

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 May 2026

5 LOANS TO GROUP COMPANIES CONTINUED

EXPECTED CREDIT LOSSES CONTINUED

	2026 R'000	2025 R'000
RECONCILIATION OF LOSS ALLOWANCES		
Opening balance	(1 003 539)	(1 227 995)
ECL movement on loans to group companies	575 580	224 456
Increase in loss allowance recognised in profit or loss during the year	(53 723)	(3 444)
Loss allowances reversed through profit or loss during the year	629 303	227 900
Closing balance	(427 959)	(1 003 539)

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.

6 OTHER RECEIVABLES

For details regarding the accounting policy, refer to note 4.

	2026 R'000	2025 R'000
FINANCIAL INSTRUMENTS		
Proceeds on disposal of subsidiary	4 030	–
NON-FINANCIAL INSTRUMENTS		
Prepaid expenses	559	494
	4 589	494
SPLIT BETWEEN:		
Non-current assets	–	–
Current assets	4 589	494
	4 589	494

EXPECTED CREDIT LOSSES

The maximum exposure to credit risk is the net carrying amount of the other receivables as presented below. BLU does not hold collateral or other credit enhancements against the other receivables.

The table below discloses the credit quality of the other receivables for which no external credit ratings are available. Equivalent credit ratings were based on the latest Moody's default ratings. These ratings include forward looking adjustments for all relevant economic factors. Management defines default as when counterparties miss payments and future payments are either suspended or unlikely. Management writes off other receivables where they have actively pursued the debt and there is no indication of recovery.

	Gross carrying amount R'000	Loss allowance R'000	Amortised cost R'000
2026			
Group 3	5 000	(970)	4 030

	2026 R'000
RECONCILIATION OF LOSS ALLOWANCES	
Opening balance	–
Increase in loss allowance recognised in profit or loss during the year	(970)
Closing balance	(970)

The fair value of other receivables approximates their carrying amounts due to being receivable on demand.