



Financial Statements 31 December 2014

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TELECOMMUNICATIONS REGULATORY AUTHORITY

Report on the financial statements

We have audited the accompanying financial statements of Telecommunications Regulatory Authority (the "Authority"), set out on pages 2 to 20, which comprise the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit

evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

22 March 2015



Statement of financial position at 31 December 2014

	Note	2014 RO	2013 RO
ASSETS			
Non-current assets			
Property and equipment	5	13,304,215	7,392,467
Current assets			
Telecom frequency fees receivable	6	234,499	362,442
Advances and other receivables	7	637,803	1,222,917
Short term deposits	8	17,500,000	15,000,000
Bank balances and cash	9	4,486,912	8,684,084
Total current assets		22,859,214	25,269,443
Total assets		36,163,429	32,661,910
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus		9,804,916	10,728,100
Liabilities			
Non-current liabilities			
Deferred government contributions	11	8,804,384	8,969,940
Employees' end of service benefits	12	1,702,453	1,314,903
Total non-current liabilities		10,506,837	10,284,843
Current liabilities			
Accounts and other payables	13	15,851,676	11,648,967
Total liabilities		26,358,513	21,933,810
Total equity and liabilities		36,163,429	32,661,910

The financial statements were authorised for issue by the Board of Directors on 22 March 2015 and signed on their behalf by:

Dr. Mohammed bin Hamad Al-Rumhi

Chairman

Dr. Hamed Bin Salim Al-Rawahi

Executive President



Statement of comprehensive income for the year ended 31 December 2014

	Note	2014 RO	2013 RO
INCOME			
Radio spectrum income	14	10,774,162	10,728,055
Annual telecom licenses	15	5,886,167	5,121,479
Income from issuing numbers		735,789	1,173,251
Postal services income		504,643	400,157
Telecom equipment type approval income	16	263,713	252,211
Domain name income		36,830	24,325
Other telecom license fees		67,020	11,320
		18,268,324	17,710,798
OPERATING EXPENSES			
Salaries and employee related costs	17	7,115,655	5,823,273
General and administrative expenses	18	1,699,493	1,661,554
Consultancy fees		1,344,220	1,104,129
Depreciation	5	879,985	564,442
Donations to charitable institutions	20	300,000	285,825
Monitoring station costs	19	115,336	144,170
Allowance for credit losses	6 d)	17,174	14,656
Remuneration to Board of Directors		72,000	72,000
		11,543,863	9,670,049
Operating income		6,724,461	8,040,749
Interest income	21	174,979	423,081
Government contributions	11	165,556	122,831
Provision reversed during the year	6 d)	7,206	4,395
Other income		7,246	12,894
Surplus and total comprehensive income for the year		7,079,448	8,603,950

Note:

There are no items of other comprehensive income for the year.



Statement of changes in equity for the year ended 31 December 2014

	Accumulated surplus
	RO
At 31 December 2012	12,358,434
Surplus transferred to Ministry of Finance (note 10)	(10,234,284)
Surplus for the year	8,603,950
At 31 December 2013	10,728,100
At 31 December 2013	10,728,100
Surplus transferred to Ministry of Finance (note 10)	(8,002,632)
Surplus for the year	7,079,448
At 31 December 2014	9,804,916