

# 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 and in accordance with generally accepted accounting principles. 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 2012 to 31 December 2012.

## 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 22 April 2013 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:

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
Cash and Bank balances	3,788,453,412	3,952,216,862
Remittances	61,658,876	62,125,505
<b>Total</b>	<b><u>3,850,112,288</u></b>	<b><u>4,014,342,367</u></b>
<i>Comprising of:</i>		
Local currency balances	41,930,350	78,748,263
Foreign currency balances - at local banks	3,792,796,767	3,916,134,280
Foreign currency balances - at external banks	15,385,171	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:

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
<b><i>Consolidated Fund</i></b>		
Quoted Shares	144,852,015	144,851,175
Units	75,789,771	75,789,771
Unquoted Shares	8,713,827,622	7,813,434,254
Equity Participation	3,971,685,060	3,950,942,155
Bank Deposits	1,053,664,506	679,877,525
	<u>13,959,818,974</u>	<u>12,664,894,880</u>
<b><i>Special Funds</i></b>		
Bank Deposits	7,610,803,178	6,914,897,244
<b><i>Deposits</i></b>		
Bank Deposits	549,532,102	450,640,428
<b>Total</b>	<b><u>22,120,154,254</u></b>	<b><u>20,030,432,552</u></b>

#### 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>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
<b>Government Officers</b> (include Motor Cars & Motor Cycles Advances)	1,097,152,532	1,137,625,660
<b>Parastatals/Local Government/Corporate Bodies</b>	41,424,955	92,453,168
<b>Ministries/Departments</b>	207,941,735	142,531,934
<b>Total</b>	<b><u>1,346,519,222</u></b>	<b><u>1,372,610,762</u></b>

## 6. ACCOUNTS PAYABLE

Details of accounts payable as at 31 December 2011 and 31 December 2012 are as follows:

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
<b>Interest Payables</b>		
Government Bonds & Mauritius Development Loan Stocks (MDLS)	2,622,403,382	2,346,300,455
External Debt - Loans	161,396,707	158,316,749
Treasury Notes	765,101,698	957,766,950
Treasury Bills	447,851,772	535,446,415
<b><i>Total accrued interest</i></b>	<b><u>3,996,753,559</u></b>	<b><u>3,997,830,569</u></b>
<b>Premium</b>		
Government Bonds	77,107,522	35,309,244
Treasury Notes	56,557,126	1,269,017
<b><i>Total premium</i></b>	<b><u>133,664,648</u></b>	<b><u>36,578,261</u></b>
<b>Accrued Interest on Re-opening</b>		
Payable on Re-opening	25,710,728	37,891,330
Treasury Notes	9,033,975	
<b><i>Total accrued Interest on Re-opening</i></b>	<b><u>34,744,703</u></b>	<b><u>37,891,330</u></b>
<b>Total</b>	<b><u>4,165,162,910</u></b>	<b><u>4,072,300,160</u></b>

## 7. SHORT TERM BORROWINGS

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

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
Treasury Bills – Cost Price (details at Note 7(a))	28,855,085,186	30,948,770,454
Advances from RDA	-	1,300,000,000
<b>Balance as at 31 December</b>	<b><u>28,855,085,186</u></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>2012</b>		<b>2011</b>	
	<b>Nominal Value</b>	<b>Cost Price</b>	<b>Nominal Value</b>	<b>Cost Price</b>
	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>
Balance as at 01 Jan	32,093,000,000	30,948,770,454	31,915,400,000	30,955,238,651
<b>ADD</b> Issued during the Period	41,307,700,000	40,258,764,793	45,416,600,000	44,121,858,727
<b>LESS</b> Redeemed during the Period	(43,698,800,000)	(42,352,450,061)	(45,239,000,000)	(44,128,326,924)
Balance as at 31 December	<b><u>29,701,900,000</u></b>	<b><u>28,855,085,186</u></b>	<b><u>32,093,000,000</u></b>	<b><u>30,948,770,454</u></b>

## 8. TREASURY NOTES

These are outstanding balance of Treasury Notes as at 31 December 2012 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:

	2012		2011	
	Nominal Value	Cost Price (net of premium)	Nominal Value	Cost Price (net of premium)
	Rs	Rs	Rs	Rs
Balance as at 01 Jan	42,611,120,000	41,969,194,213	44,022,920,000	43,183,276,155
<b>ADD</b> Issued during the Period	14,668,500,000	14,624,960,332	15,300,000,000	15,171,580,560
<b>LESS</b> Redeemed during the Period	(17,123,020,000)	(16,836,270,618)	(16,711,800,000)	(16,385,662,502)
Balance as at 31 December	<b>40,156,600,000</b>	<b>39,757,883,927</b>	<b>42,611,120,000</b>	<b>41,969,194,213</b>

## 9. DEPOSITS

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

	2012	2011
	Rs	Rs
Grants and Donations	54,977,984	25,113,201
Other Deposits	1,348,974,958	1,156,186,358
<b>Total</b>	<b>1,403,952,942</b>	<b>1,181,299,559</b>

## 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 1,607.24 M advanced to the Consolidated Fund as at 31 December 2012.

## 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>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
<b>Balance as at 1 January</b>	63,944,570,390	75,544,807,513
<i>Less /Add:</i>		
(Surplus)/Deficit	( 6,578,998,108)	163,158,663
(Depreciation)/Appreciation in Foreign Currencies	<u>(356,273,363)</u>	<u>65,248,316</u>
	57,009,298,919	75,773,214,492
<i>Less:</i>		
Investments capitalised	<u>(895,742,905)</u>	<u>(11,828,644,102)</u>
<b>Balance as at 31 December</b>	<b><u>56,113,556,014</u></b>	<b><u>63,944,570,390</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 3,055 million as at 31 December 2012, as follows:-

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
International Monetary Fund	3,046,230,000	3,097,980,000
International Development Association	8,803,395	8,803,395
International Bank for Reconstruction and Development	-	178,227,264
<b>Total</b>	<b><u>3,055,033,395</u></b>	<b><u>3,285,010,659</u></b>

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 33,649,969.

## 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 2012 to 31 December 2012.

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.