

3.3 FINANCIAL ASSETS

3.3.1 LOANS RECEIVABLE

	2026 R'000	2025 R'000
Interest-free loans	40 921	39 308
Interest-bearing loans receivable	158 478	76 888
Less: Provision for impairment	(8 986)	(12 420)
	190 413	103 776
Amounts included in non-current portion of loans receivable	98 251	46 536
Amounts included in current portion of loans receivable	92 162	57 240

All loans receivable are unsecured and repayable within five years. Interest-bearing loans bear interest at a range of between prime and prime plus two percent. The fair value of the loans, which include loans to product distributors, approximates their carrying value.

3.3.2 TRADE AND OTHER RECEIVABLES

Trade receivables comprise receivables that are due from customers which arise from transactions for the sale of goods and rendering of services in the ordinary course of business. For details related to the ECLs, refer to note 3.2.1. Receivables for prepayments and VAT are stated at their nominal values.

The following table provides an analysis of the Group's trade and other receivables, including an analysis of trade receivables by originating transaction type as well as by counterparty:

	2026 R'000	2025 R'000
TRADE RECEIVABLES ARISING ON REVENUE FROM CONTRACTS WITH CUSTOMERS	2 422 570	2 615 156
Banks	469 786	373 941
Aggregators, independent and informal retail customers	820 375	1 398 803
Formal market retail customers	564 778	456 844
Customers in the petroleum sector	96 226	71 884
Receivables for starter packs	22 098	33 073
Cell C	6 263	8 522
Other cellular networks	161 518	33 270
Municipalities and private utilities	281 526	238 819
Less: Provision for impairment	(19 922)	(33 883)
Net trade receivables	2 402 648	2 581 273
Receivables from revenue recognised on fixed term contracts	110 115	144 091
Prepayments	300 849	1 186 276
Net sundry debtors	122 992	236 084
VAT	138 923	152 972
	3 075 527	4 300 696

The fair value of the trade and other receivables approximates their carrying amounts due to the market-related discount factor that has been applied to the balances.

There is a cession of trade receivables, including inter-group balances, of R2.146 billion (2025: R2.332 billion) in favour of the Group bankers for facilities referred to in note 3.2.

RECEIVABLES FOR STARTER PACKS

The normal operating cycle for some starter pack debtors exceeds 12 months but are considered current due to management expecting to realise the assets in their normal operating cycle.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.3 FINANCIAL ASSETS CONTINUED

3.3.2 TRADE AND OTHER RECEIVABLES CONTINUED

RECEIVABLES FROM REVENUE RECOGNISED ON FIXED TERM CONTRACTS

The Group's receivables from revenue recognised on fixed term contracts comprise the following movements for the year:

	2026 R'000	2025 R'000
Balance at the beginning of the year	144 091	169 304
Revenue recognised – handsets, tablets and other devices	139 287	191 942
Revenue recognised – finance revenue	20 712	27 313
Amounts becoming due in the year	(193 975)	(244 468)
	110 115	144 091

Included in receivables from revenue recognised on fixed term contracts are amounts of R24 million (2025: R29 million) which have a cycle period in excess of 12 months but are considered current due to management expecting to realise the assets in their normal operating cycle of 24 months.

PREPAYMENTS

Included in prepayments is an amount of Rnil (2025: R152 million) relating to payments to Cell C where TPC does not bear the risks and rewards of ownership until it is able to freely sell the prepaid airtime. As a result these amounts have not been included into prepaid airtime inventory. The prepayment will be tested for impairment at each reporting date.

3.3.3 ADVANCES TO CUSTOMERS

Advances to customers comprised receivables arising on financing transactions where, in substance, the nature of the business activities undertaken by certain subsidiaries of the Group was to engage in the provision of financing.

Upon the disposal of Cell C (including CEC) advances to customers have been derecognised.

	2026 R'000	2025 R'000
Handset financing and subscription income-sharing receivables	–	1 908 275
Less: Provision for impairment	–	(264 508)
	–	1 643 767
Amounts included in non-current portion of advances to customers	–	653 146
Amounts included in current portion of advances to customers	–	990 621

The fair value of the advances to customers approximates their carrying amounts due to the market-related discount factor that has been applied to the balances.

3.3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits held on call with banks.

	2026 R'000	2025 R'000
Cash at bank	963 007	820 782
Cash on hand	1 732	1 322
	964 739	822 104
Bank overdraft	(21)	(831)
	964 718	821 273

Included in this balance is restricted cash of R2.7 million (2025: R34.2 million), received on behalf of and immediately due to third parties, which may not be utilised in the Group's ordinary course of business.