



ISLANDS DEVELOPMENT COMPANY LTD

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2020



Desroches Island

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INTRODUCTION

Islands Development Company Ltd (IDC) was incorporated on 29th April 1980 and is wholly owned by the Seychelles Government through *Société Seychelloise d'Investissement* Ltd (SSI). The company is domiciled in the Seychelles and its principal activity is the management and development of 14 islands on behalf of the Government – 13 of these islands are on lease from the Government. IDC has recently acquired the lease for Coetivy.

During the financial year ending 31st March 2020, IDC owned one subsidiary company (Green Island Construction Company Ltd – GICC) and had interest in two associated companies (Paradise Marine Ltd and Green Tree Investment Company Ltd).

IDC operates its own Aviation division to better service the islands and is also co-owner of the vessel Enterprise II under Paradise Marine.

It has twelve (12) departments, including IDC Aviation, in its organization structure and the company's financial year ends on 31st March of each year.

Mission

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

Vision:

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

Registered Office:

The company has its registered office at Latanier Road, New Port, Victoria, Mahe, Seychelles and other important information are as follows:

Postal Address:	P.O. Box 638
Principal Place of business:	Latanier Road, New Port, Victoria, Mahe, Seychelles
Contact:	Phone: (248) 4384640 Email: ceo@idc.sc

Bankers:	Nouvobanq Seychelles Mauritius Commercial Bank (Seychelles) Ltd Seychelles Commercial Bank
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Legal Advisors:	Mr. Francis Chang-Sam and Chetty & Hoareau Chambers
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Auditor:	Pool & Patel, Chartered Accountants
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BOARD OF DIRECTORS

IDC is governed by a Board of Directors consisting of nine members whose mandate is to provide policy, strategic directives and oversight of the company to achieve its business objectives and fulfil its corporate social responsibilities. The following Directors held office as at 31st March 2020:

Mr. Patrick Berlouis – Chairperson: Patrick Berlouis joined IDC as Chairman of the Board of Directors in January 2017, after serving for eight years as Principal of the Independent School. His early career was in the field of Education, starting as a teacher, before moving into Educational Planning and later, management of educational institutions within the Ministry of Education. He joined the private sector in 1994 and had the opportunity to work a few times as Relief Manager on Cousine Island while at Gondwana Enterprises. The robust and comprehensive rehabilitation and conservation programme on Cousine served to crystalize his views on the special importance of such islands in the country’s effort in environmental protection as well as the need to take into account their fragility when any type of development is planned. Mr. Berlouis considers being on the IDC Board as an exceptional privilege.

Mr. Glenn Savy – CEO/Director: Glenn Savy joined IDC in 1982, the year after he graduated in Social and Political Theory at Murdoch University in Australia, with majors in Economics. He holds a pilot license and is an experienced diver. He was re-appointed in December 2018 as the CEO of the company for a further period of 3 years.

Mr. Christian Lionnet – Deputy CEO/Director: Christian Lionnet joined IDC as the new Deputy CEO in 2019. Prior to that, he spent 14 years of his professional career in the Ministry of Land Use and Housing where he occupied various positions. He formed part of the top management team of the Ministry from 2007 where he occupied the post of Principal Secretary. In 2012, Mr. Lionnet was appointed as Minister with the Land and Housing portfolio. He holds a Master’s degree in Civil Engineering from the University of Manchester, UK.

Mr. Patrick Lablache – Director: Patrick Lablache is a Fellow of the Royal Institution of Chartered Surveyors (FRICS) and holds an MSc in Urban Land Appraisal from the University of Reading UK (1984) and a BSc in Estate Management from Thames Polytechnic London (1979). He is the Special Advisor and Consultant for Reclamation Works at the Ministry of Habitat, Infrastructure and Land Transport. Mr. Lablache is one of the longest serving Trustees of the Seychelles Islands Foundation.

Mr. Willy Confait – Director: Willy Confait has had a long and distinguished career in the Public Service and the Public Sector from December 1965. He holds a post-graduate Diploma in Public Administration and Policy Analysis and a MA degree from the University of Warwick. He held a number of senior positions including Chief Executive Officer of Seychelles Licensing Authority, Chief Executive Officer and then Advisor at the Seychelles Pension Fund. He served as Director on a number of private and public boards. He is currently a Member of the Constitutional Appointments Authority (CAA).

Mrs. Sherin Francis – Director: Sherin Francis holds a BSc degree in Economics and Business Studies from the University of Manchester and an MSc degree in Finance from the University of London International Programmes. She is the Chief Executive Officer of the Seychelles Tourism Board, since July 2013.

Mrs. Angele Lebon – Director: Angele Lebon is employed with the Ministry responsible for Finance as a Financial Controller and is seconded to the Seychelles Police Department. She is qualified in Accounting and Human Resources with extensive experience throughout the public service in Administration.

Ms. Angelique Antat – Director: Angelique Antat graduated from the Middlesex University, UK in 2010 with a degree in Business and Business Economics and also holds a Master's degree in Law and Development, from Manchester University. For over 11 years, Ms. Antat had been employed by the Ministry of Finance. In 2017 she was appointed as Chief Executive Officer of the Seychelles Investment Board. Ms. Antat is currently the Principal Secretary for the Department of Industry and Entrepreneurship Development.

Mr. Denis Matatiken – Director: Denis Matatiken has been in the Ministry of Environment for the last 23 years where he has occupied various positions. He holds a first degree in Environment Science at the University of Sheffield and a Master's Degree in Botanical Conservation at the University of Plymouth. UK. Mr. Matatiken is presently the Special Advisor to the Minister for Environment, Energy and Climate Change.

SENIOR MANAGEMENT AS AT 31st March 2020

NAME	POST	JOINED
Glenny Savy	Chief Executive Officer	1982
Barry Laurencine	Warehouse Manager	1988
Lima Jarrymanana	Chief Accountant	1992
Dhanji Murji Hirani	Construction Manager	1995
Marcus Labrosse	General Manager Aviation	2000
Valerie de Commarmond	Administrative Manager – CEO’s Office	2003
Anup Hari	Chief Finance Officer	2004
Jacqueline Payet	Human Resource Manager	2010
Senthil Raju	Senior Software Analyst	2011
Louisa Victorine	Ground Operations Manager	2012
Sreedevi Suresh	Purchasing and Stores Manager	2012
Harry Jean-Louis	Aviation Security Manager	2012
Vivianne Dubel	Client Services Manager (GICC)	2013
Darshana Liyanage	Finance Manager (GICC)	2015
Michael Govinden	PR & Communications Manager	2016
Dr. David Payet	Senior Medical Officer	2017
Akash Hari	CAMO	2018
Moise Clerempuy	Quality Manager	2018
Waldo Petzer	AMO Manager	2019
Justin Moustache	Agricultural Project Manager	2019

Christian Lionnet	Deputy Chief Executive Officer	2019
Michel Cooposamy	Island Operations Manager	2019
Ian Edmond	Project Manager	2019
Roland Renaud	Captain of Enterprise 2 vessel	2019
Paul Medor	Information System Manager	2020
Kenny Raoul	Engineering Workshop Manager	2020

CHAIRPERSON'S REPORT

How strange it is to be standing in a COVID-19 world and looking back upon a year when the 'old' reality reigned.

With the present impediments to getting things done, one message that comes out clearly from this perspective is that one must always 'seize the moment' and ensure that one does the maximum within the conditions and with the opportunities that exist at any time.

I am happy to be able to state that IDC did use the 12 months between April 2019 and March 2020 in a very creditable manner and it managed to accomplish much, in spite of one or two unexpected hurdles and the last month of the financial year, when the effect of the pandemic started to bite.

Providence got its runway in April 2019 and this ensures much easier accessibility to that island which had had no permanent presence since 2006, when Cyclone Bondo destroyed all its facilities. We now have some workers based there, so that the island and its surrounding reefs is not used for nefarious purposes. It is IDC's plan to install a guesthouse on Providence for fly fishermen as well as a facility for Seychellois visitors, so that it contributes to the income of the company.

To the south of Providence lies Farquhar atoll and this is a place well appreciated for its Giant Trevally (GT) as well as the size and ferocity of its bonefish. Its original runway had been laid down in 1984, and after 35 years, the concrete was chipping, thus presenting a danger to aircraft. After Providence therefore, the company re-surfaced the runway on Farquhar, so as to guarantee the safety and comfort of clients. The resurfacing work was completed in August.

In late July 2019, IDC was honoured to organize and host a visit by a three-man delegation from Preserve Seychelles to three islands in the Aldabra group. Preserve Seychelles as represented by Mssrs. Terry Sandapin, Guynemer Corgat and Ralph Volcère wanted to be re-assured that there was no foreign military base or presence on Assomption, and why another island should be used for a future Coast Guard base. The delegation were able to visit two islands, Astove and Assomption, and the plane also flew over Cosmoledo atoll so that the three representatives were able to appreciate the situation, possibilities and challenges of these places 1075 km from Victoria. There was and is no foreign military base on Assomption or any of the other islands. However, the need to have an effective and viable Seychelles military presence in this far corner of our country was evident to everyone.

Meanwhile, back at Head Office, the Deputy CEO, Mrs. Veronique Herminie published the Islands Operation Manual, after many months of work. This important publication is the 'bible' of all Managers on the Islands and also the sections at Head Office and Aviation. It was a mammoth endeavour, and I would like to salute Mrs. Herminie's perseverance and application in putting all this together. It is a comprehensive document and a very useful reference point for the new staff and old hands across the company.

The departure of prisoners from Coëtivy in August 2019 after six years, has allowed IDC to bring that island of 991 hectares into our palette of economic activities. The company was then able to undertake a more detailed survey of the possibilities there and the discovery of very healthy vanilla plants in the north of that island pointed to the way forward. Private farmers from Mahé will join hands with IDC to utilize the vast expanses of fertile land over there, so as to make significant contribution to the food security of the country. Some of the 168 huge ponds that have been lying idle for some 10 years will now be brought back into operation as part of IDC's plan to supply the local market with the much prized Black Tiger prawns, as well as export premium quality sea cucumbers and sea urchins. It is really high time for Coëtivy to take its place once again in the agricultural world of Seychelles. Preparations were also made to clean up the extensive and numerous coconut plantations which are now overgrown, with a view of supplying Mahé with coconuts, coconut oil and 'poonac' – the latter for animal food. The potential of that island's contribution to the country's economy cannot be overstated and IDC will play its role in making this become a reality.

The construction of Platte Island resort occupied much of our thinking during the last financial year, as we knew it would be critical to the financial health of the company. In spite of some long delays in obtaining a series of permissions to build, we were able, in the closing months of 2019 and in January and February of this year to start doing some preparatory work on the resort. We suspect that we will be able to proceed at a faster pace in the next financial year, as this particular project is slated to make a critical contribution to the company's profitability.

Meanwhile on Mahé, the IDC construction subsidiary, GICC, had a very busy year as it progressed on several projects. Construction work continued at Perseverance Point on the second three-bedroom block throughout the year while the foundation for the first two-bedroom block was laid in December 2019, much to the joy of the young professional couples who had put down deposits for their dream home.

The biggest apartment building that GICC had built on this site, the Luxury complex, which has 19 apartments of different sizes became ready for public viewing in February 2020 and these were put on sale soon after.

At Anse aux Poules Bleues, in the south of Mahé, the high end residential complex that GICC had been contracted to build was delivered on schedule to a very impressed developer in December 2019. The quality of the property had also attracted the attention of other parties and the owner was strongly encouraged to convert Mango House into a "5 star plus" hotel, to be managed by a luxury international hotel company. The necessary procedures were thus initiated to give effect to this conversion, in the fond hope that the necessary approvals from various Government agencies would not take forever and a day to obtain.

It was a source of great satisfaction to me that we were able to put in place, by September 2019, the scheme that offers Seychellois the possibility to visit the Outer Islands in greater

numbers. The company was able to give a flat rate return airfare of SR 3,000.00 per person to various islands that have guest-houses, irrespective of the distance from Mahé. The number of people booking these trips was very encouraging and Farquhar proved to be a popular destination, apart from Desroches. However, the COVID-19 pandemic has put an abrupt stop to that. We plan to resume as soon as tourists start travelling to these distant islands. The pristine splendour of places like Alphonse and Astove must really be seen and experienced by more of our citizens.

In a complementary effort to give the Seychellois public the opportunity to appreciate the exquisite beauty of the Outer Islands of Seychelles, IDC worked with SBC to prepare a series of programmes on these magnificent outposts of our country. The series is to be called Nou Zil Elwanyen and the first episode was broadcast on 29th April 2020, which is the 40th Anniversary of IDC.

All these solid achievements have not happened through waving a magic wand. These represent a lot of planning, of strategizing and of sheer solid work on the islands, at Head Office, at Aviation, on Enterprise II and on the various building sites. It has not been easy but through the commitment of the company's leadership, its management and workers in all sections of IDC and GICC, another successful year has been realized.

The CEO in his report will highlight the financial results of the past financial year, which reflect all of the above activities. It is thus fitting to thank Mr. Glenn Savy, the CEO, and all members of his team at the New Port and at so many other places on Mahé and distant parts of Seychelles, for the admirable work that they have done during the past financial year, and for the results that have been registered. I also express my gratitude to all members of the Board of Directors for their constant engagement and wise guidance throughout the last financial year, which was doubtlessly an important factor in ensuring the company's success.

In the closing months of the 2019-2020 financial year, we were still able to look to the future with optimism – as we balanced the projects that we had in hand, allied to a realistic analysis of our 5 Year Development Plan (2018-2023) against the expected deprecations of the accursed COVID-19 pestilence.

I trust that with everybody's commitment and determined effort, we will prevail, and possibly even break even in the 2020-2021 period.



**Patrick Berlouis - Chairperson
October 2020**

CHIEF EXECUTIVE'S REPORT

As we draw the curtain on the 2019-2020 financial year, I am deeply honoured as CEO to present the financial report for the IDC group of companies.

Right at the dawn of this financial year, we set out as a priority, to strengthen our management team. I am happy to report (as can be seen on pages 5 and 6 above) that this task has been accomplished. During the financial year ending 31st March 2020 alone, IDC recruited eight new and well qualified staff to our management team. They are all young graduates, full of energy and determination to bring IDC to the next level of its development.

However, during the third quarter of 2019 we lost a key team player with the departure of our Deputy CEO, Mrs. Veronique Herminie, who had been asked to take up a new position within the Government. Mrs. Herminie's passionate, energetic and tireless approach to work has pumped new blood into the veins of all staff members, who are now more determined than ever to see the company succeed. She will be sadly missed by all. But 'in the midst of chaos there is also opportunities' so to speak. The young former Minister in the person of Mr. Christian Lionnet took over from where Mrs. Herminie had left. His wealth of experience is already starting to show in the various projects that we are undertaking, such as construction and agricultural development.

Agriculture has always been one of the pillars of the outer islands, be it for self-sufficiency in certain variety of crops or for large scale agricultural production, as was the case in the mid-80s. With the coming online of Coëtivy island (whose lease will be transferred to IDC in the next financial year) we are now in a position to launch the much-awaited agricultural development programme on that island. The project has been delayed by a few years with the presence of the open prison on the island until August 2019 when the Prison Authorities finally moved out.

In the third Outer Islands Development Plan 2018-2023, Coëtivy has been dedicated primarily to agriculture and aquaculture and any future tourism development will have to co-exist. The 931-hectare island is a mere 290 km from Mahe, reachable in an hour by plane or twenty-four hours by boat, making it feasible for large scale agriculture production. IDC alone cannot develop the whole 400 hectares of land set aside for agricultural development on Coëtivy. It has thus started to engage with the various local Farmers' Associations to invite them to form part of this programme. Discussions will intensify in the upcoming financial year. In the meantime, work to clear the agricultural land of undergrowth has started. IDC itself will engage in cultivating some cash crops such as vanilla, onion, ginger and garlic. Alongside agriculture there will also be some broilers and layers as well as livestock which will be a source of fertiliser for crops. There are also advanced plans to reintroduce some aquaculture on Coëtivy such as shrimp, sea cucumber and sea urchin. For that, IDC will have to rehabilitate some ponds left behind by SMB. With the return of Mr. Justin Moustache to IDC as Agricultural Project Manager, this development is already showing signs of future success.

Work has commenced on Desroches to rehabilitate some livestock production facilities and one hectare of covered areas has been set up for vegetable production. This facility would be used as a research and trials facility to establish the best suited varieties and methodology to be adopted on the islands. Various irrigation systems would be tested to establish best practice for the outer islands in order to conserve water resources.

In December 2019, GICC successfully completed the Mango House project phase 1 and phase 2. The owner has decided to convert the establishment from a residential property into a small luxury hotel, requiring some modifications. This will now be considered as phase 3 of the project which will start in the next financial year to be completed by December 2020.

In February 2020, Green Tree Investment Company Ltd (a subsidiary IDC) opened the doors to the newly constructed luxury apartments for public viewing and sale. Constructed by GICC at a cost of SR 57 million as part of the Perseverance Point Condominium project, the apartment block consists of nineteen units which are available for purchase on the open market. The luxury blocks (there will be three blocks of nineteen apartments each) are being sold on the open market to partially subsidise the cost of construction for the graduate units.

The first three-bedroom block of 10 units for graduates and young professional first-time home buyers was handed over to the tenants in August 2018. The second three-bedroom block and the first two-bedroom block will be allocated to their owners in the next financial year.

While things have been going fairly well in the construction sector for the IDC group, we would like to note our disappointment with the EIA Division of the Department of Environment for not having efficiently managed the Environmental clearing process to enable us to start the Platte project. This has had a significant impact on IDC and our profitability was directly affected. However, into the financial year we were able to start some work on the back of house facilities. We are expecting the final authorization to start construction work on the hotel itself during the course of the financial year 2020-2021. The country as a whole lost valuable FDI during this financial year.

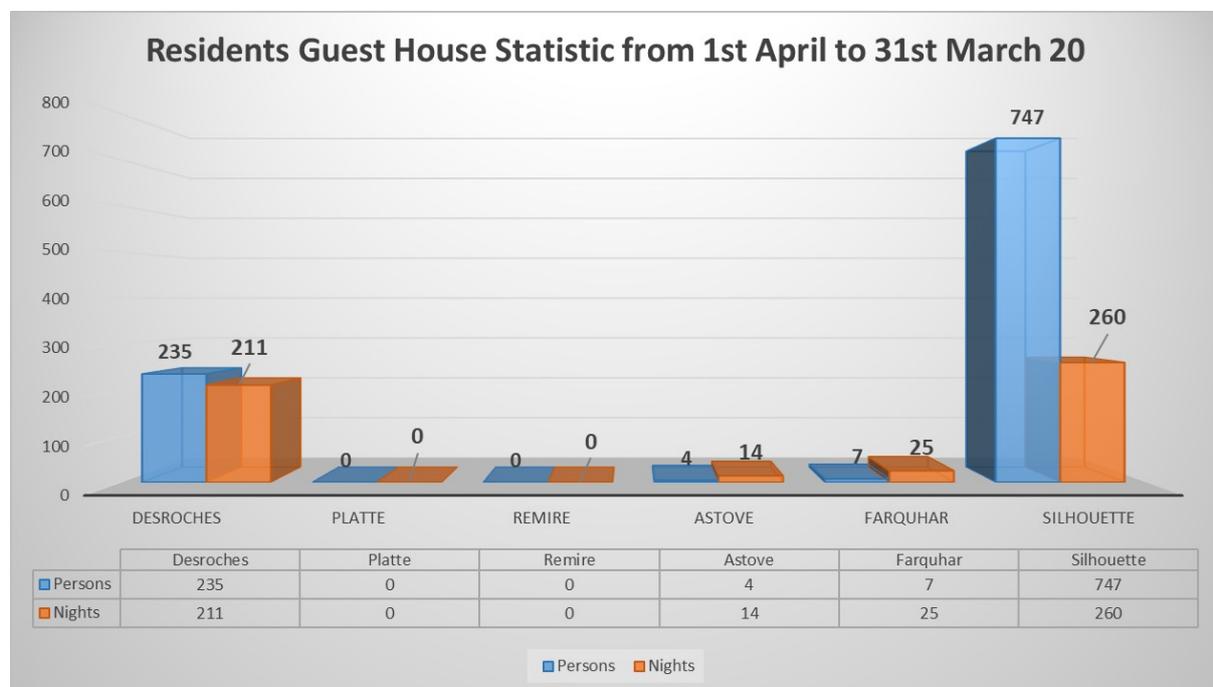
The introduction of solar panels and batteries on Alphonse island in 2018 as a means to cut cost and reduce the amount of diesel used to power electricity generators on the island has proven to be of great financial benefit. The savings during this financial year was USD 200,000. The benefit is not IDC's alone, as the country as a whole saves on foreign exchange that would have otherwise gone towards the importation of fuel to power the generators on the island. Because of this the Board of Directors resolved to extend similar facilities to Desroches, Farquhar and Astove. Tenders were launched in February 2020 and similar installations to that of Alphonse will be set up during the financial year 2020-2021. It has been estimated that the Desroches solar farm alone could save the country USD 1.5 million per year.

Post Fantala Rehabilitation of Farquhar continued during this financial year. With the physical infrastructures rebuilt, our emphasis was turned to the revegetation programme on North

Island for esthetical and economic reasons. IDC spent in excess of SR 7 million until end of March for this programme where some 2,600 young coconut trees have been planted thus far.

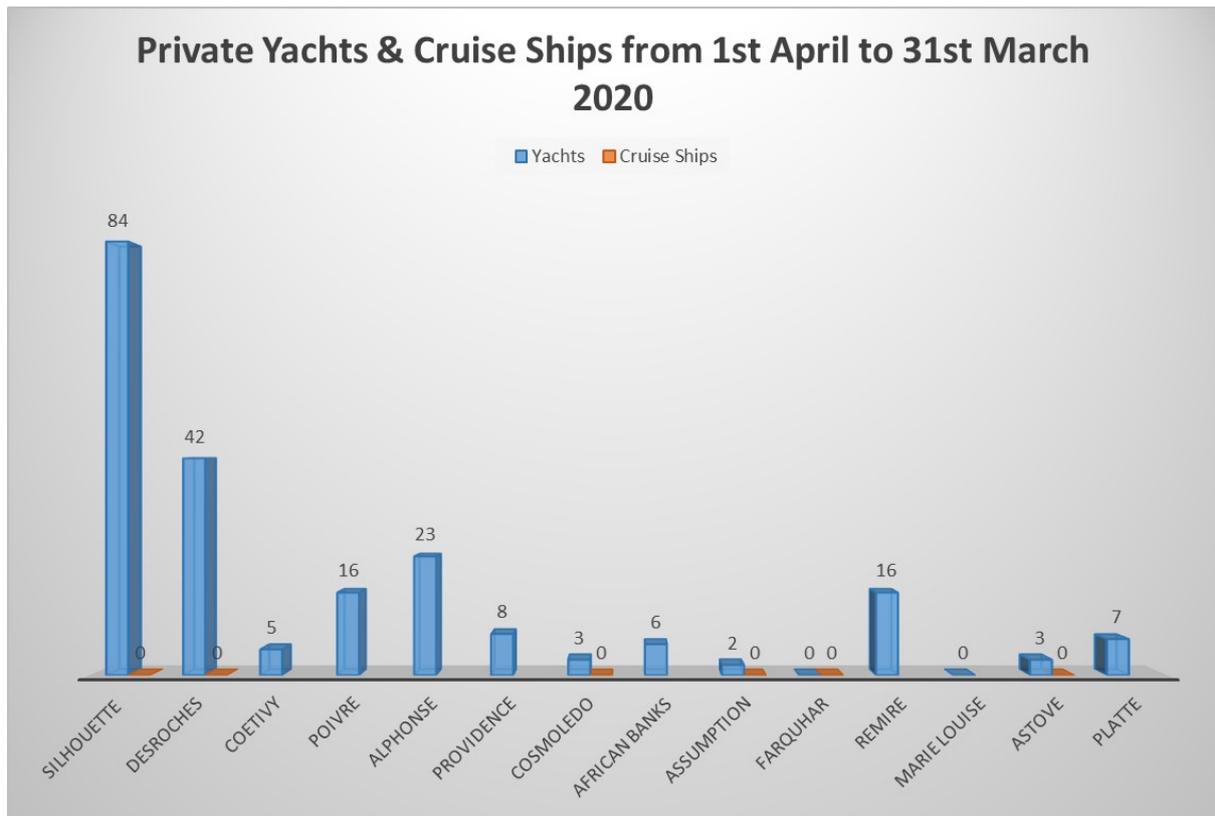
In an effort to encourage more Seychellois to visit and enjoy the outer islands, the Board of Directors took a decision to reduce the airfares to all outer islands with guest accommodation, regardless of their distance from Mahe, to a flat rate of SR 3,000. Previously, a seat on the flight to Farquhar was SR 7,500 while Seychellois going to Astove would pay SR 10,000.

This scheme translated in a total of 993 Seychellois staying in the IDC guesthouses on the islands between 1st April 2019 and 31st March 2020; an increase of 132 persons or 15 % over the last financial year. Platte and Remire recorded nil visitors as there are no regular flights, while Seychellois going to Astove and Farquhar benefit from unoccupied seats on flights chartered for fly fishing operators. Silhouette guesthouse remains the most popular among Seychellois as it is more readily accessible.



Graph: Residents Guest Statistics 1st April 2019 to 31st March 2020

No cruise ship called on any island during this financial year. However, private yachts continued to visit the outer islands and Silhouette, in spite of a 22% reduction in the number of yachts compared to the previous financial year.



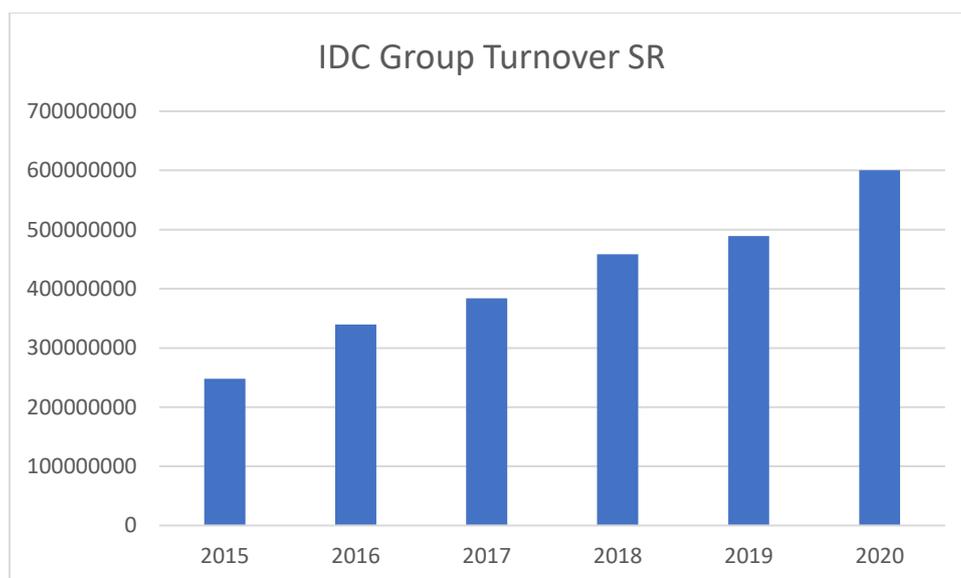
Graph: Showing private yachts & cruise ship arrivals on the islands 1st April 2019 to 31st March 2020

IDC's accounts are already published as per International Financial Reporting Standards (IFRS) format for SMEs. Going forward, IDC will be migrating to full IFRS which will enhance the presentation of its accounts.

Below is a summary of the financial performance of the IDC group of companies in figures.

Financial Performance:

For the financial year ending 31st March 2020, the company achieved a consolidated turnover of SR 600 million. This represents an increase of SR 110.9 million or 22.68% over the last financial year.



In spite of the difficulties that we encountered during the financial year ending 31st March 2020, IDC managed to achieve a consolidated profit of SR27 million out of the SR 31 million target set for the financial year. This does not include SR 7 million that was spent on the revegetation of Farquhar Island which has not been capitalized in our accounts.

CONSOLIDATED STATEMENT OF INCOME:						
	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
REVENUE	248,004,351	339,597,329	384,022,412	463,913,482	489,081,072	600,029,074
% increase from 2015		36%	54%	84%	97%	142%
DIRECT COSTS	149,356,945	227,951,176	252,230,160	316,361,548	280,727,346	395,627,833
OTHER GENERAL EXPENSES	68,985,975	87,281,782	107,159,171	107,653,871	154,943,059	168,993,093
OPERATING PROFIT	29,661,431	24,364,371	24,633,081	39,898,063	53,410,667	35,408,148
FINANCE INCOME	461,676	7,803,757	12,468,625	10,861,461	11,935,680	9,129,202
FINANCE COSTS	5,767,439	7,255,976	17,017,563	17,480,758	22,032,118	17,965,625
FINANCE NET	-5,305,763	547,781	-4,548,938	-6,619,297	-10,096,438	-8,836,423
PROFIT BEFORE INCOME TAX	24,355,668	24,912,152	20,084,143	33,278,766	43,314,229	26,571,725
INCOME TAX EXPENSES	4,345,335	6,284,049	7,906,663	7,308,934	9,313,055	12,561,616
NET PROFIT FOR THE YEAR	20,010,333	18,628,103	12,177,480	25,969,832	34,001,174	14,010,109
RETAINED EARNINGS 31 MARCH	60,892,453	76,453,657	88,631,137	110,697,679	141,698,853	150,708,962
DIVIDEND	-3,000,000	-3,000,000			-3,000,000	-5,000,000

Taxation:

The consolidated statement for tax contributions to the Government is as shown below. A total amount of SR 56.6 million has been paid in taxes for the twelve months ending 31st March 2020 by IDC and GICC as indicated in tables a) and b) below:

a) Statement for Tax Contributions to Government of Seychelles – for IDC

	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	TOTAL
	(SR)						
INCOME TAX EXPENSES	2,242,979	2,673,226	1,511,499	2,531,445	6,460,031	2,602,575	18,021,755
CSR TAX	728,364	710,885	1,494,579	2,058,513	1,574,238	1,516,745	8,083,324
TOURISM AND MARKETING TAX	0	0	359,215	2,058,513	1,574,238	1,516,745	5,508,711
VAT	18,634,867	21,035,874	48,127,421	69,494,599	47,719,444	40,221,116	245,233,321
	21,606,210	24,419,985	51,492,714	76,143,070	57,327,952	45,857,180	276,847,111

b) Statement for Tax Contributions to Government of Seychelles – for GICC

	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	TOTAL
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
INCOME TAX EXPENSES	1,015,026	4,764,215	4,592,369	248,457	3,589,009	4,327,004	18,536,080
CSR TAX	654,452	691,793	580,937	556,437	1,005,175	1,782,069	5,270,863
TOURISM AND MARKETING TAX	0	0	75,318	556,437	1,005,175	1,782,069	3,418,999
VAT	26,481,336	24,924,110	16,357,108	12,224,331	3,999,352	2,864,762	86,850,999
	28,150,814	30,380,118	21,605,732	13,585,662	9,598,711	10,755,904	114,076,941

Debtors and debt recovery:

IDC has an effective system in place to collect all debts within 30 days.

Corporate Social Responsibility:

The group's CSR policy remains largely focused on environmental protection and conservation on the outer islands and Silhouette. The major share of our CSR tax therefore goes towards Islands Conservation Society (ICS) in support of its various conservation activities on the islands. The total contribution IDC made to ICS over the past four years are as follows:

Financial year 2016/2017	SR 1,131,000
Financial year 2017/2018	SR 1,033,681
Financial year 2018/2019	SR 1,011,958
Financial year 2019/2020	SR 953,660

I am a firm believer that the greatest asset of any company is its workforce. I therefore cannot end this report without thanking my staff for their loyalty to the company, their devotion and hard work, without which IDC would not be where it is today.

As at 31st March 2020, IDC and GICC had a total of 955 employees. Although the number of female staff has reduced over the past year (72 female employees and 883 males as at 31st March 2020) they remain highly spirited and committed to their work. They nevertheless remain the backbone of our head office administration and operations. I salute them.

In February 2020, the mandate of the IDC Board of Directors was renewed for a further 3-year period. I am delighted to note that apart from one member, all other Directors have been reappointed to the Board. I would like to thank the outgoing member, Mr. Alain de Commarmond for his contribution towards the advancement of IDC during his tenure and I wish him the very best. I would also like to welcome Mr. Denis Matatiken on board. I am certain that his extensive experience in environment will bring new impetus to the company.

Towards the latter part of the financial year (March 2020) Seychelles was hit by COVID-19. IDC was called to urgently assist the Department of Health to build a quarantine center on South East Island. GICC renovated the facility comprising two blocks of 32 rooms (previously used by the SPDF) at a cost of SR 3.5 million. Meanwhile, the company was busy taking steps to contain potential COVID problems within our own establishment and on the islands. The Management team discussed plans and strategies in the month of March in order to cope with the problem going forward.

In April this year IDC will celebrate its 40th anniversary. As we prepare to mark this milestone achievement, we are mindful of the challenges and difficulties that the COVID outbreak poses to the company. We therefore approach the next financial year cautiously, as all indication show that 2020-2021 will be challenging. I am assured however by the dynamism of my team. Together we will sail through the rough seas ahead. In the event that COVID-19 persists or worsens we might need to take measures to reduce our operating costs. We will do that together.

I look forward to a challenging financial year 2020-2021.



**Glenny Savy - Chief Executive Officer
October 2020**

Financial Review

Consolidated Balance Sheet:

	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
Assets:						
Property, Plant and equipment	88,708,338	92,789,672	78,992,038	157,697,344	232,033,423	215,437,812
Investments	50,237	3,951,527	3,956,126	4,599	4,599	4,599
Lendings	2,169,690	94,021,812	91,801,032	88,667,961	69,223,596	55,196,892
Due from related parties	16,156,853	12,335,014	14,022,034	17,215,045	13,856,481	22,854,468
Capital work in progress	51,227,671	3,825,177	44,214,381	81,351,479	62,453,126	102,662,600
Deferred income tax asset	873,181	1,534,267	1,980,081	2,158,760	7,089,667	7,988,421
Non-Current Assets	159,185,970	208,457,469	234,965,692	347,095,188	384,660,892	404,144,792
Lendings	0	2,206,466	11,541,238	16,190,560	13,132,291	15,563,203
Inventories	16,581,710	43,141,332	43,140,429	14,606,664	51,581,901	16,352,625
Taxation	1,939,363	0	2,070,386	749,032	0	0
Trade and other receivables	86,956,262	82,545,300	77,831,518	81,644,571	119,469,531	111,961,830
Cash and cash equivalent	31,737,242	128,249,508	78,117,184	94,657,190	89,555,744	41,868,496
Current Assets	137,214,577	256,142,606	212,700,755	207,848,017	273,739,467	185,746,154
Total Assets	296,400,547	464,600,075	447,666,447	554,943,205	658,400,359	589,890,946
Liabilities:						
Employee benefit obligations	2,416,288	2,251,120	3,586,202	3,628,991	3,447,295	4,436,556
Deferred tax liability	368,541	203,993	2,067,945	1,611,296	66,840	
Borrowings	76,702,117	107,455,233	122,190,022	153,026,642	147,364,258	172,215,837
Non- Current Liabilities	79,486,946	109,910,346	127,844,169	158,266,929	150,878,393	176,652,393
Borrowings	25,492,146	33,922,263	66,605,523	97,254,554	123,425,974	51,366,612
Taxation		47,302			1,286,609	2,416,741
Trade and other payables	85,573,529	200,938,016	125,612,153	118,608,464	168,983,007	139,546,546
Current Liabilities	111,065,675	234,907,581	192,217,676	215,863,018	293,695,590	193,329,899
Total Liabilities	190,552,621	344,817,927	320,061,845	374,129,947	444,573,983	369,982,292
Share Capital	21,330,924	21,330,924	21,330,924	21,330,924	21,330,924	21,330,924
Retained earnings	60,892,453	76,520,556	88,631,137	110,697,679	141,698,853	150,708,962
Deferred Grants	23,624,549	21,930,668	17,642,541	48,784,655	50,796,599	47,868,768
Equity	105,847,926	119,782,148	127,604,602	180,813,258	213,826,376	219,908,654
Total Liabilities and equity	296,400,547	464,600,075	447,666,447	554,943,205	658,400,359	589,890,946

Consolidated Fixed Assets Statement:

	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
Cost						
Opening	190,155,352	223,996,904	244,439,996	242,430,679	337,174,977	435,612,241
Additions	33,841,552	20,443,092	10,685,807	94,744,298	99,587,991	13,952,176
Disposal		0	-12,695,122	0	-1,150,727	-632,901
At 31 March	223,996,904	244,439,996	242,430,681	337,174,977	435,612,241	448,931,516
Accumulated Depreciation and impairment						
Opening	121,798,482	135,288,566	151,650,324	163,438,641	179,477,633	203,578,818
Additions	13,490,084	16,361,758	18,601,815	16,038,992	25,251,912	30,547,788
Disposal		0	-6,813,497	0	-1,150,727	-632,902
At 31 March	135,288,566	151,650,324	163,438,642	179,477,633	203,578,818	233,493,704
Carrying amount at 31 March	88,708,338	92,789,672	78,992,039	157,697,344	232,033,423	215,437,812

Consolidated Cash Flow Statement:

	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
Cash flows from operating activities	35,842,740	37,064,434	37,557,263	46,446,087	87,985,938	42,920,278
Changes in working capital	-10,320,249	95,306,070	-80,660,825	17,717,023	-24,425,654	13,300,513
Cash generated from/(utilised) in operations	25,522,491	132,370,504	-43,103,562	64,163,110	63,560,284	56,220,791
Net of Interest received and paid	-3,496,158	778,899	-2,884,064	-4,057,636	-7,364,048	-7,773,950
Net Cash from / (used) in operating activities	22,026,333	133,149,403	-45,987,626	60,105,474	56,196,236	48,446,841
Cash flows from investing activities	-42,039,091	-72,589,248	-48,310,853	-131,921,811	-84,432,874	-33,865,846
Cashflow from financing activities	34,846,040	43,181,982	6,254,546	131,640,424	27,518,049	-72,802,529
Increase/(decrease) in cash and cash equivalents	14,833,282	103,742,137	-88,043,933	59,824,087	-718,589	-58,221,534
Exchange losses on bank balances	449,113	-614,903	-1,299,785	-386,754	-2,013,702	-835,815
Cash & cash equivalent at 1 April	-1,198,662	14,083,733	117,210,966	27,867,248	87,304,581	84,572,290
Cash & cash equivalent at 31 March	14,083,733	117,210,967	27,867,248	87,304,581	84,572,290	25,514,941

DIRECTORS' REPORT - STATEMENT ON CORPORATE GOVERNANCE

Corporate governance relates to the role and responsibilities of Directors charged by shareholders with taking proper strategic decisions to be implemented by Management. Directors have the further duty to ensure that their decisions establish and maintain sound relationships with all the stakeholders of the enterprise. IDC is guided by the above principles and is fully committed to comply with the Code of Corporate Governance for Seychelles.

BOARD MEETINGS

The Company has a unitary Board consisting nine (9) directors. The Board has the ultimate responsibility for corporate policy and strategy and effectively leads and controls the company. Board meetings are held regularly and whenever the board needs to consider and decide on important issues relating to the company's business. Furthermore, the directors may from time to time, between meetings, take decisions by resolutions in writing in accordance with the company's constitution. Such written resolutions are circulated in the next meeting for confirmation. Board meetings are at times attended by the senior managers who report on the operations.

The Board also reviews and approves the company's plan, budget and capital expenditure. It also examines and approves the audited financial statements.

STATEMENT OF DIRECTORS RESPONSIBILITIES in matters of Financial Statement

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity, and cash flows of the company. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the notes to financial statements; and
- Prepare the financial statements on an ongoing concern basis unless it is inappropriate to presume that the company will continue in business.

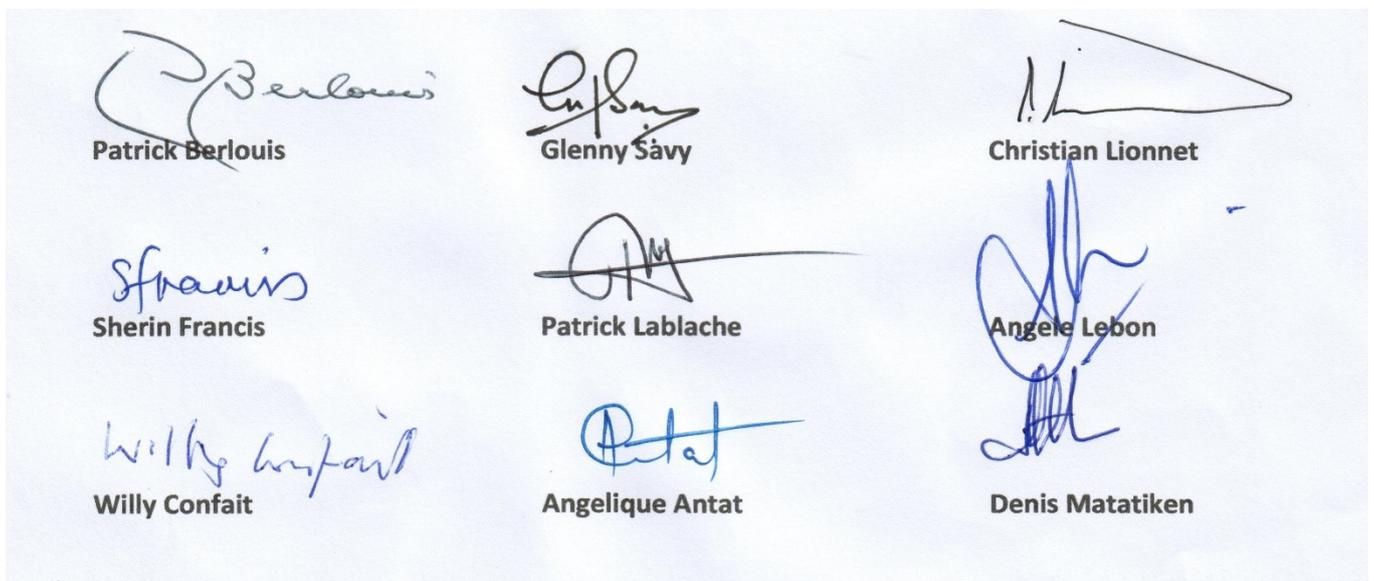
The Directors confirm that they have complied with the above requirements in preparing the financial statements of the company. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies act of 1972.

The Directors are also responsible for safeguarding the assets of the company and hence for the implementation and operation of accounting and internal control systems that are

designed to prevent and detect fraud and errors and of an effective risk management system. This is achieved through the Internal Audit Department, headed by the Audit and Systems Manager and assisted by internal Audit assistants.

The Internal Auditors work according to an Internal Audit Plan which aims at covering over a period of time all operations of the company by effecting regular visits on islands verifying that management controls and procedures are in place and followed and providing corrective actions and measures where weaknesses are detected. The Internal Auditors write a report on their investigations, findings and recommendations after each visit.

The company's Statutory Auditor Pool & Patel have full and free access to the Board of Directors and discuss the audit and matters arising therefrom, such as their observations on fairness of financial reporting and the adequacy of internal controls.



DIRECTORS' REPORT:

Christian Lionnet *“For the short while that I have been appointed as Deputy CEO of IDC, and my recent appointment to the Board of Directors as an ex-officio member, I must say that I am satisfied with the financial health of IDC as a parastatal company. Despite all the difficulties encountered, from bureaucratic government procedures to the COVID-19 pandemic, IDC continues to excel in fulfilling its objectives as set out in its mission and vision statements. I am further encouraged by the decision of the Board to further diversify IDC’s investment portfolio on the outer islands. As was the case in its earlier years of existence, IDC will soon be a major contributor towards narrowing the gap between local production and importation, playing a major role towards our food security as a sovereign nation. The future looks bright.”*



Sherin Francis *“For yet another year, IDC has demonstrated its financial agility. If not for the sudden interruption of its activities by the COVID-19 pandemic, I am of the view that the company would have been on the way to yet another record year in terms of its operations for its next fiscal year. I am keenly interested in seeing how the company evolves and grow the scope of its commercial operations that will provide better cash flow and financial position for the company and equally provides the country with more options and local produce.”*

Patrick Lablache *“Once again it has been a privilege and pleasure for me to serve on the IDC Board for the past year and participate actively in the ongoing development of the outer islands. While IDC has continued to invest significantly in infrastructure on these islands, Covid 19 has put a spoke in IDC’s wheel and its advent has been radical in altering the way the development of both agriculture and aquaculture is being envisaged. More emphasis is now being put on self-sufficiency and import substitution and foreseeable challenges will undoubtedly create opportunities on which IDC can capitalise. Putting our heads together in a combined team effort and working towards a common goal will be crucial in finding the way forward in this ‘new normal’.”*





Angele Lebon “IDC and its subsidiary companies continued to make progress in the financial year of 2019/2020, evident from the good performance as reported in its financial reports. This is as a result of good management of resources and ensuring sustainable development of all our islands. Congratulations are in order for the CEO and all staff who have strived together to achieve such remarkable results.”

Willy Confait “The financial performance for the year was positive and encouraging. Indeed, it was a successful year for IDC. This is testimony to the dynamic management team and impressive oversight by the Board. The Company could have performed far better if it had received the support and the understanding of regulatory bodies to enable its investment projects as part of the Island Development Plan to be implemented on time. However, it was gratifying to note that a great deal of attention was placed by the Company during the year on environment conservation and management to make these islands much more attractive to visitors and Seychellois and preserve these beautiful places for our future generations.”



Angelique Antat “IDC has been experiencing a steady and comfortable rise in its profitability over the years, translating into high economic gains for Seychelles. IDC continues to champion its role in sustainable economic growth and for this; I am extremely content and enormously proud of the IDC Team for they have consistently shown prominent performance throughout the years. I salute the IDC Team, the Board included, for their countless devotion towards Seychelles Progression.”

Denis Matatiken *“IDC is a model of a company that is taking full advantage and contributing to the sustainable development of the outer islands, with the environment being at the core of its development. The company is exploring new ways and taking full advantage of the economic opportunities that arise as depicted by its performance during the past year. It is an honor to see such how much the company has grown in the last 40 years and more importantly, to have been be part of its growth.”*



INDEPENDENT AUDITOR'S REPORT

ISLANDS DEVELOPMENT COMPANY LIMITED AND SUBSIDIARIES

Opinion

We have audited the financial statements of Islands Development Company Limited on pages 4 to 20, which comprise the statement of financial position for the Parent Company and the Group as at March 31, 2020, the statement of income by nature and retained earnings and cash flow statement for the year then ended, a five year financial summary and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at March, 31 2020 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small Medium Enterprises (IFRS for SMEs) and requirements of the Seychelles Companies Act, 1972 and the Public Enterprise Monitoring Commission Act, 2013.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Credit risk arising from associated company and events after the reporting date

We draw your attention to note 21.4 which includes an unsecured debt from one of the company's associates amounting to SCR 22.8m which depends on financial support it receives from the company to remain as a going concern. At the reporting date, the company has not made any provision for credit risk that exists with the associate.

We also draw your attention to note 23 of the financial statements which describes the material uncertainty regarding the Corona virus pandemic which is severely affecting world trade and its repercussions also extend to small island states such as Seychelles. Actions taken worldwide such as closing of borders, and grounding of flights and restricting sea trade as well as confinements of the population activities across the world has severely impacted tourism raising uncertainty on the going concern of the Group.

The directors of the company are confident that the Group can continue to operate despite such difficult times and are therefore of the opinion that the going concern basis of preparation of these financial statements remains appropriate in the foreseeable future.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS for SMEs) and requirements of the Seychelles Companies Act, 1972 and Public Enterprise Monitoring Commission Act, 2013, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT (cont...)

ISLANDS DEVELOPMENT COMPANY LIMITED AND SUBSIDIARIES

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pool & Patel
POOL & PATEL
CHARTERED ACCOUNTANTS
6 July 2020

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 Pool & Patel |  MOORE

2019 to 2020 Highlights for IDC:



Assumption: Upon the request of the government, IDC took three members of Preserve Seychelles to Assumption to shed light on the various speculations regarding the construction of a military base and the presence of the Indian military on Assumption and neighbouring Astove. They concluded that there is no indication of any construction of a military nature on any of the two islands.



Farquhar: Except for the cyclone shelter on Farquhar, all other buildings on the island had to be repaired or rebuilt after the destruction caused by cyclone Fantala. All buildings now have a concrete roof and can withstand cyclones with wind speeds of up to 250 km/h.



Perseverance Point Condominium: Green Tree Investment (a subsidiary IDC) opened the doors to its newly constructed luxurious apartments for public viewing and sale. Constructed by GICC as part of the Perseverance Point Condominiums project, the apartment bloc consists of nineteen units which are available for purchase on the open market.



Bel Eau School: Bel Eau primary school received a new block constructed and sponsored by GICC. The new building consists of a conference room, a resource room and two sets of staff toilets.

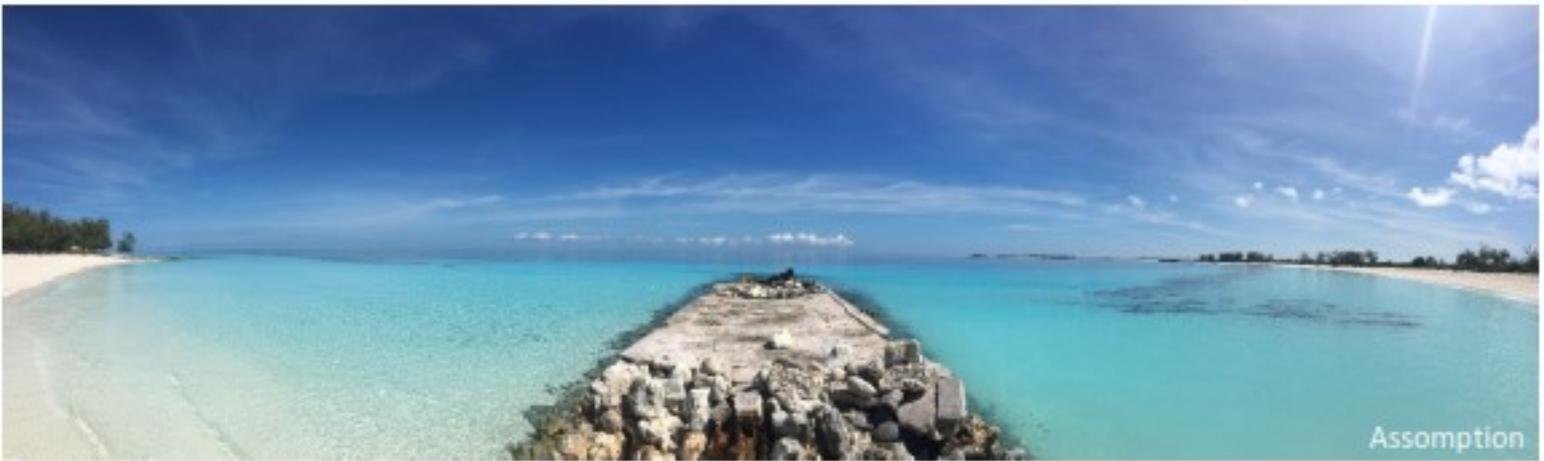




Remire



Platte



Assomption



Farquhar



Bijoutier



Alphonse



Coëtivy



Desroches