

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Republic of Mauritius is an island found in the Indian Ocean. It got its independence on 12 March 1968. The country has a Westminster type of Parliamentary Government.

Under the Finance and Audit Act, 1973, as subsequently amended, it is the responsibility of the Accountant-General to prepare the financial statements of the Government within six months of the close of every fiscal year. The Government refers to the Budgetary Central Government.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

A Estimates

The Estimates (Budget) of the Government is appropriated by votes of expenditure on a cash basis, except for 'cost of borrowings' which is appropriated on an accrual basis and 'carry-over of capital expenditure' where amount earmarked in a fiscal year is carried over to a period not exceeding 3 months in the following fiscal year. The Estimates is classified by both economic and functional classifications based, as far as possible, on the Government Finance Statistics Manual.

The Estimates is for the Budgetary Central Government, which includes Ministries and Government Departments. Transfers to Special Funds are appropriated and included as expenditure in the approved Estimates in the year of expenditure. However, the revenue and expenditure of the Special Funds deposited with the Accountant-General are not included in the approved Estimates.

The approved Estimates covers the fiscal year from 01 July 2023 to 30 June 2024.

B Financial Statements

The financial statements have been prepared in accordance with Section 19 (3A) (b) of the Finance and Audit Act 1973, as subsequently amended which requires these statements to be in compliance with International Public Sector Accounting Standards (IPSAS).

(i) Transitional Financial Statements

The Government adopted accrual basis IPSAS on 01 July 2022 and the financial statements have been prepared in compliance with IPSAS 33 – *First-time Adoption of Accrual Basis IPSAS*, which provides a first-time adopter with a transitional period of three years for the recognition, measurement, presentation and disclosure of certain assets and liabilities. The second transitional IPSAS financial statements of the Government is in respect of the financial year 2023-2024.

Government has taken advantage of the transitional exemptions which affected fair presentation. As a result, it is unable to make an explicit and unreserved statement of compliance with Accrual Basis IPSAS in preparing its transitional IPSAS financial statements for the financial year 2023-2024. The financial statements do not fully comply with accrual basis IPSASs.

NOTES TO THE FINANCIAL STATEMENTS

The status of compliance with IPSAS issued to date is as per table below:

IPSAS	Compliance Status	Key Non Compliance / Transitional Exemptions	Affect Fair Presentation (Yes/No)	Expected date of Compliance
IPSAS 1—Presentation of Financial Statements (revised)	✓			
IPSAS 2—Cash Flow Statements	✓			
IPSAS 3—Accounting Policies, Changes in Accounting Estimates and Errors (revised)	✓			
IPSAS 4—The Effects of Changes in Foreign Exchange Rates (revised)	✓			
IPSAS 5—Borrowing Costs	✓			
IPSAS 9—Revenue from Exchange Transactions	Partial		Yes	2024-2025
IPSAS 10—Financial Reporting in Hyperinflationary Economies	N/A			
IPSAS 11—Construction Contracts	N/A			
IPSAS 12—Inventories (revised)	✓			
IPSAS 14—Events After the Reporting Date (revised)	✓			
IPSAS 16—Investment Property (revised)	N/A			
IPSAS 17—Property, Plant, and Equipment (revised)	Partial	Measurement-Impairment	Yes	2025-2026
		Recognition and measurement of Furniture, Fixtures and Fittings	Yes	2025-2026
		Use of deemed cost	No	2025-2026
IPSAS 18—Segment Reporting	Applicable upon Consolidation			2025-2026
IPSAS 19—Provisions, Contingent Liabilities and Contingent Assets	✓			
IPSAS 20—Related Party Disclosures	Partial	Additional Disclosure required	Yes	2024-2025
IPSAS 21—Impairment of Non-Cash-Generating Assets	X	Indication of impairment yet to be assessed on an annual basis	Yes	2025-2026
IPSAS 22—Disclosure of Financial Information About the General Government Sector	Applicable upon Consolidation			2025-2026
IPSAS 23—Revenue from Non-Exchange Transactions (Taxes and Transfers)	Partial		Yes	2024-2025
IPSAS 24—Presentation of Budget Information in Financial Statements	✓			
IPSAS 26 — Impairment of Cash-Generating Assets	N/A			
IPSAS 27—Agriculture	✓			
IPSAS 28—Financial Instruments: Presentation	✓			

NOTES TO THE FINANCIAL STATEMENTS

IPSAS	Compliance Status	Key Non Compliance / Transitional Exemptions	Affect Fair Presentation (Yes/No)	Expected date of Compliance
IPSAS 29—Financial Instruments: Recognition and Measurement	N/A			
IPSAS 30—Financial Instruments: Disclosures	Partial	Full disclosure on Market risk	No	2024-2025
IPSAS 31—Intangible Assets	Partial	Measurement Impairment	Yes	2025-2026
IPSAS 32—Service Concession Arrangements: Grantor	N/A			
IPSAS 33—First-time Adoption of Accrual Basis IPSAS	✓			
IPSAS 34—Separate Financial Statements	Applicable upon Consolidation			2025-2026
IPSAS 35—Consolidated Financial Statements	Applicable upon Consolidation			2025-2026
IPSAS 36—Investments in Associates and Joint Ventures	Applicable upon Consolidation			2025-2026
IPSAS 37—Joint Arrangements	Applicable upon Consolidation			2025-2026
IPSAS 38—Disclosures of Interests in Other Entities	Applicable upon Consolidation			2025-2026
IPSAS 39—Employee Benefits	Partial	Recognition of Liabilities in respect of Civil Service Family Protection Scheme	Yes	2024-2025
		Pension liabilities are being valued on a 3 years basis instead annually	Yes	2024-2025
		Discounting for time value of money of Liabilities in respect of Other long-term employee benefits	Yes	2024-2025
IPSAS 40—Public Sector Combinations	N/A			
IPSAS 41—Financial Instruments	✓			
IPSAS 42— Social Benefits	✓			
IPSAS 43 -Leases	Partial	Lessor Accounting: partial assessment carried out	Yes	2024-2025 (Effective Date 01 January 2025 Early adoption 01 July 2022)
IPSAS 44- Non-current assets held for sale and discontinued operations	✓			Early adoption 01 July 2022 Effective Date 01 January 2025

✓ Complied

x Not complied

N/A Not applicable

NOTES TO THE FINANCIAL STATEMENTS

It is expected that the Financial Statements of the Government will be fully compliant to IPSAS as from financial year 2025-2026.

During the financial year ended 30 June 2024, progress were made as follows:

- (i) IPSAS 17- A list of buildings has been compiled and is being finalised. This list will henceforth support the figure reported in the financial statements. Preliminary discussions have been initiated for the recognition and measurement of Furniture, Fixtures and Fittings. Continuous training has been provided to GAR Users to help them keep up-to-date with the system. Ongoing discussions are being held with the Ministry of Finance on the way forward;
- (ii) IPSAS 23 -Revenue and receivables in respect of cases under dispute with the Mauritius Revenue Authority (MRA) have been recognised for the first time as at 30 June 2024 representing 40% of the disputed amount;
- (iii) IPSAS 39- Preliminary meetings/discussions were held with the Civil Service Family Protection Scheme management and the independent valuer. The 2024-2025 Financial Statements will include this liability and the employee benefits liability will be updated on an annual basis to fairly present such liabilities in the financial statements; and
- (iv) IPSAS 43- Ministries/Departments concerned with lessor accounting have been identified and meetings have been conducted. Meetings will be held to assess the existence of same based on conditions listed in the standard.

(ii) *New Standards Issued but Not Yet Adopted*

At the date of approval of these financial statements, the following IPSASs had already been issued but not yet effective:

IPSAS	Effective date
IPSAS 45, Property, Plant, and Equipment	01 January 2025
IPSAS 46, Measurement	01 January 2025
IPSAS 47, Revenue	01 January 2026
IPSAS 48, Transfer Expenses	01 January 2026
IPSAS 49, Retirement Benefit Plans	01 January 2026

The new standards will be adopted when they become effective. The potential impact of the application of these new standards is yet to be assessed.

(iii) *Consistent Accounting Policies*

The accounting policies have been applied consistently throughout the year. Where necessary and where it is practicable, comparative figures have been restated to conform to changes in presentation, or in accounting policies in the current year.

2.2 Reporting Entity

The financial statements are for the Budgetary Central Government of the Republic of Mauritius, which comprises Ministries and Government Departments and include bank balances and fixed deposits of Special Funds deposited with the Accountant-General.

2.3 Reporting Period

The financial statements cover the financial year of the Government of Mauritius from 01 July 2023 to 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

2.4 Authorisation Date

The financial statements were authorised for issue on 30 December 2024.

2.5 Foreign Currencies

(i) *Functional and Presentation Currency*

The financial statements are presented in Mauritian Rupees (Rs), rounded to the nearest rupee, which is also the functional currency.

(ii) *Transactions and Balances*

Transactions in foreign currencies are initially translated at the foreign exchange rate at the date of the transaction. 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 the Statement of Financial Performance. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at reporting date.

2.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash remitted to Ministries and Departments, cash balances with banks, both local and overseas, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value and cash held on behalf of Special Funds.

2.7 Financial Assets

(i) *Receivables from Non-Exchange Transactions and Receivables from Exchange Transactions*

Receivables from Non-Exchange Transactions comprise receivables from taxation, fines, penalties and forfeits, social contributions and other transfers.

Receivables from Exchange Transactions comprise receivables from licences, finance income, rent and royalties, sales of goods and services and other revenue.

These are recognised when it is probable that the future economic benefits associated with the asset will flow to the Government and can be measured reliably. Receivables are measured at cost adjusted for expected credit losses.

Impairment of Receivables

A loss allowance for expected credit losses (ECL) is recognised on receivables from non-exchange transactions and exchange transactions. An impairment gain or loss is recognised in Statement of Financial Performance representing the amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

NOTES TO THE FINANCIAL STATEMENTS

The methodology of loss allowance on receivables has been determined using judgement, estimates and various assumptions which are deemed to be reasonable and appropriate. For Ministries and Departments, factors/indicators such as past trends, historic data, ageing analysis and long overdue payments for a period of more than 10 years have been used to calculate the loss allowance.

For tax revenue, the methodology for the calculation of loss allowance is as follows:

	% Debt unrecoverable
Over 10 years	20
Between 5 and 10 years	10
Between 1 and 5 years	2
Less than 1 year	0.5
Current Due	0

No loss allowance is charged on tax receivables under non-exchange transactions where tax assessments are under dispute.

(ii) Loans and Advances

Loans to Statutory bodies, Private bodies and Other bodies are recognised at amortised cost adjusted for expected credit losses.

The ECL has been calculated for loans granted to entities with repayment terms greater than 10 years and has been determined using a methodology that incorporates judgment, estimates, and various assumptions, all of which are considered reasonable and appropriate.

Advances are made under the authority of warrants issued under Section 6(1) of the Finance and Audit Act and are recoverable within specified periods. Advances are recognised at cost as the effect of discounting is not considered material.

(iii) Investments

These represent mainly investments made out of monies standing to the credit of the Consolidated Fund and Special Funds in accordance with Sections 3(4)(a) and 9(3)(a) of the Finance and Audit Act.

Initial Recognition of Investments

On initial recognition, investments are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS

Classification and Subsequent Measurement of Investments

The table below shows the classification and subsequent measurement basis for the different categories of investments:

Category	Classification and Subsequent Measurement Basis
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation) and Redeemable Preference Shares	Fair Value Through Surplus or Deficit
Other Investments (Fixed Deposits)	Amortised Cost

(a) Equity Investments and Redeemable Preference Shares Recognised at Fair Value Through Surplus or Deficit

Investments classified as fair value through surplus or deficit are measured at fair value at the end of each financial year, with any gains or losses on remeasurements recognised in surplus or deficit. Any dividend earned on these investments is also recognised in surplus or deficit.

(b) Other Investments Recognised at Amortised Cost

Other investments (fixed deposits) held by Government and Special Funds at banks and financial institutions have been reported at amortised cost. Any movement pertaining to other investments held by Government are recognised through surplus or deficit. As regards to investments held by Special Funds, these are recognised in Special Funds.

(iv) Other Financial Assets

(a) International Monetary Fund (IMF) Special Drawing Rights (SDR) Deposits

IMF SDR Deposits represent international reserve assets allocated to Mauritius by the IMF (SDR Holdings) and held at the Bank of Mauritius.

IMF SDR Deposits are translated at year-end exchange rate with any gains or losses arising on re-measurements recognised in the Statement of Financial Performance in the period in which they arise.

(b) IMF Reserve Tranche Position

The Reserve Tranche Position represents that portion of the quota of the Republic of Mauritius in IMF that has been paid in reserve assets, i.e. SDRs or foreign currency acceptable to the IMF.

Reserve Tranche transactions, i.e. subscriptions, purchases and sales, are initially translated at the exchange rate at the date of the transaction. At year-end, the SDR Reserve Tranche Position is translated using year-end exchange rates and any gains or losses recognised in the Statement of Financial Performance as foreign exchange gains or losses.

NOTES TO THE FINANCIAL STATEMENTS

2.8 Inventories

Inventories comprise mainly of distributable items, consumables, donated inventories and agricultural produce and biological inventory.

Inventories meant for distribution at no charge or nominal charge or consumption in the production process of goods to be distributed at no charge or for a nominal charge are measured at lower of cost and the estimated replacement cost.

The cost of inventories from non-exchange transactions (donated inventories) is measured at its fair value at the date of receipt.

Agricultural produce are measured at fair value at the point of harvest. The costs to sell relating to agricultural produce is considered to be insignificant. Any gains or losses arising on recognition of agricultural produce at fair value are recognised in surplus or deficit. Thereafter, agricultural produce and inventories relating to agriculture are measured at lower of cost or net realisable value.

The cost has been determined using First In First Out Basis (FIFO).

2.9 Non-Current Assets Held for Sale and Discontinued Operations

The Government classifies a non-current asset (or disposal group) as held for sale when the following criteria are met:

- its carrying amount will be recovered principally through a sale transaction rather than through continuing use;
- the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); and
- its sale must be highly probable.

A non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

No depreciation or amortisation is charged while the non-current asset (or disposal group) is classified as held for sale.

Discontinued Operations

A discontinued operation is a component of the Government that either has been disposed of, or is classified as held for sale, and represents a significant component of the Government's operations. The Government will no longer have control over the operations once the disposal is complete.

2.10 Prepayments

Prepayments are recognised as assets when payment for goods or services has been made in advance of obtaining a right to access those goods or services.

2.11 Biological Assets

Biological assets are split into the following categories:

- (i) Bearer Biological Assets (other than bearer plants);
- (ii) Consumable Biological Assets; and
- (iii) Agricultural Produce (classified under inventories).

NOTES TO THE FINANCIAL STATEMENTS

Bearer biological assets (other than bearer plants) are those biological assets that are used repeatedly or continuously for more than one year in an agricultural activity. Examples of bearer biological assets include breeding stocks such as fish, rams, ewes, ducks, lambs, cows, heifers, calves and broiler parent stock.

Consumable biological assets are those that are held for harvest as agricultural produce or for sale or distribution at no charge or for a nominal charge as biological assets such as animals and plants for one-time use. Examples of consumable biological assets are trees in a timber plantation forest, fish in farms, freshwater prawn juveniles, weaner calves and lambs that are sold to farmers.

Agricultural produce is the harvested produce of biological assets.

The Government recognises biological assets when it controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Government and the fair value or cost of the assets can be measured reliably.

Bearer biological assets (other than bearer plants) and consumable biological assets are measured at fair value less costs to sell, with any change therein recognised in surplus or deficit. The cost to sell relating to biological asset have been considered to be insignificant.

2.12 Property, Plant and Equipment

Property, Plant and Equipment include the following:

- (i) Infrastructure, Plant and Equipment;
- (ii) Land and Buildings;
- (iii) Assets under Construction; and
- (iv) Other Assets

Furniture, Fixtures and Fittings are currently being expensed.

Capital expenditure incurred under Special Funds for the Government has also been included.

(i) Infrastructure, Plant and Equipment

On initial recognition, Infrastructure, Plant and Equipment are stated at cost or deemed cost. Subsequently, they are stated at cost less accumulated depreciation. Infrastructure, Plant and Equipment represent the cost of the following:

(a) Infrastructure Assets:

- Roads - classified roads/motorways

Valuation Methodology

The value of the roads as at 30 June 2020 has been estimated by the Road Development Authority based on the cost of constructing a road to the following standard:

SN	Road Type	Cost per km (MUR)
1	Motorways	120 million
2	A Roads	75 million
3	B Roads	65 million

NOTES TO THE FINANCIAL STATEMENTS

The value of roads constructed after 30 June 2020 has been measured at cost.

- Bridges

Valuation Methodology

The value of bridges as at 30 June 2020 has been estimated by Road Development Authority by using the benchmark of recently constructed bridges of similar nature and size, at that time.

The value of bridges constructed after 30 June 2020 has been measured at cost.

- Dams, Stadiums and Gymnasiums and Other Structures.

Valuation Methodology

The above have been measured at cost.

Infrastructure assets do not include assets acquired by the Government on behalf of Other Public Sector Bodies.

(b) Transport Equipment have been measured at cost and include the following:

- Ships/Vessels;
- Aircrafts/Helicopters; and
- Other Vehicles.

(c) Other Machinery and Equipment have been measured at cost and include the following:

- Medical Equipment;
- Office Equipment; and
- Machinery.

(ii) Land and Buildings

(a) Land

Land acquired prior to 2018 are estimated at deemed cost and those acquired after 2018 are estimated at cost.

The basis used by the Government Valuation Department of the deemed cost is as follows:

- State Lands leased by the Government for various purposes is a reduced rate of 1/3 of freehold value. The rate for leased properties was based on use such as residential, agricultural, industrial and commercial. In cases where the State Lands were leased for industrial use such as hotel, the rate per arpent obtained through analysis of sale of leasehold rights of State Lands along the Pas Geometriques was adopted.
- Outer Islands have been recognised at deemed cost by the Government Valuation Department.
- For grazing land, 1/3 rate of market value of agricultural land as per region has been used for assessment.
- For Ex Tea Land, Agricultural Stations, MSPA Lands and land settlement, valuation has been based on freehold agricultural sales evidence according to different regions.
- For National Parks used as touristic sites, a rate of Rs 2.5 million/arpent has been used.
- For campement sites, valuation has been carried out based on Pas Geometriques sales evidences (leasehold sites).
- Nature Reserve and Walks, Shooting and Fishing Leases and Gardienages have been valued at a uniform rate of Rs 250,000/Arpent.

NOTES TO THE FINANCIAL STATEMENTS

- Islets used as Nature Reserve have been valued at rates of Rs 200,000 and Rs 215,000 per Arpent depending on regions. Public Beaches and Islets were valued based on rent paid per annum under the State Lands Act and were capitalised in perpetuity at rate of 8%. For Islets leased as hotels i.e industrial site, valuation has been carried out based on sales of leasehold rights along the Pas Geometriques.
- In respect of land acquired by Government for different purposes, the amount of compensation reported to the Ministry of Housing and Land Use Planning has been used.

(b) Buildings

Buildings represent residential and non-residential buildings, whether purchased, constructed or upgraded.

Buildings are initially recognised at cost and subsequently at cost less accumulated depreciation.

(iii) Assets under Construction

Assets in the course of construction are recognised at cost.

Depreciation of these assets commences when the assets are ready for their intended use.

(iv) Other Assets

Other Assets include Bearer Plants, Plants to maintain the Ecosystem and trained Sniffer Dogs used to detect illicit substances. These are measured at fair value at end of each reporting date.

The fair value model has been used as it is considered to be more appropriate. "Other Assets" category falls under IPSAS 17- Property, Plant, and Equipment as it meets the recognition criteria. However, IPSAS 17 cost and revaluation measurement basis does not provide guidance regarding classes of assets undergoing physical transformation. As similar assets are valued at fair value for instance under IPSAS 27- Agriculture, the fair value model has been applied for biological assets which was deemed to be more appropriate in that context. Moreso, by valuing such assets at fair value represents a fair presentation of their amounts recognised in the financial statements.

(v) Donated Assets

When an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is measured at its fair value at the date of acquisition and subsequently depreciated over its remaining useful life.

(vi) Depreciation

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Full year depreciation is charged in the year of acquisition and none in year of disposal. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset over its remaining useful life, as follows:

Buildings	50 years
Infrastructure Assets	10 – 50 years
Transport Equipment	8 – 25 years
Other Machinery & Equipment	4 – 20 years

NOTES TO THE FINANCIAL STATEMENTS

Land is not depreciated.

(vii) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(viii) Derecognition

Property, plant and equipment and/or any significant part of an asset are derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit when the asset is derecognised.

2.13 Leases

The Government assesses whether a contract is, or contains, a lease, at inception of the contract.

The Government leases various buildings, equipment and other assets under contract for periods ranging between 0 to 20 years which may be extended, as required.

A right-of-use asset (as stated below) and a corresponding lease liability (Refer to 2.18) are recognised with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these short-term leases, the Government recognises the lease payments as an operating expense on a straight-line basis over the term of the lease (Refer to 2.23 Expenses- (iii) Operating Expenses).

Right-of-Use Assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, and lease payments made at commencement date.

These are subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

2.14 Intangible Assets

Intangible assets include licenses, software and IT projects acquired, developed or under development.

Intangible assets acquired separately are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation. Internally generated intangible assets are not capitalised and are expensed in the Statement of Financial Performance in the period in which the expenditure is incurred.

Intangible assets are amortised using the straight-line method over a period of 8 years. Full year amortisation is charged in the year of acquisition. Intangible assets which are still under development phase are recognised at cost and no amortisation is charged until the asset is available for use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset. Any surplus or deficit arising from the disposal is recognised in the Statement of Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS

2.15 Financial Liabilities

(i) Payables

Payables are recognised at cost as the effect of discounting is not considered material. Payables comprise the following:

- (a) 'Cost of Borrowings' consist of Accrued Interest on Re-opening of Government Bonds and Treasury Notes and Management Charges payable;
- (b) 'Accounts Payable' which are expenses incurred by the Government during the financial year but not yet paid as at year end;
- (c) 'Retention Money on Contracts' which is a percentage of the amount certified as due to the contractors, deducted from the amount due and retained by the Government; and
- (d) 'Carry-over of Capital Expenditure' which represents the balance of the provision earmarked for capital projects in the current financial year payable within 3 months of the close of the financial year as per Section 3A of the Finance and Audit Act. The amount recognised in the Statement of Financial Position represents that portion of the total provision carried-over in respect of which goods were received or works completed by end of the financial year.

(ii) Deposits

Deposits are recognised at cost as the effect of discounting is not considered material and includes the following:

- (a) Money deposited with the Government under Section 8 of the Finance and Audit Act; and
- (b) Deposits held with the MRA for the purpose of disputes.

(iii) Government Debt

- (a) Domestic and External Debts (Excluding IMF SDR Allocations)

Initial Recognition and Measurement

Upon initial recognition, Domestic and External Debts are measured at fair value.

For concessionary loans, the difference between the loan proceeds and the fair value on initial recognition is accounted as revenue from non-exchange transactions.

Subsequent Measurement

- Treasury Bills and Treasury Certificates

Treasury Bills and Treasury Certificates are measured at amortised cost which is equivalent to cost plus accrued interest, due to the short-term nature of these liabilities.

- Treasury Notes, Government of Mauritius Bonds (including Inflation-Indexed Bonds), Domestic Loans and External Debts

Subsequently, these instruments are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Amortised cost is calculated by taking into account any discount or premium on acquisition of these instruments excluding commitment fees, management charges and front-end fees.

NOTES TO THE FINANCIAL STATEMENTS

- Silver Bonds

Silver Bonds have no pre-defined maturity date as such these are measured at amortised cost which is equivalent to cost plus accrued interest.

De-Recognition of Financial Liabilities

A financial liability (or a part of a financial liability) is removed from the Statement of Financial Position when, the financial liability is extinguished, that is, when the obligation specified in the contract is discharged, waived, cancelled or expired.

(b) IMF SDR Allocations

IMF SDR Allocations represent obligations which arise through the participation of the Republic of Mauritius in the SDR Department of the IMF and that are related to the allocation of SDR Holdings. SDR Holdings are international reserve assets created by the IMF and allocated to members to supplement reserves.

IMF SDR Allocations are translated at year-end exchange rate with any gains or losses arising on re-measurements recognised in the Statement of Financial Performance in the period in which they arise.

(iv) *Financial Guarantee Liabilities*

The Government provides financial guarantee as and when required in respect of loans contracted by Public Sector Bodies. Such guarantees are given to the lender to reimburse the amount of any loss incurred in the event of non-repayment of the respective loans by the Public Sector Bodies.

These financial guarantee contracts are initially recognised as a liability at fair value.

Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the liability and the amount initially recognised less cumulative amortisation.

2.16 Social Benefits

Social benefits are cash transfers provided to specific individuals and/or households who meet eligibility criteria, mitigate the effect of social risks and address the needs of society as a whole.

(i) *Initial Measurement*

The Government recognises a liability for a social benefit scheme when it:

- (a) has a present obligation for an outflow of resources that results from a past event; and
- (b) the present obligation can be measured in a way that achieves the qualitative characteristics and takes into account constraints on information. The initial measurement of the liability for a social benefit scheme is at the best estimate of the costs, that is the social benefit payments, that the Government will incur in fulfilling the present obligations represented by the liability. The Government also recognises an expense for the social benefit scheme at an amount equivalent to the amount of the liability.

NOTES TO THE FINANCIAL STATEMENTS

(ii) *Subsequent Measurement*

The liability is reduced as social benefit payments are made and any difference between the cost of making the social benefit payments and the carrying amount of the liability in respect of the social benefit scheme is recognised in surplus or deficit in the period in which the liability is settled.

2.17 Provisions

Provisions are recognised when the Government has a present obligation as a result of a past event and it is probable that the Government will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.18 Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. On initial measurement, lease payments included in the measurement of the lease liability comprise fixed and variable lease payments.

In calculating the present value of lease payments, the Government has used the following discount rates:

Lease Term	Discount Rate
Less or equal to 1 year	No discounting
More than 1 year and less or equal to 5 years	5.0%
More than 5 years and less or equal to 10 years	5.5%
More than 10 years	6.0%

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. Adjustments resulting from changes in market rental rates that are not incorporated into the lease liability measurement are recognized in the surplus or deficit.

In addition, the carrying amount of lease liabilities is remeasured in the event of a modification, a change in the lease term or a change in the assessment regarding the purchase of the underlying asset

2.19 Employee Benefit Obligations

(i) *Short-Term Employee Benefits*

Short-term employee benefits are benefits which are expected to be settled wholly before twelve months after the reporting period in which the employee renders the related service.

NOTES TO THE FINANCIAL STATEMENTS

The short-term employee benefits consist of salaries, wages, salary compensation, overtime, travelling and transport, allowances, end of year bonus, social security contributions, annual sick leave, current portion of passage benefits, and allowance in lieu of passage benefits.

Short-term employee benefits are expensed in the period the employee renders the service and a liability is recognised in respect of amount not paid at the end of the financial year for end of year bonus and annual sick leave.

Passage benefits represent the estimated liability of the Government in respect of passage benefits accrued to public officers on permanent and pensionable establishment drawing a minimum monthly salary of Rs 27,400 or reckoning at least five years' service as per Pay Research Bureau (PRB) Report 2021. Passage benefits are earned at the rate of 5% of the gross salaries annually. The carrying amount is re-measured each year end after taking into account amount paid and earned during the year.

(ii) *Post-Employment Benefits*

(a) Defined Contribution Plan

Defined contribution plans are post-employment benefit plans under which the Government pays fixed contributions into another entity, the State Insurance Company of Mauritius Limited (SICOM Ltd), for full time employees who joined the Public Sector from 1 January 2013 onwards. The Government has no further payment obligations once the contributions have been paid. These contributions are expensed in the period the employee renders the service and a liability is recognised in respect of amount not paid at the end of the financial year.

(b) Defined Benefit Plans

The Government operates a Defined Benefit Plan, which includes employees who joined service prior to the year 2013 and members of the Legislative Assembly.

The plan is unfunded. The calculation of defined benefit obligations is performed on a 3 yearly basis by a qualified actuary and will be aligned to the requirements of IPSAS 39 - Employee Benefits during the transitional period. Currently, Government appoints SICOM Ltd as its actuary. The cost of providing benefits is calculated using the projected unit method. The benefits are then discounted in order to determine the present value of the defined benefit obligations and the current service cost.

Remeasurements, comprising actuarial gains and losses, are reflected in the Statement AC - Statement of Changes in Net Assets or Equity.

(iii) *Other Long-Term Employee Benefits*

Other long-term employee benefits comprise non-current portion of bank of sick leave, vacation leave upon retirement and passage benefits.

Liabilities in respect of other long-term employee benefits have not been discounted for the time value of money.

NOTES TO THE FINANCIAL STATEMENTS

2.20 Contingent Assets and Contingent Liabilities

The Government does not recognise a contingent asset, but discloses in the notes to the financial statements details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Government. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

The Government does not recognise a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

2.21 Revenue from Non-Exchange Transactions

(i) Taxation

Taxation consists of Taxes on Income and Profits, Taxes on Property, Taxes on Goods and Services, Taxes on Financial and Capital Transactions, Taxes on International Trade and Transactions, Assessment Under Dispute and Other Taxes. The revenue recognition policy adopted for each major type of taxation revenue is as follows:

Tax Type	Revenue Recognition Point
Taxes on Income and Profits	<p>1. <u>Income Tax- Individuals (self-assessment)</u></p> <p>Revenue is recognised when the taxable activity takes place based on income tax returns submitted by the taxpayer by 15 October of the following financial year.</p> <p>Any revenue for the current financial year declared after 15 October or relating to prior periods are recognised as revenue in the year that the returns are submitted.</p> <p>Revenue recognised represents the net amount payable by the tax payer after any refund and deduction of any Pay As You Earn (PAYE) or Tax Deduction at Source (TDS).</p>
	<p>2. <u>Income Tax- Companies and Bodies Corporate</u></p> <p>Revenue is recognised when the taxable activity takes place based on tax returns submitted by the entities by 31 October following the end of the financial year. For entities which submit their tax return for the financial year after the 31 October, revenue for that income year is estimated based on the tax return submitted for the previous financial year end.</p> <p>Any revenue relating to prior periods are recognised as revenue in the year of submission of returns.</p>
	<p>3. <u>Pay As You Earn (PAYE) and Tax Deduction at Source (TDS)</u></p> <p>Revenue is recognised in the financial year when the taxable activity takes place based on returns submitted in the current financial year. PAYE and TDS for the month of June submitted up to the cut-off date of 31 July of the following financial year are recognised as revenue in the current financial year.</p> <p>PAYE and TDS relating to any month prior to June that are declared after the end of the current financial year and PAYE/TDS relating to any prior periods are recognised as revenue in the year in which the returns are submitted.</p>

NOTES TO THE FINANCIAL STATEMENTS

Tax Type	Revenue Recognition Point
Taxes on Property	Revenue is recognised on an accrual basis.
Taxes on Goods and Services and Taxes on International Trade and Transactions	<p>1. <u>Value Added Tax (VAT)</u></p> <p>Revenue is recognised in the year when the taxable activity takes place based on returns relating to the current financial year submitted by the taxpayer during the financial year and returns pertaining to the month of June and Quarter April to June submitted by 31 July of the following financial year, net of any repayment.</p> <p>VAT returns for the month of July to May and Quarters July to March declared after financial year end and VAT relating to prior periods are recognised as revenue, net of any repayment in the year in which the returns are submitted.</p>
	<p>2. <u>Custom and Excise Duties and Other taxes collected at Customs</u></p> <p>Revenue is recognised in the financial year when the taxable activity takes place based on the customs declarations submitted at customs.</p>
	<p>3. <u>Betting and Gaming Taxes</u></p> <p>Revenue is recognised when taxes are declared in the tax payers returns during the financial year.</p>
	<p>4. <u>Passenger Fee</u></p> <p>Revenue is recognised when taxes are declared in the tax payers returns during the financial year.</p>
Other Taxes	<p>1. <u>Environment Protection Fee (EPF)</u></p> <p>Revenue is recognised when taxes are declared in the tax payers returns during the financial year.</p>
	<p>2. <u>Advertising Structure Fee and Special Levy on Banks</u></p> <p>Revenue is recognised when taxes are declared in the tax payers returns during the financial year.</p>

40% of the disputed amount (Assessment Under Dispute) is recognised as receivables from non-exchange transactions for the financial year under review and the relative movement is charged to surplus or deficit under the different categories of Tax revenue listed in the above table.

Penalties, interests and surcharges arising in relation to taxation are recognised as revenue in the year when these charges are applied.

(ii) *Transfers*

(a) Fines, Penalties and Forfeits

Fines, Penalties and Forfeits are recognised on an accrual basis.

(b) Grants and Aid

Grants and Aid consist of Grants from Foreign Governments, International Organisations and Other General Government Units.

These grants are recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

(c) Other Transfers

Other transfers include:

- Transfer of surplus cash balances from statutory bodies and special funds and any contributions made by a party to Government. These are recognised on a cash basis.
- Contribution in respect of Tourism Development Projects on State Lands. These are recognised on cash basis.
- Concessionary Loans
The difference between loan proceeds and the fair value of the loan on initial recognition is recognised as revenue.
- Goods in-kind
Goods in-kind are measured at fair value as at the date of acquisition and recognised on obtaining control of the asset if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Government and can be measured reliably.
- Debt Forgiveness
Debts written off by Development Partners and Donor Agencies are recognised as revenue when the debt no longer meets the definition of a liability.

(iii) Social Contributions

Social Contributions is recognised on an accrual basis.

2.22 Revenue from Exchange Transactions

Revenue from exchange transactions consist of Licences, Finance Income, Dividends, Rent and Royalties, Sales of Goods and Services and Other Revenue.

Revenues are recognised on an accrual basis.

2.23 Expenses

(i) Subsidies and Grants

Subsidies and Grants to Local Authorities, Extra Budgetary Units, Rodrigues Regional Assembly and Other General Government Units are recognised on accrual basis.

Contributions to International/Regional Organisations are recognised in the period to which they relate.

(ii) Social Benefits

Social benefits are recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

(iii) Operating Expenses

These are recognised in the period when goods are received or services are rendered.

Operating expenses include leases which are short term, normally for one year and of low value in nature and are expensed in surplus or deficit (Refer to 2.13 Leases).

(iv) Other Expenses

Other expenses are recognised on an accrual basis.

(v) Finance Costs

Finance costs include interest expense on financial liabilities and leases and management charges.

Interest expense on financial liabilities are measured at amortised cost and are recognised using the effective interest rate method.

Interest expense on lease liability is the amount that produces a constant periodic discount rate of interest on the remaining balance of lease liability (Refer to 2.18 Lease Liabilities).

Management charges have been recognised on an accrual basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements includes the use of accounting estimates and management assumptions and judgement. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, include, but are not limited to: estimation of Receivables, loss allowance for expected credit losses on Receivables, selection of useful lives and the depreciation/amortisation method for Property Plant and Equipment, Intangible Assets and right-of-use assets, estimating the fair value of certain categories of Property Plant and Equipment, Biological Assets, Investments, actuarial measurement of post-employment benefit obligations, assumptions used in calculating the fair value of Government Debt for which there is no observable market price, assumptions in measuring Loans at amortised cost and expected credit loss on Loans, estimation to compute the value for Financial Guarantee Liabilities and discount rate for the computation of Lease Liabilities. The actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

NOTES TO THE FINANCIAL STATEMENTS

4. CASH AND CASH EQUIVALENTS

The total cash and cash equivalents are made up as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Cash and Bank balances	10,661,740,040	21,379,023,951
Remittances	4,190,791,626	3,423,494,561
Total	14,852,531,666	24,802,518,512
Comprising:		
Local currency balances	10,942,990,225	20,331,325,178
Foreign currency balances - at local banks	3,840,335,939	4,414,103,490
Foreign currency balances - at external banks	69,205,502	57,089,844

As at 30 June 2024, there is no significant cash and cash equivalents balances that are not available for use.

Cash and cash equivalents include an amount of Rs 6,298,797,854 (2023: Rs 14,747,580,422) for Special Funds.

Non-cash transactions

For non-cash transactions relating to loans, lease liabilities and Government Debt, refer to Note 7 Loans and Advances, Note 19 Lease Liabilities and Note 20 Government Debt respectively.

Non-cash transactions also include the following:

	30 June 2024	30 June 2023
	Rs	Rs
Donated Property, Plant and Equipment	76,974,117	68,919,411
Conversion of Advances to Equity Instruments	500,000,000	-
Others	128,966,973	55,201,448

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	30 June 2024	30 June 2023
	Rs	Rs
Taxes on Income and Profits	34,254,376,573	11,089,274,627
Taxes on Property	16,076,216	15,786,267
Taxes on Goods and Services	10,505,153,142	9,475,496,721
Taxes on International Trade and Transactions	13,946,647	2,030,794
Other Taxes	204,351,413	173,870,749
Fines, Penalties and Forfeits	133,916,712	125,960,381
Social Contributions	1,325,546,777	1,070,127,766
	46,453,367,480	21,952,547,305
Less: Loss Allowance	(659,229,064)	(665,585,759)
Total	45,794,138,416	21,286,961,546
- Within one year	20,243,636,259	10,012,450,181
- After one year	25,550,502,157	11,274,511,365
Total	45,794,138,416	21,286,961,546

NOTES TO THE FINANCIAL STATEMENTS

The ageing of receivables from non-exchange transactions are as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Current Due	17,292,575,274	11,626,719,499
Past Due:		
Less than 1 year	3,994,625,156	627,699,136
Between 1 to 5 years	5,646,582,547	5,670,962,241
Between 5 to 10 years	2,399,626,169	2,017,655,704
Over 10 years	1,566,637,856	1,343,924,966
Total	30,900,047,002*	21,286,961,546

*This amount excludes receivables in respect of tax assessments not yet settled amounting to Rs 14,894,091,414.

Receivables in respect of tax assessments not yet settled, amounting to Rs 14,894,091,414, has been recognised for the first time as at 30 June 2024, representing 40% of the disputed amount. No loss allowance has been charged on this amount.

During the financial year 2023-2024, an amount of Rs 316,129,004 (2023: Rs 200,350,804) was written off. Out of this amount, an amount of Rs 97,516,316 (2023: Rs 14,371,974) was charged directly through surplus or deficit as no loss allowance in respect of these amounts were previously recognised (Refer to Note 35). The remaining amount of Rs 218,612,688 (2023: Rs 185,978,830) was written off against loss allowance (Refer to table below).

The changes in loss allowance in respect of receivables from non-exchange transactions are as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Loss Allowance as at 01 July	665,585,759	593,519,713
Receivables Write-Off	(218,612,688)	(185,978,830)
Impairment Loss	212,255,993	258,044,876
Loss Allowance as at 30 June	659,229,064	665,585,759

6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	30 June 2024	30 June 2023
	Rs	Rs
Licences	94,680,037	75,481,767
Finance Income	2,272,904	1,456,508
Rent and Royalties	1,208,263,038	1,151,065,553
Sales of Goods and Services	257,944,497	231,015,354
Other Revenue	491,162,840	307,190,461
	2,054,323,316	1,766,209,643
Less: Loss Allowance	(564,677,750)	(452,437,180)
Total	1,489,645,566	1,313,772,463

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2024	30 June 2023
	Rs	Rs
Within one year	1,232,201,817	834,205,721
After one year	257,443,749	479,566,742
Total	1,489,645,566	1,313,772,463

The ageing of receivables from exchange transactions are as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Current Due	234,680,930	158,022,125
Past Due:		
Less than 1 year	158,426,195	91,700,994
Between 1 to 5 years	212,691,148	1,000,515,758
Between 5 to 10 years	875,108,239	54,059,297
Over 10 years	8,739,054	9,474,289
Total	1,489,645,566	1,313,772,463

During the financial year 2023-2024, an amount of Rs 11,013 (2023: Rs 41,107,255) was written off. No write-off (2023: Rs 16,602,780) was charged to surplus or deficit (Refer to Note 35). The amount of Rs 11,013 (2023: Rs 24,504,475) was written off against loss allowance (Refer to table below).

The changes in the loss allowance in respect of receivables from exchange transactions are as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Loss Allowance as at 01 July	452,437,180	141,227,622
Receivables Write-Off	(11,013)	(24,504,475)
Impairment Loss	112,251,583	335,714,033
Loss Allowance as at 30 June	564,677,750	452,437,180

7. LOANS AND ADVANCES

	30 June 2024			30 June 2023		
	Current Rs	Non-Current Rs	Total Rs	Current Rs	Non-Current Rs	Total Rs
Loans	4,458,178,791	6,609,729,297	11,067,908,088	3,399,379,904	7,019,346,459	10,418,726,363
Advances	909,018,186	2,705,891,060	3,614,909,246	932,015,525	2,317,390,707	3,249,406,232
Total	5,367,196,977	9,315,620,357	14,682,817,334	4,331,395,429	9,336,737,166	13,668,132,595

Details of the total loans granted by the Government are provided in Statement M – Statement of all Outstanding Loans financed from Revenue as at 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

(i) Loans

Loans to Statutory bodies, Private bodies and Other bodies have been recognised at amortised cost in the financial statements for the financial year ended 30 June 2024.

A reconciliation of loan at amortised cost is shown below:

	2024 Rs	2023 Rs
Balance as at 01 July	10,615,037,453	10,001,922,324
<i>Cash Movement:</i>		
Issue	333,095,644	558,248,749
<i>Repayment:</i>		
Capital	(200,719,110)	(376,985,795)
Interest	(60,343,027)	(77,803,117)
<i>Non-cash Movement:</i>		
Non-exchange expense (Concessionary loans)	(74,202,590)	(95,871,567)
Interest income	575,988,077	641,430,649
Capitalisation of interest	45,280,853	40,384,897
Write off of loan	-	(122,445,604)
Gains on foreign exchange transactions and revaluation	33,256,703	46,156,917
Balance as at 30 June	11,267,394,003	10,615,037,453
	30 June 2024	30 June 2023
	Rs	Rs
Loans at Amortised Cost	11,267,394,003	10,615,037,453
Less: Expected Credit Loss Allowance	(199,485,915)	(196,311,090)
Loans as per Statement A- Statement of Financial Position	11,067,908,088	10,418,726,363

The ageing of the loans are as follows:

	30 June 2024 Rs	30 June 2023 Rs
Less than 1 year	4,458,178,791	3,399,379,904
Between 1 to 5 years	4,018,845,921	3,946,683,793
Between 5 to 10 years	1,830,478,245	2,293,844,729
Over 10 years	760,405,131	778,817,937
Total	11,067,908,088	10,418,726,363

The movement in expected credit loss allowance in respect of loans are as follows:

	30 June 2024 Rs	30 June 2023 Rs
Loss Allowance as at 01 July	196,311,090	135,724,213
Loss Allowance for the year	3,174,825	60,586,877
Loss Allowance as at 30 June	199,485,915	196,311,090

NOTES TO THE FINANCIAL STATEMENTS

The discount rate used in calculating the present value of loan is determined by reference to market yields on weighted average rupee lending rate of banks, as prescribed by the Bank of Mauritius.

(ii) Advances

	30 June 2024	30 June 2023
	Rs	Rs
Government Officers (include Motor Cars and Motor Cycles Advances)	2,242,629,256	2,072,587,400
Parastatals/Local Government/Corporate Bodies	1,261,054,330	1,056,255,358
Ministries/Departments	111,225,660	120,563,474
Total	3,614,909,246	3,249,406,232

8. INVESTMENTS

Details of investments are shown below:

	30 June 2024	30 June 2023
	Rs	Rs
Equity Investments	130,377,384,106	119,344,041,797
Redeemable Preference Shares	200,000,000	200,000,000
Other Investments	9,401,801,339	19,108,849,811
Total	139,979,185,445	138,652,891,608
-Within one year	9,212,299,279	17,431,994,054
-After one year	130,766,886,166	121,220,897,554
Total	139,979,185,445	138,652,891,608

(i) Equity Investments and Redeemable Preference Shares

Fair Value of Equity Investments and Redeemable Preference *Shares*

The Government uses the following hierarchy for determining and measuring the fair value of investments:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Other techniques for which all inputs are observable and have a significant effect on the recorded fair value, either directly or indirectly; and
- Level 3 – Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

The level of fair value measurement used for each category of investment is shown in the table below:

Category	Level	Basis
Quoted Investments	Level 1	Based on market prices of shares on the Stock Exchange of Mauritius as at the end of the financial year.
Unquoted Investments	Level 3	Based on the Net Asset figures from the latest audited financial statements of investees except for ISM Mauritius Ltd, Mauritius Housing Holdings Ltd and The National Fishing Company Ltd, where their costs have been deemed to be their market value as no audited financial statements are available.
Equity Participation	Level 3	Based on the Net Asset figure from the latest audited financial statements of investees.
Redeemable Preference Shares	Level 3	Based on the value disclosed in the latest audited financial statements of investees.

The table below shows an analysis of equity investments and redeemable preference shares mandatorily measured at fair value through surplus or deficit, by the level of hierarchy:

	Level 1	Level 3	Total Carrying Amount	Total Fair Value
	Rs	Rs	Rs	Rs
30 June 2024				
Quoted investments	702,851,190	-	702,851,190	702,851,190
Unquoted investments	-	96,705,786,054	96,705,786,054	96,705,786,054
Equity participation	-	32,968,746,862	32,968,746,862	32,968,746,862
Redeemable Preference Shares	-	200,000,000	200,000,000	200,000,000
Total	702,851,190	129,874,532,916	130,577,384,106	130,577,384,106
30 June 2023				
Quoted investments	672,946,849	-	672,946,849	672,946,849
Unquoted investments	-	88,945,434,775	88,945,434,775	88,945,434,775
Equity participation	-	29,725,660,173	29,725,660,173	29,725,660,173
Redeemable Preference Shares	-	200,000,000	200,000,000	200,000,000
Total	672,946,849	118,871,094,948	119,544,041,797	119,544,041,797

There have been no transfers between Level 1 and 3 during the current year.

NOTES TO THE FINANCIAL STATEMENTS

A reconciliation of fair value measurements in level 3 is set out below:

	2024	2023
	Rs	Rs
Balance at 01 July	118,871,094,948	113,499,482,635
Additions during the year	2,790,284,281	1,472,697,332
Conversion of advance into equity	500,000,000	-
Dividends capitalised	123,398,348	53,787,211
Impairment of investment	(1)	-
Gains on foreign exchange transactions and revaluation	110,078,591	57,399,544
Fair value gain on investment	7,479,676,749	3,787,728,226
Balance at 30 June	129,874,532,916	118,871,094,948

(ii) Other Investments

Other Investments have been recognised at amortised cost.

A reconciliation of amortised cost is shown below:

	Government	Special Funds	Total
	Rs	Rs	Rs
Balance at 01 July 2022	596,121,803	18,929,887,318	19,526,009,121
Redemption of fixed deposits	(4,520,000)	(550,000,000)	(554,520,000)
Movement in interest receivable	(382,675)	137,743,365	137,360,690
Balance at 30 June 2023	591,219,128	18,517,630,683	19,108,849,811
Additions during the year	-	5,525,000,000	5,525,000,000
Redemption of fixed deposits	(4,280,000)	(15,075,000,000)	(15,079,280,000)
Movement in interest receivable	380,080	(153,148,552)	(152,768,472)
Balance at 30 June 2024	587,319,208	8,814,482,131	9,401,801,339

Additional details in respect of investments are provided in the Statement F - Statement of Investments as at 30 June 2024.

9. INVENTORIES

	30 June 2024	30 June 2023
	Rs	Rs
<i>Inventories consist of the following:</i>		
Inventories for Distribution and Consumption	3,837,327,216	3,165,156,324
Donated inventories	741,241	5,604,690
Agricultural Produce and Biological Inventory	33,496,130	36,433,100
Total	3,871,564,587	3,207,194,114

NOTES TO THE FINANCIAL STATEMENTS

Inventories amounting to Rs 4,124,251 (2023: Rs 2,896,259) was written-off during the financial year 2023-2024.

Agricultural produce harvested during the period, determined at point of harvest amounted to Rs 4,413,330 (2023: Rs 2,987,059).

Agricultural Produce and Biological Inventory amounting to Rs 3,168,765 was written off during the financial year 2023-2024 (2023: Rs 4,720,263).

The movement in Agricultural produce and Biological Inventory charged to surplus/deficit amounted to Rs 8,035,841 for the financial year 2023-2024 (2023: Rs 7,088,877).

Methods to determine the fair value of Agricultural Produce

The fair value of agricultural produce has been estimated by the Ministry of Agro Industry and Food Security and Ministry of Blue Economy, Marine Resources, Fisheries and Shipping and is based mainly on market prices (i.e. price set by the Ministry of Agro Industry and Food Security and Ministry of Blue Economy, Marine Resources, Fisheries and Shipping), quantity and weight.

10. OTHER FINANCIAL ASSETS

	30 June 2024	30 June 2023
	Rs	Rs
IMF SDR Deposits	12,846,592,009	12,100,561,354
IMF Reserve Tranche Position	2,380,575,978	2,540,585,086
Total	15,227,167,987	14,641,146,440

IMF SDR Deposits represent the rupee equivalent of the deposit of SDR 205,402,512 (2023: SDR 197,605,675) by the IMF to the Republic of Mauritius.

IMF Reserve Tranche Position of the Republic of Mauritius with IMF stood at SDR 38,062,724 (2023: SDR 41,488,491), whilst the Quota amounted to SDR 142,200,000 (2023: SDR 142,200,000).

The movement in the Reserve Tranche is as follows:

	2024	2023
	Rs	Rs
Balance as at 01 July	2,540,585,086	2,418,161,031
Gain on Foreign Exchange Transactions and Revaluation	45,847,166	39,663,091
Transactions during the year	(205,856,274)	82,760,964
Balance as at 30 June	2,380,575,978	2,540,585,086

NOTES TO THE FINANCIAL STATEMENTS

11. BIOLOGICAL ASSETS

	30 June 2024	30 June 2023
	Rs	Rs
Bearer Biological Assets	10,922,960	10,454,201
Consumable Biological Assets (N1)	795,030	792,705
Total	11,717,990	11,246,906

N1: Consumable Biological Assets exclude Agricultural Produce. Agricultural Produce has been recognised under Inventories (Refer to Note 9).

Reconciliation of Carrying Amount of Bearer Biological Assets

	2024	2023
	Rs	Rs
Carrying amount at 01 July	10,454,201	8,710,834
Increases due to purchases	1,546,386	1,549,450
Transfer to inventories	(400,222)	(124,615)
Fair value (loss)/gain	(677,405)	318,532
Carrying amount at 30 June	10,922,960	10,454,201

Reconciliation of Carrying Amount of Consumable Biological Assets

	2024	2023
	Rs	Rs
Carrying amount at 01 July	792,705	480,329
Transfer to inventories	(1,615,739)	(6,550,821)
Fair value gain	1,618,064	6,863,197
Carrying amount at 30 June	795,030	792,705

Methods to determine the fair value of biological assets

The fair value of biological assets has been estimated by the Ministry of Agro Industry and Food Security and Ministry of Blue Economy, Marine Resources, Fisheries and Shipping and is based mainly on market prices (i.e. price set by the Ministry of Agro Industry and Food Security and Ministry of Blue Economy, Marine Resources, Fisheries and Shipping), quantity and weight.

Restrictions and pledges for liabilities

During the financial year 2023-2024, there were no biological assets whose title was restricted and there were no restrictions on the Government's use or capacity to sell biological assets (2023: Nil).

During the financial year 2023-2024, no biological assets were pledged as security for liabilities (2023: Nil).

Contractual Commitments

During the financial year 2023-2024, there were no contractual commitments for the acquisition or development of biological assets (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management Strategies

The Budgetary Central Government is exposed to financial risks arising from changes in price due to disease and pest risks, climate risks (e.g flood, drought, cyclones), environmental and other risks (e.g fire in forest, thefts, power failure of pumps).

The risk management strategies put in place are as follows:

1. Disease and Pest risks

These are managed by constant monitoring for early detection of diseases and pests and surveillance by veterinary services to avoid propagation.

2. Climate risks

These are managed by planting plants with deep rooted system and suitable to agro climatic conditions and moving from traditional open field cultivation to sheltered farming system.

3. Environmental and Other risks

These are managed by putting standby generators in place to supply electrical power in case of power failure, reporting thefts having constant watchmanship to ensure security of assets and creating fire breaks to reduce the spread of fire outbreaks.

NOTES TO THE FINANCIAL STATEMENTS

12. PROPERTY, PLANT AND EQUIPMENT

	Infrastructure, Plant and Equipment			Land and Buildings		Asset Under Construction (AUC)	Other Assets	TOTAL
	Infrastructure Assets	Transport Equipment	Other Machinery & Equipment	Land	Buildings			
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST								
At 01 July 2022	119,013,774,802	11,789,789,654	11,996,381,148	380,617,156,900	33,438,630,686	7,512,973,525	787,550,180	565,156,256,895
Additions	1,272,038,927	911,152,222	1,780,064,194	952,037,752	444,330,034	5,260,863,299	3,336,149	10,623,822,577
Transfer from AUC	2,121,934,084	-	-	-	222,971,919	(2,344,906,003)	-	-
Transfer to Inventories	-	-	-	-	-	-	(1,613,986)	(1,613,986)
Disposal	-	(26,825,848)	(5,654,078)	-	-	-	(420,000)	(32,899,926)
Fair Value Gain	-	-	-	-	-	-	827,185,537	827,185,537
At 30 June 2023	122,407,747,813	12,674,116,028	13,770,791,264	381,569,194,652	34,105,932,639	10,428,930,821	1,616,037,880	576,572,751,097
Additions	1,164,018,146	599,458,992	964,282,012	971,441,772	739,246,301	5,088,759,354	7,047,150	9,534,253,727
Transfer from AUC	6,677,912,948	48,064,839	-	-	1,745,573,847	(8,471,551,634)	-	-
Transfer to Inventories	-	-	-	-	-	-	(1,838,344)	(1,838,344)
Disposal	-	(6,091,422)	(4,317,323)	-	-	-	(2,255,750)	(12,664,495)
Fair Value Gain	-	-	-	-	-	-	2,450	2,450
At 30 June 2024	130,249,678,907	13,315,548,437	14,730,755,953	382,540,636,424	36,590,752,787	7,046,138,541	1,618,993,386	586,092,504,435

NOTES TO THE FINANCIAL STATEMENTS

	Infrastructure, Plant and Equipment			Land and Buildings		Asset Under Construction (AUC)	Other Assets	TOTAL
	Infrastructure Assets	Transport Equipment	Other Machinery & Equipment	Land	Buildings			
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
ACCUMULATED DEPRECIATION								
At 01 July 2022	12,577,711,917	6,023,208,629	8,158,370,285	-	8,765,736,846	-	-	35,525,027,677
Charge for the year	2,556,477,038	694,642,572	1,067,860,226	-	681,941,916	-	-	5,000,921,752
Disposal	-	(26,825,848)	(5,082,351)	-	-	-	-	(31,908,199)
At 30 June 2023	15,134,188,955	6,691,025,353	9,221,148,160	-	9,447,678,762	-	-	40,494,041,230
Charge for the year	2,717,359,405	688,780,812	1,042,738,719	-	731,421,893	-	-	5,180,300,830
Disposal	-	(6,091,422)	(3,367,308)	-	-	-	-	(9,458,731)
At 30 June 2024	17,851,548,360	7,373,714,743	10,260,519,571	-	10,179,100,655	-	-	45,664,883,329
Carrying Amounts								
At 30 June 2023	107,273,558,858	5,983,090,675	4,549,643,104	381,569,194,652	24,658,253,877	10,428,930,821	1,616,037,880	536,078,709,867
At 30 June 2024	112,398,130,547	5,941,833,694	4,470,236,382	382,540,636,424	26,411,652,132	7,046,138,541	1,618,993,386	540,427,621,106

1. Other Assets:

- (a) The value of Other Assets (Sniffer Dogs) as at 30 June 2024 decreased to Rs 5,371,250. The net decrease of Rs 1,928,750 arose from the disposal of Rs 2,028,750 and additions of Rs 100,000 during financial year 2023-2024.
- (b) "Plants to maintain Ecosystem" has increased in value during financial year 2023-2024 and amounts to Rs 1,610,268,236. The increase of Rs 4,653,406 arose from the additions of Rs 6,491,750 and transfer to inventories of Rs 1,838,344.
- (c) "Bearer Plants" has increased in value during financial year 2023-2024 and amounts to Rs 3,353,900. The increase of Rs 230,850 arose from the additions of Rs 455,400, disposal of Rs 227,000 and fair value gain of Rs 2,450.

2. Donated assets amounting to Rs 76,859,117 (2023: Rs 68,363,395) have been recognised in the financial year 2023-2024.

3. Contractual commitments for the acquisition of Property, Plant and Equipment amounted to Rs 262,693,982 (2023: Rs 355,491,732) as at 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

13. RIGHT-OF-USE ASSETS

	Land	Buildings	Other Machinery and Equipment	Total
	Rs	Rs	Rs	Rs
COST				
At 1 July 2022	173,811,040	2,059,294,630	10,242,991,105	12,476,096,775
Additions	27,734,499	429,698,220	215,396,862	672,829,581
Adjustments	-	(6,119,911)	-	(6,119,911)
At 30 June 2023	201,545,539	2,482,872,939	10,458,387,967	13,142,806,445
Additions	150,604	755,365,542	18,758,209	774,274,355
Termination/Expiry	-	(1,245,877,120)	(407,856,870)	(1,653,733,990)
At 30 June 2024	201,696,143	1,992,361,361	10,069,289,306	12,263,346,810
ACCUMULATED DEPRECIATION				
At 1 July 2022	16,812,242	997,972,827	1,814,778,119	2,829,563,188
Charge for the year	5,786,799	557,354,539	624,591,907	1,187,733,245
Adjustments	-	(4,997,927)	-	(4,997,927)
At 30 June 2023	22,599,041	1,550,329,439	2,439,370,026	4,012,298,506
Charge for the year	6,329,550	566,597,564	591,609,284	1,164,536,398
Termination/Expiry	-	(1,100,479,387)	(230,736,818)	(1,331,216,205)
At 30 June 2024	28,928,591	1,016,447,616	2,800,242,492	3,845,618,699
Carrying Amounts				
At 30 June 2023	178,946,498	932,543,500	8,019,017,941	9,130,507,939
At 30 June 2024	172,767,552	975,913,745	7,269,046,814	8,417,728,111

14. INTANGIBLE ASSETS

	Licences & Software	Asset Under Development (AUD)	Total
	Rs	Rs	Rs
COST			
At 01 July 2022	3,423,636,931	58,302,620	3,481,939,551
Additions	154,041,539	45,183,177	199,224,716
At 30 June 2023	3,577,678,470	103,485,797	3,681,164,267
Additions	59,356,925	257,604,374	316,961,299
Transfer from AUD	7,086,913	(7,086,913)	-
At 30 June 2024	3,644,122,308	354,003,258	3,998,125,566
ACCUMULATED AMORTISATION			
At 01 July 2022	2,467,166,230	-	2,467,166,230
Charge for the year	204,457,231	-	204,457,231
At 30 June 2023	2,671,623,461	-	2,671,623,461
Charge for the year	167,975,176	-	167,975,176
At 30 June 2024	2,839,598,637	-	2,839,598,637
Carrying Amounts			
At 30 June 2023	906,055,009	103,485,797	1,009,540,806
At 30 June 2024	804,523,671	354,003,258	1,158,526,929

During the financial year 2023-2024, there were no donated assets (2023: Rs 556,016).

During the financial year 2023-2024, there were no contractual commitments for the acquisition of intangible assets (2023: Rs 9,947,768).

NOTES TO THE FINANCIAL STATEMENTS

15. PAYABLES

	30 June 2024	30 June 2023
	Rs	Restated Rs
Cost of Borrowings	60,875,036	89,107,683
Accounts Payable (N1)	3,378,206,683	2,749,484,608
Retention Money on Contracts	45,349,398	73,358,577
Carry-over of Capital Expenditure (N2)	-	121,905,876
Total	3,484,431,117	3,033,856,744
- Within one year	2,345,428,959	1,908,032,447
- After one year	1,139,002,158	1,125,824,297
Total	3,484,431,117	3,033,856,744

N1: Accounts Payable was understated by Rs 1,115,132,433 in the financial year 2022-2023, representing amount payable to the State Trading Corporation (STC) with respect to the STC's deficit in its Subsidy Account.

Refer to Note 39 (i) for details on prior period adjustments.

N2: There were no carry-over of capital expenditure during the financial year.

Cost of Borrowings is made up of accrued interest on re-opening of Government Securities and Management Charges payable as at 30 June. Details are as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Accrued Interest on Re-opening of Government Securities:		
- Government Bonds	22,877,000	50,776,000
- Treasury Notes	34,882,000	37,341,000
Management Charges payable on:		
- Domestic Debts	983,497	115,864
- External Debts	2,132,539	874,819
Total	60,875,036	89,107,683
- Within one year	60,875,036	89,107,683
- After one year	-	-
Total	60,875,036	89,107,683

16. DEPOSITS

	30 June 2024	30 June 2023
	Rs	Rs
Grants	125,419,897	266,716,480
Deposits held with Mauritius Revenue Authority	572,612,438	644,858,613
Other Deposits	2,481,505,939	2,793,496,035
Total	3,179,538,274	3,705,071,128
- Within one year	1,930,568,243	2,684,952,599
- After one year	1,248,970,031	1,020,118,529
Total	3,179,538,274	3,705,071,128

NOTES TO THE FINANCIAL STATEMENTS

The amount of liabilities recognised in respect of Grants that are subject to conditions are Rs 125,419,897 (2023: Rs 266,716,480).

17. SOCIAL BENEFITS

	30 June 2024	30 June 2023
	Rs	Rs
Balance as at 01 July	295,394,495	154,444,800
Payments made during the year	(63,366,247,466)	(49,170,221,173)
Charge for the year	63,211,931,091	49,311,170,868
Balance as at 30 June	141,078,120	295,394,495
- Within one year	141,078,120	295,394,495
- After one year	-	-
Total	141,078,120	295,394,495

The total expenses for Social Benefits analysed by Social Benefit Schemes are shown below:

	30 June 2024	30 June 2023
	Rs	Rs
Social Aid- Pension	260,852,394	282,489,112
Cyclone Allowance	165,500	225,250
Incontinence Allowance	78,578,400	72,554,431
Medical Allowance	2,747,543	2,704,638
Income Support-UHR	248,683,414	68,656,603
Funeral Grant	44,660,740	42,927,745
Child Allowance Attending school	3,378,510	4,325,400
Basic Retirement Pension	39,825,569,127	33,074,557,634
Basic Widow Pension	2,588,719,050	2,301,486,510
Basic Invalid Pension	4,422,638,079	3,987,464,288
Basic Orphan Pension	55,974,500	48,364,000
Child Allowance	365,219,958	277,439,514
Other Basic Pensions	1,586,399,224	1,563,443,865
CSG Benefits	2,844,520,000	2,207,038,629
Poverty and Empowerment	570,119,275	304,339,014
Bad Weather Allowance	218,922,225	120,813,400
Closed Season Allowance	6,500,000	5,490,675
Foster Care	14,170,146	9,315,586
Negative Income Tax Allowance	35,922,400	38,731,191
Special Allowance/ Allowance icw National Minimum Wage	1,059,390,606	573,803,383
CSG Income Allowance	7,290,000,000	4,325,000,000
Housing Loan Relief Scheme	345,000,000	-
CSG Child Allowance	880,000,000	-
Independence Allowance	463,800,000	-
	63,211,931,091	49,311,170,868

NOTES TO THE FINANCIAL STATEMENTS

The table below provides the characteristics of social benefits schemes:

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Negative Income Tax (NIT)	The Income Tax Act	Refer to Section 150A Income Tax Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.		
Special Allowance	The Workers Right Act and Workers Right Act Regulations (Payment of Special Allowance)	Refer to Section 33A and 124 of The Workers Right Act and Workers Right Act Regulations (Payment of Special Allowance) 2022 and 2023	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.	Scheme ended in December 2023	
CSG Income Allowance	The Social Contribution and Social Benefits Act	Refer to Sub-Part IIIB of The Social Contribution and Social Benefits Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.	As from July 2023, an Allowance of Rs 2,000 is payable to eligible employees and self-employed individuals whose total income/emoluments and any basic retirement or widow's pension do not exceed Rs 25,000 and an Allowance of Rs 1,000 is payable to eligible employees and self-employed individuals whose total income/emoluments and any basic retirement or widow's pension are above Rs 25,000 but not exceeding Rs 50,000.	Additional fund disbursed

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Housing Loan Relief Scheme	Income Tax Act	Refer to Section 150G of the Income Tax Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.		
CSG Child Allowance - Rs 2,000 Monthly	The Social Contribution and Social Benefits Act	Refer to Sub-Part IIIC of The Social Contribution and Social Benefits Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.		
Independence Allowance - Rs 20,000	The Social Contribution and Social Benefits Act	Refer to Sub-Part IIID of The Social Contribution and Social Benefits Act	MRA Website	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of individuals qualifying for the schemes, based on the eligibility criteria.		
Social Aid- Pension	Social Aid Act	Item 1-17 as per Provisions in Social Aid Act, 1983 and Social Aid Regulations, 1984	Social Aid Act	Budget Appropriation	Depending on number of applications received	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Cyclone	Social Aid Act		Social Aid Act	Budget Appropriation	Natural Disasters		

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Incontinence Allowance	Social Aid Act	Item 1-17 as per Provisions in Social Aid Act, 1983 and Social Aid Regulations, 1984	Social Aid Act	Budget Appropriation	Depending on number of applications received	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Medical Allowance	Social Aid Act		Social Aid Act	Budget Appropriation			
Unemployment Hardship Relief	Social Aid Act		Social Aid Act	Budget Appropriation			
Income Support-UHR	Social Aid Act		Social Aid Act	Budget Appropriation			
Funeral Grant	Social Aid Act		Social Aid Act	Budget Appropriation			
Child Allowance Attending school	Social Aid Act		Social Aid Act	Budget Appropriation			
Basic Retirement Pension	National Pension Act	Age of 60 yrs	National Pension Act	Budget Appropriation	Economic	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Widow's Basic Pension	National Pension Act	Should be below the age of 60 and was either civilly married to late partner or religiously married and registered with Muslim Family Council	National Pension Act	Budget Appropriation	Economic		
Invalid's Basic Pension	National Pension Act	Should be below the age of 60 and suffers from a disability of at least 60% for a period of 12 months.	National Pension Act	Budget Appropriation	Economic		
Orphan's Pension	National Pension Act	Child whose both parents have passed away. The child should be below the age of 23.	National Pension Act	Budget Appropriation	Economic		

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Child's Allowance	National Pension Act	Beneficiaries of Basic Pension are entitled to the child allowance	National Pension Act	Budget Appropriation	Economic	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications
Other Basic Pensions	National Pension Act	Carer's Allowance to beneficiaries of Invalid's Basic Pension & Basic Retirement Pension who needs the constant care & attendance of another person. Guardian Allowance to beneficiaries of Orphan's Pension.	National Pension Act	Budget Appropriation	Economic		
CSG Benefits	The Social Contribution and Social Benefits Act	Person of 65 years and above	The Social Contribution and Social Benefits Act	Budget Appropriation	Economic	New budgetary measures and new policies	Wider coverage of vulnerable people and increase in financial implications

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Poverty and Empowerment	Regulations 2019 made under section 12 of the Social Integration and Empowerment Act 2016	Households registered and found eligible under the Social Register of Mauritius	(i) Regulations 2019 made under section 12 of the Social Integration and Empowerment Act 2016 (ii) Website: socialintegration.govmu.org	Budget Appropriation	Level of expenditure is based on the actual number of eligible households which fluctuates depending on new eligible households and/or households moving out of the register.		
Bad Weather Allowance	Social Security Act	Registered fishers who have their card signed and stamped.	Registered fishers are informed of changes by officers of the ministry.	Funded by Ministry of Social Security through Departmental Warrant.	Change in number of fishers, number of days stated as bad weather as per Meteorological Report and change in rate paid	Newly registered fishers must be present during bad weather days for cleaning of coast line and landing station plus card must be signed and stamped - new condition (budget speech) as from June 2023. Increase in rate per day i.e from Rs 575 to Rs 650	Increase in amount to be paid
Closed Season Allowance	Fisheries Act (closed period from 01 Oct 2023 to end of Feb 2024. Closed for reproduction of fish and to protect the fauna of sea)	Only Net Fishers	Net fishers are informed of changes by officers of the ministry.	Funded by Ministry of Social Security through Departmental Warrant.	Change in number of Net fishers, and in rate paid	Increase in rate per day i.e from Rs 575 to Rs 650	Increase in amount to be paid

NOTES TO THE FINANCIAL STATEMENTS

Nature of social benefits	Key Features of Social Benefit Schemes			Funding of scheme	Factors influencing level of expenditure	Amendments to social benefit schemes during the reporting period	
	Legislative framework governing scheme	Main eligibility Criteria	Reference where additional information about the scheme be obtained			Description of significant amendments	Description of expected effect of amendments
Foster Care Allowance	The Children's Act 2020	1.Prior approval of the Ministry required to be registered as foster parent 2.Child assigned to the foster parent by court order 3.An amount of Rs 12,000 is being paid monthly to any registered foster parent who foster a child.	Website of Ministry of Gender Equality and Family Welfare	Government Funding through Ministry of Gender Equality and Family Welfare.	Number of children placed in Foster Care.		

NOTES TO THE FINANCIAL STATEMENTS

18. PROVISIONS

The movement in Provisions are shown below:

	30 June 2024	30 June 2023
	Rs	Rs
Balance as at 01 July	40,000,000	50,000,000
Charge for the year*	523,923,243	18,842,334
Payment	(33,423,243)	(28,842,334)
Balance as at 30 June	530,500,000	40,000,000

*This includes provision of an amount of Rs 494,000,000 made on account of a contractual liability towards African Vaccine Acquisition Trust and Pfizer for the supply of COVID-19 Vaccines.

19. LEASE LIABILITIES

The carrying amounts of the lease liabilities and the movements during the year are shown below:

	30 June 2024	30 June 2023
	Rs	Rs
Balance as at 01 July	11,267,368,099	11,456,743,848
Additions	774,274,355	672,829,581
Repayment as per contractual term	(1,591,490,222)	(1,553,756,629)
Interest Accrued	674,883,725	692,721,172
Termination	(340,580,075)	(1,169,873)
Balance as at 30 June	10,784,455,882	11,267,368,099

	30 June 2024	30 June 2023
	Rs	Rs
- Within one year	806,807,791	890,200,378
- After one year	9,977,648,091	10,377,167,721
Total	10,784,455,882	11,267,368,099

The maturity analysis of lease liabilities is as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Less than 1 year	806,807,791	890,200,378
Between 1 to 5 years	3,006,520,639	2,837,911,631
Between 5 to 10 years	3,361,711,998	3,188,681,690
Over 10 years	3,609,415,454	4,350,574,400
Total	10,784,455,882	11,267,368,099

NOTES TO THE FINANCIAL STATEMENTS

Amounts Recognised in Statement of Financial Performance:

	30 June 2024	30 June 2023
	Rs	Rs
Depreciation expense on Right-of-Use Asset	1,164,536,398	1,187,733,245
Interest expense on Lease Liabilities	674,883,724	692,721,172
Short term lease expense (Refer to Note 34)	538,053,055	210,067,595
Gain on contract termination	18,062,292	47,888
Total	2,395,535,469	2,090,569,900

The total cash outflow for leases (principal and interest) amounted to Rs 1,566,968,529 (2023: Rs 1,553,756,629).

20. GOVERNMENT DEBT

	30 June 2024	30 June 2023
	Rs	Rs
<u>Domestic and External Debts (Excluding IMF SDR Allocations)</u>		
Government Securities	408,037,962,857	366,622,083,950
Domestic Loans	474,106,355	345,950,038
External Loans	65,832,899,628	63,840,958,516
<u>IMF SDR Allocations</u>	<u>14,578,755,632</u>	<u>14,273,956,878</u>
Total	488,923,724,472	445,082,949,382
- Within one year	122,966,008,121	80,363,057,428
- After one year	365,957,716,351	364,719,891,954
	488,923,724,472	445,082,949,382

Details of the total debt of the Government are provided in Statement J - Statement of Public Sector Debt as at 30 June 2024.

A. Domestic and External Debts (Excluding IMF SDR Allocations)

	30 June 2024	30 June 2023
	Rs	Rs
Balance as at 01 July	430,808,992,504	392,647,328,874
Cash Movement:		
- Issue/Receipt (N1)	147,999,455,255	146,503,956,464
- Redeemed/ Repayment (N2)	(124,669,662,570)	(126,780,226,024)
Non-cash Movement:		
- Direct Payments	203,957,499	493,342,653
- Capitalisation of Interest (N3)	49,085,413	45,716,891
- Losses on Foreign Exchange Transactions and Revaluation	1,171,920,384	2,102,357,007
- Other Changes (N4)	18,781,220,355	15,796,516,639
Balance as at 30 June	474,344,968,840	430,808,992,504
- Within one year	122,966,008,121	80,363,057,428
- After one year	351,378,960,719	350,445,935,076
Total	474,344,968,840	430,808,992,504

NOTES TO THE FINANCIAL STATEMENTS

The maturity analysis of domestic and external debt is as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Less than 1 year	122,966,008,121	80,363,057,428
Between 1 to 5 years	163,602,258,909	175,857,018,338
Between 5 to 10 years	87,844,174,308	80,419,605,967
Over 10 years	99,932,527,502	94,169,310,771
Total	474,344,968,840	430,808,992,504

N1: Issue/ Receipt relates to capital, premium and loans.

N2: Redeemed/Repayment relates to capital, discount, interest and loans.

N3: Capitalisation of interest includes those on conversion from Silver Retirement Bond to Silver Savings Bond, domestic loan and external debt.

N4: Other Changes pertain to non-exchange revenue and interest expense.

N5: Receipt of premium, repayment of interest and discount upon redemption have been reclassified as cash movement.

B. IMF SDR Allocations

The rupee equivalent of the total allocation of SDR 233,097,854 (2023: SDR 233,097,854) made to the Republic of Mauritius, that is, Rs 14,578,755,632 as at 30 June 2024 (2023: Rs 14,273,956,878) is shown as liability and is also included in the Statement J - Statement of Public Sector Debt as at 30 June 2024.

21. FINANCIAL GUARANTEE LIABILITIES

	30 June 2024	30 June 2023
	Rs	Rs
Balance as at 01 July	3,203,810,129	2,905,829,220
Increases (New Guarantees)	103,206,981	425,685,771
Remeasurement	(136,763,018)	(148,325,056)
Expired*	-	(14,161,218)
Losses on Foreign Exchange Transactions and Revaluation	103,454,873	34,781,412
Balance as at 30 June	3,273,708,965	3,203,810,129
- Within one year	123,682,845	133,808,182
- After one year	3,150,026,120	3,070,001,947
Total	3,273,708,965	3,203,810,129

The maturity analysis of Financial Guarantee Liabilities is as follows:

	30 June 2024	30 June 2023
	Rs	Rs
Less than 1 year	123,682,845	133,808,182
Between 1 to 5 years	1,991,738,301	1,775,775,654
Between 5 to 10 years	846,032,289	902,207,604
Over 10 years	312,255,530	392,018,689
Total	3,273,708,965	3,203,810,129

*Financial guarantee are derecognised when the obligation under the contract is discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS

Details of the loan guaranteed by the Government as at 30 June 2024 are provided in Statement L - Statement of Contingent

Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government as at 30 June 2024.

22. EMPLOYEE BENEFIT OBLIGATIONS

	30 June 2024	30 June 2023
	Rs	Rs
Liability in respect of Defined Benefit Plan (Refer to Note 23)	149,859,960,526	149,859,960,526
Accrued Sick Leave	11,680,209,199	11,270,781,223
Accrued Vacation Leave	11,431,880,576	10,953,604,782
Accrued Passage Benefits	5,471,356,435	4,741,483,377
Accrued Bonus	1,082,206,515	781,652,453
Total	179,525,613,251	177,607,482,361
- Within one year	3,312,287,876	2,924,227,542
- After one year	176,213,325,375	174,683,254,819
Total	179,525,613,251	177,607,482,361

23. DEFINED BENEFIT PLAN

Amounts Recognised in Statement of Financial Position at End of Year:

	30 June 2024	30 June 2023
	Rs	Rs
Defined Benefit Obligations	149,859,960,526*	149,859,960,526
Fair Value of Plan Assets	-	-
Liability Recognised	149,859,960,526	149,859,960,526

*The last actuarial valuation was carried out as at 30 June 2022.

	30 June 2024	30 June 2023
	Rs	Rs
<u>Amounts Recognised in Statement of Financial Performance:</u>		
Charge to Surplus or Deficit	8,864,279,898	8,418,397,476

Amounts Recognised in Statement of Net Assets or Equity:**Remeasurements**

Net Assets or Equity	-	-
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The plan is a defined benefit arrangement for the employees and members of the Legislative Assembly and it is unfunded.

Weighted average duration of the defined benefit obligations: 13 years

(Calculated as a % change in PV of liabilities for a 1% change in discount rate)

The plan is exposed to actuarial risks such as longevity risk, salary increase risk and pension increase risk.

NOTES TO THE FINANCIAL STATEMENTS

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	30 June 2024	30 June 2023
Discount Rate*	5.15%	5.15%
Future Salary Increases	2.50%	2.50%
Future Pension Increases	1.50%	1.50%
Mortality before Retirement	Nil	Nil
Mortality in Retirement	PA (90) Tables rated down by 2 years	
Retirement Age	65 years	

*This is determined by reference to market yields on bonds for the year ended 30 June 2022.

All other rates are that of 30 June 2022.

Significant actuarial assumptions for determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring as at 30 June 2022:

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligations would decrease by Rs 17,144 million (increase by Rs 21,267 million) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligations would increase by Rs 8,880 million (decrease by Rs 7,590 million) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligations would increase by Rs 4,483 million (decrease by Rs 4,469 million) if all assumptions were held unchanged.

There may be interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depend to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

24. NET ASSETS/EQUITY

The Net Assets/Equity is the net position of the Government after deducting all its liabilities from its assets at end of the year and comprises the following:

- a) Consolidated Fund (Cash basis);
- b) Accumulated (Deficits)/Surpluses; and
- c) Special Funds.

The value of Net Assets or Equity of the Government as at 30 June 2024 amounted to Rs 96,131,565,390 (2023 (Restated): Rs 119,624,873,073). The movement in the Net Assets/Equity is provided in Statement AC – Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

(a) Consolidated Fund

Consolidated Fund has been established by Section 103 of the Constitution of the Republic of Mauritius. In accordance with Section 3 of the Finance and Audit Act, the Consolidated Fund has, during the year under review been:

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

According to Section 104(4) of the Constitution and Sections 3(4)(a) and 3(4)(b) of the Finance and Audit Act, the Consolidated Fund should consist of the following:

- (i) The cash balance in respect of the Consolidated Fund (excluding Deposits and Special Funds) held at the Bank of Mauritius or in a commercial bank for day-to-day cash requirements;
- (ii) Deposit of money with a bank; and
- (iii) Investments with a financial institution, fund or in such securities as may be approved by the Minister.

(b) Accumulated (Deficits)/Surpluses

This represents the accumulated deficits to date for the Government after making necessary adjustments for accrual accounting which is provided in Statement AC – Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2024.

(c) Special Funds

These are monies deposited with the Accountant-General by the various funds set up under the Finance and Audit Act. The total balance of Special Funds disclosed in Statement H – Statement of Special Funds Deposited with the Accountant-General as at 30 June 2024 amounted to Rs 15,080,797,854 and comprise fixed deposits at cost and cash balances to the amount of Rs 8,782,000,000 and Rs 6,298,797,854 respectively. Details of Special Funds are provided in Statement H – Statement of Special Funds Deposited with the Accountant-General as at 30 June 2024.

Special Funds in the Statement of Financial Position which amounts to Rs 15,113,279,985 (2023: Rs 33,265,211,104) includes investments at amortised cost of Rs 8,814,482,131 (2023: Rs 18,517,630,683)

A reconciliation of the figure of fixed deposits by Special Funds disclosed in Statement H – Statement of Special Funds Deposited with the Accountant-General to the figure reported under 'Special Funds' in Statement A – Statement of Financial Position is shown as follows:

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Opening Balance (at cost)	18,332,000,000	18,882,000,000
Additions during the year	5,525,000,000	6,500,000,000
Redemption of fixed deposits	(15,075,000,000)	(7,050,000,000)
Closing Balance (at cost)	8,782,000,000	18,332,000,000
Total interest receivable	32,482,131	185,630,683
Closing Balance (at amortised cost)	8,814,482,131	18,517,630,683

NOTES TO THE FINANCIAL STATEMENTS

25. TAXATION

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Taxes on Income and Profits	57,015,110,191	42,623,382,444
Taxes on Property	92,854,294	40,119,562
Taxes on Goods and Services	86,910,227,164	83,413,991,861
Taxes on International Trade and Transactions	1,839,654,085	1,825,221,519
Other Taxes	1,774,281,118	1,747,492,190
Total	147,632,126,852	129,650,207,576

26. GRANTS AND AID

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Grants from Foreign Governments	523,069,805	1,849,272,992
Grants from International Organisations	211,097,478	243,332,112
Grants from Other General Government Units	58,082,356	29,698,731
Total	792,249,639	2,122,303,835

27. OTHER TRANSFERS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Transfer of Surplus Cash Balances from Statutory Bodies and Special Funds	562,965,596	-
Contribution in respect of Tourism Development Projects	8,681,123	28,125,000
Concessionary Loans	162,932,103	334,849,978
Goods in-kind	88,012,978	90,597,171
Others	-	65,000,000
Total	822,591,800	518,572,149

NOTES TO THE FINANCIAL STATEMENTS

28. LICENCES

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Road Motor Vehicle Licences	1,851,305,128	1,806,832,770
Company and Other Licences	1,397,959,292	1,243,179,127
Total	3,249,264,420	3,050,011,897

29. DIVIDENDS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Dividends from Quoted and Unquoted Investments	1,003,334,687	491,763,961
Similar Distributions from Quasi Corporations	1,422,206,189	798,589,061
Total	2,425,540,876	1,290,353,022

30. OTHER REVENUE

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Civil Service Family Protection Scheme	336,636,199	333,893,752
Miscellaneous Revenue	299,290,685	242,272,441
Total	635,926,884	576,166,193

31. EMPLOYEE COSTS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Wages, Salaries, Compensations and Allowances	30,918,960,831	29,240,923,846
Contributions to Defined Contribution Plan, Family Protection Scheme, National Savings Fund and Social Contributions	2,308,390,330	2,119,886,018
Amount Recognised in respect of Defined Benefit Plans (Note 23)	8,864,279,898	8,418,397,476
Other Employee Benefits	7,066,134,558	9,560,219,710
Total	49,157,765,617	49,339,427,050

Other employee benefits include cash in lieu of vacation leave, cash in lieu of sick leave, passage benefits, cash in lieu of passage benefits, gratuity, travelling and transport, staff welfare amongst others.

NOTES TO THE FINANCIAL STATEMENTS

32. GRANTS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Donations and Contributions	663,788,283	544,975,693
Capital Grants	6,466,099,076	10,188,824,906
Current Grants	30,489,985,205	27,628,052,412
Total	37,619,872,564	38,361,853,011

33. SOCIAL BENEFITS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Pension (Retirement, Widow, Invalid and Others)	48,844,519,938	41,252,755,811
Other Social Benefits	14,367,411,153	8,058,415,057
Total	63,211,931,091	49,311,170,868

34. OPERATING EXPENSES

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Cost of Utilities	962,796,321	939,236,139
Fuel and Oil	478,761,771	429,225,395
Rental Expense (N1)	594,367,453	430,090,987
Office Expenses	147,862,119	126,805,029
Maintenance	1,517,430,961	1,526,378,454
Cleaning Services	903,804,996	915,498,277
Medical Supplies, Drugs and Scientific Equipment	2,836,210,255	2,999,260,928
Travelling and Mission Expenses	226,740,893	216,975,106
Other Operating Expenses (N2)	4,128,079,612	4,028,945,611
Total	11,796,054,381	11,612,415,926

N1: For financial year 2023-2024, rental expense includes an amount of Rs 538,053,055 (2023: 210,067,595) in respect of short- term lease.

N2: For the financial year 2022-2023, expenses relating to agriculture amounted to Rs 7,088,877 was reclassified from Other Expenses (Others) to Operating Expenses (Other Operating Expenses).

NOTES TO THE FINANCIAL STATEMENTS

35. OTHER EXPENSES

	Year Ended 30 June 2024	Year Ended 30 June 2023 Restated
	Rs	Rs
Transfers (N1)	3,314,807,702	3,691,825,549
Insurance	17,677,755	14,994,397
Compensation arising out of Government Liability	523,923,243	18,842,334
Refund/Payment of taxes icw projects and schemes financed by Development Partners or under Special Programmes	135,728,164	192,901,121
Impairment Loss on Receivables from Exchange Transactions (N2)	112,251,583	335,714,033
Impairment Loss on Receivables from Non-Exchange Transactions (N3)	212,255,993	258,044,876
Impairment Loss – Exchange Transactions (Local Loans)	3,174,825	60,586,877
Receivables from Exchange Transactions Write-Off (N2)	-	16,602,780
Receivables from Non-Exchange Transactions Write-Off (N3)	97,516,316	14,371,974
Loans, Advances and Inventories Write-Off	12,861,641	131,467,033
Concessionary Loans	74,202,590	95,871,567
Financial Guarantee (Income) / Expense (Refer to Note 21)	(33,556,037)	263,199,497
Others (N4)	4,008,392,235	1,160,544,370
Total	8,479,236,010	6,254,966,408

N1: Refer to Note 39 (i) for details on the prior period adjustments.

N2: Refer to Note 6 – Receivables from Exchange Transactions

N3: Refer to Note 5 – Receivables from Non-Exchange Transactions

N4: For the financial year 2022-2023, expenses relating to agriculture amounted to Rs 7,088,877 was reclassified from Other Expenses (Others) to Operating Expenses (Other Operating Expenses).

36. FINANCE COSTS

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Interest Expense on Domestic Debt	16,611,948,224	14,247,490,432
Interest Expense on External Debt	2,380,536,569	1,926,785,832
Interest Expense on Lease	674,883,724	692,721,172
Management Charges	36,391,857	33,238,182
Total	19,703,760,374	16,900,235,618

NOTES TO THE FINANCIAL STATEMENTS

37. TRANSACTIONS WITH INTERNATIONAL FINANCIAL ORGANISATIONS

(i) IMF- Treasury Notes

Pursuant to Section 4(3) of the International Financial Organisations Act, non-interest bearing demand notes have been issued by the Government to the IMF, as part of the Quota subscription of the Republic of Mauritius. The value of the notes as at 30 June 2024 stood at Rs 6,389,590,000 (2023: Rs 6,092,370,000).

(ii) Other International Financial Organisations

Pursuant to Section 4(3) of the International Financial Organisations Act, the Government has also issued non-negotiable securities to the International Development Association. The value of securities as at 30 June 2024 stood at Rs 9,196,738 (2023: Rs 9,196,738).

38. COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The approved budget is in respect of revenue estimates and Government expenditure, both recurrent and capital, appropriated by votes for the financial year ended 30 June 2024. The original estimates of expenditure amounting to Rs 174,800 million (2023: Rs 152,000 million) were passed by the National Assembly on 21 June 2023 and Supplementary Estimates amounting to Rs 6,700 million (2023: Rs 5,417 million) were passed on 12 June 2024.

The Statements AE and AF - Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2024 are prepared on the same basis as the budget.

(i) *Explanation between Original and Total Provisions (Final Budget)*

The amounts presented under 'Total Provisions' in - Statements AE and AF - Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2024 differed from the original estimates as there was a Supplementary Estimates approved and also funds were transferred or re-allocated in accordance with the Virement Rules.

(ii) *Explanation of material differences between Original Estimates and Actual Amounts*

The table hereunder provides the explanation for material variances:

Budget line item	Variance amount Rs	Variance percentage	Explanation
Recurrent Revenue	(16,927,746,210)	(9.6%)	<p>The shortfall in recurrent revenue was mainly due to the following:</p> <ul style="list-style-type: none"> (i) lower than expected collections of VAT, Excise Duties and Gambling Taxes owing to lower growth of consumption of goods and services, and receipts from corporate tax; (ii) Lower receipts under the Social Contribution; (iii) delays in the implementation of some grant-funded programmes; and

NOTES TO THE FINANCIAL STATEMENTS

Budget line item	Variance amount Rs	Variance percentage	Explanation
			(iv) non-payment of interest by the Central Water Authority and the Wastewater Management Authority, amongst others, on the loans they owed to Government.
Recurrent Expenditure	4,151,317,913	2.3%	<p>The increase in recurrent expenditure was mainly due to:</p> <ul style="list-style-type: none"> (i) higher spending on medicines, vaccines and medical disposables to cater for new health facilities, increase in prices, and settlement of arrears of these goods; (ii) increase in interest rates and issuance of higher amount of Government Securities; (iii) provision of additional grants to some public bodies, namely Mauritius Revenue Authority, Rodrigues Regional Assembly, Local Authorities, Special Education Needs Authority, and Higher Education Commission, to cater for increase in their operating costs. (iv) increase in the CSG Retirement Allowance by Rs 1,500 monthly as from January 2024 to those aged 75 and above as well as increase in rates of basic pensions by Rs 2,500 monthly with effect from 1st April 2024; and (v) payment of compensation to the tune of Rs 1.9 billion to Patel Engineering Limited following the award delivered by the Permanent Court of Arbitration in respect of termination of the lease agreement over a plot of land situated at Les Salines. <p>These higher spending were partly offset by funds that were appropriated for Contingencies as well as lower expenditure under:</p> <ul style="list-style-type: none"> (i) compensation of employees mainly due to delays in the filling of vacancies; and (ii) subsidies as a result of lower disbursement under the Bus Modernisation Scheme.
Capital Revenue	(1,234,328,440)	51.9%	Capital revenue was lower due to delays in the implementation of some grant-funded capital projects.
Capital Expenditure	(5,299,244,789)	24.3%	<p>Capital expenditure was lower mainly because of the following:</p> <ul style="list-style-type: none"> (i) delays in the implementation of some projects such as <ul style="list-style-type: none"> • construction of the Mauritius Disciplined Forces Academy, Hospitals, Forensic Science Laboratory and the Building for the National Archives and National Library; and • acquisition of Tugs, Offshore Patrol Vessel, IT and High-Tech Equipment, and LAVIMS Project;

NOTES TO THE FINANCIAL STATEMENTS

Budget line item	Variance amount Rs	Variance percentage	Explanation
			<p>(ii) lower disbursement of capital grant to Local Authorities and Rodrigues Regional Assembly in view of delays in the implementation of some projects;</p> <p>(iii) lower transfers to the National Resilience Fund; and</p> <p>(iv) delays in the implementation of Pipe Replacement and Water Distribution Programmes.</p> <p>These were offset by additional expenditure required for construction of roads, acquisition of security equipment and construction of Mediclinics.</p>
Net Acquisition of Financial Assets	310,322,608	8.6%	<p>The increase in net acquisition of financial assets was mainly due to:</p> <p>(i) purchase of SDRs under the IMF Voluntary Trading Arrangement of the International Monetary Fund; and</p> <p>(ii) lower reimbursement of loans by the Central Water Authority and the Wastewater Management Authority, amongst others.</p> <p>The increase in net financial assets was partly offset by lower disbursement of loans to public bodies and sales of SDRs.</p>

39. PRIOR PERIOD ADJUSTMENTS

Adjustments have been made to the comparative figures presented in the Statement A – Statement of Financial Position as at 30 June 2024 and Statement AC - Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2024. These changes have also resulted in the restatement of certain comparative figures presented in the Statements AA and AB – Statement of Financial Performance for the financial year ended 30 June 2024.

(i) Payables

Payables was understated by Rs 1,115,132,433 in the financial year 2022-2023 representing amount payable to the State Trading Corporation (STC) with respect to the STC's deficit in its Subsidy Account. In this respect, the prior period figures have been restated retrospectively by Rs 243,164,854 and Rs 871,967,579 for the financial year 2022-2023 and 2021-2022, respectively.

NOTES TO THE FINANCIAL STATEMENTS

The effects of the above changes are illustrated below:

	Year Ended 30 June 2023	Increase/ (Decrease)	Year Ended 30 June 2023 (Restated)
	Rs	Rs	Rs
Statement of Financial Performance (Classification of Expenses by Nature) (extract)			
Expenses			
Operating Expenses (N1)	11,605,327,049	7,088,877	11,612,415,926
Financial Guarantee Expense (N1)	263,199,497	(263,199,497)	-
Other Expenses (N1 & N2)	5,755,690,934	499,275,474	6,254,966,408

N1: An amount of Rs 7,088,877 was reclassified from Other Expenses to Operating Expenses and an amount of Rs 263,199,497 was reclassified from Financial Guarantee Expense to Other Expenses.

N2: This includes an amount of Rs 243,164,854 representing amount payable to the STC with respect to the STC's deficit in its Subsidy Account.

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2023 (Adjusted) Rs	Increase/ (Decrease) Rs	30 June 2023 (Restated) Rs	30 June 2022 Rs	Increase/ (Decrease) Rs	01 July 2022 (Restated) Rs
Statement of Financial Position (extract)						
LIABILITIES						
Non-Current Liabilities						
Payables	882,659,443	243,164,854	1,125,824,297	413,200	871,967,579	872,380,779
NET ASSETS OR EQUITY						
Accumulated Surpluses/ Deficits	(7,602,455,408)	(243,164,854)	(7,845,620,262)	23,686,337,838	(871,967,579)	22,814,370,259

NOTES TO THE FINANCIAL STATEMENTS

40. RECONCILIATION: BUDGETARY RESULT WITH DEFICIT

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Rs
Budget Balance as presented in the Statement of Comparison of Budget Estimates and Actual Amounts (Statement AF)	(37,959,210,471)	(29,781,230,575)
Net movement in Prepayments	(2,195,544)	14,982,584
Net movement in Payables	(105,920,729)	(1,386,875,717)
Net movement in Inventories	660,516,167	403,717,287
Depreciation and Amortisation	(6,512,812,404)	(6,393,112,228)
Net Movement in Investments	7,509,960,820	3,742,463,084
Loss on Foreign Exchange Transactions and Revaluation	(899,515,876)	(1,867,660,921)
Subscriptions to International Organisations	(225,219,792)	(187,873,949)
Capitalisation of Dividends	123,398,348	53,796,541
Net movement in Loan to Statutory Bodies, Private Bodies and Other Bodies	483,637,989	359,270,070
Net movement in Receivables	9,861,667,276	2,486,160,957
Net Movement in Non-Financial Assets	8,317,839,811	9,952,817,077
Net Movement in Employee Benefits Obligations	(1,918,130,890)	(3,632,330,256)
Net movement in Financial Guarantee Liabilities	33,556,037	(263,199,497)
Net movement in Government Debt	(992,231,546)	(231,439,415)
Net movement in Provisions	(490,500,000)	10,000,000
Net movement in Leases	934,668,787	861,083,345
Net movement in Biological Assets	2,487,045	8,731,179
Deficit as presented in the Statement of Financial Performance (Statements AA & AB)	(21,178,004,972)	(25,850,700,434)

NOTES TO THE FINANCIAL STATEMENTS

41. RECONCILIATION: DEFICIT WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

	Year Ended 30 June 2024	Year Ended 30 June 2023
	Rs	Restated Rs
(Deficit) as presented in the Statement of Financial Performance (Statements AA & AB)	(21,178,004,972)	(25,850,700,434)
(Gains)/Losses Adjustments		
Adjustments in respect of Foreign Exchange Transactions and Revaluation	899,515,876	1,867,660,921
	899,515,876	1,867,660,921
Non-Cash Adjustments		
Net Movement in Loan to Statutory Bodies, Private bodies and Other bodies	(483,637,989)	(447,651,787)
Net Movement in Receivables	(9,861,667,276)	(2,486,160,957)
Capitalisation of Dividends	(123,398,348)	(53,796,541)
Loan and Advances Written-Off	5,568,625	123,844,305
Net Movement in Investments	(7,509,960,820)	(3,742,463,084)
Depreciation and Amortisation	6,512,812,404	6,393,112,228
Net Movement in Non-Financial Assets	(108,246,791)	(930,713,304)
Net Movement in Employee Benefits Obligations	1,918,130,890	3,632,330,256
Interest and other Adjustments in respect of Government Debt	1,946,260,526	1,456,647,087
Net Movement in Financial Guarantee Liabilities	(33,556,037)	263,199,497
Net Movement in Leases	(934,668,787)	(861,083,345)
Net Movement in Provisions	490,500,000	(10,000,000)
Net Movement in Biological Assets	(2,487,045)	(8,731,179)
	(8,184,350,648)	3,328,533,176
Working Capital Movement		
(Increase)/ Decrease in Advances	(372,036,749)	879,792,551
(Increase) in Inventories	(660,516,167)	(403,717,287)
Decrease/(Increase) in Prepayments	2,195,544	(14,982,584)
Increase in Payables	191,012,090	1,107,210,451
(Decrease) in Deposits	(453,286,677)	(1,378,077,282)
(Decrease)/ Increase in Social Benefits	(154,316,375)	140,949,695
(Decrease) in Special Funds	(17,998,782,568)	(1,793,663,891)
	(19,445,730,902)	(1,462,488,347)
Classification Adjustments		
Dividends	(2,302,142,528)	(1,236,556,481)
Repayment of Lease Liabilities	892,084,535	861,035,457
	(1,410,057,993)	(375,521,024)
Net Cash flows from Operating Activities	(49,318,628,639)	(22,492,515,708)

NOTES TO THE FINANCIAL STATEMENTS

42. RECONCILIATION: BUDGETARY RESULT WITH NET CASH FLOW

	Operating Activities Rs	Investing Activities Rs	Financing Activities Rs	Total Rs
Budget Balance as presented in the Statement of Comparison of Budget Estimates and Actual Amounts (Statement AF)	(29,463,737,473)	(8,495,472,998)	-	(37,959,210,471)
Basis Differences				
Interest Accrued	949,569,467	-	-	949,569,467
Interest Capitalised	2,248,840	-	-	2,248,840
(Increase)/Decrease in Advances	(366,468,124)	965,110	-	(365,503,014)
(Decrease) in Deposits	(453,286,677)	-	-	(453,286,677)
(Decrease) in Payables	(69,225,010)	(305,823,245)	-	(375,048,255)
(Increase) in Investments and Other Securities	-	(9,248,384,843)	-	(9,248,384,843)
Proceeds from sale of investments	-	15,730,826,060	-	15,730,826,060
(Increase) in Loans to Statutory, Private and Other Bodies	-	(132,287,034)	-	(132,287,034)
Net movement in Non-Financial Assets	(285,879,981)	285,879,981	-	-
Dividends	(2,302,142,528)	2,302,142,528	-	-
Subscriptions to International Organisations	(225,219,792)	-	-	(225,219,792)
Borrowings increase	-	-	40,187,815,953	40,187,815,953
Direct Payment by Funding Agency	2,210,672	201,746,827	-	203,957,499
Net movement in Leases	892,084,535	-	(892,084,535)	-
Non-cash adjustment relating to investments	-	(500,000,000)	-	(500,000,000)
Entity Differences				
Special Funds (net)	(17,998,782,568)	-	-	(17,998,782,568)
Actual Amount as presented in the Statement of Cash Flow (Statement AD)	(49,318,628,639)	(160,407,614)	39,295,731,418	(10,183,304,835)

NOTES TO THE FINANCIAL STATEMENTS

43. FINANCIAL INSTRUMENTS

A. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below shows the classification and measurements basis for the different categories of financial assets and their respective balances:

At 30 June 2024

Category	Cash and Cash Equivalents	Cost	Amortised Cost	Fair Value Through Surplus or Deficit	Total
	Rs	Rs	Rs	Rs	Rs
Cash and Cash Equivalents	14,852,531,666	-	-	-	14,852,531,666
Receivables from Non- Exchange Transactions	-	45,794,138,416	-	-	45,794,138,416
Receivables from Exchange Transactions	-	1,489,645,566	-	-	1,489,645,566
<u>Loans and Advances</u>					
Loans	-	-	11,067,908,088	-	11,067,908,088
Advances	-	3,614,909,246	-	-	3,614,909,246
<u>Investments</u>					
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation)	-	-	-	130,377,384,106	130,377,384,106
Redeemable Preference Shares	-	-	-	200,000,000	200,000,000
Other Investments	-	-	9,401,801,339	-	9,401,801,339
<u>Other Financial Assets</u>					
IMF SDR Deposits	-	12,846,592,009	-	-	12,846,592,009
IMF Reserve Tranche Position	-	2,380,575,978	-	-	2,380,575,978
Total Financial Assets	14,852,531,666	66,125,861,215	20,469,709,427	130,577,384,106	232,025,486,414

NOTES TO THE FINANCIAL STATEMENTS

At 30 June 2023

Category	Cash and Cash Equivalents	Cost	Amortised Cost	Fair Value Through Surplus or Deficit	Total
	Rs	Rs	Rs	Rs	Rs
Cash and Cash Equivalents	24,802,518,512	-	-	-	24,802,518,512
Receivables from Non-Exchange Transactions	-	21,286,961,546	-	-	21,286,961,546
Receivables from Exchange Transactions	-	1,313,772,463	-	-	1,313,772,463
<u>Loans and Advances</u>					
Loans	-	-	10,418,726,363	-	10,418,726,363
Advances	-	3,249,406,232	-	-	3,249,406,232
<u>Investments</u>					
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation)	-	-	-	119,344,041,797	119,344,041,797
Redeemable Preference Shares	-	-	-	200,000,000	200,000,000
Other Investments	-	-	19,108,849,811	-	19,108,849,811
<u>Other Financial Assets</u>					
IMF SDR Deposits	-	12,100,561,354	-	-	12,100,561,354
IMF Reserve Tranche Position	-	2,540,585,086	-	-	2,540,585,086
Total Financial Assets	24,802,518,512	40,491,286,681	29,527,576,174	119,544,041,797	214,365,423,164

The table below shows the classification and measurements basis for the different categories of financial liabilities and their respective balances at:

At 30 June 2024

Category	Cost	Amortised Cost	Total
	Rs	Rs	Rs
Payables	-	3,484,431,117	3,484,431,117
Deposits	-	3,179,538,274	3,179,538,274
<u>Government Debt</u>			
Government Securities, Domestic and External Loans	-	474,344,968,840	474,344,968,840
IMF SDR Allocations	14,578,755,632	-	14,578,755,632
Financial Guarantee Liabilities	-	3,273,708,965	3,273,708,965
Total Financial Liabilities	14,578,755,632	484,282,647,196	498,861,402,828

NOTES TO THE FINANCIAL STATEMENTS

At 30 June 2023

Category	Cost	Amortised Cost	Total
	Rs	Restated Rs	Rs
Payables	-	3,033,856,744	3,033,856,744
Deposits	-	3,705,071,128	3,705,071,128
Government Debt			
Government Securities, Domestic and External Loans	-	430,808,992,504	430,808,992,504
IMF SDR Allocations	14,273,956,878	-	14,273,956,878
Financial Guarantee Liabilities	-	3,203,810,129	3,203,810,129
Total Financial Liabilities	14,273,956,878	440,751,730,505	455,025,687,383

B. FINANCIAL RISK MANAGEMENT

Government activities are exposed to various risks comprising mainly interest rate risk, foreign exchange risk, liquidity risk and refinancing risk. Given that there is a trade-off between cost and risk, Government's debt management strategy aims at minimising the cost of the debt portfolio whilst at the same time ensuring that risks associated with Financial Assets-loans granted to Statutory bodies, Private bodies and Other bodies are mitigated. The main risks as well as the risk management policies to address them, are outlined below:

(i) Interest Rate Risk

Government is exposed to interest rate risk as the rate of interest might increase resulting in additional costs. In relation to Domestic Debt, almost 98% of Government securities have been issued at a fixed rate of interest.

With regard to External Debt, the share of variable interest rate loans represented 56.8% of the total External Debt as at 30 June 2024 (2023: 54.4%). To mitigate this risk, the strategy in place is to have a nearly balanced mix of fixed and variable interest rate loans over the medium term. Accordingly, preference is being given to contract new loans at a fixed interest rate.

Interest Rate Sensitivity Analysis

Government is exposed to interest rate risk as interest rates in relation to inflation-indexed bonds (assuming changes in interest and inflation rate are correlated) and variable interest rate external debts may change. The table below details the sensitivity analysis to a 10 basis points (bp) increase and decrease in the interest rate:

NOTES TO THE FINANCIAL STATEMENTS

	Increase/Decrease Basis Points	Year Ended 30 June 2024 Rs Million	Year Ended 30 June 2023 Rs Million
Government Debt:			
<u>Inflation-Indexed Bonds:</u>			
<u>(Excluding those classified under External Debt)</u>			
Impact on Surplus or Deficit	+10 bp	+10	+10
Impact on Surplus or Deficit	-10 bp	-10	-10
<u>External Debt:</u>			
Impact on Surplus or Deficit	+10 bp	+49	+46
Impact on Surplus or Deficit	-10 bp	-49	-46

Based on the above table, it can be noted that an increase/decrease of 10 basis points in interest rates would result in an increase/decrease in the interest payments by about Rs 59 million for the financial year 2023-24 (2022-2023: Rs 56 million).

Floating-rate loans granted to Statutory bodies, Private bodies and Other bodies are subject to market interest rate fluctuations, which may lead to increased costs in servicing the debt and non-settlement by entities. Mitigation strategies include monitoring of market conditions, back-to-back loans on same terms and conditions as the original loan, revision of the terms of the loans and conversion of loans into equity amongst others.

(ii) Foreign Exchange Risk

Exposure to exchange rate risks arise as transactions denominated in foreign currencies are undertaken by Government. The strategy has been to minimise exposure to exchange rate risks by having greater recourse to domestic financing and to align the currency composition of public sector external debt to that of export earnings of the country.

Accordingly, the share of External Debt in Government debt portfolio stood at 17.4% at 30 June 2024 (Based on nominal value) (2023: 18.7%). The currency composition of foreign debt has also been diversified. In addition, the foreign currency risk is mitigated by maintaining bank accounts denominated in foreign currencies.

Foreign Currency Sensitivity Analysis

The table below details the sensitivity analysis regarding the impact of a 5% increase or decrease in exchange rates:

	Increase/ Decrease	Year ended 30 June 2024	Year ended 30 June 2023
	%	Rs Million	Rs Million
Impact on (deficit)/surplus (Appreciation of MUR)	+5%	+4,281	+4,195
Impact on (deficit)/surplus (Depreciation of MUR)	-5%	-4,281	-4,195

As per the above table, an appreciation/depreciation of MUR by 5% against all foreign currencies in which external debt has been contracted would increase/decrease (deficit)/surplus by Rs 4,281 million for financial year 2023-2024 (2022-2023: Rs 4,195 million).

NOTES TO THE FINANCIAL STATEMENTS

As regards to loans to Statutory bodies, Private bodies and Other bodies, the policy for the use of the local currency is preferred. However, where loans have to be disbursed in foreign currencies, such loans are repaid in the same foreign currency in which they were originally denominated.

(iii) Liquidity Risk

Liquidity risk refers to the risk that Government will encounter difficulty in meeting its financial obligations when they fall due. The liquidity risk for Government is managed and mitigated by having an efficient and effective cash flow forecasting system that ensures adequacy of cash resources to meet all Government obligations as and when they fall due.

(iv) Refinancing Risk

Refinancing or rollover risk is the risk that redemptions of securities will be concentrated over the shorter term or in a particular year which might affect the refinancing ability of Government. To mitigate refinancing risk, actions have been taken to gradually move towards instruments with longer term.

The average time to maturity of Domestic Debt stood at 4.9 years at 30 June 2024.

Concerning External Debt, the majority of the loans are contracted with a term of 15 to 20 years and include a moratorium of 5 years on capital repayment. Compared to Government securities which are redeemable as a bullet payment on maturity date, External Debts are repayable on a semi-annual or annual basis. Therefore, the refinancing risk for External Debts is quite low.

44. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-Current Assets Held for Sale

During the financial year 2023-2024, there were no known non-current assets held for sale and the non-current assets held for sale in financial year 2022-2023 were disposed of.

Discontinued Operations

During the financial year 2023-2024, there were no known discontinued operations (2023: Nil).

45. RELATED PARTY TRANSACTIONS

(i) Key Management Personnel

Related parties include key management personnel. The key management personnel are the Ministers who constitute the governing body of the Government of Mauritius. The key management personnel also include Accounting Officers and Senior Management (not below the grade of Permanent Secretary) who have the authority and responsibility for planning, directing and controlling the activities of the Government.

The aggregate remuneration paid to key management personnel includes Annual Allowance, Basic Salary, Salary Compensation, Extra Remuneration, Allowances, Extra Assistance, Cash in lieu of Leave, Facilities Allowance to Honourable Members, End-of-year Bonus, Travelling and Transport, Overtime, Passage benefits, Allowance in lieu of passages amongst others. These remunerations are as per the recommendation of the PRB Report 2021.

NOTES TO THE FINANCIAL STATEMENTS

Key management personnel are also entitled to post-employment benefits and these are included in Employee Benefit Obligations.

(ii) Related Parties

All transactions between related parties are on normal terms and conditions. Accordingly, there is no separate related party transaction to be disclosed.

46. CONTINGENT ASSETS

As at 30 June 2024, there were no known contingent assets to be disclosed.

47. CONTINGENT LIABILITIES

As at 30 June 2024, there were no known contingent liabilities to be disclosed. Contingent liabilities (as disclosed in Statement L - Statement of Contingent Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government as at 30 June 2024) in relation to Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government have been recognised as Financial Guarantee Liabilities in Statement A - Statement of Financial Position as at 30 June 2024. Refer to Note 21 - Financial Guarantee Liabilities for more details.

48. MANAGING CAPITAL

Government's capital, represented by the Net Assets or Equity in Statement of Financial Position, comprise the balance of the Consolidated Fund, Accumulated Surpluses/Deficits and monies deposited with the Government by various Special Funds set up under the Finance and Audit Act. The overall objective in the management of capital is to maximise net assets by implementing coherent fiscal policies and an effective debt management strategy.

In this context, in financial year 2023-2024, Government pursued the following main fiscal policies: (i) invest in resilient infrastructure; (ii) strengthen social safety nets for the vulnerable and low income households and workers; (iii) recovery of arrears of revenue and enhancing tax administration to improve collections; (iv) introduction of new revenue raising measures; (v) adapting to and mitigating the effects of climate change; (vi) improving road network and providing modern medical and education infrastructure; (vii) review of low impact programmes to improve efficiency and eliminate wastages; and (viii) restructuring of public bodies to reduce their dependence on the National Budget.

In addition, Government adopted a debt management strategy aimed at minimising the cost of the debt portfolio while maintaining risks at an acceptable level. The debt profile was improved to contain exposure to foreign exchange rate risks and reduce refinancing risks.

Information on the fiscal policies and debt management strategy of Government can be found in the 2023-2024 Budget Estimates document.

49. MATERIAL EVENTS AFTER REPORTING DATE

As at 30 June 2024, there were no known material events after reporting date to be disclosed.