NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Republic of Mauritius is an island located in the Indian Ocean. It gained its independence on 12 March 1968 and operates under a Westminster model of Parliamentary Government.

Throughout these financial statements, "Government" refers to the Budgetary Central Government (BCG). BCG means all Ministries and Departments of the Government.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

A Estimates

The Estimates (Budget) of the BCG 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 BCG, 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 2024 to 30 June 2025.

B Financial Statements

The Financial Statements have been prepared in accordance with requirements set out at Section 19 of the Finance and Audit Act, requiring the Accountant-General to sign and submit to the Director of Audit, Financial Statements for the BCG, except for consolidation and segment reporting, within six months of the close of every financial year. As required under Section 19 (3)(b) of Finance and Audit Act, additional financial information have been included as annexures.

The financial statements have been prepared in compliance with Section 19 (3) (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) except for consolidation and segment reporting.

Section 19 (3) (3B) of the Finance & Audit Act also requires the Accountant-General to sign and submit to the Director of Audit, the Consolidated Financial Statements for the public sector, in compliance with International Public Sector Accounting Standards (IPSAS) within 15 months of the close of every fiscal year.

(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,* except for *IPSAS 18 – Segment Reporting and IPSAS 35 – Consolidated Financial Statements*. *IPSAS 33* 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 third transitional IPSAS financial statements of the Government is in respect of the financial year 2024-2025.

NOTES TO THE FINANCIAL STATEMENTS

Government has taken advantage of the transitional exemptions which affects 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 2024-2025. The financial statements thus do not fully comply with accrual basis IPSASs.

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	Dividend on accrual basis	No	2025-2026
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 Recognition and measurement of Furniture, Fixtures and Fittings Use of deemed cost	Yes Yes No	2025-2026 2025-2026 2025-2026
IPSAS 18—Segment Reporting	X			Exempted as per the Finance and Audit Act
IPSAS 19—Provisions, Contingent Liabilities and Contingent Assets	✔			
IPSAS 20—Related Party Disclosures	Partial	Additional Disclosure required	Yes	2025-2026
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			

NOTES TO THE FINANCIAL STATEMENTS

IPSAS	Compliance Status	Key Non Compliance / Transitional Exemptions	Affect Fair Presentation (Yes/No)	Expected date of Compliance
IPSAS 23—Revenue from Non-Exchange Transactions (Taxes and Transfers)	Partial	Deferred revenue for Grants with conditions	Yes	2025-2026
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	✔			
IPSAS 29—Financial Instruments: Recognition and Measurement	N/A			
IPSAS 30—Financial Instruments: Disclosures	Partial	Full disclosure on Market risk	No	2025-2026
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	N/A			
IPSAS 35—Consolidated Financial Statements	X			Exempted under the Finance and Audit Act for BCG FS.
IPSAS 36—Investments in Associates and Joint Ventures	Applicable upon Consolidation			
IPSAS 37—Joint Arrangements	Applicable upon Consolidation			
IPSAS 38—Disclosures of Interests in Other Entities	Applicable upon Consolidation			
IPSAS 39—Employee Benefits	Partial	Discounting for time value of money of liabilities in respect of Other Long-Term Employee Benefits	Yes	2025-2026
IPSAS 40—Public Sector Combinations	N/A			
IPSAS 41—Financial Instruments	Partial	Amortisation and Expected Credit Losses	Yes	
IPSAS 42— Social Benefits	✔			
IPSAS 43 -Leases	Partial	Lessor Accounting: partial assessment carried out	Yes	2025-2026 (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

✔ 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 except for *IPSAS 18 – Segment Reporting and IPSAS 35 – Consolidated Financial Statements* as from financial year 2025-2026.

During the financial year ended 30 June 2025, progress were made as follows:

IPSAS	Progress Made
IPSAS 17 - Property, Plant and Equipment	• A list of buildings compiled and deemed cost is being estimated by Valuation Department. • Preliminary discussions have been initiated for the recognition of fixtures and fittings
IPSAS 39 - Employee Benefits	• Actuarial valuation for Employee Benefits Obligations will henceforth be on an annual basis instead of the 3 yearly basis. • Discounting of long-term employee benefits- Templates to collect and process information have been designed and tested at Treasury level. For FY 2025-2026, the templates will be rolled out to Ministries/Departments to gather information and accordingly discount the long-term employee benefits.
IPSAS 43 - Leases	• Ministries/Departments concerned with lessor accounting have been identified and meetings conducted. • Based on responses, working sessions will be held to assess the existence of same based on conditions listed in the standard.
IPSAS 9 - Revenue from Exchange Transactions IPSAS 20 - Related Party Disclosures IPSAS 23 - Revenue from Non-Exchange Transactions (Taxes and Transfers) IPSAS 31 - Intangible Assets	• Preliminary assessment to identify relevant stakeholders and the information required to ensure compliance to the relevant IPSASs have been completed. • Information-collection templates are being developed to facilitate the systematic gathering of the required information for appropriate disclosure in the 2025-26 Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

(ii) New Standards Issued but Not Yet Adopted

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

IPSAS	Effective date
IPSAS 45 - Property, Plant, and Equipment (N1)	01 January 2025
IPSAS 46 – Measurement (N2)	01 January 2025
IPSAS 47 – Revenue (N3)	01 January 2026
IPSAS 48 - Transfer Expenses (N3)	01 January 2026
IPSAS 49 - Retirement Benefit Plans (N3)	01 January 2026
IPSAS 50 - Exploration for and Evaluation for Mineral Resources (N3)	01 January 2027

N1: IPSAS 45 - Property, Plant, and Equipment replaces IPSAS 17 - Property, Plant, and Equipment. The new standard introduces the Current Value Model, which incorporates Current Operational Value (COV) as an additional measurement basis, thereby expanding the previous framework that was limited to the Revaluation Model.

IPSAS 45 broadens the scope of the Standard by explicitly incorporating heritage and infrastructure assets and providing enhanced guidance on their recognition and measurement. It also requires that the reported value of PPE be determined based on the purpose for which the asset is held, with assets used for operational capacity measured at current operational value, and those held for financial capacity measured at fair value.

N2: *IPSAS 46 - Measurement* defines measurement bases that support the faithful representation of the cost of services, operational capacity, and financial capacity of assets and liabilities.

The Government intends to adopt these standards with effect from financial year 2025–2026. Preliminary work for the implementation of these standards has commenced. However, the full impact on the amounts to be reported in the financial statements is yet to be determined.

N3: The new standards will be adopted when they become effective. The potential impact of the application of these new standards is not known as assessment is yet to be made.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2.3 Reporting Period

The financial statements cover the financial year of the Government of Mauritius from 01 July 2024 to 30 June 2025.

2.4 Authorisation Date

The financial statements were authorised for issue on 13 February 2026 by the Accountant-General.

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) Foreign Currency Transactions

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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 as only 40% of the amount under dispute is recognised.

Tax Amount under dispute Receivable

Assessments under dispute are assessments raised by the Mauritius Revenue Authority (MRA) for the under-declaration or non-declaration of tax payable, which remain subject to review through the MRA's objection, appeal, and dispute resolution processes.

Based on historical data for the five years preceding the financial year ended 30 June 2024, and applying a prudent approach, the MRA has determined that 40% of assessments under dispute is reasonable to be recognised as receivables. This recognition rate will be reviewed every three years using updated historical data covering the preceding five-year period.

(ii) Loans and Advances

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

A lifetime ECL has been recognised on loans granted to entities that have not met their repayment obligations over the past ten years, as such prolonged non-settlement is considered an indicator of credit impairment. The ECL has been determined using a methodology based on management judgement, estimates, and reasonable assumptions, and credit risk is assessed at each reporting date. In the absence of any formal or approved repayment plans, a 100% ECL is considered appropriate.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

(c) Contribution to Resilience and Sustainability Trust (RST)

The IMF has established the Resilience and Sustainability Trust (RST) to assist in fulfilling the purposes of IMF by providing loans to eligible IMF members to enhance their economic resilience and sustainability.

Contribution to RST is 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.

2.8 Inventories

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

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 are 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.

NOTES TO THE FINANCIAL STATEMENTS

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 and payments made to the Mauritius Revenue Authority for social benefit.

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).

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 costs to sell relating to biological assets 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.

NOTES TO THE FINANCIAL STATEMENTS

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

  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

The state land acquired prior to 2018 have been estimated by the Government Valuation Department and revised as at 30 June 2022 and those state land acquired after 2018 are estimated at cost.

NOTES TO THE FINANCIAL STATEMENTS

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 Guardienages have been valued at a uniform rate of Rs 250,000/Arpent.
- 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 Lands 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 Other 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.

NOTES TO 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

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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 present value of outflows (fair value of loan on initial recognition) is accounted as revenue from non-exchange transactions.

NOTES TO THE FINANCIAL STATEMENTS

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.

- Silver Bonds

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

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.

IMF SDR Allocations are measured at amortised cost which is equivalent to the nominal value at reporting date.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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 a social benefit scheme at the same point that it recognises a liability.

(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 of the lease. On initial measurement, lease payments included in the measurement of the lease liability comprise fixed and variable lease payments.

The lease liability is discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate, which is based on the corresponding Government of Mauritius Bonds as listed below:

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%

NOTES TO THE FINANCIAL STATEMENTS

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.

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 Plan

The Government operates a Defined Benefit Plan, which provides pensions under the Pensions Act to public officers appointed before 1 January 2013 and members of Legislative Assembly on retirement.

The plans is unfunded. The calculation of defined benefit obligations is performed on an annual basis by a qualified actuary. Currently, the 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 of Changes in Net Assets or Equity.

NOTES TO THE FINANCIAL STATEMENTS

(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.

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	1. <u>Income Tax- Individuals (self-assessment)</u> 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. 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. 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).
	2. <u>Income Tax- Companies and Bodies Corporate</u> 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. Any revenue relating to prior periods are recognised as revenue in the year of submission of returns.

NOTES TO THE FINANCIAL STATEMENTS

Tax Type	Revenue Recognition Point
	3. Pay As You Earn (PAYE) and Tax Deduction at Source (TDS) 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. 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.
Taxes on Property	Revenue is recognised on an accrual basis.
Taxes on Goods and Services and Taxes on International Trade and Transactions	1. Value Added Tax (VAT) 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. 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.
	2. Custom and Excise Duties and Other taxes collected at Customs Revenue is recognised in the financial year when the taxable activity takes place based on the customs declarations submitted at customs.
	3. Betting and Gaming Taxes Revenue is recognised when taxes are declared in the tax payers returns during the financial year.
	4. Passenger Fee Revenue is recognised when taxes are declared in the tax payers returns during the financial year.
Other Taxes	1. Environment Protection Fee (EPF) Revenue is recognised when taxes are declared in the tax payers returns during the financial year.
	2. Advertising Structure Fee and Special Levy on Banks Revenue is recognised when taxes are declared in the tax payers returns during the financial year.

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.

NOTES TO THE FINANCIAL STATEMENTS

(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.

(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 the loan proceeds and the present value of outflows (fair value of 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, 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 losses 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.

4. CASH AND CASH EQUIVALENTS

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

	30 June 2025	30 June 2024
	Rs	Rs
Cash and Bank balances	8,899,737,905	10,661,740,040
Remittances	4,871,557,198	4,190,791,626
Total	**13,771,295,103**	**14,852,531,666**
Comprising:		
Local currency balances	10,048,885,437	10,942,990,225
Foreign currency balances - at local banks	3,645,202,773	3,840,335,939
Foreign currency balances - at external banks	77,206,893	69,205,502

As at 30 June 2025, there is no significant cash and cash equivalents balances that are not available for use.

Cash and cash equivalents include an amount of **Rs 4,949,115,171** (2024: Rs 6,298,797,854) for Special Funds.

NOTES TO THE FINANCIAL STATEMENTS

Non-cash transactions

For non-cash transactions relating to Loans, Inventories, Other Financial Assets, Lease Liabilities and Government Debt, refer to Note 7 Loans and Advances, Note 9 Inventories, Note 10 Other Financial Assets, Note 19 Lease Liabilities and Note 20 Government Debt respectively.

Non-cash transactions also include the following:

	30 June 2025	30 June 2024
	Rs	Rs
Donated Property, Plant and Equipment	2,777,614	76,974,117
Conversion of Advances to Equity Instruments	-	500,000,000
Others	64,058,509	128,966,973

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	30 June 2025	30 June 2024
	Rs	Rs
Taxes on Income and Profits	30,290,857,746	34,254,376,573
Taxes on Property	15,835,547	16,076,216
Taxes on Goods and Services	13,819,633,239	10,505,153,142
Taxes on International Trade and Transactions	31,764,461	13,946,647
Other Taxes	226,520,125	204,351,413
Fines, Penalties and Forfeits	148,736,253	133,916,712
Social Contributions	1,552,650,877	1,325,546,777
	46,085,998,248	46,453,367,480
Less: Loss Allowance	(891,504,098)	(659,229,064)
Total	**45,194,494,150**	**45,794,138,416**
- Within one year	22,506,668,001	20,243,636,259
- After one year	22,687,826,149	25,550,502,157
Total	**45,194,494,150**	**45,794,138,416**

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

	30 June 2025	30 June 2024
	Rs	Rs
Current Due	9,526,065,854	17,292,575,274
Past Due:		
Less than 1 year	11,932,007,251	3,994,625,156
Between 1 to 5 years	5,759,478,696	5,646,582,547
Between 5 to 10 years	2,900,146,672	2,399,626,169
Over 10 years	1,681,470,481	1,566,637,856
Total	**31,799,168,954***	**30,900,047,002***

*This amount excludes receivables in respect of tax assessments not yet settled amounting to **Rs 13,395,325,196** (2023-2024: Rs 14,894,091,414).

NOTES TO THE FINANCIAL STATEMENTS

Receivables in respect of tax assessments not yet settled, amounting to **Rs 13,395,325,196** (2023-2024: Rs 14,894,091,414) has been recognised, representing 40% of the disputed amount of Rs 33,488,312,992. No loss allowance has been charged on this amount.

During the financial year 2024-2025, an amount of **Rs 26,560,086** (2023-2024: Rs 316,129,004) was written off. Out of this amount, an amount of **Rs 7,446,931** (2023-2024: Rs 97,516,316) 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 19,113,155** (2023-2024: Rs 218,612,688) 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 2025 Rs	30 June 2024 Rs
Loss Allowance as at 01 July	**659,229,064**	**665,585,759**
Receivables Write-Off	(19,113,155)	(218,612,688)
Impairment Loss	251,388,189	212,255,993
Loss Allowance as at 30 June	**891,504,098**	**659,229,064**

6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	30 June 2025 Rs	30 June 2024 Rs
Licences	100,208,740	94,680,037
Finance Income	492,937	2,272,904
Rent and Royalties	1,331,059,072	1,208,263,038
Sales of Goods and Services	280,288,621	257,944,497
Other Revenue	738,417,188	491,162,840
	2,450,466,558	2,054,323,316
Less: Loss Allowance	(1,269,988,206)	(564,677,750)
Total	**1,180,478,352**	**1,489,645,566**

	30 June 2025 Rs	30 June 2024 Rs
Within one year	206,315,043	1,232,201,817
After one year	974,163,309	257,443,749
Total	**1,180,478,352**	**1,489,645,566**

The ageing of receivables from exchange transactions are as follows:

	30 June 2025 Rs	30 June 2024 Rs
Current Due	59,590,218	234,680,930
Past Due:		
Less than 1 year	53,488,005	158,426,195
Between 1 to 5 years	53,883,019	212,691,148
Between 5 to 10 years	986,573,766	875,108,239
Over 10 years	26,943,344	8,739,054
Total	**1,180,478,352**	**1,489,645,566**

NOTES TO THE FINANCIAL STATEMENTS

During the financial year 2024-2025, an amount of **Rs 19,341,098** (2023-2024: Rs 11,013) was written off. Out of this amount, an amount of **Rs 15,159,089** (2023-2024: Nil) was charged to surplus or deficit (Refer to Note 35). The remaining amount of **Rs 4,182,009** (2023-2024: Rs 11,013) 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 2025 Rs	30 June 2024 Rs
Loss Allowance as at 01 July	**564,677,750**	**452,437,180**
Receivables Write-Off	(4,182,009)	(11,013)
Impairment Loss	709,492,465	112,251,583
Loss Allowance as at 30 June	**1,269,988,206**	**564,677,750**

7. LOANS AND ADVANCES

	30 June 2025			30 June 2024		
	Current **Rs**	**Non-Current** **Rs**	**Total** **Rs**	**Current** **Rs**	**Non-Current** **Rs**	**Total** **Rs**
Loans	1,121,084,242	2,490,980,244	3,612,064,486	4,458,178,791	6,609,729,297	11,067,908,088
Advances	1,156,543,779	2,855,770,591	4,012,314,370	909,018,186	2,705,891,060	3,614,909,246
Total	**2,277,628,021**	**5,346,750,835**	**7,624,378,856**	**5,367,196,977**	**9,315,620,357**	**14,682,817,334**

Details of the total loans granted by the Government to support operational activities and public service delivery are provided in the Annex relating to Outstanding Loans financed from Revenue as at 30 June 2025.

(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 2025.

A reconciliation of loan at amortised cost is shown below:

	30 June 2025 Rs	30 June 2024 Rs
Balance as at 01 July	**11,267,394,003**	**10,615,037,453**
Cash Movement:		
Issue	1,094,139,804	333,095,644
Repayment:		
Capital	(229,515,724)	(200,719,110)
Interest	(65,056,871)	(60,343,027)
Non-cash Movement:		
Non-exchange expense (Concessionary loans)	(168,938,615)	(74,202,590)
Interest income	500,517,979	575,988,077
Capitalisation of interest	30,096,105	45,280,853
Gains on foreign exchange transactions and revaluation	1,017,031	33,256,703
Balance as at 30 June	**12,429,653,712**	**11,267,394,003**

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2025	30 June 2024
	Rs	Rs
Loans at Amortised Cost	12,429,653,712	11,267,394,003
Less: Expected Credit Losses Allowance	(8,817,589,226)	(199,485,915)
Loans as per Statement of Financial Position	**3,612,064,486**	**11,067,908,088**

The ageing of the loans are as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Less than 1 year	1,121,084,242	4,458,178,791
Between 1 to 5 years	1,184,197,508	4,018,845,921
Between 5 to 10 years	905,317,983	1,830,478,245
Over 10 years	401,464,753	760,405,131
Total	**3,612,064,486**	**11,067,908,088**

The changes in expected credit losses allowance in respect of loans are as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Expected Credit Losses Allowance as at 01 July	**199,485,915**	**196,311,090**
Expected Credit Losses Allowance for the year	8,618,103,311	3,174,825
Expected Credit Losses Allowance as at 30 June	**8,817,589,226**	**199,485,915**

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.

Details of Expected Credit Losses Allowance by Statutory bodies, Private bodies and Other bodies are provided below:

	Amortised Cost 30 June 2025	Expected Credit Losses Allowance	Amortised Cost Net of Expected Credit Losses Allowance 30 June 2025
	Rs	Rs	Rs
Central Water Authority	4,046,846,770	4,046,846,770*	-
Wastewater Management Authority	4,261,998,468	4,261,998,468*	-
Metro Express Limited	1,939,206,185	484,801,546	1,454,404,639
Rodrigues Regional Assembly	23,942,442	23,942,442*	-
	10,271,993,865	**8,817,589,226**	**1,454,404,639**

* The recoverability of the loans has been assessed, and based on their non-performing status, a 100% allowance for expected credit losses has been recognised during the financial year 2024-2025.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Advances

	30 June 2025	30 June 2024
	Rs	Rs
Government Officers (include Motor Cars and Motor Cycles Advances)	2,670,883,997	2,242,629,256
Parastatals/Local Government/Corporate Bodies	1,266,570,589	1,261,054,330
Ministries/Departments	74,859,784	111,225,660
Total	**4,012,314,370**	**3,614,909,246**

8. INVESTMENTS

Details of investments are shown below:

	30 June 2025	30 June 2024
		Restated*
	Rs	Rs
Equity Investments	167,883,172,628	130,402,539,232
Redeemable Preference Shares	200,000,000	200,000,000
Other Investments	1,512,250,880	9,401,801,339
Total	**169,595,423,508**	**140,004,340,571**
-Within one year	1,120,187,096	9,212,299,279
-After one year	168,475,236,412	130,792,041,292
Total	**169,595,423,508**	**140,004,340,571**

* The restatement pertains to the recognition of Investments held in Africa50 - Project Development and Africa50 - Project Finance. Payments made in 2018 and 2019 were incorrectly recorded as expenses, rather than being recognised as investments.

Refer to Note 42(i) for details on prior year adjustments.

(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
30 June 2025	**Rs**	**Rs**	**Rs**	**Rs**
Quoted investments	840,431,440	-	840,431,440	840,431,440
Unquoted investments	-	101,224,094,591	101,224,094,591	101,224,094,591
Equity participation	-	65,818,646,597	65,818,646,597	65,818,646,597
Redeemable Preference Shares	-	200,000,000	200,000,000	200,000,000
Total	**840,431,440**	**167,242,741,188**	**168,083,172,628**	**168,083,172,628**
30 June 2024 (Restated)				
Quoted investments	702,851,190	-	702,851,190	702,851,190
Unquoted investments	-	96,730,941,180	96,730,941,180	96,730,941,180
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**	**129,899,688,042**	**130,602,539,232**	**130,602,539,232**

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:

	30 June 2025	30 June 2024 Restated
	Rs	Rs
Balance at 01 July	**129,899,688,042**	**118,894,574,097**
Additions during the year	10,041,538,624	2,790,284,281
Conversion of advance into equity	-	500,000,000
Dividends capitalised	-	123,398,348
Impairment of investment	-	(1)
(Losses)/Gains on foreign exchange transactions and revaluation	(65,158,910)	111,309,116
Fair value gain on investment	27,366,673,432	7,480,122,201
Balance at 30 June	**167,242,741,188**	**129,899,688,042**

Refer to Note 42(i) for details on prior year adjustments.

(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 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**
Additions during the year	-	186,838,876	186,838,876
Redemption of fixed deposits	(4,370,000)	(8,065,000,000)	(8,069,370,000)
Losses on foreign exchange transactions and revaluation	-	(212,716)	(212,716)
Movement in interest receivable	5,174,936	(11,981,555)	(6,806,619)
Balance at 30 June 2025	**588,124,144**	**924,126,736**	**1,512,250,880**

Additional details in respect of investments are provided in the Statement of Investments as at 30 June 2025.

9. INVENTORIES

	30 June 2025	30 June 2024
	Rs	Rs
Inventories consist of the following:		
Inventories for Distribution and Consumption	1,502,050,634	3,837,327,216
Donated inventories	1,018,241	741,241
Agricultural Produce and Biological Inventories	45,776,997	33,496,130
Total	**1,548,845,872**	**3,871,564,587**

NOTES TO THE FINANCIAL STATEMENTS

Inventories amounting to **Rs 3,446,239** (2023-2024: Rs 4,124,251) was written-off during the financial year 2024-2025.

Agricultural produce harvested during the period, determined at point of harvest amounted to **Rs 4,866,328** (2023-2024: Rs 4,413,330).

Biological Inventory amounting to **Rs 4,549,082** was written off during the financial year 2024-2025 (2023-2024: Rs 3,168,765).

The movement in Agricultural Produce and Biological Inventories credited to surplus or deficit amounted to **Rs 8,686,213** for the financial year 2024-2025 as compared to a loss of Rs 8,035,841 in 2023-2024.

Methods to determine the fair value of Agricultural Produce

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

10. OTHER FINANCIAL ASSETS

	30 June 2025	30 June 2024
	Rs	Rs
IMF SDR Deposits	12,367,569,642	12,846,592,009
IMF Reserve Tranche Position	2,316,367,986	2,380,575,978
Contribution to RST	331,162,993	-
Total	**15,015,100,621**	**15,227,167,987**

(i) IMF SDR Deposits

IMF SDR Deposits represent the rupee equivalent of the deposit of **SDR 198,792,059** (2023-2024: SDR 205,402,512) by the IMF to the Republic of Mauritius.

The movement in the IMF SDR Deposits is as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	**12,846,592,009**	**12,100,561,354**
Purchase	307,186,976	913,315,562
Sales	(323,829,971)	(425,904,786)
Contribution to RST	(329,559,910)	-
Contribution to IMF Poverty Reduction and Growth Trust Subsidy Account (SRA) Grant	(62,034,739)	-
(Losses)/ Gains on Foreign Exchange Transactions and Revaluation	(70,784,723)	258,619,879
Balance as at 30 June	**12,367,569,642**	**12,846,592,009**

NOTES TO THE FINANCIAL STATEMENTS

(ii) IMF Reserve Tranche Position

IMF Reserve Tranche Position of the Republic of Mauritius with IMF stood at **SDR 37,232,502** (2023-2024: SDR 38,062,724), whilst the Quota amounted to **SDR 142,200,000** (2023-2024: SDR 142,200,000).

The movement in the Reserve Tranche is as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	**2,380,575,978**	**2,540,585,086**
(Losses)/Gain on Foreign Exchange Transactions and Revaluation	(13,693,816)	45,847,166
Transactions during the year	(50,514,176)	(205,856,274)
Balance as at 30 June	**2,316,367,986**	**2,380,575,978**

(iii) Contribution to RST

The IMF has established the Resilience and Sustainability Trust (RST) to assist in fulfilling the purposes of IMF by providing loans to eligible IMF members to enhance their economic resilience and sustainability. During the financial year ended 30 June 2025, the Government of Mauritius has contributed an amount of SDR 5,323,000, which relates to a non-cash transaction deducted from IMF SDR Deposit.

11. BIOLOGICAL ASSETS

	30 June 2025	30 June 2024
	Rs	Rs
Bearer Biological Assets	9,584,552	10,922,960
Consumable Biological Assets (N1)	1,215,520,750	795,030
Total	**1,225,105,302**	**11,717,990**

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

	30 June 2025	30 June 2024
	Rs	Rs
Carrying amount at 01 July	**10,922,960**	**10,454,201**
Increases due to purchases	43,960	1,546,386
Acquisition through non-exchange transactions (Donated Biological Assets)	400,000	-
Transfer to inventories	(499,775)	(400,222)
Reclassification from Bearer Biological Assets to Inventories and Consumable Biological Assets	(198,352)	-
Loss arising from changes in fair value less costs to sell attributable to physical and price changes	(1,084,241)	(677,405)
Carrying amount at 30 June	**9,584,552**	**10,922,960**

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of Carrying Amount of Consumable Biological Assets

	30 June 2025 Rs	30 June 2024 Rs
Carrying amount at 01 July	**795,030**	**792,705**
Transfer from Plants to Maintain Ecosystem to Consumable Biological Assets	1,193,162,562	-
Reclassification from Bearer Biological Assets to Consumable Biological Assets	142,352	-
Reclassification from Consumable Biological Assets to Inventories	(44,937)	-
Transfer to inventories	(2,933,081)	(1,615,739)
Gain arising from changes in fair value less costs to sell attributable to physical and price changes.	24,398,824	1,618,064
Carrying amount at 30 June	**1,215,520,750**	**795,030**

Methods to determine the fair value of biological assets

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

Restrictions and pledges for liabilities

During the financial year 2024-2025, 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 (2023-2024: Nil).

During the financial year 2024-2025, no biological assets were pledged as security for liabilities (2023-2024: Nil).

Contractual Commitments

During the financial year 2024-2025, there were no contractual commitments for the acquisition or development of biological assets (2023-2024: Nil).

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				
	Infrastructure Assets	Transport Equipment	Other Machinery & Equipment	Land	Buildings	Asset Under Construction (AUC)	Other Assets	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST								
At 01 July 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**
Additions	995,454,364	465,429,668	577,585,405	1,256,761,586	1,145,860,675	5,576,914,530	4,528,800	**10,022,535,028**
Transfer from AUC	3,883,615,869	-	27,063,281	-	3,968,517,775	(7,879,196,925)	-	**-**
Transfer to Inventories	-	-	-	-	-	-	(267,050)	**(267,050)**
Disposal	-	(10,845,640)	(7,650,695)	-	-	-	(1,568,750)	**(20,065,085)**
Adjustment(N1b,N4)	-	-	-	-	-	(47,353,969)	(1,195,936,812)	**(1,243,290,781)**
At 30 June 2025	**135,128,749,140**	**13,770,132,465**	**15,327,753,944**	**383,797,398,010**	**41,705,131,237**	**4,696,502,177**	**425,749,574**	**594,851,416,547**

NOTES TO THE FINANCIAL STATEMENTS

	Infrastructure, Plant and Equipment			Land and Buildings				
	Infrastructure Assets	Transport Equipment	Other Machinery & Equipment	Land	Buildings	Asset Under Construction (AUC)	Other Assets	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
ACCUMULATED DEPRECIATION								
At 01 July 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**
Charge for the year	2,848,130,421	720,018,283	1,002,201,446	-	833,470,980	-	-	5,403,821,130
Disposal	-	(5,358,148)	(6,504,574)	-	-	-	-	(11,862,722)
At 30 June 2025	**20,699,678,781**	**8,088,374,878**	**11,256,216,443**	**-**	**11,012,571,635**	**-**	**-**	**51,056,841,737**
Carrying Amounts								
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**
At 30 June 2025	**114,429,070,359**	**5,681,757,587**	**4,071,537,501**	**383,797,398,010**	**30,692,559,602**	**4,696,502,177**	**425,749,574**	**543,794,574,810**

1. Other Assets:
   (a) The value of Sniffer Dogs included under Other Assets increased from Rs 5,371,250 as at 30 June 2024 to Rs 6,031,250 as at 30 June 2025. The net increase of Rs 660,000 arose from the additions of Rs 2,228,750 and the disposal of Rs 1,568,750 during financial year 2024-2025.

   (b) “Plants to maintain Ecosystem" included under Other Assets has decreased from Rs 1,610,268,236 as at 30 June 2024 to Rs 416,364,424 as at 30 June 2025. The movement of Rs 1,193,903,812 is attributed to the following: (1) transfer to inventories – (Rs 267,050), (2) Consumable Biological Assets – (Rs 1,195,936,812) and (3) additions during the year- Rs 2,300,050.

   (c) There was no movement in "Bearer Plants” during the financial year 2024-2025.
2. Donated assets amounting to Rs 2,777,614 (2023-2024: Rs 76,859,117) have been recognised in the financial year 2024-2025.
3. Contractual commitments for the acquisition of Property, Plant and Equipment (PPE) amounted to Rs 105,868,917 (2023-2024: Rs 262,693,982) as at 30 June 2025.
4. The adjustment of Rs 47,353,969 pertains to the derecognition of Other Structures (drains projects) previously classified as Asset Under Construction, arising from the termination of the related contracts.
5. There was no known existence of restrictions on title of each class of PPE and PPE pledged as securities for liabilities.

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 2023	**201,545,539**	**2,482,872,939**	**10,458,387,967**	**13,142,806,445**
Adjustment	9,931,721	585,379,370	(1,553,670,496)	(958,359,405)
At 1 July 2023 (Restated)	**211,477,260**	**3,068,252,309**	**8,904,717,471**	**12,184,447,440**
Additions (Restated)	-	705,726,335	13,996,818	719,723,153
Termination/Expiry	-	(1,245,877,120)	(407,856,870)	(1,653,733,990)
At 30 June 2024 (Restated)	**211,477,260**	**2,528,101,524**	**8,510,857,419**	**11,250,436,203**
Additions	-	802,987,766	7,422,790	810,410,556
Early termination	(103,610,401)	(61,074,682)	-	(164,685,083)
Termination/ Expiry	(4,334,286)	(941,141,994)	(6,504,315)	(951,980,595)
At 30 June 2025	**103,532,573**	**2,328,872,614**	**8,511,775,894**	**10,944,181,081**
ACCUMULATED DEPRECIATION				
At 1 July 2023	**22,599,041**	**1,550,329,439**	**2,439,370,026**	**4,012,298,506**
Adjustments	2,616,469	411,334,945	(327,642,599)	86,308,815
At 1 July 2023 (Restated)	**25,215,510**	**1,961,664,384**	**2,111,727,427**	**4,098,607,321**
Charge for the year (Restated)	6,505,489	545,700,936	478,259,085	1,030,465,510
Termination/ Expiry	-	(1,100,479,387)	(230,736,818)	(1,331,216,205)
At 30 June 2024 (Restated)	**31,720,999**	**1,406,885,933**	**2,359,249,694**	**3,797,856,626**
Charge for the year	4,194,241	675,771,560	480,908,267	1,160,874,068
Early termination	(17,414,756)	(45,397,040)	-	(62,811,796)
Termination/ Expiry	(4,334,286)	(941,141,994)	(6,504,315)	(951,980,595)
At 30 June 2025	**14,166,198**	**1,096,118,459**	**2,833,653,646**	**3,943,938,303**
CARRYING AMOUNT				
At 30 June 2024 (Restated)	**179,756,261**	**1,121,215,591**	**6,151,607,725**	**7,452,579,577**
At 30 June 2025	**89,366,375**	**1,232,754,155**	**5,678,122,248**	**7,000,242,778**

Refer to Note 42(ii) for details on prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS

14. INTANGIBLE ASSETS

	Licenses & Software	Asset Under Development (AUD)	Total
	Rs	Rs	Rs
COST			
At 01 July 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**
Additions	102,410,761	136,599,608	239,010,369
Transfer from AUD	124,567,799	(124,567,799)	-
At 30 June 2025	**3,871,100,868**	**366,035,067**	**4,237,135,935**
ACCUMULATED AMORTISATION			
At 01 July 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**
Charge for the year	172,565,936	-	172,565,936
At 30 June 2025	**3,012,164,573**	**-**	**3,012,164,573**
Carrying Amounts			
At 30 June 2024	**804,523,671**	**354,003,258**	**1,158,526,929**
At 30 June 2025	**858,936,295**	**366,035,067**	**1,224,971,362**

During the financial year 2024-2025, there were no donated intangible assets (2023-2024: Nil).

During the financial year 2024-2025, there were no contractual commitments for the acquisition of intangible assets (2023-2024: Nil).

There was no known existence of restrictions on title of intangible assets and intangible assets pledged as securities for liabilities.

15. PAYABLES

	30 June 2025	30 June 2024
	Rs	Rs
Cost of Borrowings	86,683,315	60,875,036
Accounts Payable (N1)	3,902,765,078	3,378,206,683
Retention Money on Contracts	110,067,239	45,349,398
Carry-over of Capital Expenditure	58,538,141	-
Total	**4,158,053,773**	**3,484,431,117**
- Within one year	4,134,532,353	2,345,428,959
- After one year	23,521,420	1,139,002,158
Total	**4,158,053,773**	**3,484,431,117**

N1: Accounts Payable include Rs 1,806,236,388 payable to State Trading Corporation (STC) with respect to STC's deficit in its Subsidy Account.

NOTES TO THE FINANCIAL STATEMENTS

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 2025	30 June 2024
	Rs	Rs
Accrued Interest on Re-opening of Government Securities:		
- Government Bonds	45,453,000	22,877,000
- Treasury Notes	37,840,000	34,882,000
Management Charges payable on:		
- Domestic Debts	1,492,446	983,497
- External Debts	1,897,869	2,132,539
Total	**86,683,315**	**60,875,036**
- Within one year	86,683,315	60,875,036
- After one year	-	-
Total	**86,683,315**	**60,875,036**

16. DEPOSITS

	30 June 2025	30 June 2024
	Rs	Rs
Grants	464,396,196	125,419,897
Deposits held with Mauritius Revenue Authority	503,132,583	572,612,438
Other Deposits	2,653,020,125	2,481,505,939
Total	**3,620,548,904**	**3,179,538,274**
- Within one year	2,210,150,768	1,930,568,243
- After one year	1,410,398,136	1,248,970,031
Total	**3,620,548,904**	**3,179,538,274**

The amount of liabilities recognised in respect of Grants that are subject to conditions are Rs 464,396,196 (2023-2024: Rs 125,419,897).

17. SOCIAL BENEFITS

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	**141,078,120**	**295,394,495**
Payments made during the year	(88,203,844,279)	(63,366,247,466)
Charge for the year	88,227,219,894	63,211,931,091
Balance as at 30 June	**164,453,735**	**141,078,120**
- Within one year	164,453,735	141,078,120
- After one year	-	-
Total	**164,453,735**	**141,078,120**

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	Should be citizen of Mauritius; work minimum 24 working hours at least 3 days a week; total monthly earning not exceed Rs 20,000.	Section 150A Income Tax Act	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		
Revenue Minimum Garantie Allowance	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; full time employed; included in return submitted by employer under section 7 or 8; and income should not exceed Rs 20,000 per month.	Refer to Sub-Part IIIBA of The Social Contribution and Social Benefits Act, Section 30BA	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		
CSG Income Allowance	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; should be above 16 years and under 65 years.	Refer to Sub-Part IIIBC of The Social Contribution and Social Benefits Act, Section 30C	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.	As from July 2024, an allowance of Rs 3,000 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. 20,000. Similarly, an allowance of Rs 2,500 is payable to individuals having a monthly aggregate income above Rs 20,000 but not exceeding Rs 25,000 per month; an allowance of Rs 2,000 is payable to eligible individuals earning a monthly aggregate	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**
CSG Income Allowance- *contd.*						income above Rs 25,000 but not exceeding Rs 30,000 per month; and an allowance of Rs 1,500 is payable to individuals earning a monthly aggregate income above Rs 30,000 but not exceeding Rs 50,000 per month.	
Housing Loan Relief Scheme	Income Tax Act	Individual who has contracted in his own name or jointly with relatives, a secured housing loan not exceeding Rs 5 Million.	Refer to Section 150G of the Income Tax Act	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		
CSG Child Allowance - Rs 2,000 Monthly	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; under age of 3.	Refer to Sub-Part IIIC of The Social Contribution and Social Benefits Act, Section 30C	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.	Allowance payable for financial year 2023-2024 is Rs 2,000 and for financial year 2024-2025 is Rs 2,500.	
Independence Allowance - Rs 20,000	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; has attained age of 18 years on or after 1 January 2023	Refer to Sub-Part IIID of The Social Contribution and Social Benefits Act, Section 30D	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		
School Allowance	The Social Contribution and Social Benefits Act	Should be citizen of Mauritius; should age up to 3 years but below age of 10 years.	Refer to Sub-Part IIICA of The Social Contribution and Social Benefits Act, Section 30CA	Budget Appropriation	Changes in Legislation, Increase/Decrease in number of beneficiaries based on the eligibility criteria.		

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
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		
Incontinence Allowance	Social Aid Act		Social Aid Act	Budget Appropriation	Depending on number of applications received		
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		

NOTES TO THE FINANCIAL STATEMENTS

<table>
<tr><th rowspan="2">Nature of social benefits</th><th colspan="3">Key Features of Social Benefit Schemes</th><th rowspan="2">Funding of scheme</th><th rowspan="2">Factors influencing level of expenditure</th><th colspan="2">Amendments to social benefit schemes during the reporting period</th></tr>
<tr><th>Legislative framework governing scheme</th><th>Main eligibility Criteria</th><th>Reference where additional information about the scheme be obtained</th><th>Description of significant amendments</th><th>Description of expected effect of amendments</th></tr>
<tr><td>Invalid's Basic Pension</td><td>National Pension Act</td><td>Should be below the age of 60 and suffers from a disability of at least 60% for a period of 12 months.</td><td>National Pension Act</td><td>Budget Appropriation</td><td>Economic</td><td></td><td></td></tr>
<tr><td>Orphan's Pension</td><td>National Pension Act</td><td>Child whose both parents have passed away. The child should be below the age of 23.</td><td>National Pension Act</td><td>Budget Appropriation</td><td>Economic</td><td></td><td></td></tr>
<tr><td>Additional Disability Allowance (ADA)</td><td>National Pension Act</td><td>A person under the age of 18 year receiving Basic Invalidity Pension</td><td>National Pension Act- Section 8 (1A)</td><td>Budget Appropriation</td><td>No. of eligible beneficiaries</td><td></td><td></td></tr>
<tr><td>Child's Allowance</td><td>National Pension Act</td><td>Beneficiaries of Basic Pension are entitled to the child allowance</td><td>National Pension Act</td><td>Budget Appropriation</td><td>Economic</td><td rowspan="2">New budgetary measures and new policies</td><td rowspan="2">Wider coverage of vulnerable people and increase in financial implications</td></tr>
<tr><td>Other Basic Pensions</td><td>National Pension Act</td><td>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.</td><td>National Pension Act</td><td>Budget Appropriation</td><td>Economic</td></tr>
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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
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
Additional Social Disability Allowance (ADA)	The Social Contribution and Social Benefits Act	A person under the age of 18 year receiving CSG Disability Allowance (SDA)	The Social Contribution and Social Benefits Act, section 30A (1A)	Budget Appropriation	No. of eligible beneficiaries		
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 2024. Increase in rate per day i.e from Rs 650 to Rs 800	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
Closed Season Allowance	Fisheries Act (closed period from 01 Oct 2024 to end of Feb 2025. 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 650 to Rs 800	Increase in amount to be paid
Foster Care Allowance	The Children's Act 2020	Prior approval of the Ministry is required to be registered as foster parent. Child is assigned to the foster parent by court order. As per provision made under the Foster Care Scheme a monthly foster care allowance of Rs 12,000 is paid to any Registered Foster Parent and an enhanced monthly allowance of Rs 15,000 is paid for children with special needs placed in registered foster homes.	Website of Ministry of Gender Equality and Family Welfare through below link: https://gender.govmu.org/Documents/Amended%20Foster%20Care%20Pamphlet.pdf	Government Funding through Programme 18-03 - Child Protection, Welfare and Development	Number of children placed in Foster Care.		

NOTES TO THE FINANCIAL STATEMENTS

18. PROVISIONS

The movement in Provisions are shown below:

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	**530,500,000**	**40,000,000**
Charge for the year	612,876,462	523,923,243
Gain on Foreign Exchange Revaluation	(22,939,182)	-
Payment	(90,589,351)	(33,423,243)
Balance as at 30 June*	**1,029,847,929**	**530,500,000**

*This includes provision of an amount of Rs 991,847,929 (2023-2024: Rs 494,000,000) made on account of a contractual liability towards African Vaccine Acquisition Trust, Sputnik 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 2025	30 June 2024
	Rs	Rs
		Restated
Balance as at 01 July	**11,511,384,059**	**11,267,368,099**
Adjustment	-	414,051,290
Balance as at 01 July (Restated)		11,681,419,389
Additions	810,410,556	719,723,153
Repayment as per contractual term	(1,693,784,199)	(1,551,939,967)
Interest Accrued	674,843,204	717,640,082
Early termination	(120,917,439)	(340,580,075)
(Gain)/Losses on Foreign Exchange Transactions and Revaluation	(492,545,292)	285,121,477
Balance as at 30 June	**10,689,390,889**	**11,511,384,059**

	30 June 2025	30 June 2024
	Rs	Rs
		Restated
- Within one year	843,045,290	930,227,391
- After one year	9,846,345,599	10,581,156,668
Total	**10,689,390,889**	**11,511,384,059**

The maturity analysis of lease liabilities is as follows:

	30 June 2025	30 June 2024
	Rs	Rs
		Restated
Less than 1 year	843,045,290	930,227,391
Between 1 to 5 years	2,863,233,885	2,618,248,822
Between 5 to 10 years	3,459,218,338	3,382,701,815
Over 10 years	3,523,893,376	4,580,206,031
Total	**10,689,390,889**	**11,511,384,059**

NOTES TO THE FINANCIAL STATEMENTS

Amounts Recognised in Statement of Financial Performance:

	30 June 2025	30 June 2024
	Rs	Rs
		Restated
Depreciation expense on Right-of-Use Asset	1,160,874,068	1,030,465,510
Interest expense on Lease Liabilities	674,843,204	717,640,082
Short term lease expense (Refer to Note 34)	338,888,560	538,053,055
Gain on contract termination	19,044,152	18,062,292
Total	**2,193,649,984**	**2,304,220,939**

The total cash outflow for leases (principal and interest) amounted to **Rs 1,693,784,199** (2023-2024 (Restated): Rs 1,551,939,967).

The lease commitment for short term leases are as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Lease commitments	**2,005,438**	-

Refer to Note 42(iii) for details on prior year adjustments.

20. GOVERNMENT DEBT

	30 June 2025	30 June 2024
	Rs	Rs
Domestic and External Debts (Excluding IMF SDR Allocations)		
Government Securities	474,947,080,974	408,037,962,857
Domestic Loans	690,004,338	474,106,355
External Loans	76,754,824,387	65,832,899,628
IMF SDR Allocations	14,501,856,650	14,578,755,632
Total	**566,893,766,349**	**488,923,724,472**
- Within one year	150,662,275,262	122,966,008,121
- After one year	416,231,491,087	365,957,716,351
Total	**566,893,766,349**	**488,923,724,472**

Details of the total debt of the Government are provided in Statement of Public Sector Debt as at 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

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

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	**474,344,968,840**	**430,808,992,504**
Cash Movement:		
- Issue/Receipt (N1)	227,621,374,144	147,999,455,255
- Redeemed/ Repayment (N2)	(172,286,352,842)	(124,669,662,570)
Non-cash Movement:		
- Direct Payments	271,406,115	203,957,499
- Expenses Disbursed Directly out of the Loan Proceeds	48,423,722	-
- Capitalisation of Interest (N3)	43,636,660	49,085,413
- Losses on Foreign Exchange Transactions and Revaluation	1,427,324,013	1,171,920,384
- Other Changes (N4)	20,921,129,047	18,781,220,355
Balance as at 30 June	**552,391,909,699**	**474,344,968,840**
- Within one year	150,662,275,262	122,966,008,121
- After one year	401,729,634,437	351,378,960,719
Total	**552,391,909,699**	**474,344,968,840**

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

	30 June 2025	30 June 2024
	Rs	Rs
Less than 1 year	150,662,275,262	122,966,008,121
Between 1 to 5 years	180,831,949,105	163,602,258,909
Between 5 to 10 years	113,523,685,927	87,844,174,308
Over 10 years	107,373,999,405	99,932,527,502
Total	**552,391,909,699**	**474,344,968,840**

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.

B. IMF SDR Allocations

The rupee equivalent of the total allocation of SDR 233,097,854 (2023-2024: SDR 233,097,854) made to the Republic of Mauritius, that is, Rs 14,501,856,650 as at 30 June 2025 (2023-2024: Rs 14,578,755,632) is shown as liability and is also included in the Statement of Public Sector Debt as at 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL GUARANTEE LIABILITIES

	30 June 2025	30 June 2024
	Rs	Rs
Balance as at 01 July	**3,273,708,965**	**3,203,810,129**
Increases (New Guarantees)	20,769,978	103,206,981
Remeasurement	(111,286,029)	(136,763,018)
Expired*	(9,251,791)	-
(Gain)/Losses on Foreign Exchange Transactions and Revaluation	(139,927,324)	103,454,873
Balance as at 30 June	**3,034,013,799**	**3,273,708,965**
- Within one year	89,460,458	123,682,845
- After one year	2,944,553,341	3,150,026,120
Total	**3,034,013,799**	**3,273,708,965**

The maturity analysis of Financial Guarantee Liabilities is as follows:

	30 June 2025	30 June 2024
	Rs	Rs
Less than 1 year	89,460,458	123,682,845
Between 1 to 5 years	2,031,469,381	1,991,738,301
Between 5 to 10 years	701,727,049	846,032,289
Over 10 years	211,356,911	312,255,530
Total	**3,034,013,799**	**3,273,708,965**

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

Details of the loan guaranteed by the Government as at 30 June 2025 are provided in Statement of Contingent Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government as at 30 June 2025.

22. EMPLOYEE BENEFIT OBLIGATIONS

	30 June 2025	30 June 2024
	Rs	Rs
Liability in respect of Defined Benefit Plan (Refer to Note 23)	178,021,046,478	149,859,960,526
Accrued Sick Leave	12,949,297,700	11,680,209,199
Accrued Vacation Leave	10,457,183,159	11,431,880,576
Accrued Passage Benefits	6,249,611,065	5,471,356,435
Accrued Bonus	1,035,434,505	1,082,206,515
Total	**208,712,572,907**	**179,525,613,251**
- Within one year	3,510,161,566	3,312,287,876
- After one year	205,202,411,341	176,213,325,375
Total	**208,712,572,907**	**179,525,613,251**

NOTES TO THE FINANCIAL STATEMENTS

23. DEFINED BENEFIT PLAN

	30 June 2025	30 June 2024
	Rs	Rs
Liability for Pensions granted under the Pension Act	**178,021,046,478**	**149,859,960,526**

LIABILITY FOR PENSIONS GRANTED UNDER THE PENSION ACT

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

	30 June 2025	30 June 2024
	Rs	Rs
Defined Benefit Obligations (N1)	178,021,046,478	149,859,960,526
Fair Value of Plan Assets	-	-
Liability Recognised at end of year	**178,021,046,478**	**149,859,960,526**

Amount recognised in Statement of Financial Performance:

	30 June 2025
	Rs
Service cost:	
Current service cost	3,604,781,388
(Employee contributions)	(1,036,046,405)
Net Interest expense/(revenue)	8,819,829,654
Charge for the year	11,388,564,637

Amount recognised in Statement of Net Assets or Equity:

Remeasurement	
Liability (gain)/loss	26,281,653,196
Remeasurement cost	1,036,046,405
Net Assets/Equity (NAE)	27,317,699,602
Total	38,706,264,238

Movement in liability recognised in Statement of Financial Position:

At start of year	149,859,960,526
Amount recognised in Statement of Financial Performance	11,388,564,637
(Direct Benefits Paid)	(10,545,178,286)
Amount recognised in NAE	27,317,699,602
At end of year	178,021,046,478

Reconciliation of the present value of defined benefit obligations:

Present value of obligations at start of year	149,859,960,526
Current service cost	3,604,781,388
Interest cost	8,819,829,654
(Direct Benefits Paid)	(10,545,178,286)
Liability (gain)/loss	26,281,653,196
Present value of obligations at end of year	178,021,046,478

NOTES TO THE FINANCIAL STATEMENTS

The plan is a defined benefit arrangement for the government employees and members of the Legislative Assembly and it is unfunded.

N1: The detailed comparative figures for the year ended 30 June 2024 is not available as the actuarial valuation exercise was performed on a 3 yearly basis. The last valuation exercise was carried out at 30 June 2022. As from the financial year 2024-2025, the actuarial valuation is being carried out on a yearly basis.

Weighted average duration of the defined benefit obligations: 14 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.

1. Salary Risk/Pension Risk which is the risk that the actual salary/pension increases granted may be different than what we have assumed. For instance a higher salary/pension increase relative to the Investment returns shall increase the Defined Benefit Obligation and hence the liability.
2. Longevity Risk is caused by the improvement in mortality rates among pensioners. The longer the latter live, the higher is the liability.

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 2025	**30 June 2024****
Discount Rate*	6.10%	5.15%
Future Salary Increases	4.50%	2.50%
Future Pension Increases	3.50%	1.50%
Mortality before Retirement	Nil	Nil
Mortality in Retirement	PA (90) Tables rated down by 2 years	
Retirement Age	65 years	

*The discount rate is determined by reference to market yields on bonds.

** Reflects the rates for the year ended 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 at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligations would decrease by Rs 21,979.7 million (increase by Rs 27,508.5 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 11,753.0 million (decrease by Rs 10,134.8 million) if all assumptions were held unchanged.

- If the expected pension growth would increase (decrease) by 1%, the defined benefit obligations would increase by Rs 14,362.4 million (decrease by Rs 12,384.9 million) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligations would increase by Rs 5,836.1 million (decrease by Rs 5,778.6 million) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

NOTES TO THE FINANCIAL STATEMENTS

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 2025 amounted to **Rs 9,145,598,228** (30 June 2024 (Restated): Rs 94,464,643,805). The movement in the Net Assets/Equity is provided in Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2025.

(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

This represents the accumulated deficits to date for the Government after making necessary adjustments for accrual accounting which is provided in Statement of Changes in Net Assets or Equity for the financial year ended 30 June 2025.

(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 of Special Funds Deposited with the Accountant-General as at 30 June 2025 amounted to **Rs 5,852,741,331** and comprise fixed deposits at cost and cash balances to the amount of **Rs 903,626,160** and **Rs 4,949,115,171** respectively. Details of Special Funds are provided in Statement of Special Funds Deposited with the Accountant-General as at 30 June 2025.

Special Funds in the Statement of Financial Position which amounts to **Rs 5,873,241,907** (30 June 2024: Rs 15,113,279,985) includes investments at amortised cost of **Rs 924,126,736** (30 June 2024: Rs 8,814,482,131).

NOTES TO THE FINANCIAL STATEMENTS

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

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Opening Balance (at cost)	**8,782,000,000**	**18,332,000,000**
Additions during the year	186,838,876	5,525,000,000
Redemption of fixed deposits	(8,065,000,000)	(15,075,000,000)
Closing Balance (at cost)	**903,838,876**	**8,782,000,000**
Total interest receivable	20,500,576	32,482,131
Losses on Foreign Exchange Transactions and Revaluation	(212,716)	-
Closing Balance (at amortised cost)	**924,126,736**	**8,814,482,131**

25. TAXATION

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Taxes on Income and Profits	49,668,731,588	57,015,110,191
Taxes on Property	29,887,826	92,854,294
Taxes on Goods and Services	105,631,256,535	86,910,227,164
Taxes on International Trade and Transactions	2,261,285,971	1,839,654,085
Other Taxes	2,026,938,927	1,774,281,118
Total	**159,618,100,847**	**147,632,126,852**

26. GRANTS AND AID

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Grants from Foreign Governments	735,382,692	523,069,805
Grants from International Organisations	375,325,729	211,097,478
Grants from Other General Government Units	450,000,000	58,082,356
Total	**1,560,708,421**	**792,249,639**

NOTES TO THE FINANCIAL STATEMENTS

27. OTHER TRANSFERS

	Year Ended 30 June 2025 Rs	Year Ended 30 June 2024 Rs
Transfer of Surplus Cash Balances from Statutory Bodies and Special Funds	-	562,965,596
Contribution in respect of Tourism Development Projects on State Lands	2,787,044	8,681,123
Concessionary Loans	2,095,810,361	162,932,103
Goods in-kind	5,353,713	88,012,978
Remittance from CSR Funds	1,000,000,000	-
Total	**3,103,951,118**	**822,591,800**

28. LICENCES

	Year Ended 30 June 2025 Rs	Year Ended 30 June 2024 Rs
Road Motor Vehicle Licenses	1,990,807,518	1,851,305,128
Company and Other Licenses	1,401,440,421	1,397,959,292
Total	**3,392,247,939**	**3,249,264,420**

29. DIVIDENDS

	Year Ended 30 June 2025 Rs	Year Ended 30 June 2024 Rs
Dividends from Quoted and Unquoted Investments	417,030,018	1,003,334,687
Similar Distributions from Quasi Corporations	705,785,836	1,422,206,189
Total	**1,122,815,854**	**2,425,540,876**

30. OTHER REVENUE

	Year Ended 30 June 2025 Rs	Year Ended 30 June 2024 Rs
Civil Service Family Protection Scheme	325,525,072	336,636,199
Miscellaneous Revenue	337,025,388	299,290,685
Total	**662,550,460**	**635,926,884**

NOTES TO THE FINANCIAL STATEMENTS

31. EMPLOYEE COSTS

	Year Ended 30 June 2025 Rs	Year Ended 30 June 2024 Rs
Wages, Salaries, Compensations and Allowances	37,179,177,996	30,918,960,831
Contributions to Defined Contribution Plan, Family Protection Scheme, National Savings Fund and Social Contributions	2,601,102,667	2,308,390,330
Amount Recognised in respect of Defined Benefit Plans	10,352,518,230	8,864,279,898
Other Employee Benefits	6,263,990,259	7,066,134,558
Total	**56,396,789,152**	**49,157,765,617**

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.

32. GRANTS

	Year Ended 30 June 2025 Rs	Year Ended 30 June 2024 Rs
Donations and Contributions	996,040,147	663,788,283
Capital Grants	14,919,553,246	6,466,099,076
Current Grants	36,495,820,473	30,489,985,205
Total	**52,411,413,866**	**37,619,872,564**

NOTES TO THE FINANCIAL STATEMENTS

33. SOCIAL BENEFITS

	Year Ended 30 June 2025 Rs	Year Ended 30 June 2024 Rs
Social Aid- Pension	247,223,246	260,852,394
Cyclone Allowance	103,000	165,500
Incontinence Allowance	121,507,300	78,578,400
Medical Allowance	3,125,456	2,747,543
Income Support-UHR	243,121,102	248,683,414
Funeral Grant	42,894,760	44,660,740
Child Allowance Attending school	3,079,620	3,378,510
Basic Retirement Pension	55,337,997,025	39,825,569,127
Basic Widow Pension	3,370,028,076	2,588,719,050
Basic Invalid Pension	5,839,941,039	4,422,638,079
Basic Orphan Pension	80,230,500	55,974,500
Child Allowance	519,211,441	365,219,958
Other Basic Pensions	1,723,832,961	1,586,399,224
CSG Benefits	3,904,191,368	2,844,520,000
Poverty and Empowerment	634,734,356	570,119,275
Bad Weather Allowance	396,161,890	218,922,225
Closed Season Allowance	8,000,000	6,500,000
Foster Care	15,230,200	14,170,146
Negative Income Tax Allowance	22,331,500	35,922,400
Special Allowance/ Allowance icw National Minimum Wage	788,587,027	1,059,390,606
CSG Income Allowance	10,771,125,000	7,290,000,000
Housing Loan Relief Scheme	399,593,172	345,000,000
CSG Child Allowance	3,299,283,000	880,000,000
Independence Allowance	303,280,000	463,800,000
Additional Disability Allowance	148,419,000	-
Additional Social Disability Allowance	3,987,855	-
	88,227,219,894	**63,211,931,091**

NOTES TO THE FINANCIAL STATEMENTS

34. OPERATING EXPENSES

	Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Rs	Rs
Cost of Utilities	1,099,566,740	962,796,321
Fuel and Oil	439,247,875	478,761,771
Rental Expense (N1)	591,302,475	633,917,708
Office Expenses	165,241,350	147,862,119
Maintenance	1,712,250,063	1,517,430,961
Cleaning Services	1,078,059,576	903,804,996
Medical Supplies, Drugs and Scientific Equipment	5,917,926,812	2,836,210,255
Travelling and Mission Expenses	193,607,497	226,740,893
Other Operating Expenses	4,818,066,708	4,128,079,612
Total	**16,015,269,096**	**11,835,604,636**

N1: For financial year 2024-2025, rental expense includes an amount of **Rs 338,888,561** (2023-2024: Rs 538,053,055) in respect of short- term lease.

Refer to Note 42(iii) for details on prior year adjustments.

35. OTHER EXPENSES

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Transfers	4,735,504,799	3,314,807,702
Insurance	20,014,176	17,677,755
Compensation arising out of Government Liability	612,876,462	523,923,243
Refund/Payment of taxes icw projects and schemes financed by Development Partners or under Special Programmes	118,606,674	135,728,164
Impairment Loss on Receivables from Exchange Transactions (N1)	709,492,465	112,251,583
Impairment Loss on Receivables from Non-Exchange Transactions (N2)	251,388,189	212,255,993
Impairment Loss – Exchange Transactions (Local Loans)	8,618,103,310	3,174,825
Receivables from Exchange Transactions Write-Off (N1)	15,159,089	-
Receivables from Non-Exchange Transactions Write-Off (N2)	7,446,931	97,516,316
Loans, Advances, Biological Assets and Inventories Write-Off	13,297,815	12,861,641
Concessionary Loans	168,938,615	74,202,590
Financial Guarantee (Income) / Expense	(99,767,842)	(33,556,037)
Others	3,208,516,328	4,008,392,235
Total	**18,379,577,011**	**8,479,236,010**

N1: Refer to Note 6 – Receivables from Exchange Transactions

N2: Refer to Note 5 – Receivables from Non-Exchange Transactions

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCE COSTS

	Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Rs	Rs
Interest Expense on Domestic Debt	19,704,415,051	16,611,948,224
Interest Expense on External Debt	3,356,175,943	2,380,536,569
Interest Expense on Lease	674,843,204	717,640,082
Management Charges	85,211,563	36,391,857
Total	**23,820,645,761**	**19,746,516,732**

Refer to Note 42(iii) for details on prior year adjustments.

37. LOSS ON FOREIGN EXCHANGE TRANSACTIONS AND REVALUATION

	Year Ended 30 June 2025	Year Ended 30 June 2024
	Rs	Rs
Unrealized gains on translation of FX balances	(167,485,918)	(233,317,989)
Gain on Revaluation of Lease Liability	(492,545,292)	285,121,477
Foreign Exchange Loss on Government debt	1,427,324,013	1,171,920,384
Other Gains/Losses on other Foreign Transactions	(92,097,331)	(40,317,044)
Total	**675,195,472**	**1,183,406,828**

Other Gains/Losses on other Foreign Transactions comprise exchange differences on receivables; fluctuations on local loans (including loan principal, guarantee fees, and arrears due); IMF balances; investments; financial guarantees; and gains arising from the revaluation of provisions.

38. FAIR VALUE GAIN ON INVESTMENTS

	Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Rs	Rs
Quoted Investments	137,580,727	29,903,992
Unquoted Investments	(1,712,651,192)	5,496,027,872
Equity Participation	29,079,324,624	1,984,094,328
	27,504,254,159	**7,510,026,192**

Refer to Note 42(i) for details on prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS

39. FAIR VALUE GAIN ON OTHER ASSETS

	Year Ended 30 June 2025 Rs	Year Ended 30 June 2024 Rs
Fair value (Gain)/Loss on sniffer dogs	(660,000)	1,928,750
Fair value (Gain)/Loss on Biological Assets	(39,167,174)	(5,694,389)
Fair value (Gain)/Loss on Other Assets	-	(6,267,200)
	(39,827,174)	**(10,032,839)**

40. 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 2025 stood at **Rs 6,423,000** (30 June 2024: Rs 6,389,590,000).

(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 2025 stood at **Rs 9,196,738** (30 June 2024: Rs 9,196,738).

41. 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 2025. The original estimates of expenditure amounting to **Rs 216,800 million** (30 June 2024: Rs 174,800 million) were passed by the National Assembly on 25 June 2024 and approved on 26 June 2024. The Supplementary Estimates amounting to **Rs 21,000 million** (30 June 2024: Rs 6,700 million) were passed on 22 April 2025 and approved on 24 April 2025.

The Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2025 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 the Statement of Comparison of Budget Estimates and Actual Amounts for the financial year ended 30 June 2025 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.

NOTES TO THE FINANCIAL STATEMENTS

(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	(22,375,910,695)	(10.8%)	The shortfall in recurrent revenue was mainly due to: (i) lower receipts from corporate tax, personal income tax, VAT, excise duty on petroleum products, land transfer tax, registration duty on immovable property, special levy on banks, and betting tax on horse racing activities' (ii) the non-payment of dividends by Airport Holdings Ltd and lower receipts from the Financial Services Commission; (iii) delays in the implementation of some grant-funded programmes/projects.
Recurrent Expenditure	16,832,609,436	8.0%	The increase in recurrent expenditure was mainly driven by: (i) higher staff cost following payment of the interim allowance in connection with the salary relativity adjustment as from July 2024 as well as the 14th-Month Bonus in December 2024; (ii) higher outlays on medicines, vaccines and medical disposables to support new health facilities and cater for rising prices; (iii) increased interest costs due to both higher debt stock and higher interest rates on Government securities; (iv) higher subsidies, reflecting increased allowances to bus operators under the Free Travel Scheme and financial support to bus companies for the wage relativity adjustment; (v) additional grants to some public bodies, such as, Rodrigues Regional Assembly, Local Authorities, Higher Education Commission to enable them to meet their operating costs, along with financial support to the National Property Fund Ltd to settle part of the outstanding line of credit from the Bank of Mauritius; (vi) increased social benefits following payment of the 14th-Month Bonus to recipients of basic pensions and civil service pension; and (vii) higher expenditure on the CSG Income Allowance and CSG Child Allowance due to a higher than estimated number of beneficiaries. These were partly offset by funds appropriated under contingencies and reserves.

NOTES TO THE FINANCIAL STATEMENTS

Budget line item	Variance amount Rs	Variance percentage	Explanation
Capital Revenue	(2,503,158,158)	(68%)	Capital revenue was lower due to: (i) the non-transfer of funds from the Projects Development Fund and the National Environment Fund to the Consolidated Fund; and (ii) delays in the implementation of certain grant-funded projects.
Capital Expenditure	(1,752,029,569)	(6.4%)	Capital expenditure was lower mainly because of the following: (i) delays in the implementation of several projects, including the Rivière des Anguilles Dam, the Mauritius Disciplined Forces Academy, the Forensic Science Laboratory, construction and upgrading of roads and hospitals, and the acquisition of an Offshore Patrol Vessel; and (ii) lower disbursement of capital grants to the Rodrigues Regional Assembly, Local Authorities and the Mauritius Revenue Authority owing to delays in the implementation of certain projects. These lower spendings were partly offset by additional transfers to the National Resilience Fund and the National Environment Fund for the implementation of various projects and schemes under those Funds.
Net Acquisition of Financial Assets	(145,138,272)	(1.3%)	Lower net acquisition of financial assets was mainly due to lower disbursement of loans to Airport Holdings Ltd, Central Water Authority and the IMF Resilience and Sustainability Trust; which were partly offset by proceeds from sales of SDRs under the IMF Voluntary Trading Agreement and capital injection of Rs 3 billion in the Bank of Mauritius.

NOTES TO THE FINANCIAL STATEMENTS

42. PRIOR PERIOD ADJUSTMENTS

(i) Investments

The restatement pertains to the recognition of Investments held in Africa50 - Project Development and Africa50 - Project Finance. Payments made in 2018 and 2019 were incorrectly recorded as expenses, rather than being recognised as investments.

(ii) Right-of-Use Assets

Right-of-Use Assets were overstated in the previous years mainly due to the following:

- inaccurate information received from Ministries/ Departments;f
- additional costs which are included in the same rental agreement, for instance Parking slots, Insurance and Service charges were included in the monthly rental used for computation of the minimum lease payments;
- escalation clause was included in the computation of the minimum lease payments; and
- Information was requested in original currency and the asset was recognised using spot rate at date of transaction.

(iii) Lease Liabilities

Lease Liabilities were overstated in the previous years mainly due to the following:

- inaccurate information received from Ministries/ Departments;
- additional costs which are included in the same rental agreement, for instance Parking slots, Insurance and Service charges were included in the monthly rental used for computation of the minimum lease payments;
- escalation clause was included in the computation of the minimum lease payments; and
- Information was requested in original currency and the lease liabilities were revalued using year end rates.

The effects of the above changes are illustrated below:

	Year Ended 30 June 2024	Increase/ (Decrease)	Year Ended 30 June 2024 (Restated)
	Rs	Rs	Rs
Statement of Financial Performance (extract)			
Expenses			
Operating Expenses	11,796,054,381	39,550,255	11,835,604,636
Depreciation and Amortisation	6,512,812,404	(134,070,889)	6,378,741,515
Finance costs	19,703,760,374	42,756,358	19,746,516,732
Other Gains/(Losses)			
Loss on Foreign Exchange Transactions and Revaluation	(899,515,876)	(283,890,952)	(1,183,406,828)
Fair Value Gain on Investments	7,509,580,740	445,452	7,510,026,192

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2024 (Adjusted)	Increase/ (Decrease)	30 June 2024 (Restated)	30 June 2023	Increase/ (Decrease)	01 July 2023 (Restated)
	Rs	Rs	Rs	Rs	Rs	Rs
Statement of Financial Position (extract)						
ASSETS						
Non Current Assets						
Investments	130,790,365,315	1,675,977	130,792,041,292	121,220,897,554	23,479,149	121,244,376,703
Right-of-use Assets	7,373,059,891	79,519,686	7,452,579,577	9,130,507,939	(1,044,668,220)	8,085,839,719
LIABILITIES						
Current Liabilities						
Lease Liabilities	930,227,391	-	930,227,391	890,200,378	123,419,600	1,013,619,978
Non-Current Liabilities						
Lease Liabilities	10,268,279,781	312,876,887	10,581,156,668	10,377,167,721	290,631,690	10,667,799,411
NET ASSETS OR EQUITY						
Consolidated Fund	95,482,026,675	1,230,526	95,483,257,201	94,205,282,231	34,172,850	94,239,455,081
Accumulated Deficits	(15,898,981,631)	(232,911,750)	(16,131,893,381)	(7,845,620,262)	(1,469,413,211)	(9,315,033,473)

NOTES TO THE FINANCIAL STATEMENTS

43. RECONCILIATION: BUDGETARY RESULT WITH DEFICIT

	Year Ended 30 June 2025 Rs	Year Ended 30 June 2024 Restated Rs
Budget Balance as presented in the Statement of Comparison of Budget Estimates and Actual Amounts	**(66,778,027,720)**	**(37,959,210,471)**
Net movement in Prepayments	219,645,290	(2,195,544)
Net movement in Payables	(640,227,910)	(105,920,729)
Net movement in Inventories	(2,337,961,061)	660,516,167
Depreciation and Amortisation	(6,737,261,133)	(6,378,741,515)
Net Movement in Investments	27,509,429,095	7,510,406,272
Loss on Foreign Exchange Transactions and Revaluation	(675,195,472)	(1,183,406,828)
Subscriptions to International Organisations	(195,917,284)	(225,219,792)
Capitalisation of Dividends	-	123,398,348
Net movement in Loan to Statutory Bodies, Private Bodies and Other Bodies	(8,321,484,712)	483,637,989
Net movement in Receivables	(838,681,282)	9,861,667,276
Net Movement in Non-Financial Assets	7,776,294,189	8,317,839,811
Net Movement in Employee Benefits Obligations	(1,869,260,054)	(1,918,130,890)
Net movement in Financial Guarantee Liabilities	99,767,842	33,556,037
Net movement in Government Debt	848,510,953	(992,231,546)
Net movement in Provisions	(522,287,111)	(490,500,000)
Net movement in Leases	1,037,985,148	852,362,174
Net movement in Biological Assets	32,025,796	2,487,045
Deficit as presented in the Statement of Financial Performance	**(51,392,645,426)**	**(21,409,686,196)**

NOTES TO THE FINANCIAL STATEMENTS

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

	Year Ended 30 June 2025	Year Ended 30 June 2024 Restated
	Rs	Rs
(Deficit) as presented in the Statement of Financial Performance	**(51,392,645,426)**	**(21,409,686,196)**
(Gains)/Losses Adjustments		
Adjustments in respect of Foreign Exchange Transactions and Revaluation	675,195,472	1,183,406,828
	675,195,472	**1,183,406,828**
Non-Cash Adjustments		
Net Movement in Loan to Statutory Bodies, Private bodies and Other bodies	8,321,484,712	(483,637,989)
Net Movement in Receivables	838,681,282	(9,861,667,276)
Capitalisation of Dividends	-	(123,398,348)
Loan and Advances Written-Off	1,517,779	5,568,625
Net Movement in Investments	(27,509,429,095)	(7,510,406,271)
Depreciation and Amortisation	6,737,261,133	6,378,741,515
Net Movement in Non-Financial Assets	43,139,822	(108,246,791)
Net Movement in Employee Benefits Obligations	1,869,260,054	1,918,130,890
Interest and other Adjustments in respect of Government Debt	1,038,399,555	1,946,260,526
Net Movement in Financial Guarantee Liabilities	(99,767,842)	(33,556,037)
Net Movement in Leases	(1,037,985,148)	(852,362,175)
Net Movement in Provisions	522,287,111	490,500,000
Adjustments relating to IMF transactions	62,034,739	-
Net Movement in Biological Assets	(32,025,796)	(2,487,045)
	(9,245,141,694)	**(8,236,560,376)**
Working Capital Movement		
(Increase) in Advances	(389,394,173)	(372,036,749)
Decrease/ (Increase) in Inventories	2,337,961,061	(660,516,167)
(Increase)/ Decrease in Prepayments	(219,645,290)	2,195,544
Increase in Payables	729,223,000	191,012,090
Increase/ (Decrease) in Deposits	510,490,485	(453,286,677)
Increase/ (Decrease) in Social Benefits	23,375,616	(154,316,375)
(Decrease) in Special Funds	(9,228,056,522)	(17,998,782,568)
	(6,236,045,823)	**(19,445,730,902)**
Classification Adjustments		
Dividends	(1,122,815,854)	(2,302,142,528)
Repayment of Lease Liabilities	1,324,045,816	849,328,177
	201,229,962	**(1,452,814,351)**
Net Cash flows from Operating Activities	**(65,997,407,509)**	**(49,361,384,997)**

NOTES TO THE FINANCIAL STATEMENTS

45. 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	**(58,803,034,056)**	**(7,974,993,664)**	**-**	**(66,778,027,720)**
Basis Differences				
Interest Accrued	1,834,598,122	-	-	1,834,598,122
Interest Capitalised	3,888,661	-	-	3,888,661
Front End Fee	48,423,722	-	-	48,423,722
(Increase) in Advances	(387,876,394)	(9,528,730)	-	(397,405,124)
Increase in Deposits	510,490,485	-	-	510,490,485
Increase in Payables	112,370,704	128,113,860	-	240,484,564
(Increase) in Investments and Other Securities	-	(10,792,433,537)	-	(10,792,433,537)
Proceeds from sale of investments	-	8,700,795,924	-	8,700,795,924
(Increase) in Loans to Statutory, Private and Other Bodies	-	(864,624,080)	-	(864,624,080)
Net movement in Non-Financial Assets	(155,559,648)	155,559,648	-	-
Dividends	(1,122,815,854)	1,122,815,854	-	-
Subscriptions to International Organisations	(195,917,284)	-	-	(195,917,284)
Increase in Borrowings	-	-	75,335,619,454	75,335,619,454
Direct Payment by Funding Agency	-	271,406,115	-	271,406,115
Net movement in Leases	1,324,045,816	-	(1,324,045,816)	-
Non-cash adjustment relating to IMF Transactions	62,034,739	-	-	62,034,739
Entity Differences				
Special Funds (net)	(9,228,056,522)	-	-	(9,228,056,522)
Actual Amount as presented in the Statement of Cash Flow	**(65,997,407,509)**	**(9,262,888,610)**	**74,011,573,638**	**(1,248,722,481)**

NOTES TO THE FINANCIAL STATEMENTS

46. 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 2025

Category	Cash and Cash Equivalents	Cost	Amortised Cost	Fair Value Through Surplus or Deficit	Total
	Rs	Rs	Rs	Rs	Rs
Cash and Cash Equivalents	13,771,295,103	-	-	-	13,771,295,103
Receivables from Non-Exchange Transactions	-	45,194,494,150	-	-	45,194,494,150
Receivables from Exchange Transactions	-	1,180,478,352	-	-	1,180,478,352
Loans and Advances					
Loans	-	-	3,612,064,486	-	3,612,064,486
Advances	-	4,012,314,370	-	-	4,012,314,370
Investments					
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation)	-	-	-	167,883,172,628	167,883,172,628
Redeemable Preference Shares	-	-	-	200,000,000	200,000,000
Other Investments	-	-	1,512,250,880	-	1,512,250,880
Other Financial Assets					
IMF SDR Deposits	-	-	12,367,569,642	-	12,367,569,642
IMF Reserve Tranche Position	-	-	2,316,367,986	-	2,316,367,986
Contribution to RST	-	-	331,162,993	-	331,162,993
Total Financial Assets	**13,771,295,103**	**50,387,286,872**	**20,139,415,987**	**168,083,172,628**	**252,381,170,590**

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NOTES TO THE FINANCIAL STATEMENTS

At 30 June 2024 (Restated)

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
Loans and Advances					
Loans	-	-	11,067,908,088	-	11,067,908,088
Advances	-	3,614,909,246	-	-	3,614,909,246
Investments					
Equity Investments (Quoted Investments, Unquoted Investments, Equity Participation)	-	-	-	130,402,539,232	130,402,539,232
Redeemable Preference Shares	-	-	-	200,000,000	200,000,000
Other Investments	-	-	9,401,801,339	-	9,401,801,339
Other Financial Assets					
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**	**50,898,693,228**	**35,696,877,414**	**130,602,539,232**	**232,050,641,540**

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

At 30 June 2025

Category	Amortised Cost	
	30 June 2025	30 June 2024
	Rs	Rs
		Restated
Payables	4,158,053,773	3,484,431,117
Deposits	3,620,548,904	3,179,538,274
Lease Liabilities	10,689,390,889	11,511,384,059
Government Debt		
Government Securities, Domestic and External Loans	552,391,909,699	474,344,968,840
IMF SDR Allocations	14,501,856,650	14,578,755,632
Financial Guarantee Liabilities	3,034,013,799	3,273,708,965
Total Financial Liabilities	**588,395,773,714**	**510,372,786,887**

NOTES TO THE FINANCIAL STATEMENTS

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 within an acceptable level of risk 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 Government External Debt, the share of variable interest rate loans represented 62.5% of the total External Debt as at 30 June 2025 (2024: 56.8%). 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:

	Increase/Decrease	**Year Ended 30 June 2025**	**Year Ended 30 June 2024**
	Basis Points	**Rs Million**	**Rs Million**
Government Debt:			
Inflation-Indexed Bonds: (Excluding those classified under External Debt)			
Impact on Surplus or Deficit	+10 bp	+10	+10
Impact on Surplus or Deficit	-10 bp	-10	-10
External Debt:			
Impact on Surplus or Deficit	+10 bp	+61	+49
Impact on Surplus or Deficit	-10 bp	-61	-49

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 71 million for the financial year 2024-2025 (2023-2024: Rs 59 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.

NOTES TO THE FINANCIAL STATEMENTS

(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% at 30 June 2025 (Based on nominal value) (30 June 2024: 17.4%). 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 2025	Year ended 30 June 2024
	%	Rs Million	Rs Million
Impact on (deficit)/surplus (Appreciation of MUR)	+5%	+4,869	+4,281
Impact on (deficit)/surplus (Depreciation of MUR)	-5%	-4,869	-4,281

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 4,869 million for financial year 2024-2025 (2023-2024: Rs 4,281 million).

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 5 years at 30 June 2025.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

Non-Current Assets Held for Sale

During the financial year 30 June 2025, there were no known non-current assets held for sale (30 June 2024: Nil).

Discontinued Operations

During the financial year 30 June 2025, there were no known discontinued operations (30 June 2024: Nil).

48. 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.

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.

49. CONTINGENT ASSETS

As at 30 June 2025, there were no known contingent assets to be disclosed (30 June 2024: Nil).

50. CONTINGENT LIABILITIES

As at reporting date, some 295 cases were lodged against the State amounting to **Rs 76,557,693,243**. It has not been possible to reliably assess the likelihood of an outflow of economic benefit arising from these claims as the outcome of any Court case is the sole prerogative of the Court. Consequently, these cases have been classified as Contingent Liabilities and have been disclosed accordingly.

Contingent Liabilities (as disclosed in Statement of Contingent Liabilities including details of any Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government as at 30 June 2025) in relation to Loans, Bank Overdrafts or Credit Facilities Guaranteed by Government have been recognised as Financial Guarantee Liabilities in Statement of Financial Position as at 30 June 2025. Refer to Note 21 - Financial Guarantee Liabilities for more details.

NOTES TO THE FINANCIAL STATEMENTS

51. MANAGING CAPITAL

Government manages its capital to ensure the sustainability of public finances and the maintenance of adequate net assets. Government's capital, as reported under Net Assets/Equity in the Statement of Financial Position, comprises the balance of the Consolidated Fund, accumulated surpluses or deficits, and funds deposited with Government by Special Funds established under the Finance and Audit Act.

The primary objectives of capital management are to preserve and enhance net assets, ensure fiscal sustainability over the medium term, and support the delivery of essential public services, while maintaining access to funding at reasonable cost.

Government's medium-term fiscal framework supports these objectives through prudent fiscal policy, expenditure prioritisation and structural reforms, including:

- improving tax compliance through the use of advanced IT tools and providing incentives under the Tax Arrears Settlement Scheme to increase collection of arrears;
- prioritising projects and schemes, and addressing the shortcomings highlighted in the Director of Audit report; and
- facilitating private sector investment and exports.

Government's debt management framework is designed to meet financing requirements at the lowest possible cost over the medium to long term, consistent with a prudent level of risk. Government manages its debt portfolio so as to avoid undue market disruption, maintain a diversified funding base, and support the development of an efficient secondary market for Government securities.

Foreign exchange risk, refinancing risk and interest rate risk, which may arise from Government borrowing activities, are managed through the formulation and implementation of a medium-term debt management strategy. The strategy sets benchmarks for the currency composition, maturity profile and interest rate structure of the debt portfolio, taking into account prevailing market conditions and macro-fiscal developments.

Additional information on Government's fiscal policy stance and debt management strategy is disclosed in the 2024-2025 Budget Estimates document.

52. MATERIAL EVENTS AFTER REPORTING DATE

As at 30 June 2025, there were no known material events after reporting date to be disclosed (30 June 2024: Nil).