NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

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.