

Notes to the Group annual financial statements continued

15 INVENTORIES

	2018 R'000	2017 R'000
Raw materials	422 294	316 194
Work-in-progress	31 556	22 891
Finished goods	1 112 099	817 864
Inventory value, net of provisions	1 565 949	1 156 949

Inventories written down and recognised as an expense in profit or loss:

Cost of sales	94 854	66 215
---------------	--------	--------

Inventories are written off if aged, damaged, stolen or the likelihood of being sold is remote. Inventories are written down to the lower of cost and net realisable value.

16 TRADE AND OTHER RECEIVABLES

Trade receivables	1 552 765	1 495 169
Less: Provision for credit notes	(38 316)	(40 047)
Provision for impairment	(40 143)	(28 370)
	1 474 306	1 426 752
Derivative asset at fair value ⁽¹⁾	21 838	8 957
Other receivables	61 970	59 280
Bank interest receivable	907	–
Sundry receivables	61 063	59 280
The maximum exposure to credit risk in relation to trade and other receivables	1 558 114	1 494 989
Pre-payments	75 405	55 292
VAT recoverable ⁽²⁾	7 776	17 521
	1 641 295	1 567 802

⁽¹⁾ It is expected that the derivative asset will be realised within the next 90 days.

⁽²⁾ VAT recoverable will be received within one month.

62% (2017: 59%) of pre-payments will be recycled to other assets in the statement of financial position and the balance to profit or loss over the next 12 months.