

NOTES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

10. LONG-TERM RECEIVABLES AT AMORTISED COST (continued)

The table below shows the credit quality and the maximum exposure to credit risk as per the Group's policy and year-end classification. The amounts are gross of loss allowances.

An analysis of changes in the gross amount and the corresponding ECL allowances in relation to long-term receivable is as follows:

THE COMPANY		
	2022 MUR '000	2021 MUR '000
Gross carrying amount as at 1 July	196 136	263 901
Additions	14 332	96 321
Repayments	(119 484)	(173 519)
Exchange differences	(4 807)	9 433
At 30 JUNE	86 177	196 136

Credit impaired		
	2022 MUR '000	2021 MUR '000
Stage 3		
ECL allowance as at 1 July	165 806	152 374
(Decrease)/increase in exposure	(79 629)	13 432
At 30 JUNE	86 177	165 806

ECL on long-term receivables has been classified in administrative expenses.

11. INVENTORIES

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Raw and packaging materials	590 380	447 235	521 225	404 028
Spare parts and consumables	180 527	154 916	147 426	125 053
Finished goods	612 211	502 370	444 951	389 850
Work in progress	46 509	38 102	46 509	38 102
Goods in transit	91 664	66 220	59 310	20 726
	1 521 291	1 208 843	1 219 421	977 759

The cost of inventory recognised as an expense includes an impairment of MUR 31.9m (2021: a net reversal of impairment of MUR 1.7m) for the Group and an impairment of MUR 27.7m (2021: a net reversal of impairment of MUR 5.3m) for the Company in respect of write-downs of inventory to net realisable value. The reversal in prior year is due to an increase in net realisable value following change in economic circumstances.

The inventories have been pledged as security for borrowings and are valued on a weighted average cost basis.

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Trade receivables (net of provisions)	516 964	442 418	296 576	205 727
Other receivables*	92 896	66 232	7 067	19 393
Prepayments	23 467	31 227	23 467	29 512
Receivables from group companies (net of provisions):				
- Enterprises in which ultimate holding company has significant interest	73 158	69 609	73 158	69 609
- Subsidiary companies	–	–	8 597	7 356
	706 485	609 486	408 865	331 597

Before accepting any new credit customer, the Group assesses the potential customer's credit worthiness and defines credit limits for the customer. Limits and scoring attributed to customers are reviewed twice a year. Out of the trade receivables balance at end of the year, MUR 65.6m (2021: MUR 69.5m) is due from the Group's largest customer. There are no other customers who represent more than 11% (2021: 14%) of the total balance of trade receivables of the Group.

The credit period is 30 days end of month for the Group and the Company.

* Other receivables comprise of advances made to suppliers, staff loans and other sundry debtors.

(a) The carrying amounts of trade receivables and receivables from group companies are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022 MUR '000	2021 MUR '000	2022 MUR '000	2021 MUR '000
Mauritian Rupee	377 552	269 123	378 331	278 983
US Dollar	13 702	4 741	–	–
Euro	198 868	238 163	–	3 709
	590 122	512 027	378 331	282 692

(b) Expected credit loss for trade receivables and amount due from related parties

The Group applies the IFRS 9 simplified approach to measure expected credit losses. It is determined by the Group and the Company using provision matrix which makes use of the roll rate model. It refers to the percentage of customers who become increasingly bad on their accounts.

In order to assess the expected credit losses, the trade receivables have been grouped based on their credit risk characteristics and the days past due. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of loss allowance.

Set out below is the information about the credit risk exposure on the Group's and the Company's trade receivables and amount due from related parties.