109,948	31,938,017	6,831,676	7,876,694
	172,627,863	103,744,603	32,631,155	16,298,454
<u>Transportation</u>				
Insurance	2,850,594	3,139,161	2,850,594	3,139,161
Repairs & maintenance	23,289,215	15,629,730	23,289,215	15,629,730
Staff costs	11,884,504	10,645,859	11,884,504	10,645,859
Fuel and oil	9,537,486	12,300,901	9,537,486	12,300,901
Other operational costs	7,761,514	3,896,691	7,761,514	3,896,691
	55,323,313	45,612,342	55,323,313	45,612,342
Total	227,951,176	149,356,945	87,954,468	61,910,796
5 Other income				
	Consolidated		Company	
	2016	2015	2016	2015
Guest house activities	5,624,222	3,982,701	5,624,222	3,982,701
Surplus from sale of produce	1,693,565	1,800,677	1,693,565	1,800,677
Surplus from shop sales	198,576	122,224	198,576	122,224
Landing fees	1,811,266	1,149,265	1,811,266	1,149,265
Recharges to subsidiary	-	-	415,597	2,612,809
Late development penalty	-	3,771,647	-	3,771,647
Income from coral fill	6,303,365	4,480,931	6,303,365	4,480,931
Profit on asset disposal	-	3,159,539	-	3,159,539
Social security refund	-	6,598,589	-	6,598,589
Other	1,227,151	-	1,227,151	-
Total	16,858,145	25,065,573	17,273,742	27,678,382
6 Employee salaries and benefits expense				
	Consolidated		Company	
	2016	2015	2016	2015
Wages and salaries	39,756,078	36,359,242	29,419,029	26,395,610
Pension costs	471,270	403,496	433,947	362,797
Employee benefits & other cost	5,923,268	7,103,424	2,847,930	2,042,250
Total	46,150,616	43,866,162	32,700,906	28,800,657
7 Profit for the year				
	Consolidated		Company	
	2016	2015	2016	2015
Profit for the year has been arrived at after charging/(crediting):				
Auditors remuneration	384,043	355,000	213,043	200,000
Rents paid	1,879,390	2,865,438	120,000	658,933
8 Finance income				
	Consolidated		Company	
	2016	2015	2016	2015
Interests on deposits and bonds	136,436	12,563	136,436	10,919
Interest raised on finance lease (note 20)	7,283,536	-	-	-
Exchange gains on loans	383,785	-	383,785	-
Exchange gains on banks	-	449,113	-	449,113
Total	7,803,757	461,676	520,221	460,032
9 Finance costs				
	Consolidated		Company	
	2016	2015	2016	2015
Interest on loans	5,585,700	1,807,260	894,611	789,367
Interest on overdraft	1,055,373	1,701,461	706,765	649,291
Exchange losses on banks	614,903	-	614,903	-
Exchange loss on loan	-	2,258,718	-	2,258,718
Total	7,255,976	5,767,439	2,216,279	3,697,376

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

10 Taxation

10 (A) Group

	Balance sheet		Statement of income	
	2016	2015	2016	2015
10.1 Current tax				
Balance due from previous year	(1,939,363)	(727,431)		
Adjustment to prior year provision	(712)	(19,501)	(712)	(19,501)
Paid/refund received for prior year		(100,341)		
Provision for the year	5,225,401	2,975,713		
Provisionally paid for current year	(3,238,024)	(4,067,803)	5,225,401	2,975,713
Total	47,302	(1,939,363)	5,224,689	2,956,212
10.2 Deferred tax asset				
Employee compensation obligation	370,502	377,286	6,784	(42,593)
Deferred due to accelerated tax depreciation	939,493	404,318	(535,175)	(75,724)
Other temporary deductible differences	224,272	91,577	(132,695)	(91,577)
Total	1,534,267	873,181	(661,086)	(209,894)
10.3 Deferred tax liability				
Assessable differences on unrealised exchange gains	203,993	368,541	(164,548)	216,201
Total deferred tax expense (Group)			(825,634)	6,307
10.4 Corporate social responsibility tax			1,884,994	1,382,816
Total income tax expense (Group)			6,284,049	4,345,335
10 (B) Company				
10.5 Current tax				
Balance due from previous year	(701,581)	(899,100)		
Adjustment to prior year provision	(712)	(19,501)	(712)	(19,501)
Provision for the year	425,000	2,052,000	425,000	2,052,000
Provisionally paid for current year	(2,377,738)	(1,834,980)		
Total	(2,655,031)	(701,581)	424,288	2,032,499
10.6 Deferred tax asset	2,015	2,015	2,015	2,015
Employee compensation obligation	304,835	347,601	42,766	(36,907)
Deferred due to accelerated tax depreciation	458,717	233,157	(225,560)	124,723
Other temporary deductible differences	224,272	91,577	(132,695)	(91,577)
Total	987,824	672,335	(315,489)	(3,761)
10.7 Deferred tax liability				
Other temporary deductible differences		-	-	(81,246)
Total deferred tax expense			(315,489)	(85,007)
10.8 Corporate social responsibility tax			710,884	728,364
Total income tax expense			819,683	2,675,856
11 Authorised and issued capital				

Authorised and issued and fully paid 213,309 shares of R 100 each

21,330,924

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

12 Property, plant and equipment

12 (A) Group

	Buildings & utilities	Aircraft	Machinery & fittings	Vehicles, boats & trailers	Total
Cost					
At 1 April 2015	138,455,411	20,972,738	44,859,238	19,709,517	223,996,904
Additions	11,238,092	298,841	7,901,817	1,004,342	20,443,092
Disposal	-	-	-	-	-
At 31 March 2016	149,693,503	21,271,579	52,761,055	20,713,859	244,439,996
Accumulated depreciation and impairment					
At 1 April 2015	89,299,884	712,499	29,624,179	15,652,004	135,288,566
Annual depreciation	8,185,132	185,323	4,640,545	3,350,758	16,361,758
Disposals	-	-	-	-	-
At 31 March 2016	97,485,016	897,822	34,264,724	19,002,762	151,650,324
Carrying amount					
At 1 April 2015	49,155,527	20,260,239	15,235,059	4,057,513	88,708,338
At 31 March 2016	52,208,487	20,373,757	18,496,331	1,711,097	92,789,672
12 (B) Company					
	Buildings & utilities	Boats & engines	Machinery & fittings	Vehicles, aircraft & trailers	Total
Cost					
At 1 April 2015	125,541,871	6,250,236	36,443,869	30,143,000	198,378,976
Additions	8,788,318	298,841	7,775,852	1,004,342	17,867,353
Disposal	-	-	-	-	-
At 31 March 2016	134,330,189	6,549,077	44,219,721	31,147,342	216,246,329
Accumulated depreciation and impairment					
At 1 April 2015	87,319,511	5,803,592	28,021,555	8,964,735	130,109,393
Annual depreciation	6,615,841	185,323	2,891,451	2,403,365	12,095,980
Disposals	-	-	-	-	-
At 31 March 2016	93,935,352	5,988,915	30,913,006	11,368,100	142,205,373
Carrying amount					
At 1 April 2015	38,222,360	446,644	8,422,314	21,178,265	68,269,583
At 31 March 2016	40,394,837	560,162	13,306,715	19,779,242	74,040,956

13 Investments

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

	% Holding	2016	2015
<u>Held in group company</u>			
Green Island Construction Company Limited	100%	100,000	100,000
<u>Other</u>			
Desroches Island Lodge Limited	1%	48,237	48,237
Paradise Marine Limited	20%	3,903,290	2,000
Total		4,051,527	150,237

During the year the company acquired 207 shares in Paradise Marine Limited at a premium of \$ 1,511.28 per share.

14 Deferred grants (Company)

	2016	2015
Balance 1 April	23,624,549	25,647,363
Amortisation for the year	(1,693,881)	(2,022,814)
Balance 31 March	21,930,668	23,624,549

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

15	<i>Inventories</i>	Consolidated		Company	
		2016	2015	2016	2015
Copra	414,497	151,816	414,497	151,816	151,816
Employee shop stocks	907,215	1,017,242	907,215	1,017,242	1,017,242
Live stock & livestock products	160,000	151,000	160,000	151,000	151,000
Engineering spares	5,639,619	4,808,266	5,639,619	4,808,266	4,808,266
Building materials	34,217,543	8,322,104	24,292,544	1,502,321	1,502,321
Fuel and sundry	1,802,458	2,131,282	1,802,458	2,131,282	2,131,282
Total	43,141,332	16,581,710	33,216,333	9,761,927	

16	<i>Trade and other receivables</i>	Consolidated		Company	
		2016	2015	2016	2015
Trade receivables	15,365,519	20,259,640	15,365,519	20,259,640	20,259,640
Completed works awaiting certification	19,188,679	681,769	13,985,841	-	-
Construction debtors	41,002,476	40,774,407	15,783,334	11,605,476	11,605,476
Prepaid goods and credit with suppliers	1,131,678	8,969,111	-	-	-
Other receivables	5,856,948	16,271,335	7,664,900	14,153,262	14,153,262
Total	82,545,300	86,956,262	52,799,594	46,018,378	

17	<i>Employee benefit obligations</i>	Consolidated		Company	
		2016	2015	2016	2015
1 April	2,416,288	2,151,289	2,317,343	2,071,292	
Benefits paid	(1,582,986)	(875,449)	(1,528,614)	(836,017)	
Current service cost	1,417,818	1,140,448	1,243,500	1,082,068	
Total	2,251,120	2,416,288	2,032,229	2,317,343	

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	
		2016	2015	2016	2015
Non current					
Bank loan	107,455,233	76,702,118	13,690,136	12,952,025	
Total	107,455,233	76,702,118	13,690,136	12,952,025	
Current					
Bank loans	22,883,722	7,838,640	5,151,600	4,724,086	
Bank overdrafts	11,038,541	17,653,506	6,647,480	6,744,844	
Total	33,922,263	25,492,146	11,799,080	11,468,930	
Total borrowings	141,377,496	102,194,264	25,489,216	24,420,955	

18.1	<i>Repayments</i>	Consolidated		Company	
		2016	2015	2016	2015
Repayable within 1 year	33,922,263	25,492,149	11,799,080	11,468,930	
Repayable later than 1 year and no later than 5 years	89,199,525	38,670,965	13,690,136	12,952,025	
Repayable later than 5 years	18,255,708	38,031,150	-	-	
Total	141,377,496	102,194,264	25,489,216	24,420,955	

18.2	<i>Currency profile</i>	Consolidated		Company	
		2016	2015	2016	2015
US \$	23,232,797	24,224,817	25,489,216	17,676,111	
Seychelles R	118,144,699	77,969,447	-	6,744,844	
Total	141,377,496	102,194,264	25,489,216	24,420,955	

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

18 Borrowings (cont.)

18.3 Finance cost profile

	Consolidated	Company
3 months Libor + 5% (average 5.24%)	6,548,706	-
Lending rate @ 5.23%	23,232,797	17,676,111
Lending rate + 3% (Average 10%)	-	19,340,976
Lending rate @ 11%	104,969,098	58,628,471
Lending rate @ 13%	13,175,601	-
Total	141,377,496	102,194,264
		25,489,216
		24,420,955

19 Trade and other payables

	Consolidated	Company		
	2016	2015	2016	2015
Trade payables	31,288,867	36,229,265	26,187,122	14,476,960
Advances on contracts	123,850,422	16,399,380	110,268,947	13,245,001
Construction creditors	7,841,996	5,017,245	7,841,996	5,017,245
Payables to related parties (Note 20)	4,813,291	-	-	9,066,705
Salaries payable - construction workers	9,838,268	4,430,255	9,838,268	4,430,255
Staff performance incentives	-	1,045,068	-	1,045,068
Deferred revenue	3,781,594	4,203,332	3,781,594	4,203,332
Other accruals	19,523,579	18,248,984	5,908,705	5,279,368
Total	200,938,017	85,573,529	163,826,632	56,763,934

20 Lending (group)

Receivable under finance lease:

	Re Ministry of Land Use Extension	Re Mayor's office
Net investment in lease	92,453,984	4,009,415
Interest raised	6,588,519	695,017
Finance repaid during the period	(6,780,637)	(738,020)
Total	92,261,866	3,966,412

The future minimum lease payments under non cancellable financial leases (discounted at 11% per annum) are as follows:

	Ministry of Land Use Extension		Mayor's office	
	Lease repayment	Lending repayment	Lease repayment	Lending repayment
Receivable within 1 year	20,341,911	18,273,816	883,224	744,852
Receivable later than 1 year and no later than 5 years	101,709,553	50,719,164	4,416,120	2,007,863
Receivable over 5 years	54,245,095	23,268,886	1,913,652	1,219,793
Total	176,296,559	92,261,866	7,212,996	3,972,508

21 Related parties and transactions

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

21.1 Sale of goods; services and expenses recovered

	Consolidated		Company	
	2016	2015	2016	2015
To associated companies	14,403,402	20,820,154	14,403,402	20,820,154
To subsidiary	-	-	-	-
Total	14,403,402	20,820,154	14,403,402	20,820,154

21.2 Purchase of services

	2016	2015	2016	2015
From associated company	7,472,335	11,150,722	7,472,335	11,150,722
From subsidiary	-	-	-	-
Total	7,472,335	11,150,722	7,472,335	11,150,722

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

21.3 Year end balances receivable from arising from provision of services

	Consolidated		Company	
	2016	2015	2016	2015
From associated company (Classified as non current)	12,335,014	16,156,853	12,335,014	16,156,853
To subsidiary	-	-	3,946,360	(9,066,705)
	12,335,014	16,156,853	16,281,374	7,090,148

21.4 Loan to associated company

	Company	
	2016	2015
At 1 April	2,169,690	2,169,690
Converted to shareholding	(2,169,690)	-
Loan repaid	-	-
At 31 March - classified as non - current	-	2,169,690

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

21.5 Parent Company directors emoluments, pensions or compensation

	Consolidated		Company	
	Salary for Management		Fees, Pensions & Others	
	2016	2015	2016	2015
Mr. G.M. Savy	997,740	775,542	997,740	775,542
Mr. R. Renaud	396,720	369,036	396,720	369,036
Mr. P. Lablache	98,104	89,869	54,720	47,509
Mr. D. Dogley	34,045	48,733	21,280	27,553
Mr. H. Aglae	36,480	27,553	36,480	27,553
Ms. L. Desaubin	58,363	48,733	36,480	27,553
Ms. S. Naiken	58,363	48,733	36,480	27,553
Mr. P. Payet	58,363	48,733	36,480	27,553
Total	1,738,178	1,456,932	1,616,380	1,329,852

22 Commitments

22.1 Capital commitments - prepayments made (company)

Work in progress represents cost to date (R 3,594,442) for equipments bought on hire purchase agreement for a total value Eur 175,000 and additional spare parts at a cost of R 1,364,849. The repayment term is an advance of Eur 24,000 and 12 monthly installments of Eur 12,583.33.

21.2 Work in progress to be disposed as condominiums for sale (group)

The group is engaged in the construction a condominium project which will comprise of 57 luxury and 100 graduate apartments (50 each of 3 and 2 bedrooms). The project is expected to cost R 370m on completion with a potential revenue of R 511m.

The first phase, comprising of 30 apartments (19 luxury and 10 each of 3 and 2 bedrooms) has commenced at an estimated cost of R 86m, and is expected to be completed by October 2017. The construction will be financed by pre selling the apartments and a bank loan of 30m, repayable over 24 months and bearing interest at a rate of 9 % per annum.

22.3 Operating lease commitments - company as a lessor

The company leases outer islands and buildings under long term leases with rent reviews every 5 years and option to renew or extend the

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

	US\$	Rupees
Repayable no later than 1 year	927,314	339,900
Repayable later than 1 year and no later than 5 years	2,989,516	912,000
Repayable later than 5 years	27,507,951	-
	31,424,781	1,251,900

ISLANDS DEVELOPMENT COMPANY LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

23 Contingencies

23.1 Post balance sheet date event

On 10th April 2016, the Farquhar island was hit by the Fantala a category 5 cyclone on the Saffir-Simpson scale. These financial statements have not been adjusted for the damages caused to the fixed assets amounting to R 6,157,433 (carrying nbv) and the estimated replacement cost for buildings per a Quantity Surveyors report estimated at R 10,515,000. The company expects to recover R 9 m from the insurers for the damages.

23.2 Application of taxation for asset sold on finance lease.

The subsidiary Green Tree Investment Company Limited is seeking various confirmations on the applicable treatment of finance lease revenues and future rents in terms of Business, Value Added and Corporate Social Responsibility Taxes. The company is of the opinion that its financial statement includes provisions for all potential liabilities.

23.3 Other

The directors are not aware of any other outstanding contingent liabilities at 31 March 2016.