



**Notes to the Financial Statements**  
**Year ended 31 December 2018**

	2019 AED	2018 AED
<b>12 Trade and other receivables</b>		
Trade receivables (a) – (e)	<b>1,883,601</b>	1,607,125
Less: Provision for doubtful debts (b)	<b>(218,601)</b>	(158,520)
	<b>1,665,000</b>	1,448,605
Receivables from associates (f)	<b>459,131</b>	1,221,018
Other receivables	<b>7,106</b>	2,648
	<b>2,131,237</b>	2,672,271
<b>a) Credit risk – Impairment</b>		
The age analysis of trade receivables as at the end of the reporting period was as follows:		
Less than 3 months	<b>1,335,000</b>	1,330,000
3 months and above	<b>548,601</b>	277,125
	<b>1,883,601</b>	1,607,125
<b>b) On the basis of regularity of dealing with the customers, conduct of their accounts and recoveries being made from them, the Management considers that all the overdue debts net of the provision established are fully recoverable. Accordingly, the provision for doubtful debts of AED 218,601 established as at the end of the reporting period is adequate.</b>		
<b>i) The movements in the provision for doubtful debts during the year were as follows:</b>		
Opening balance	<b>158,520</b>	158,520
Less: Utilised for bad debts written off (ii)	<b>(64,250)</b>	-
Less: Charge for the year (ii)	<b>124,331</b>	-
Closing balance	<b>218,601</b>	158,520
<b>ii) During the current year the provision is utilised for writing off bad debts from two of the pending customers amounting AED 64,250 as the amount is no more receivable. Hence, the provision on the same is written off and a new provision for AED 124,331 has been created on other overdue customer. (Note 7)</b>		
<b>c) Subsequent realisation</b>		
Subsequent to the end of the reporting period and up to the date of the signing of these financial statements, AED 794,812 was realised from the trade receivables (previous year: AED 1,542,875).		
<b>d) Credit risk – Concentration</b>		
Trade receivables exposed to risk of concentration of credit	<b>665,000</b>	1,364,670
Trade receivables exposed to risk of concentration of credit	<b>35%</b>	85%
Number of customers	<b>2</b>	4
<b>e) Currency risk</b>		
The customers are invoiced in UAE Dirhams. As such, the Company is not exposed to fluctuation of currency risk with respect to trade receivables.		
<b>f) The Company's associate concern receives amounts on its behalf in its bank account and remits the same periodically, on account of which, the receivable is treated as entirely realisable.</b>		
<b>g) Refer Note 3 (g) for a summary of the accounting policy adopted and consistently applied.</b>		