

3.3.1 Loans receivable

	2024 R'000	2023 R'000
Interest-free loans	55 565	64 421
Interest-bearing loans receivable	32 413	56 728
Less: Provision for impairment	(12 719)	(16 959)
	75 259	104 190
Amounts included in non-current portion of loans receivable	38 753	65 386
Amounts included in current portion of loans receivable	36 506	38 804

All loans receivable are unsecured and repayable within five years. Interest-bearing loans bear interest at a range of between prime and prime plus three percent. The fair value of the loans, which include loans to product distributors, approximates their carrying value. This has been corroborated through discounted cash flow calculations at the effective interest rate the lender would have been able to secure from a financing institution, using an expected payment timeframe.

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, rendering of services and leasing of equipment 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:

	2024 R'000	2023 R'000
Trade receivables arising on revenue from contracts with customers	1 716 590	1 668 845
Banks	118 412	110 134
Independent and informal retail customers	820 568	286 166
Formal market retail customers	379 705	315 657
Customers in the petroleum sector	69 906	83 441
Receivables for starter packs	63 868	74 680
Cell C	1 494	13 275
Other cellular networks	55 712	531 142
Municipalities and private utilities	206 925	254 350
Trade receivables arising on financing transactions	463 785	341 843
Cell C	291 107	248 524
Other	172 678	93 319
Less: Provision for impairment	(28 429)	(26 818)
Net trade receivables [#]	2 151 946	1 983 870
Receivables from revenue recognised on fixed term contracts ^{##}	169 304	130 339
Prepayments ^{###}	637 416	714 477
Net sundry debtors	207 982	162 206
VAT	70 321	69 618
	3 236 969	3 060 510

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

[#] Included in net trade receivables are debtors of R42 million (2023: R53 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.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 May 2024

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

3.3 Financial assets

3.3.2 Trade and other receivables continued

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

	2024 R'000	2023 R'000
Balance at the beginning of the year	130 339	134 036
Revenue recognised – handsets, tablets and other devices	216 356	156 455
Revenue recognised – finance revenue	24 241	20 715
Amounts becoming due in the year	(201 632)	(180 867)
Loss allowance*	—	—
	169 304	130 339

* The loss allowance was deemed to be insignificant.

Included in receivables from revenue recognised on fixed term contracts are amounts of R40 million (2023: R27 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.

Included in prepayments is an amount of R176 million (2023: R140 million). The amount paid to Cell C has been accounted for as a prepayment as opposed to prepaid airtime inventory due to the fact that TPC does not bear the risks and rewards of ownership until it is able to freely sell the prepaid airtime. The prepayment will be tested for impairment at each reporting date and written down accordingly.