

STATEMENT A

Statement of Financial Position as at 30 June 2019

		30 June 2019	30 June 2018 Restated
ASSETS	Notes	Rs	Rs
Cash and Cash Equivalents	3	5,628,533,747	14,551,829,955
Loans and Advances	4	16,641,832,446	13,547,220,135
Investments	5	30,707,150,160	23,410,851,727
Inventories	6	1,531,094,628	1,305,292,728
Property, Plant and Equipment	7	369,069,247,660	364,244,281,920
Intangible Assets	8	826,230,912	922,821,681
IMF -SDR Deposits	9	3,488,408,559	3,443,521,549
IMF -Reserve Tranche Position	9	1,069,362,969	1,031,052,667
Other Assets	10	56,648,404	58,892,899
Total Assets		429,018,509,485	422,515,765,261
LIABILITIES			
Deposits	11	2,210,845,686	2,932,219,262
Government Debt	12	280,773,963,082	261,514,351,467
IMF -SDR Allocations	9	4,762,232,816	4,700,954,904
Payables	13	7,232,341,420	6,484,476,199
Total Liabilities		294,979,383,004	275,632,001,832
Net Assets		134,039,126,481	146,883,763,429
NET ASSETS/EQUITY			
Consolidated Fund	14	28,320,944,755	27,772,340,857
Reserve (Assets)	14	299,025,312,236	299,025,312,236
Accumulated Deficit	14	(195,532,570,659)	(184,258,609,116)
Special Funds	14	2,225,440,149	4,344,719,452
		134,039,126,481	146,883,763,429

S.D. RAMDEEN
Ag. Accountant-General

24 December 2019

NOTES TO THE ACCOUNTS

1. GENERAL

The Statement of Financial Position has been prepared in accordance with Section 19 of the Finance and Audit Act, 1973 as subsequently amended.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

A Estimates

The Estimates (Budget) of the Government is appropriated by votes of expenditure on a cash basis, except for cost of borrowings which is appropriated on an accrual basis.

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

The approved Estimates covers the fiscal period from 1 July 2018 to 30 June 2019.

B Financial Statements

- (i) Following the amendments made to the Finance and Audit Act in July 2017, the financial statements of the Government for the financial year 2022/23 and onwards have to be prepared in compliance with International Public Sector Accounting Standards (IPSAS). For the financial year 2018/19, the financial statements have been prepared in accordance with Section 19 (3A)(a) of the Finance & Audit Act, i.e. as far as possible in compliance with IPSAS.

Accordingly, the elements of the financial statements have been accounted for as follows:

ELEMENTS	ACCOUNTING BASIS
<u>Revenue</u>	Cash
<u>Expenses</u>	
Compensation of Employees (except for Allowances and Cost of Overtime)	Cash
- Allowances and Cost of Overtime	Accrual
Retirement Benefits	Cash
Subsidies	Cash
Grants	Accrual
Social Benefits	Accrual
Supplies and Consumables Used	Accrual
Depreciation and Amortisation	Accrual
Other Expenses (excluding Other Transfer Payments)	Accrual
- Other Transfer Payments	Cash
Finance Costs	Accrual

NOTES TO THE ACCOUNTS

ASSETS AND LIABILITIES	MEASUREMENT BASIS
Assets	
Loans and Advances	At Cost
Investments	At Cost
Inventories	At Cost
Property, Plant and Equipment (excluding Land)	At Cost
- Land (excluding acquired during the year)	At a value estimated by Government Valuation Department
- Land (acquired during the year)	At Cost
Intangible Assets	At Cost
IMF -SDR Deposits	At Cost
IMF -Reserve Tranche Position	At Cost
Other Assets	At Cost
Liabilities	
Deposits	At Cost
Government Debt	At Cost
IMF -SDR Allocations	At Cost
Payables	At Cost

(ii) The accounting policies have been applied consistently throughout the year.

2.2 Reporting Entity

The accounts are for the Budgetary Central Government of the Republic of Mauritius, which comprises Ministries, Government Departments and Special Funds bank balances and investments as per Statement H – Statement of Special Funds deposited with the Accountant-General.

2.3 Reporting Period

The accounts cover the financial year of the Government of Mauritius from 1 July 2018 to 30 June 2019.

2.4 Foreign Currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Transactions in foreign currencies are initially translated at the foreign exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated using the exchange rate at the date of the transaction.

2.5 Investments

Investments are recognised at cost in the Statement of Financial Position.

NOTES TO THE ACCOUNTS

2.6 Authorisation Date

The financial statements were authorised for issue on 24 December 2019 by Mr. S.D. Ramdeen, the Ag. Accountant-General.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash in hand, cash remitted to Ministries/Departments and cash balances with banks and agents both local and overseas and also cash held on behalf of Special Funds. The total cash and cash equivalents are made up as follows:

	30 June 2019	30 June 2018
	Rs	Rs
Cash and Bank balances	4,310,228,261	13,469,154,460
Remittances	1,318,305,486	1,082,675,495
Total	5,628,533,747	14,551,829,955
Comprising of:		
Local currency balances	4,919,797,103	8,350,363,277
Foreign currency balances - at local banks	673,931,624	6,164,851,554
Foreign currency balances - at external banks	34,805,020	36,615,124

Cash and cash equivalents include an amount of Rs 892,500,000 being balance of proceeds from the issue of securities for the mopping up of excess liquidity held at the Bank of Mauritius and an amount of Rs 1,905,440,149 for Special Funds.

4. LOANS AND ADVANCES

	30 June 2019	30 June 2018
	Rs	Rs
Loans	10,616,258,906	9,973,742,520
Advances	6,025,573,540	3,573,477,615
Total	16,641,832,446	13,547,220,135

(i) Loans

This represents the outstanding balance of loans made by Government to Statutory and Other Bodies, details of which are given in Statement M.

	30 June 2019	30 June 2018
	Rs	Rs
- Within one year	1,985,146,164	1,675,277,530
- After one year	8,631,112,742	8,298,464,990
Total	10,616,258,906	9,973,742,520

NOTES TO THE ACCOUNTS

(ii) 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.

	30 June 2019	30 June 2018
	Rs	Rs
Government Officers (include Motor Cars & Motor Cycles Advances)	2,242,027,973	2,285,610,376
Parastatals/Local Government/Corporate Bodies	3,683,448,061	1,223,919,306
Ministries/Departments	100,097,506	63,947,933
Total	6,025,573,540	3,573,477,615
- Within one year	3,568,888,597	1,087,974,557
- After one year	2,456,684,943	2,485,503,058
Total	6,025,573,540	3,573,477,615

5. INVESTMENTS

These represents investments made out of monies standing to the credit of the Consolidated Fund and Special Funds in accordance with Section 3(4)(a) and 9(3)(a) of the Finance and Audit Act. Details of investments are shown below:

	30 June 2019	30 June 2018
	Rs	Rs
Quoted Shares	140,251,221	140,251,221
Unquoted Shares	24,389,350,622	17,740,839,122
Equity Participation	5,258,453,317	4,907,402,111
Other Investments	919,095,000	622,359,273
Total	30,707,150,160	23,410,851,727

Other Investments includes an amount of Rs 320,000,000 which pertains to Special Funds. Additional details in respect of investments are provided in the Statement F - Statement of Investments.

6. INVENTORIES

Inventories are measured at cost on a First In First Out Basis (FIFO).

	30 June 2019	30 June 2018
	Rs	Restated Rs
Inventories	1,531,094,628	1,305,292,728

NOTES TO THE ACCOUNTS

7. PROPERTY, PLANT AND EQUIPMENT

(a) Property, Plant and Equipment include the following:

(i) Infrastructure, Plant and Equipment, consisting of

- Infrastructure Assets;
- Transport Equipment; and
- Other Machinery & Equipment.

(ii) Land and Buildings

Property, Plant and Equipment (which excludes Furniture, Fixtures and Fittings) is stated at cost less accumulated depreciation except for land which is recognised at a value estimated by the Government Valuation Department.

(b) Furniture, Fixtures and Fittings

Furniture, Fixtures and Fittings are currently being expensed.

(c) Borrowing Costs

Borrowing Costs are presently not capitalised.

(d) 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.

NOTES TO THE ACCOUNTS

	Infrastructure, Plant and Equipment			Land and Buildings		Total
	Infrastructure Assets	Transport Equipment	Other Machinery & Equipment	Land	Buildings	
	Rs	Rs	Rs	Rs	Rs	
At 30 June 2017	32,322,227,954	8,837,282,135	6,773,909,838	305,768,826,115	26,664,567,407	380,366,813,449
Additions	2,967,027,870	543,379,043	1,215,663,145	915,265,539	1,149,093,338	6,790,428,935
At 30 June 2018	35,289,255,824	9,380,661,178	7,989,572,983	306,684,091,654	27,813,660,745	387,157,242,384
Additions	3,233,223,523	581,893,226	1,131,973,436	895,325,198	1,970,860,887	7,813,276,270
At 30 June 2019	38,522,479,347	9,962,554,404	9,121,546,419	307,579,416,852	29,784,521,632	394,970,518,654
DEPRECIATION						
At 30 June 2017	7,689,417,678	3,068,941,723	3,597,767,660	-	5,767,024,880	20,123,151,941
Charge for the year	805,496,029	588,642,731	839,396,548	-	556,273,215	2,789,808,523
At 30 June 2018	8,494,913,707	3,657,584,454	4,437,164,208	-	6,323,298,095	22,912,960,464
Charge for the year	866,436,982	601,754,659	924,428,456	-	595,690,433	2,988,310,530
At 30 June 2019	9,361,350,689	4,259,339,113	5,361,592,664	-	6,918,988,528	25,901,270,994
NET BOOK VALUE						
At 30 June 2018	26,794,342,117	5,723,076,724	3,552,408,775	306,684,091,654	21,490,362,650	364,244,281,920
At 30 June 2019	29,161,128,658	5,703,215,291	3,759,953,755	307,579,416,852	22,865,533,104	369,069,247,660

(e) Infrastructure, Plant and Equipment

Infrastructure, Plant and Equipment represent the cost of the following:

(i) Infrastructure Assets -

- Roads - classified roads/motorways constructed as from 01 July 1990;
- Dams & Bridges constructed as from 01 July 1990;
- Stadiums & Gymnasiums constructed as from 01 July 1990; and
- Other Structures constructed as from 01 July 1990.

Infrastructure assets do not include assets acquired by the Government on behalf of other public sector bodies.

NOTES TO THE ACCOUNTS

(ii) Transport Equipment -

- Ships/Vessels acquired as from 01 July 1992;
- Aircrafts/Helicopters acquired as from 01 July 1997; and
- Other Vehicles acquired as from 01 July 2007.

(iii) Other Machinery & Equipment -

- Medical Equipment acquired as from 01 July 2007;
- Office Equipment acquired as from 01 July 2007; and
- Machinery acquired as from 01 July 2007.

Equipment acquired as from 01 July 2018 under recurrent expenditure items have been capitalised.

(f) Land and Buildings

Land and Buildings represent:

(i) the estimated value of State Lands under the categories listed below:

Description	Total Estimated Value	
	30 June 2019	30 June 2018
	Rs	Rs
Agricultural Land – Sugarcane	7,871,151,641	7,871,151,641
Agricultural Land – Crop Production	4,620,360,344	4,620,360,344
Agricultural Land – Tea	799,432,000	799,432,000
Agricultural Land – Animal Production	657,307,570	657,307,570
Agricultural Land –Others	4,957,081,626	4,957,081,626
National Parks	51,956,566,256	51,956,566,256
Parks and Gardens	14,718,933,632	14,718,933,632
Guardinages	1,199,213,764	1,199,213,764
Residential	31,319,321,083	31,319,321,083
Commercial	513,318,014	513,318,014
Agricultural	4,021,225,230	4,021,225,230
Industrial	85,005,356,938	85,005,356,938
Campement Sites	49,148,298,749	49,148,298,749
Land Acquisition	2,193,560,729	1,298,235,531
Grazing	352,788,529	352,788,529
Public Beach	14,069,698,854	14,069,698,854
Islets	5,273,037,555	5,273,037,555
Other State Lands	28,902,764,338	28,902,764,338
Total	307,579,416,852	306,684,091,654

(ii) Residential and non-residential buildings, whether purchased, constructed or upgraded as from 01 July 1969.

NOTES TO THE ACCOUNTS

8. INTANGIBLE ASSETS

Intangible Assets include licenses, computer software and IT projects acquired, developed or under development as from 01 July 2009. Intangible Assets acquired separately are initially recognised at cost. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation. Intangible Assets acquired as from 01 July 2018 under recurrent expenditure items have been capitalised.

Intangible Assets are amortised over a period of 8 years. Full year amortisation is charged in the year of acquisition.

	Intangible Assets
	Rs
COST	
At 30 June 2017	2,487,435,508
Additions	214,136,647
At 30 June 2018	2,701,572,155
Additions	160,110,550
At 30 June 2019	2,861,682,705
AMORTISATION	
At 30 June 2017	1,532,508,538
Charge for the year	246,241,936
At 30 June 2018	1,778,750,474
Charge for the year	256,701,319
At 30 June 2019	2,035,451,793
NET BOOK VALUE	
At 30 June 2018	922,821,681
At 30 June 2019	826,230,912

NOTES TO THE ACCOUNTS

9. TRANSACTIONS WITH INTERNATIONAL FINANCIAL ORGANISATIONS

(i) International Monetary Fund (IMF)

a) SDR Allocations and SDR Deposits

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

The rupee equivalent of the deposit of SDR 70,911,549 by the IMF to the Republic of Mauritius, i.e. Rs 3,488,408,559 is being shown as an asset "IMF SDR Deposit".

The rupee equivalent of the total allocation of SDR 96,805,549 made to the Republic of Mauritius, i.e. Rs 4,762,232,816 as at 30 June 2019 is shown as liability and is also included in the Statement J - Statement of Public Sector Debt.

b) 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. As at 30 June 2019, the Reserve Tranche Position of the Republic of Mauritius with IMF stood at SDR 21,737,759, whilst the Quota amounted to SDR 142,200,000.

The rupee equivalent of the Reserve Tranche Position, i.e. Rs 1,069,362,969 is being shown as an asset in the Statement of Financial Position.

The movement in the Reserve Tranche is as follows:

	30 June 2019	30 June 2018
	Rs	Rs
Balance as at 1 July	1,031,052,667	1,205,639,372
Exchange Differences	13,535,654	9,822,735
Consolidated Fund adjustment	24,774,648	(184,409,440)
Balance as at 30 June	<u>1,069,362,969</u>	<u>1,031,052,667</u>

c) 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 2019 stood at Rs 5,812,640,000.

NOTES TO THE ACCOUNTS

(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 2019 stood at Rs 9,196,738.

10. OTHER ASSETS

Other Assets represent prepayments which are amounts paid for by the Government as at financial year end in advance of goods or services being received.

	30 June 2019	30 June 2018
	Rs	Rs
Prepayments	56,648,404	58,892,899

11. DEPOSITS

Deposits comprise of:

	30 June 2019	30 June 2018
	Rs	Rs
Grants and Donations	35,274,411	32,234,322
Other Deposits	2,175,571,275	2,899,984,940
Total	2,210,845,686	2,932,219,262
- Within one year	1,370,806,896	2,044,414,609
- After one year	840,038,790	887,804,653
Total	2,210,845,686	2,932,219,262

Premium on borrowings which were previously classified under Deposits and Deferred Income has been reclassified under Government Debt.

12. GOVERNMENT DEBT

a) Government Debt consists of:

- (i) Outstanding balances of Government of Mauritius (GOM) Treasury Bills, GOM Treasury Notes and Treasury Certificates issued by the Government for the financing of Government's borrowing requirement and which are recorded at cost;
- (ii) Outstanding balances of GOM Securities issued by the Government for mopping up of excess liquidity and which are recorded at cost;
- (iii) Outstanding balances of GOM Bonds and other long-term Securities issued by the Government and which are recorded at cost; and
- (iv) Outstanding balances of loans from foreign sources.

NOTES TO THE ACCOUNTS

b) Details of the total debt of the Government are provided in Statement J - Statement of Public Sector Debt.

Details are given below:

	30 June 2019		30 June 2018	
	Nominal Value Rs	Cost Rs	Nominal Value Rs	Cost Rs
<u>SHORT-TERM GOM SECURITIES</u>				
<u>GOM Treasury Bills issued for Government's borrowing requirement</u>				
Balance at 1 July	25,870,000,000	25,293,341,200	25,831,200,000	25,280,910,619
Issued	40,750,000,000	39,724,574,200	37,870,000,000	37,201,770,950
Redeemed	(36,920,000,000)	(36,183,697,300)	(37,831,200,000)	(37,189,340,369)
Balance at 30 June	29,700,000,000	28,834,218,100	25,870,000,000	25,293,341,200
<u>GOM Treasury Bills issued for liquidity management</u>				
Balance at 1 July	-	-	12,931,200,000	12,734,776,419
Redeemed	-	-	(12,931,200,000)	(12,734,776,419)
Balance at 30 June	-	-	-	-
<u>GOM Treasury Certificates issued for Government's borrowing requirement</u>				
Balance at 1 July	-	-	-	-
Issued	1,900,100,000	1,900,100,000	-	-
Redeemed	-	-	-	-
Balance at 30 June	1,900,100,000	1,900,100,000	-	-
Total Short-Term GOM Securities	31,600,100,000	30,734,318,100	25,870,000,000	25,293,341,200
<u>MEDIUM-TERM GOM SECURITIES</u>				
<u>GOM Treasury Notes issued for Government's borrowing requirement</u>				
Balance at 1 July	54,531,000,000	54,147,775,554	52,151,000,000	51,734,634,283
Issued	21,025,000,000	20,977,889,000	20,200,000,000	20,080,604,000
Redeemed	(19,441,000,000)	(19,316,048,965)	(17,820,000,000)	(17,667,462,729)
Balance at 30 June	56,115,000,000	55,809,615,589	54,531,000,000	54,147,775,554

NOTES TO THE ACCOUNTS

	30 June 2019		30 June 2018	
	Nominal Value	Cost	Nominal Value	Cost
	Rs	Rs	Rs	Rs
<u>Three-year GOM Savings Notes issued for mopping up of excess liquidity</u>				
Balance at 1 July	-	-	603,350,000	603,350,000
Redeemed	-	-	(603,350,000)	(603,350,000)
Balance at 30 June	-	-	-	-
Total Medium-Term GOM Securities	56,115,000,000	55,809,615,589	54,531,000,000	54,147,775,554
<u>LONG-TERM GOM SECURITIES</u>				
<u>GOM Bonds</u>				
Balance at 1 July	142,064,500,000	139,063,690,738	124,054,500,000	121,378,355,938
Issued	27,800,000,000	27,676,904,000	25,200,000,000	24,870,509,750
Redeemed	(10,120,000,000)	(9,903,044,870)	(7,190,000,000)	(7,185,174,950)
Balance at 30 June	159,744,500,000	156,837,549,868	142,064,500,000	139,063,690,738
<u>Mauritius Development Loan Stocks (MDLS)</u>				
Balance at 1 July	2,708,600,000	2,468,160,328	3,077,100,000	2,791,817,142
Redeemed	(1,610,100,000)	(1,453,430,364)	(368,500,000)	(323,656,814)
Balance at 30 June	1,098,500,000	1,014,729,964	2,708,600,000	2,468,160,328
<u>Five-year GOM Savings Bonds issued for mopping up of excess liquidity</u>				
Balance at 1 July	893,900,000	893,900,000	900,350,000	900,350,000
Redeemed	(1,400,000)	(1,400,000)	(6,450,000)	(6,450,000)
Balance at 30 June	892,500,000	892,500,000	893,900,000	893,900,000
Total Long-Term GOM Securities	161,735,500,000	158,744,779,832	145,667,000,000	142,425,751,066
Total GOM Securities – carried forward	249,450,600,000	245,288,713,521	226,068,000,000	221,866,867,820

NOTES TO THE ACCOUNTS

	30 June 2019	30 June 2018
	Cost	Cost
	Rs	Rs
Total GOM Securities - brought forward	245,288,713,521	221,866,867,820
External Loans		
Balance at 1 July	39,552,350,073	41,244,572,615
Receipt	91,934,390	805,517,829
Repayment	(4,067,200,182)	(3,028,853,809)
Loan written-off	(399,903,912)	-
Exchange difference	144,259,752	531,113,438
Balance at 30 June	35,321,440,121	39,552,350,073
Total Government Debt (excluding premium)	280,610,153,642	261,419,217,893
Premium		
Government Bonds	139,184,250	86,934,664
Treasury Notes	24,625,190	8,198,910
Total Premium	163,809,440	95,133,574
Total Government Debt (including premium)	280,773,963,082	261,514,351,467

	30 June 2019		30 June 2018	
	Current (< 1 yr)	Non-Current (> 1 yr)	Current (< 1 yr)	Non-Current (> 1 yr)
	Cost	Cost	Cost	Cost
	Rs	Rs	Rs	Rs
GOM Treasury Bills issued for Government's borrowing requirement	28,834,218,100	-	25,293,341,200	-
GOM Treasury Certificates issued for Government's borrowing requirement	1,900,100,000	-	-	-
GOM Treasury Notes issued for Government's borrowing requirement	14,751,122,589	41,058,493,000	19,316,048,965	34,831,726,589
GOM Bonds	11,304,229,151	145,533,320,717	9,903,044,870	129,160,645,868
Mauritius Development Loan Stocks (MDLS)	1,014,729,964	-	1,453,430,364	1,014,729,964
Five-year GOM Savings Bonds issued for mopping up of excess liquidity	892,500,000	-	-	893,900,000
External Loans	4,268,618,024	31,052,822,097	4,374,391,012	35,177,959,061
Total Government Debt (excluding premium)	62,965,517,828	217,644,635,814	60,340,256,411	201,078,961,482

NOTES TO THE ACCOUNTS

13. PAYABLES

Payables represent 'Cost of Borrowings', 'Accounts Payable', 'Retention Money on Contracts' and 'Carry-over of Capital Expenditure'. Details of payables are as follows:

	30 June 2019	30 June 2018
	Rs	Restated Rs
Cost of Borrowings	5,276,760,445	4,959,950,638
Accounts Payable	1,134,789,398	992,742,998
Retention Money on Contracts	336,739,634	319,573,311
Carry-over of Capital Expenditure	484,051,943	212,209,252
Total	7,232,341,420	6,484,476,199

Details of Cost of Borrowings are as follows:

(a) Cost of Borrowings	30 June 2019	30 June 2018
	Rs	Rs
(i) Interest Payable		
Government Bonds & Mauritius Development Loan Stocks (MDLS)	3,812,273,066	3,827,679,857
External Debt – Loans	208,206,167	186,521,490
Treasury Notes	741,688,806	662,411,929
Treasury Bills	457,494,247	232,400,093
Five-year Government of Mauritius Savings Bonds	22,234,159	21,593,269
Total Interest Payable	5,241,896,445	4,930,606,638
(ii) Accrued Interest on Re-opening		
Government Bonds	20,604,000	-
Treasury Notes	14,260,000	29,344,000
Total Accrued Interest on Re-opening	34,864,000	29,344,000
Total Cost of Borrowings	5,276,760,445	4,959,950,638

(b) Accounts Payable

These are expenses incurred by the Government during the financial year but not yet paid as at year end.

(c) Retention Money on Contracts

Retention money is a percentage of the amount certified as due to the contractor on an interim certificate, that is deducted from the amount due and retained by the Government.

NOTES TO THE ACCOUNTS**(d) Carry-Over of Capital Expenditure**

In terms of section 3A of the Finance and Audit Act, carry-over of capital expenditure represents the balance of the provision earmarked for capital projects in financial year 2018/2019 payable within 3 months of the close of the financial year. A consolidated list of carry-overs is included at Annex to the Statement D1.

The amount recognised in the Statement of Financial Position represents that portion of the total provision carried-over and paid in the financial year ended 30 June 2020 in respect of which goods were received or works completed by 30 June 2019.

14. 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) Reserve (Assets);
- c) Accumulated Deficit; and
- d) Special Funds.

The value of Net Assets/Equity of the Government as at 30 June 2019 amounted to Rs. 134,039,126,481. The movement in the Net Assets/ Equity is provided in Statement AC – Statement of Changes in Net Assets or Equity.

(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.

As from this year, the Consolidated Fund balance has been amended and presented as per its statutory definition which is on a cash basis. Hence, accumulated deficits and adjustments relating to accrual accounting have been classified under Accumulated Deficit and the value of non-acquired State Lands has been classified as Reserve (Assets).

(b) Reserve (Assets)

This represents the value of non-purchased State Lands.

(c) Accumulated Deficit

This represents the accumulated deficit, to date, of the Budgetary Central Government of Mauritius after making necessary adjustments for accrual accounting which is provided in Statement AC – Statement of Changes in Net Assets or Equity.

NOTES TO THE ACCOUNTS

(d) Special Funds

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

15. COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The original estimates were passed by the National Assembly on 29 June 2018. The approved budget is in respect of revenue estimates and Government expenditure, both recurrent and capital, appropriated by votes for the financial year 2018 - 2019. The original estimates of expenditure amounted to Rs 159,488M.

During the year under review, funds were transferred or re-allocated in accordance with the Virement Rules, and are shown as 'Total Provisions' in the Statements of Comparison of Budget Estimates and Actual Amounts - Statement AE and Statement AF.

16. PRIOR YEAR ADJUSTMENTS

Following the revision brought to the Consolidated Fund as mentioned at note 14(a) above, the prior year figures have accordingly been split to:

- (i) Consolidated Fund (Cash basis);
- (ii) Reserve (Assets); and
- (iii) Accumulated Deficit.

Prior year adjustments have also been made to Inventories and Payables. The details are provided in Statement AC – Statement of Changes in Net Assets or Equity.

Statement of Financial Position (extract)

	30 June 2018	(Decrease)/Increase	30 June 2018
	Rs	Rs	Restated Rs
ASSETS			
Inventories	1,392,108,933	(86,816,205)	1,305,292,728
	1,392,108,933	(86,816,205)	1,305,292,728
LIABILITIES			
Payables	6,522,402,640	(37,926,441)	6,484,476,199
	6,522,402,640	(37,926,441)	6,484,476,199

NOTES TO THE ACCOUNTS

Statement of Financial Position (extract)

	30 June 2018	(Decrease)/Increase	30 June 2018
	Rs	Rs	Restated Rs
NET ASSETS/EQUITY			
Consolidated Fund	142,587,933,741	(114,815,592,884)	27,772,340,857
Reserve (Assets)	-	299,025,312,236	299,025,312,236
Accumulated Deficit	-	(184,258,609,116)	(184,258,609,116)
	142,587,933,741	(48,889,764)	142,539,043,977

Statement of Financial Performance (Classification of Expenses by Function) (extract)

	30 June 2018	(Decrease)/Increase	30 June 2018
	Rs	Rs	Restated Rs
General Public Services	20,463,432,424	8,477,451	20,471,909,875
Public Order and Safety	9,685,856,048	207,611,603	9,893,467,651
Economic Affairs	7,799,995,143	(58,518,333)	7,741,476,810
Environmental Protection	1,089,306,807	51,553	1,089,358,360
Housing and Community Amenities	1,877,334,716	16,972,450	1,894,307,166
Health	10,668,866,684	55,496,576	10,724,363,260
Recreational, Cultural and Religion	977,478,040	8,803,162	986,281,202
Education	15,395,987,316	22,727,938	15,418,715,254
Social Protection	32,541,161,723	(2,274,402)	32,538,887,321
Depreciation and Amortisation	3,036,050,460	-	3,036,050,460
Finance Costs	11,382,771,852	-	11,382,771,852

NOTES TO THE ACCOUNTS

Statement of Financial Performance (Classification of Expenses by Nature) (extract)

	30 June 2018	(Decrease)/Increase	30 June 2018
	Rs	Rs	Restated Rs
Compensation of Employees	28,369,363,554	-	28,369,363,554
Retirement Benefits	7,703,051,699	-	7,703,051,699
Subsidies	-	1,673,882,223	1,673,882,223
Grants	31,826,468,406	(5,108,116,476)	26,718,351,930
Social Benefits	22,209,216,182	-	22,209,216,182
Supplies and Consumables Used	9,548,095,432	297,274,439	9,845,369,871
Depreciation and Amortisation	3,036,050,460	-	3,036,050,460
Other Expenses	843,223,628	3,396,307,812	4,239,531,440
Finance Costs	11,382,771,852	-	11,382,771,852

NOTES TO THE ACCOUNTS

17. RECONCILIATION: DEFICIT WITH BUDGETARY RESULT

	30 June 2019	30 June 2018
	Rs	Rs
Deficit as presented in the Statement of Financial Performance (Statements AA & AB)	(11,221,315,227)	(9,803,714,559)
(a) Budget Basis Adjustments		
Revenue:		
Equity Sales	577,200	480,967,902
IMF SDR Sales	75,352	193,409,440
Reimbursements of Loans	97,828,563	2,521,952,975
Proceeds from Government Debt (N1)	27,768,838,390	25,676,027,579
	<u>27,867,319,505</u>	<u>28,872,357,896</u>
Expenses:		
Acquisition of Non-Financial Assets	(7,670,495,950)	(7,310,440,456)
Shares and Other Equity Purchases	(6,835,396,670)	(4,519,255,471)
IMF SDR Transactions	(24,850,000)	(9,000,000)
Loans	(796,691,277)	(1,496,612,493)
Capital Repayments of Government Debt (N1)	(15,423,675,417)	(10,537,685,573)
Non-Financial Assets under Recurrent Expenditure capitalised	(71,488,812)	-
	<u>(30,822,598,126)</u>	<u>(23,872,993,993)</u>
(b) Accounting Basis Adjustments		
Prepayments	(1,057,235)	17,299,451
Accruals	89,917,883	(232,985,661)
Inventories	(225,801,900)	297,274,439
Depreciation and Amortisation	3,245,011,848	3,036,050,460
Gain on Disposal of Investments	(548,342)	(82,059,351)
Loss on Foreign Exchange Transactions	47,092,445	532,814,496
	<u>3,154,614,699</u>	<u>3,568,393,834</u>
Deficit as presented in the Statement of Comparison of Budget Estimates and Actual Amounts (Statements AE & AF)	(11,021,979,149)	(1,235,956,822)

Note:

N1 In respect of Government Bonds and External Debt.

NOTES TO THE ACCOUNTS

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

	30 June 2019	30 June 2018
	Rs	Rs
Deficit as presented in the Statement of Financial Performance (Statements AA & AB)	(11,221,315,227)	(9,803,714,559)
(a) (Gains)/Losses Adjustments		
Gains on Disposal of Investments	(548,342)	(82,059,351)
Losses on Foreign Exchange Transactions	47,092,445	532,814,496
	<u>46,544,103</u>	<u>450,755,145</u>
(b) Non-Cash Adjustments		
Depreciation and Amortisation	3,245,011,848	3,036,050,460
Interest Accrued	385,485,671	306,889,616
Written Off of Advances/Placement	6,000	26,033,805
Grant (Donation in Kind)	-	(127,257,202)
	<u>3,630,503,519</u>	<u>3,241,716,679</u>
(c) Working Capital Movement		
(Decrease)/Increase in Deposits	(721,373,576)	911,212,463
(Increase) in Advances	(644,995,765)	(48,964,590)
Decrease in Special Funds	(2,119,279,303)	(3,395,190,058)
(Increase)/Decrease in Prepayments	(1,057,235)	17,299,451
Increase/(Decrease) in Accruals	377,142,821	(116,950,308)
(Increase)/Decrease in Inventories	(225,801,900)	297,274,439
	<u>(3,335,364,958)</u>	<u>(2,335,318,603)</u>
(d) Classification Adjustments		
Income from Quasi Corporations	(1,138,125,594)	(1,039,236,127)
Dividend Received	(185,865,844)	(780,029,489)
	<u>(1,323,991,438)</u>	<u>(1,819,265,616)</u>
Net Cash flows from Operating Activities	<u>(12,203,624,001)</u>	<u>(10,265,826,954)</u>

NOTES TO THE ACCOUNTS

19. RECONCILIATION: BUDGETARY RESULT WITH NET CASH FLOW

	Operating Activities Rs	Investing Activities Rs	Financing Activities Rs	Total Rs
Actual Amounts as presented in the Statement of Comparison of Budget Estimates and Actual Amounts (Statement AF)	(7,914,905,143)	(15,452,236,979)	12,345,162,973	(11,021,979,149)
(a) Basis Differences				
Carry Over 2019 (expense accounted in 2019 but will be paid in 2020)	309,993,112	290,004,781	-	599,997,893
Carry Over 2018 paid in 2019	(83,883,018)	(403,077,671)	-	(486,960,689)
Interest Accrued	385,485,671	-	-	385,485,671
Write-off of Advances	6,000	-	-	6,000
Non-Financial Assets not capitalised	(115,382,504)	115,382,504	-	-
Non-Financial Assets under Recurrent Expenditure capitalised	71,488,812	(71,488,812)	-	-
Dividend Received	(185,865,844)	185,865,844	-	-
Income from Quasi Corporations	(1,138,125,594)	1,138,125,594	-	-
Subscriptions to International Organisations	(46,786,849)	46,786,849	-	-
Below the line:				
Short and Medium Term Debt	-	-	7,101,416,937	7,101,416,937
(Increase) in Advances	(644,995,765)	(1,807,106,160)	-	(2,452,101,925)
(Decrease) in Deposits	(721,373,576)	-	-	(721,373,576)
Maturity/Placement of Investments	-	(296,735,727)	-	(296,735,727)
(b) Presentation Differences	-	-	-	-
(c) Timing Differences	-	-	-	-
(d) Entity Differences	(2,119,279,303)	-	-	(2,119,279,303)
Actual Amount as presented in the Statement of Cash Flow (Statement AD)	(12,203,624,001)	(16,254,479,777)	19,446,579,910	(9,011,523,868)

NOTES TO THE ACCOUNTS**20. FINANCIAL RISK MANAGEMENT**

The Government's 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. The main risks as well as the risk management policies are set out below:

a) Interest Rate Risk

Government is exposed to interest rate risk as the rate of interest might change and result in additional costs. In relation to domestic debt, almost all the Government securities have been issued at a fixed rate of interest.

With regard to Government external debt, the share of loans having variable interest rate represent some 63% of the total external debt. To mitigate this risk, the strategy in place is to have a balanced mix of fixed and variable interest rate loans over the medium term. Accordingly, new loans are being contracted at fixed interest rate.

b) Foreign Exchange Risk

Exposures to exchange rate risks arise as transactions denominated in foreign currencies are undertaken by Government. The strategy has been to minimise exchange rate exposures by having greater recourse to domestic financing and to align the currency composition of public sector external debt to that of exports of goods and services. Accordingly, the share of external debt in Government debt portfolio has been gradually reduced over the years and it stood at some 14% at 30 June 2019. 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.

c) Liquidity Risk

Liquidity risk refers to the risk that the 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.

d) 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 the 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 was around 4.7 years at end of June 2019 and it is further envisaged to increase it to 5 years within the next 3 years.

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 loans are repayable on a semi-annual or annual basis. Therefore, the refinancing risk for external loans is quite low.