NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 31 May 2024

3. INVESTMENTS IN SUBSIDIARIES continued

The Prepaid Company Proprietary Limited continued

The key assumptions used for the value-in-use calculations are as follows:

	2023
Average EBITDA margin %	2.0
Terminal growth %	4.5
Pre-tax discount rate (%)	22.1

The discount rates used were pre-tax and reflected specific risks relating to The Prepaid Company Proprietary Limited. The growth rate was used to extrapolate cash flows beyond the budget period. The growth rates were consistent with publicly available information relating to long-term average growth rates for the markets in which the companies operate. BLT's target debt-to-equity ratio was applied in the calculation of the weighted average cost of capital.

Based on the calculation performed, no impairment loss was recognised in the prior year. If one or more of the inputs were changed to a reasonable possible alternative, there would have been no impairments that would have had to be recognised.

WiConnect Proprietary Limited

BLT's investment in WiConnect Proprietary Limited was fully impaired in FY20. The Directors of WiConnect Proprietary Limited are still in the process of realising all assets and settling all liabilities, after which they will consider deregistering WiConnect Proprietary Limited.

4. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Accounting policy

Investments in associates and joint ventures are carried at cost less any accumulated impairment losses in BLT's annual financial statements.

The following table lists all of the associates and joint ventures of BLT:

Name of company	Number of shares issued	**% ownership interest 2024**	% ownership interest 2023	**Carrying amount 2024 R'000**	Carrying amount 2023 R'000
Utilities World Proprietary Limited	1 000	**25.10**	25.10	**12 046**	12 046
T3 Telecoms SA Proprietary Limited	50	**50.00**	50.00	**—***	—*
Blue Label Communications Proprietary Limited	100	**20.00**	20.00	**—***	—*
Blu Train Group Proprietary Limited	100	**10.00**	10.00	**—***	—*
				12 046	12 046

* Less than R1 000.

All entities listed above are incorporated in South Africa.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Accounting policy

Financial assets and liabilities are recognised when BLT becomes a party to the contractual provisions of the instruments.

Financial assets are classified as current if expected to be realised within 12 months of the statement of financial position date; if not, they are classified as non-current. Financial liabilities are classified as non-current if BLT has the right to defer settlement beyond 12 months of the statement of financial position date.

Classification

BLT classifies financial assets on initial recognition as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of BLT's business model for managing the financial asset and the cash flow characteristics of the financial asset.

BLT classifies its financial assets to be measured at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.