10. TRADE AND OTHER PAYABLES

For details regarding the accounting policy refer to note 5.

These amounts represent liabilities for goods and services provided to BLT prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

	2025 R'000	2024 R'000
Financial instruments		
Trade payables	**52**	17
Accrued expenses	**1 350**	2 031
	1 402	2 048

The fair value of the trade and other payables approximates their carrying amounts due to being payable in the short term.

11. FINANCIAL GUARANTEE CONTRACTS

Accounting policy

BLT elects on a contract by contract basis to apply IFRS 9 and IFRS 7 to financial guarantee contracts and not IFRS 17. Financial guarantee contracts are recognised at fair value on the date that BLT becomes a party to an irrevocable commitment. Financial guarantee contracts are subsequently stated at the higher of the amount determined by the ECL model and the amount initially recognised. Any difference between the redemption value guarantee obligation and the amount paid is recognised in the income statement. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Any difference between the redemption value guarantee obligation and the amount paid is recognised in the statement of profit or loss.

FINANCIAL GUARANTEE CONTRACTS RECOGNISED	**2025 R'000**	2024 R'000
Financial guarantee to Dark Fibre Africa (SPV5)	**39 060**	86 844

The fair value of financial guarantee contracts approximates their carrying amount because the ECL takes into account a market related discount factor.

Pledges, guarantees and sureties

BLT has pledged securities to The Prepaid Company Proprietary Limited (TPC) in relation to TPC's General Banking Facility and Revolving Credit Facility (working capital loan facilities) and TPC's term Facility. At year-end the TPC working capital loan facility amounted to R1.160 billion (2024: R1.240 billion), of which R1.160 billion (2024: R1.161 billion) had been utilised. At year-end TPC's Term Facility amounted to R311 million (2024: Rnil).

- The balance of TPC's General Banking and Revolving Credit Facility are payable in March 2027. The balance of TPC's Term Facility is payable in September 2026.
- The following debt covenants applied to TPC's the General Banking Facility, Revolving Facility A and Term Facility with Investec Bank, Rand Merchant Bank and Future Growth:
  - Total consolidated debt to adjusted consolidated EBITDA ratio must be less than a stipulated decreasing ratio at each measurement period, from 2.75 times at 31 May 2025 to 2.5 times at 31 August 2025; and
  - BLT's market capitalisation must exceed R3 billion.

The Group has not been in breach in respect of these covenants.