



Notes to the Financial Statements
Year ended 31 December 2018

	2019	2018
	AED	AED
15 Trade and other receivables		
Trade receivables (a) – (d)	14,473,829	18,272,948
Advances to staff	39,485	27,583
Advance to a supplier	389,302	434,574
	<u>14,902,616</u>	<u>18,735,105</u>
a) Credit risk		
i) Impairment – age analysis of the trade receivables as at the end of the reporting period:		
Less than 3 months	6,947,438	10,415,580
3 months to 6 months	6,079,008	6,212,802
More than 6 months	1,447,383	1,644,566
	<u>14,473,829</u>	<u>18,272,948</u>
ii) The Management is of the opinion that the trade receivables outstanding beyond the normal credit period continue to be entirely receivable and no provision for doubtful debts or impairment in their values is required for the reporting period.		
iii) Subsequent realisation		
Subsequent to the end of the reporting period and up to the date of the signing of these financial statements, an amount of AED 8,846,572 was realised from the trade receivables (previous year: AED 17,583,917).		
iv) Exposure to risk of concentration of credit		
At the end of the reporting period, 70% of the trade receivables were due from 7 customers (previous year: 75% from 9 customers).		
v) Security of trade receivables		
Against the trade receivables, post dated cheques of AED 4,811,793 are held in hand by the Company. The Management believes these would be honoured on presentation on their due dates.		
b) Currency risk		
The customers are invoiced in UAE Dirhams or USD, which is pegged to the UAE Dirham. As such, the Company is not exposed to fluctuation of currency risk with respect to the trade receivables.		
c) Related party receivables		
Included in trade receivables are AED 1,849,267 outstanding with related parties (previous year: AED 975,295) that have been entirely realised before the signing of these financial statements. (Note 23)		
d) Geo-political risk		
At the end of the year, the Company's exposure to credit risk from components of the trade receivables situated in different geographical locations was as follows:		
Egypt	3,473,719	3,106,401
Saudi Arabia	2,605,289	2,740,942
France	1,157,906	1,279,106
United Arab Emirates	7,236,915	11,146,499
	<u>14,473,829</u>	<u>18,272,948</u>
e) Refer Note 3 (g) for a summary of the accounting policy adopted and consistently applied.		