3. Financial instruments and financial risks continued

Maturity of financial liabilities

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows.

		Payable in:			
	Less than one month or on demand R'000	**More than one month but not exceeding one year R'000**	**More than one year but not exceeding two years R'000**	**More than two years but not exceeding five years R'000**	**More than five years R'000**
2016					
Non-interest-bearing borrowings	**16 087**	**—**	**—**	**—**	**—**
Trade and other payables*	**1 801 482**	**729 843**	**28 327**	**—**	**—**
Contingent consideration	**—**	**56 033**	**33 895**	**—**	**—**
Total	**1 817 569**	**785 876**	**62 222**	**—**	**—**
2015					
Non-interest-bearing borrowings	16 087	—	—	—	—
Trade and other payables*	1 947 194	890 651	22 781	10 133	—
Contingent consideration	—	13 593	66 869	63 000	—
Total	1 963 281	904 244	89 650	73 133	—

** Trade and other payables exclude non-financial instruments, being VAT and certain amounts included within accruals and sundry creditors.*

3.1 Financial assets

3.1.1 Loans receivable

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets.

	2016 R'000	2015 R'000
Interest-free loans	**53 189**	41 041
Interest-bearing loans receivable	**50 938**	33 261
	104 127	74 302
Less: Amounts included in current portion of loans receivable	**(98 217)**	(44 569)
	5 910	29 733

All loans receivable are unsecured and repayable within five years. Interest-bearing loans bear interest at a range of between prime and prime plus 4%.

The loans receivable are neither past due nor impaired with a low risk of default. Of this amount, R47 million (2015: R19 million) relates to loans receivable from related parties, of which R21 million (2015: R19 million) is interest free. Refer to note 8.

3. Financial instruments and financial risks continued

3.1 Financial assets continued

3.1.1 Loans receivable continued

The Group considers its maximum exposure in respect of loans receivable, without taking into account any collateral and financial guarantees, to be as follows:

	2016 R'000	2015 R'000
Group 1	**5 427**	—
Group 2	**98 340**	74 083
Group 3	**360**	219
	104 127	74 302

The rating groups for counterparties are categorised as follows:

Group 1 – New customers/related parties (less than six months).

Group 2 – Existing customers/related parties (more than six months) with no defaults in the past.

Group 3 – Existing customers/related parties (more than six months) with some defaults in the past.

All defaults were fully recovered or are in the process of being recovered.

3.1.2 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in the normal operating cycle of the business, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement.

Critical accounting estimates and assumptions

Management has assessed the probabilities on the contingent sale arrangement.

	2016 R'000	2015 R'000
Trade receivables	**2 474 675**	2 642 059
Less: Provision for impairment	**(13 850)**	(10 927)
	2 460 825	2 631 132
Sundry debtors	**40 570**	34 265
Contingent consideration receivable*	**15 860**	17 757
Prepayments	**72 382**	68 958
VAT	**92 833**	15 960
Receivables from related parties (refer to note 8)	**25 719**	9 178
	2 708 189	2 777 250
Less: Amounts included in current portion of trade and other receivables**	**(2 679 023)**	(2 712 165)
	29 166	65 085

** Ukash was disposed of in April 2015. The proceeds included a contingent receivable of R17.5 million. The contingent consideration arrangement requires the acquirer to pay in cash to the Group an additional amount of R18.1 million if certain warranties are achieved. The amounts are receivable in four six-month intervals commencing 30 September 2015. In the current year, the Group received R5.8 million relating to this.*

*** Included in the amount above are starter pack debtors that have a cycle period which may be in excess of 12 months.*

Fair value estimation

Fair value measurement hierarchy:

- Level 1: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- Level 3: fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).