

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 May 2025

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

3.3 Financial assets

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:

	2025 R'000	2024 R'000
Trade receivables arising on revenue from contracts with customers	2 596 090	2 169 353
Banks	373 941	118 412
Aggregators, independent and informal retail customers	1 379 737	820 568
Formal market retail customers ¹	456 844	541 361
Customers in the petroleum sector	71 884	69 906
Receivables for starter packs [#]	33 073	63 868
Cell C ¹	8 522	292 601
Other cellular networks	33 270	55 712
Municipalities and private utilities	238 819	206 925
Trade receivables arising on financing transactions ¹	19 066	11 022
Less: Provision for impairment	(33 883)	(28 429)
Net trade receivables	2 581 273	2 151 946
Receivables from revenue recognised on fixed term contracts ^{##}	144 091	169 304
Prepayments ^{###}	1 186 276	637 416
Net sundry debtors	236 084	207 982
VAT	152 972	70 321
	4 300 696	3 236 969

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.

¹ In the 2024 results R452 million of trade receivables was incorrectly classified as arising on financing transactions instead of arising on revenue from contracts with customers. Although the overall total for trade receivables was correct the comparative classification has been revised to include R291 million into Cell C and R162 million into formal market retail customers.

[#] 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.

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

	2025 R'000	2024 R'000
Balance at the beginning of the year	169 304	130 339
Revenue recognised – handsets, tablets and other devices	191 942	216 356
Revenue recognised – finance revenue	27 313	24 241
Amounts becoming due in the year	(244 468)	(201 632)
	144 091	169 304

Included in receivables from revenue recognised on fixed term contracts are amounts of R29 million (2024: R40 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 R152 million (2024: R176 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.