NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Group		Company	
	2013	2012	**2013**	2012
	Rm	Rm	**Rm**	Rm
20. INVENTORIES	**1,166**	993	**1,026**	879
Gross inventories	**1,473**	1,259	**1,330**	1,144
Write-down of inventories to net realisable value	**(307)**	(266)	**(304)**	(265)
Inventories consist of the following categories:	**1,166**	993	**1,027**	879
Installation material, maintenance material and network equipment	**739**	685	**739**	713
Merchandise	**427**	308	**288**	166
Write-down of inventories to net realisable value	**307**	266	**304**	265
Opening balance	**266**	271	**265**	271
Charged to selling, general and administrative expenses	**133**	209	**131**	208
Inventories written-off	**(92)**	(214)	**(92)**	(214)

Increase in gross inventory is mainly due to the increase in stock holding for Installation and Maintenance, Merchandise, Minor material, CPE work in progress and Non-Warehouse stock provision. This is offset by a decrease in repair stock holding and Merchandise stock provision.

The write-down of inventory is mainly due to the provision for technology obsolescence and slow-moving stock.

	Group		Company	
	2013	2012	**2013**	2012
	Rm	Rm	**Rm**	Rm
21. TRADE AND OTHER RECEIVABLES	**5,804**	5,696	**5,059**	4,951
Trade receivables	**4,537**	4,644	**3,853**	3,966
Gross trade receivables	**5,085**	5,227	**4,261**	4,439
Impairment of receivables	**(548)**	(583)	**(408)**	(473)
Prepayments and other receivables	**1,267**	1,052	**1,206**	985
Impairment of allowance account for receivables	**548**	583	**408**	473
Opening balance	**583**	496	**473**	355
Charged to selling, general and administrative expenses	**582**	690	**496**	642
Transfer to disposal group held for sale	**–**	(16)	**–**	–
Receivables written-off	**(617)**	(587)	**(561)**	(524)

The repayment terms of trade receivables vary between 21 days and 30 days from date of invoice. Interest charged varies between prime + 1% and 18%, depending on the contract.

Refer to note 15.2 for detailed credit risk analysis.