

# NOTES TO THE ACCOUNTS

## 1. GENERAL

The statement of Assets and Liabilities is prepared in accordance with Section 19 of the Finance and Audit Act, 1973.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

- (i) The accounts of the Government are prepared on a cash basis of accounting. All transactions are recorded on cash basis except for, costs of borrowings, which are accounted on an accrual basis.
- (ii) The accounting policies have been applied consistently throughout the period.
- (iii) The Statement of Assets and Liabilities does not include fixed assets and loans.
- (iv) Foreign currency transactions for income and expenditure account items are converted using the exchange rate prevailing at the date of the transaction. Cash balances held in foreign currency are translated using the year end exchange rates.

### 2.2 Reporting Entity

The accounts are for the Central Government, which includes only Ministries and Government departments.

### 2.3 Reporting Period

The accounts cover the fiscal year of the Government of Mauritius which ran from 1st January 2011 to 31 December 2011.

## 2.4 Reporting Currency

The accounts are presented in the currency of Mauritian Rupees (Rs) which is also the functional currency.

## 2.5 Investments

Investments are recognized at cost in the Statement of Assets and liabilities.

## 2.6 Authorization Date

The financial statements were authorized for issue on 28 May 2012 by Mr. J. Valaythen Accountant-General.

### 3. CASH AND BANK BALANCES

Cash comprises cash in hand, cash remitted to Ministries/Departments and cash balances with banks and agents both local and overseas as follows:

	Rs
Cash and Bank balances	3,952,216,862
Remittances	62,125,505
<b>Total</b>	<u>4,014,342,367</u>
<i>Comprising of:</i>	
Local currency balances	78,748,263
Foreign currency balances - at local banks	3,916,134,280
Foreign currency balances - at external banks	19,459,824

#### 4. INVESTMENTS

These represent investments made out of monies standing to the credit of the Consolidated Fund, Special Funds and deposits made to Government, in accordance with Section 3(4)(a), 8(2)(b) and 9(3)(a) of the Finance and Audit Act. Details of the outstanding balances of investments in respect of the Consolidated Fund, Special Funds and Deposits are as follows:

	Rs	Rs
<i>Consolidated Fund</i>		
Quoted Shares	144,851,175	
Units	75,789,771	
Unquoted Shares	7,813,434,254	
Equity Participation	3,950,942,155	
Bank Deposits	<u>679,877,525</u>	12,664,894,880
<i>Special Funds</i>		
Bank Deposits		6,914,897,244
<i>Deposits</i>		
Bank Deposits		450,640,428
<b>Total</b>		<u><u>20,030,432,552</u></u>

Investments totaling Rs 11,828,644,102, initially treated as revenue expenditure, has been adjusted and recognized as assets in the Statement of Assets and Liabilities.

## 5. ADVANCES

These are advances made under the authority of warrants issued under Section 6(1) of the Finance and Audit Act and are recoverable within specified periods.

	<b>Rs</b>
<b>Government Officers</b> (include Motor Cars & Motor Cycles Advances)	1,137,625,660
<b>Parastatals/Local Government/Corporate Bodies</b>	92,453,168
<b>Ministries/Departments</b>	142,531,934
<b>Total</b>	<u><u>1,372,610,762</u></u>

## 6. ACCOUNTS PAYABLE

Details of accounts payable as at 31 December 2010 and 31 December 2011 are as follows:

	<b>31-Dec-11</b>	<b>31-Dec-10</b>
	<b>Rs</b>	<b>Rs</b>
<b>Interest Payables</b>		
Government Bonds & Mauritius Development Loan Stocks (MDLS)	2,346,300,455	2,036,868,748
External Debt - Loans	158,316,749	130,670,234
Treasury Notes	957,766,950	1,389,449,269
Treasury Bills	535,446,415	506,383,638
<b>Total accrued interest</b>	<u><b>3,997,830,569</b></u>	<u><b>4,063,371,889</b></u>
<b>Premium</b>		
Government Bonds	35,309,244	-
Treasury Notes	1,269,017	-
<b>Total premium</b>	<u><b>36,578,261</b></u>	<u><b>0</b></u>
<b>Accrued Interest on Re-opening</b>		
Payable on Re-opening	37,891,330	-
<b>Total accrued Interest on Re-opening</b>	<u><b>37,891,330</b></u>	<u><b>0</b></u>
<b>Total</b>	<u><u><b>4,072,300,160</b></u></u>	<u><u><b>4,063,371,889</b></u></u>

## 7. SHORT TERM BORROWINGS

The Short-Term Borrowings comprise of outstanding Treasury Bills and balance of advances from Specials Funds and Organisations as at 31 December 2011. Details of Short-Term Borrowings are as follows:

	<b>Rs</b>
Treasury Bills – Cost Price (details at Note 7(a))	30,948,770,454
Advances from RDA	<u>1,300,000,000</u>
<b>Balance as at 31 December 2011</b>	<b><u>32,248,770,454</u></b>

### 7(a) TREASURY BILLS

The Treasury Bills were issued in accordance with Sections 5 and 15 of the Public Debt Management Act 2008. They are recorded in accounts at Cost Price. Details of balances and transactions of the Treasury Bills are shown below:

	<b>Nominal Value</b>	<b>Cost Price</b>
	<b>Rs</b>	<b>Rs</b>
Balance as at 01 Jan 2011	31,915,400,000	30,955,238,651
<b>ADD</b> Issued during the Period	45,416,600,000	44,121,868,727
<b>LESS</b> Redeemed during the Period	<u>(45,239,000,000)</u>	<u>(44,128,326,924)</u>
Balance as at 31 December 2011	<b><u>32,093,000,000</u></b>	<b><u>30,948,780,454</u></b>

## 8. TREASURY NOTES

These are outstanding balance of Treasury Notes as at 31 December 2011 which were issued under Sections 5 and 15 of the Public Debt Management Act 2008. The costs are accounted net of premium.

Details of transactions and balances of the Treasury Notes are as follows:

	<b>Nominal Value</b>	<b>Cost Price</b>
	<b>Rs</b>	<b>(net of premium)</b>
		<b>Rs</b>
Balance as at 01 Jan 2011	44,022,920,000	43,183,276,155
<i>ADD</i> Issued during the Period	15,300,000,000	15,171,580,560
<b>LESS</b> Redeemed during the Period	<b>(16,711,800,000)</b>	<b>(16,385,662,502)</b>
Balance as at 31 December 2011	<u><u>42,611,120,000</u></u>	<u><u>41,969,194,213</u></u>

## 9. DEPOSITS

These are monies deposited with the Government by individuals and organisations under Section 8 of the Finance and Audit Act.

	<b>Rs</b>
Grants and Donations	25,113,201
Other Deposits	1,156,186,358
<b>Total</b>	<u><u>1,181,299,559</u></u>

## 10. SPECIAL FUNDS

These are the monies deposited with the Government by the various funds set up under the Finance and Audit Act. It includes an outstanding amount of Rs 2,946.1 M advanced to the Consolidated Fund as at 31 December 2011.

## 11. CONSOLIDATED FUND

This represents the accumulated deficit of the Consolidated Fund established by Section 103 of the Constitution of the Republic of Mauritius.

In accordance with Section 3 of the Finance and Audit Act, during the year under review the Consolidated Fund has been:

- (a) credited with all the revenues of the Government and all other money properly accruing to it; and
- (b) Charged only with expenses on the authority of warrant issued by the Minister of Finance.

	<b>Rs</b>
<b>Balance as at 1 January 2011</b>	75,544,807,513
<i>Add:</i>	
Excess of Expenditure over Revenue	163,158,663
Appreciation in Foreign Currencies	<u>65,248,316</u>
	75,773,214,492
<i>Less:</i>	
Investments capitalised	<u>(11,828,644,102)</u>
<b>Balance as at 31 December 2011</b>	<b><u><u>63,944,570,390</u></u></b>

## 12. INTERNATIONAL FINANCIAL ORGANISATIONS

Pursuant to Section 4(3) of the International Financial Organisations Act, the Government has issued non-negotiable, non-interest bearing demand notes for a total amount of Rs 3,285 million as at 31 December 2011, as follows:-

	<b>Rs</b>
International Monetary Fund	3,097,980,000
International Development Association	8,803,395
International Bank for Reconstruction and Development	178,227,264
<b>Total</b>	<u><u>3,285,010,659</u></u>

At the end of year, the quota for Mauritius in the International Monetary Fund was SDRs 101.6 million and the Reserve Tranche Position stood at SDRs 31,542,703.

## 13. COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The original estimate, covering all government departments, was approved on a cash basis by the Legislative Assembly for the fiscal period from 1 January 2011 to 31 December 2011.

During the year under review, funds were transferred or re-allocated in accordance with the Virement Rules, and are shown as 'total provisions after virement' in the Statement of Comparison of Budget and Actual Amount by functions.