22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS continued

Fair value measurement

Classes and categories of financial assets and their fair values have been presented in the table below:

	Financial assets			
	FVTPL measurement R'm	Fair value level 1	2	3
Managed investments	**88**	–	**88**	–

The financial assets are held at the fair value and there have been no transfers between levels 1 and 2 for recurring fair value measurements during the year and there have been no level 3 measurements during FY2026.

Company 2026 Rm	Company 2025 Rm		Group 2026 Rm	Group 2025 Rm
		23.1 TRADE AND OTHER RECEIVABLES		
		Trade receivables – net of loss allowance	**587**	571
		Prepayments	**97**	119
		Franchisee receivables	**71**	26
#	#	Current portion of B-BBEE advances	**5**	12
		Sundry debtors – net of loss allowance*	**112**	126
#	#		**872**	854
		** Includes deposits, rebates receivable, and short-term portions of loans per note 18. Due to the nature of the receivables and the security mechanisms, credit risk on these amounts is limited.*		
		23.2 AMOUNTS OWING FROM RELATED PARTIES		
1568	3 430	Amounts owing by subsidiary		

 # Less than R1 million.

For terms and conditions relating to Group-related receivables, refer to note 27.

The amounts owing by subsidiary represent amounts owing by Italtile Ceramics (Pty) Ltd. These amounts are unsecured, carry no interest and are payable on demand. As the subsidiary has material liquid assets and other significant assets, credit risk is minimal and no expected credit loss is provided for. Outstanding balances are settled from time to time based on the cash flow requirements of the various entities.

Trade receivables of the Group comprise amounts due from franchisees and other third-party customers, each of which has different credit risk characteristics. Credit risk relating to amounts due from franchisees is limited (recovery via underlying assets of the franchise business in the event of default is provided for in franchise agreements).

An expected credit-loss model (simplified approach) is used to calculate the expected credit-loss allowance for third-party customers. The expected credit-loss model is based on historical payment profiles and credit losses. Macro-economic factors considered by the Group when determining expected loss rates include GDP annual growth, prime lending interest rate, inflation rate and unemployment. In addition, forecast macro-economic factors for 12 months from the calculation date are also considered. Refer to note 36 for further information related to expected credit loss.

As at 30 June 2026, a loss allowance of R68 million (2025: R65 million) has been recorded for trade receivables.

Movements in the loss allowance of trade and other receivables were as follows:

	Total Rm
At 30 June 2024	69
Utilised during the year	(14)
Raised during the year	10
At 30 June 2025	65
Utilised during the year	(21)
Raised during the year	24
At 30 June 2026	**68***

** Loss allowances includes R59 million (2025: R65 million) relating to trade receivables and R9 million (2025: nil) relating to Sundry debtors.*