



Synergy House Berhad Group of Companies - Inventory Costing Policy



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	Inventory Costing Policy				

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1. INTRODUCTION, SCOPE AND PURPOSE

The purpose of this policy is to establish guidelines and procedures for the accurate and consistent costing of inventory within Synergy House Berhad, ensuring compliance with applicable accounting standards and regulatory requirements.

This policy applies to all employees involved in the reconciliation, analysis, and valuation of inventory within the Finance Department.

The responsibility for issuing new management procedures, policies, amendments and maintaining the Inventory Costing Policy lies with the Heads of Finance Department.

2. INVENTORY VALUATION METHOD

Synergy House Berhad will use the following inventory valuation method, as deemed appropriate for the nature of the inventory and in compliance with accounting standards:


FIFO (First-In, First-Out): The cost of the earliest acquired inventory is assigned to sales first.

3. CONSISTENCY IN METHODOLOGY

To ensure consistency in financial reporting, Synergy House Berhad will maintain the same inventory costing method unless a change is necessary due to a significant change in business operations or as required by accounting standards. Any change in the inventory costing method will be documented and disclosed appropriately.

4. COST COMPONENTS

Inventory costs will include all direct costs associated with the acquisition, production, or conversion of inventory, including purchase price, shipping, handling, and other costs directly attributable to bringing the inventory to its current condition and location.

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5. PERIODIC REVIEW AND ADJUSTMENT

Inventory costs will be periodically reviewed and adjusted to reflect changes in market conditions, obsolescence, or impairment. Adjustments will be made in accordance with accounting principles and documented in financial records.

6. DOCUMENTATION AND RECORD KEEPING

Accurate and detailed records of inventory transactions, including costs, will be maintained. These records will be retained for the required statutory period and be subject to internal and external audits.

7. RESPONSIBILITIES

The Finance Department is responsible for overseeing the implementation of this policy, while all relevant departments and personnel are responsible for adhering to the procedures outlined herein.

Employees involved in inventory management will receive adequate guidance on the application of this policy, ensuring a clear understanding of the processes and compliance requirements.