

Notes to the Group annual financial statements continued

For the year ended 31 May 2013

	2013 R'000	2012 R'000
12. Trade and other receivables		
Trade receivables	1 427 759	1 367 827
Less: Provision for impairment	(7 639)	(12 025)
	1 420 120	1 355 802
Sundry debtors and prepayments	23 806	20 970
VAT	81 003	3 332
Receivables from related parties (refer to note 30)	14 436	7 546
	1 539 365	1 387 650

The carrying value of trade and other receivables approximates their fair value.

The Group's exposure to credit and currency risk relating to trade and other receivables is disclosed in note 3.

The ageing of trade receivables at the reporting date is as follows:

	Gross R'000	Impairment R'000	Net R'000
31 May 2013			
Fully performing	1 381 922	—	1 381 922
Past due by one to 30 days	27 992	543	27 449
Past due by 31 to 60 days	7 969	281	7 688
Past due by 61 to 90 days	5 551	749	4 802
Past due by more than 90 days	22 463	6 066	16 397
	1 445 897	7 639	1 438 258
31 May 2012			
Fully performing	1 306 219	585	1 305 634
Past due by one to 30 days	35 128	579	34 549
Past due by 31 to 60 days	3 782	395	3 387
Past due by 61 to 90 days	2 213	429	1 784
Past due by more than 90 days	32 193	10 037	22 156
	1 379 535	12 025	1 367 510

Receivables in respect of starter packs are included in fully performing debtors above.

Trade debtors are fair valued at a discount rate of 8% per annum (2012: 8% per annum) based on average debtors' days outstanding. The effect of discounting of the trade receivables balance of R3.702 million (2012: R4.162 million) is not taken into account in the above table.

The trade receivables that are neither past due nor impaired relate to a number of independent customers for whom there is no recent history of default.

Notes to the Group annual financial statements continued

For the year ended 31 May 2013

	2013 R'000	2012 R'000
12. Trade and other receivables (continued)		
Provision for impairment of receivables		
Balance at the beginning of the year	12 025	14 064
Allowances made during the year	3 796	3 318
Disposal of subsidiaries	(2 335)	—
Amounts utilised and reversal of unutilised amounts	(5 847)	(5 357)
At 31 May	7 639	12 025
Impairment of receivables is determined after assessing the nature of the customer, their geographic location and specific circumstances. The Group believes that the above provision for impairment of receivables sufficiently covers the risk of default. There is a cession of trade receivables of R1.352 billion (2012: R1.317 billion) in favour of Investec Bank Limited as security for facilities referred to in note 3.		
13. Cash and cash equivalents		
Cash at bank	941 216	1 974 793
Cash on hand	66	449
	941 282	1 975 242
Guarantees to the value of R0.66 billion (2012: R1.06 billion) are issued by Investec Bank Limited in favour of suppliers, on behalf of the Group.		