

14. Accounts receivable and prepayments

ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2012	2011
Trade accounts receivable	630.4	524.7
Prepayments to suppliers	365.1	330.1
Prepayments for aircrafts	233.7	269.7
VAT and other taxes recoverable	276.3	231.4
Income tax prepaid	68.8	46.5
Deferred customs duties related to aircraft operating leases	36.7	33.6
Other receivables	119.0	121.2
ACCOUNTS RECEIVABLE AND PREPAYMENTS, GROSS	1,730.0	1,557.2
Impairment allowance for bad and doubtful accounts	(107.8)	(89.8)
	1,622.2	1,467.4

Deferred customs duties of USD 36.7 million (31 December 2011: USD 33.6 million) relate to the current portion of customs duties incurred on importation of aircraft under operating leases. These customs duties are expensed in the consolidated statement of income over the term of the operating lease. The non-current portion of the deferred customs duties is disclosed in Note 20.

As at 31 December 2012 sufficient impairment allowance has been made against accounts receivable and prepayments.

Income before taxation for financial reporting purposes is reconciled to taxation as follows:

	IMPAIRMENT ALLOWANCE
AS AT 1 JANUARY 2011	36.3
Increase in impairment allowance for bad and doubtful accounts	23.1
Additions of subsidiaries	30.3
Disposed subsidiaries	7.3
Foreign currency translation	(7.2)
AS AT 31 DECEMBER 2011	89.8
Increase in impairment allowance for bad and doubtful accounts	12.3
Foreign currency translation allowance	5.7
AS AT 31 DECEMBER 2012	107.8