

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 31 May 2025

6. LOANS TO GROUP COMPANIES continued Expected credit losses continued

2025			Gross carrying amount R'000	Loss allowance R'000	Amortised cost R'000
Loans to subsidiaries	Categorisation				
Blue Label Ventures Proprietary Limited ¹	Group 3		12 000	(2 327)	9 673
Gold Label Investments Proprietary Limited ^{1,2}	Group 4		393 927	(393 927)	—
The Prepaid Company Proprietary Limited	Group 3		2 720 248	(607 285)	2 112 963
			3 126 175	(1 003 539)	2 122 636
2024					
Blue Label Ventures Proprietary Limited	Group 3		12 000	(1 660)	10 340
Gold Label Investments Proprietary Limited ^{1,2}	Group 4		391 150	(391 150)	—
The Prepaid Company Proprietary Limited ¹	Group 3		2 644 708	(835 185)	1 809 523
			3 047 858	(1 227 995)	1 819 863

¹ Subordination agreements have been issued by BLT in respect of these loans. BLT has agreed not to call upon these loans for the next 12 months.

² The loan to Gold Label Investments Proprietary Limited (GLI) is considered to be credit impaired due to the financial position and financial results of GLI. GLI's liabilities exceed its assets, it has a significant accumulated loss and limited liquid assets.

Reconciliation of loss allowances

Loans to group companies: loss allowance	2025 R'000	2024 R'000
Opening balance	(1 227 995)	(856 060)
Increase in loss allowance recognised in profit or loss during the year	(3 444)	(372 547)
Loss allowances reversed through profit or loss during the year	227 900	612
Closing balance	(1 003 539)	(1 227 995)

The fair value of loans from related parties approximates their carrying amounts due to the market related discount factor that has been applied to the balances.

7. OTHER RECEIVABLES

For details regarding the accounting policy refer to note 5.

	2025 R'000	2024 R'000
Non-financial instruments		
Prepaid expenses	494	473