

26. Trade and other receivables

PLN '000	Dec 31 2011	Dec 31 2010
Trade receivables, including:	2,075,562	1,740,890
- from related entities	90	-
Receivables from the state budget other than corporate income tax	52,858	39,914
Receivables under franchise agreements, including:	1,947	1,919
- receivables under start-up packages	1,947	1,919
Security deposits receivable	7,998	4,896
Investment receivables	1,299	2,298
Other receivables ⁽¹⁾	50,365	32,022
Net receivables	2,190,029	1,821,939
Impairment losses on receivables	178,410	182,213
Gross receivables	2,368,439	2,004,152

⁽¹⁾ Including excise duty of PLN 33,620 thousand due to inter-warehouse transfers (December 31st 2010: PLN 20,911 thousand).

The payment term for trade receivables in the regular course of business is 7 - 60 days. The concentration of risk related to sales is limited due to a large number of business partners.

As at December 31st 2011, the Group's receivables were not subject to any assignment by way of security for liabilities under credit facilities (December 31st 2010: PLN 2,143 thousand).

Impairment losses on receivables

PLN '000	Year ended Dec 31 2011	Year ended Dec 31 2010
At beginning of the period	182,213	180,497
Increase ⁽¹⁾ , including:	15,104	13,340
- acquisition of control over the AB LOTOS Geonafta Group	624	-
- exchange differences on translation of foreign operations	42	-
Release ⁽²⁾	(6,263)	(5,008)
Use	(12,063)	(6,616)
Reclassification into non-current assets held for sale	(581)	-
At end of the period	178,410	182,213

⁽¹⁾ Including PLN 11,053 thousand charged to other operating expenses (2010: PLN 12,556 thousand) and PLN 412 thousand (2010: PLN 784 thousand) reducing finance income under interest.

⁽²⁾ Including PLN 4,151 thousand charged to other operating expenses (2010: PLN 4,827 thousand).

For sensitivity analysis of trade and other receivables with respect to market risk related to fluctuations in exchange rates as at December 31st 2011 and December 31st 2010, see [Note 42.3.1 \(/en/financial-data/consolidated-financial-statements-2011/notes-to-the-financial-statements/42.-financial-instruments#42-3-1\)](#).

The table below presents the age analysis of past due receivables not covered by recognised impairment losses, as at December 31st 2011 and December 31st 2010.

PLN '000	Dec 31 2011	Dec 31 2010
Up to 1 month	104,255	53,961

From 1 to 3 months	10,051	8,862
From 3 to 6 months	1,057	2,765
From 6 months to 1 year	4,106	261
Over 1 year	4,888	5,754
Total	124,357	71,603

In 2011, the LOTOS Group had one customer whose share in the Group's total revenue exceeded 10%, namely Shell POLSKA Sp. z o.o. of Warsaw (the company's share in the Group's total revenue was 10.25%). In 2010, there were no customers whose share in the LOTOS Group's total revenue would exceed 10%. The share of receivables from Shell POLSKA Sp. z o.o., or any other customer, in the LOTOS Group's total assets did not exceed 10%.

In the Company's opinion, with the exception of receivables from Shell POLSKA Sp. z o.o., there is no significant concentration of credit risk related to trade receivables. As at the balance-sheet date, the Company's maximum exposure to credit risk is best represented by the carrying amounts of these instruments.

This is a translation of a document originally issued in Polish.