

18. INVENTORIES

ACCOUNTING POLICIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in and first-out realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials - purchase cost on a weighted average cost basis.

Finished goods and work-in-progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

	THE GROUP	
	2022 MUR' 000	2021 MUR' 000
Raw materials	1,945,703	1,248,386
Work in progress	1,050,508	651,087
Finished goods	1,234,379	1,121,157
Other stock	16,077	31,941
Food and beverages	55,692	38,007
Operating supplies	201,328	168,381
Spare parts	235,921	83,457
Fabric and linen	7,878	15,359
Goods in transit	412,950	435,840
Less :		
Provision for impairment of inventories*	(14,861)	(30,999)
Write offs	(14,900)	(17,763)
	5,130,675	3,744,853

The cost of inventories recognised as an expense is **MUR 9.7Bn** (2021: MUR 6.4Bn).

Some of the inventories have been pledged as security for the borrowings of the Group.

Impairment of inventories

	Cash generating unit / Company MUR '000	Reportable segment	Statements of Profit or loss	
			2022 MUR '000	2021 MUR '000
Impairment and write offs charged				
- Textile segment: stocks	Textile	Mauritius	12,148	16,800
- Hotel segment: Inventories	Retail operations	Mauritius	-	4,705
- Healthcare segment: consumables	Healthcare	Mauritius	17,613	27,257
			29,761	48,762

* Above impairment charges exclude the income tax impact