

NOTES TO THE ACCOUNTS

1. GENERAL

The statement of Assets and Liabilities constitutes the statement of Assets and Liabilities of the Government required under Section 19(1) of the Finance and Audit Act, 1973.

2. ACCOUNTING POLICIES

- (i) The accounts of the Government are prepared on a cash basis, i.e. transactions are recorded only when monies are received and paid within the given period, whether or not the receipts and payments are in respect of goods supplied or services rendered during that period and whether they relate to recurrent or capital expenditure or revenue. The Statement of Assets and Liabilities does not include fixed assets, loans, investments other than those made under Section 3(4)(a), 8(2)(b), 9(3)(a) and 10(4)(b) of the Finance and Audit Act.
- (ii) All foreign currency balances are valued at the official rates ruling on the last working day of the financial year.

3. CASH AND BANK BALANCES

These balances refer to cash in hand and balances with banks and agents, both local and overseas.

4. REMITTANCES

These represent cash remitted to Ministries/Government Departments as at the year end.

5. INVESTMENTS

These represent investments with local banks and securities held under Section 3(4)(a), 8(2)(b), 9(3)(a) and 10(4)(b) of the Finance and Audit Act on account of the Consolidated Fund, Special Funds and monies deposited with Government.

	Rs	Rs
Consolidated Fund		1,113,129,581
Special Funds -		
Bank Deposits	3,152,363,030	
Loans	<u>12,632,975</u>	3,164,996,005
Deposit-Sundries -		
Government Securities	50,978,775	
Bank Deposits	<u>170,631,077</u>	<u>221,609,852</u>
		<u>4,499,735,438</u>

6. ADVANCES

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

	Rs
(a) Government Officers, including Car Advances	1,239,534,982
(b) Parastatal/Local Government/Corporate Bodies	49,090,747
(c) Ministries/Government Departments	<u>111,292,324</u>
	<u>1,399,918,053</u>

7. CONSOLIDATED FUND

This balance is the accumulated deficit of the Consolidated Fund established by Section 103 of the Constitution of the Republic of Mauritius. Section 3 of the Finance and Audit Act provides that all the recurrent revenue of the Government shall be paid into the Fund and that monies shall be withdrawn from the Fund on the authority of a warrant issued by the Minister of Finance to meet expenditure authorised by an Appropriation Act or any other law directly charging it to the Fund.

	Rs	Rs
Balance at 1 July 2007		58,869,752,666
Add (a) Appropriation to Contingencies Fund for 2007-2008	796,715,059	
(b) Depreciation in foreign Currencies	<u>20,660,166</u>	<u>817,375,225</u>
		59,687,127,891
Less (a) Surplus of revenue over Expenditure as at 30 June 2008	470,848,331	
(b) Reduction in Appropriation to Contingencies Fund	1,204,610,623	
(c) Receipts from Consolidated Sinking Fund	<u>4,141,528,815</u>	<u>5,816,987,769</u>
Balance at 30 June 2008		<u><u>53,870,140,122</u></u>

8. CAPITAL FUND

This balance represents the accumulated deficit of the Capital Fund referred to under Section 10 of the Finance and Audit Act.

	Rs
Balance at 1 July 2007	15,086,024,366
Add Deficit for the year	<u>1,807,431,454</u>
Balance at 30 June 2008	<u><u>16,893,455,820</u></u>

9. **SHORT TERM BORROWINGS**

These represent loans raised by the issue of Treasury Bills under Sections 19 and 20 of the Loans Act 1974.

10. **TREASURY NOTES**

The Loans (Amendment) Act 2004 makes provision for the issue of Treasury Notes and the conversion of a Bill into a Note. Treasury Notes for a nominal amount of Rs 15,163,620,000 (cost- Rs 15,117,657,077) was issued during the year with 2-year, 3-year and 4-year maturities. It includes the roll-over of 2-year Treasury Notes of nominal amount of Rs 2,511,800,000 plus interest amounting to Rs 71,720,000 into 3 and 4 Year Treasury Notes. The total nominal value of Treasury Notes amounted to Rs 39,999,020,000 as at year end.

11. **SPECIAL FUNDS**

These are the monies deposited with the Government by the various funds set up under the Finance and Audit Act.

12. **DEPOSITS**

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

	Rs
Tax Reserve Certificates	440,950
Grants and Donations	110,702,451
Other Deposits	<u>766,272,250</u>
	<u>877,415,651</u>

13. **CONTINGENCIES FUND**

This is the amount outstanding under advances made from the Contingencies Fund to meet urgent and unforeseen expenditure in accordance with Section 5(3) of the Finance and Audit Act.

14. **INTERNATIONAL FINANCIAL ORGANISATIONS**

Pursuant to Section 4(3) of the International Financial Organisations Act, the Government has issued non-negotiable, non-interest bearing demand notes for a total amount of Rs 4,154.5 million as at 30 June 2008, as follows:-

	Rs
International Monetary Fund	- 3,965,980,000
International Development Association	- 8,221,607
International Bank for Reconstruction and Development	- <u>180,337,660</u>
	<u>4,154,539,267</u>

At the year end, the quota for Mauritius in the International Monetary Fund was SDRs 101.6 million and the Reserve Tranche position stood at SDRs 7,154,473.

15. **CONSOLIDATED SINKING FUND**

The Finance and Audit Act was amended in the Finance Act 2007 to provide for the winding up of the Consolidated Sinking Fund. All assets and liabilities of the Fund as at 30 June 2007 were transferred to the Consolidated Fund. However, Treasury Bills, Treasury Notes, Mauritius Development loan Stocks and Five Year Government Bonds at a total nominal value of Rs 6,065,146,500 held by the Consolidated Sinking Fund were set off against internal debt liabilities of the Consolidated Fund at 1 July 2007.