

Telecommunication Regulatory Commission
Commission That is Financially and Administratively Independent
Amman – The Hashemite Kingdom of Jordan
Financial Statements and Independent Auditors' Report
For The Year Ended December 31, 2016

Telecommunication Regulatory Commission
Commission That is Financially and Administratively Independent
Amman – The Hashemite Kingdom of Jordan

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Independent Auditors' Report**To the Telecommunication Regulatory Commission****Commission That is Financially and Administratively Independent****Amman – The Hashemite Kingdom of Jordan****Qualified Opinion**

We have audited the accompanying financial statements of **Telecommunication Regulatory Commission** (Commission That is Financially and Administratively Independent), which comprise the statement of financial position as at December 31, 2016, and the statements of comprehensive income statement of changes in retained surplus and statement of cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effects of matter described in the Basis for qualified opinion section of our report the accompanying financial statements present fairly, in all material respects, the financial position of the commission as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with the basis clarified in disclosure No (2).

Basis for Qualified Opinion

As detailed in note No. 17 of the notes to the financial statements, there are litigations raised by third parties against the Commission. We have not been provided with the opinion of the commission's Legal Department regarding the value of the potential liability of the commitment on the commission in order to determine the needed provision to be charged to the statement of comprehensive income.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance based on disclosure No. (2), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the commission's financial reporting process.

Tel: +962 6 5621322/6/9 | Fax +962 6 5621473 | www.pkf.jo

PKF Khattab & Co. | Jaber Ben Hayyan Street | Shmeisani | Amman | Jordan

P. O. Box 928575 | Amman 11190 Jordan | e-mail: info@pkf.jo

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our qualified opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our qualified opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The commission maintains proper accounting records, and the audited financial statements and the financial information stated in the attached are consistent with these records .We recommend the commissioners council to approve them.

PKF – Jordan
Khattab & Co.



Mohammed Khattab
(License No.730)

PKF
Khattab & Co.

Amman– The Hashemite Kingdom of Jordan
May 11, 2017

Telecommunication Regulatory Commission
Commission That is Financially and Administratively Independent
Amman – The Hashemite Kingdom of Jordan

Statement of Financial Position as of 31, December 2016

Exhibit – A

	<u>Notes</u>	<u>2016</u> JD	<u>2015</u> JD
<u>Assets</u>			
Current assets			
Cash and cash equivalents	4	12,744,711	27,281,921
Accrued revenues	5	23,140,311	25,130,582
Accounts receivable	6	1,043,448	158,365
Accounts receivable from unearned revenues from licenses and frequencies	7	153,497	43,370
Other debit balances	8	429,482	594,150
Warehouses		26,866	29,303
Un-executed tenders - short term	9	149,676	17,229
Total current assets		<u>37,687,991</u>	<u>53,254,920</u>
Non-current assets			
Un-executed tenders - long term	9	5,402,190	2,397,744
Property and equipments	10	3,627,266	2,400,955
Total Non-current assets		<u>9,029,456</u>	<u>4,798,699</u>
Total assets		<u>46,717,447</u>	<u>58,053,619</u>
<u>Liabilities and Retained Surplus</u>			
Current liabilities			
Revenues received in advance		2,775,223	1,986,891
Unearned revenues from licenses and frequencies	7	153,497	43,370
Accounts payable		4,754,011	3,853,380
Deposits	11	23,393,816	20,637,171
Other credit balances		22,711	29,925
Total liabilities		<u>31,099,258</u>	<u>26,550,737</u>
Retained Surplus		<u>15,618,189</u>	<u>31,502,882</u>
Total liabilities and retained surplus		<u>46,717,447</u>	<u>58,053,619</u>

The accompanying notes from 1 to 20 constitute an integral part of these financial statements

Telecommunication Regulatory Commission
Commission That is Financially and Administratively Independent
Amman – The Hashemite Kingdom of Jordan

Statement of Comprehensive Income for the year Ended 31, December 2016

Exhibit – B

	<u>Notes</u>	<u>2016</u> JD	<u>2015</u> JD
<u>Revenues</u>			
Operating revenues	12	78,932,715	194,325,820
Other revenues	13	134,045	662,592
Total revenues		<u>79,066,760</u>	<u>194,988,412</u>
<u>Expenditures</u>			
Operating expenditures	14	(4,436,218)	(4,216,927)
Conversion expenditures	15	(412,641)	(329,681)
Studies and technical consultations expenditures		(608,501)	(663,353)
Doubtful receivables	6	(4,126,079)	(3,696,844)
Final settlement expenditures of DRS ICAS company	16	(1,288,014)	-
Total expenditures		<u>(10,871,453)</u>	<u>(8,906,805)</u>
Surplus for the year		<u>68,195,307</u>	<u>186,081,607</u>

The accompanying notes from 1 to 20 constitute an integral part of these financial statements

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Statement of Changes in Retained Surplus for the year Ended 31, December 2016

Exhibit – C

	<u>Retained Surplus</u> JD
2015-	
Balance as of 1 January 2015	33,591,275
Surplus for the year	186,081,607
Transferred amounts to Ministry of Finance	<u>(188,170,000)</u>
Balance as of 31 December 2015	<u><u>31,502,882</u></u>
2016-	
Balance as of 1 January 2016	31,502,882
Surplus for the year	68,195,307
Transferred amounts to Ministry of Finance	<u>(84,080,000)</u>
Balance as of 31 December 2016	<u><u>15,618,189</u></u>

The accompanying notes from 1 to 20 constitute an integral part of these financial statements

Telecommunication Regulatory Commission
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Statement of Cash Flows for the Year Ended 31, December 2016

		Exhibit – D	
	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		<u>JD</u>	<u>JD</u>
<u>Operating Activities</u>			
Surplus for the year		68,195,307	186,081,607
<u>Adjustments:</u>			
Depreciation	10	454,846	427,423
Losses from disposal of property and equipments		569	-
Bad debts		-	1,024,653
Revenues from doubtful receivables		(15,798)	(261,525)
Doubtful receivables		4,126,079	3,696,844
<u>Working capital changes</u>			
Accrued revenues		1,990,271	4,560,194
Accounts receivable		(4,995,364)	(4,507,113)
Other debit balances		164,668	(235,150)
Accounts receivable from unearned revenues from licenses and frequencies		(110,127)	26,312
Warehouses		2,437	(5,164)
Revenues received in advance		788,332	539,657
Unearned revenues from licenses and frequencies		110,127	(26,312)
Accounts payable		900,631	1,507,731
Deposits		2,756,645	(1,847,757)
Other credit balances		(7,214)	25,521
Net cash flows from operating activities		<u>74,361,409</u>	<u>191,006,921</u>
<u>Investing Activities</u>			
Un-executed tenders		(3,136,893)	(1,229,708)
Purchase of property and equipments	10	(1,681,726)	(44,347)
Net cash flows used in investing activities		<u>(4,818,619)</u>	<u>(1,274,055)</u>
<u>Financing Activities</u>			
Transferred amounts to Ministry of Finance		(84,080,000)	(188,170,000)
Net cash flows used in financing activities		<u>(84,080,000)</u>	<u>(188,170,000)</u>
Net change in cash and cash equivalents during the year		(14,537,210)	1,562,866
Cash and cash equivalents at the beginning of the year		<u>27,281,921</u>	<u>25,719,055</u>
Cash and cash equivalents at the end of the year	4	<u>12,744,711</u>	<u>27,281,921</u>

The accompanying notes from 1 to 20 constitute an integral part of these financial statements

Telecommunication Regulatory Commission
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Notes To The Financial Statements

1. General

The Commission was established according to the telecommunications Law No. (13) for the year 1995 under the name of (Telecommunications Regulatory Commission), this law was amended by the law No. (21) for the year 2011. The Commission has a financialy and administratively independent juridical personality, and it has the right to own movable and non-movable properties required to achieve the commission's objectives that includes the following:

- Regulating the Telecommunications Sector in the Kingdom through implementation the policies to provide the Telecommunications Services.
- Protecting the interests of beneficiaries of Telecommunications services and monitoring the performance of licensed agencies which provide such services.
- Publishing awareness of the importance of Telecommunications sector and working on providing all kind of Telecommunications services.

Telecommunications Regulatory Commission's expenditures are being covered by licensed parties according to the instructions of regulating and calculating annual license's revenues in accordance with board of commissioners' resolution No. (6-9/2007) dated on May 3rd , 2007.

2. Basis of preparation

- The commission follows the modified accrual basis for financial statement preparation.
- The accompanying financial statements are prepared under the historical cost basis.
- The financial statements are presented in Jordanian Dinars which is the functional currency of the Commission.

3. Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include deposits in banks and current banks accounts.

Accounts receivable and other debit balances

Accounts receivables are stated at original invoice amount less any allowance for any uncollectible amounts. An estimate for doubtful debts is made when there is material evidence indicating collection is no longer probable.

Other debit balances are recognized with the amounts paid to the service providers against services that will be received in the future, or payments made to external parties and will be refunded in the future.

Warehouses

Warehouses balance consists of stationary and office materials and communications and computers equipment.

Un-executed tenders

Un-executed tenders value is recognized when effectively executed and paid for, and therefore transferred to financial statements items related.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value, No depreciation is computed for land.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

	<u>Depreciation percentage</u>
	%
Tools and equipments	15
Vehicles	15
Furniture and fixtures	9

When the property, plant and equipment are recorded at values decreasing their recoverable amounts, consequently, the assets are written down to their recoverable amounts, and impairment is recognized in the statement of comprehensive income.

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Lands

Lands are stated at cost.

Accounts payable and other credit balances

Accounts payable are recognized for the amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

Revenue recognition

- Revenue is measured at the fair value of the consideration received or receivable.
- Other revenues are recognized according to accrual basis.

Rendering of services

- Revenue from a contract to provide services is recognized by reference to the stage of completion of the transaction at the statement of financial position date.
- The outcome of the transaction can be estimated reliably when all the following conditions are satisfied:
 - The amount of revenue can be measured reliably.
 - It is probable that relevant economic benefits will flow to the entity.
 - The stage of completion can be measured reliably at the statement of financial position date.
 - The costs incurred, or to be incurred, in respect of the transaction can be measured reliably.
- When the above criteria are not met, revenue arising from the rendering of services is recognized only to the extent where the expenses recognized are recoverable.

Frequencies returns

Represents the revenues that the radio waves users should pay to the commission according to the rates set by the commission, those rates are amended or changed according to the instructions and decisions issued by the commission.

Share participation in the operators returns

Represent that amounts which should be paid annually by the commission licensed companies providing mobile telecommunication services, which amounts to 10% from the operating revenues of these companies, which is calculated according to the equation included in the licensing agreements of those companies and according to the initial financial data for the companies which is audited and reviewed subsequently, noting that these revenues are due to be collected in the following year

Annual license revenues

Represent what must be paid by the licensees based on percentage of operating revenues resulting from licensed activities and the ratio is determined by the commission without exceeding 1% of these revenues, these revenues are collected from the licensed companies to cover the commission costs in regulating the Jordanian telecommunication and information technology sector, as shown in detail in the licensing agreements and/or the regulating decision issued by the commission.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the year end. All differences are taken to the statement of comprehensive income. All profits and losses arising from currency transfer are registered in the statement of comprehensive income.

4. Cash and cash equivalents

	2016	2015
	JD	JD
Deposit at CBJ	12,744,711	27,281,921

5. Accrued revenues

This item represents the amount of accrued revenues not yet received arising from the commission's share by (10%) from the operating revenues generated by mobile Telecommunications services of mobile operators. The amount is to be received during next year, and it was computed according to the initial financial statements of those operators, the commission's shares are as follow:

	2016	2015
	JD	JD
Jordanian company for mobile services - Zain	13,903,101	13,980,288
Petra company for mobile services - Orange	5,857,631	6,860,278
Umniah company for mobile services	3,370,467	4,269,546
Connect Arabia Telecommunication	9,112	20,470
Total	23,140,311	25,130,582

The following is the statement of accrued revenue movement during the year:

	2016	2015
	JD	JD
Balance as at the beginning of the year	25,130,582	29,690,776
provided during the year	23,131,202	25,130,582
Transferred to companies receivables and that have been collected	<u>(25,121,473)</u>	<u>(29,690,776)</u>
Balance as at the ending of the year	<u>23,140,311</u>	<u>25,130,582</u>

6. Accounts receivable

	2016	2015
	JD	JD
Receivables revenues from licenses and frequencies	57,184,119	52,188,755
Provision for doubtful accounts (*)	<u>(56,140,671)</u>	<u>(52,030,390)</u>
Total	<u>1,043,448</u>	<u>158,365</u>

(*) The movement of the provision for doubtful accounts during the year as follows:

	2016	2015
	JD	JD
Balance as at the beginning of the year	52,030,390	49,619,724
provided during the year	4,126,079	3,696,844
Return of provision no longer required	(15,798)	(261,525)
Bad debts	<u>-</u>	<u>(1,024,653)</u>
Balance as at the ending of the year	<u>56,140,671</u>	<u>52,030,390</u>

7. Account Receivables from licenses and frequencies revenues – Matching Unearned licenses and frequencies revenues

This item represents the value of receivables arising from the revenues of licenses and frequencies which pertain the upcoming year, for which claims and licenses were issued during the current year. The balance of these receivables as of December 31, 2016 amounted to 153.497 JD.

8. Other debit balances

	2016	2015
	JD	JD
Prepaid expenses	399,940	550,913
Restricted cash (Beneficiaries rights guarantees)	20,000	23,828
Employee receivable	9,233	14,654
Interests deposits (Beneficiaries rights guarantees)	157	57
Saving fund deposits	77	13
Recoverable insurance	75	146
Other	-	4,539
Total	429,482	594,150

9. Un-executed tenders

This item represents the value of tenders pertaining the purchase of property and equipments and other supplies which have been awarded to suppliers but not yet supplied as of December 31, 2016 which amounted to 2,711,836 JD. In addition to the remaining balance of the value of the purchase of equipment from DRS company with amount of 2,840,030 JD.

10. Property and Equipments

	Lands	Tools and Equipments	Vehicles	Furniture and fixtures	Total
	JD	JD	JD	JD	JD
<u>Cost</u>					
Balance as of 1 January 2016	1,509,543	4,449,584	278,603	223,424	6,461,154
Additions during the year	-	1,497,238	132,000	52,488	1,681,726
Disposal during the year	-	(104,354)	(12,950)	(12,593)	(129,897)
Balance as of 31 December 2016	1,509,543	5,842,468	397,653	263,319	8,012,983
<u>Accumulated Depreciation</u>					
Balance as of 1 January 2016	-	3,643,078	228,594	188,527	4,060,199
Additions during the year	-	422,673	21,901	10,272	454,846
Disposal during the year	-	(103,785)	(12,950)	(12,593)	(129,328)
Balance as of 31 December 2016	-	3,961,966	237,545	186,206	4,385,717
Net	1,509,543	1,880,502	160,108	77,113	3,627,266
<u>Cost</u>					
Balance as of 1 January 2015	1,509,543	4,417,022	298,103	211,639	6,436,307
Additions during the year	-	32,562	-	11,785	44,347
Disposal during the year	-	-	(19,500)	-	(19,500)
Balance as of 31 December 2015	1,509,543	4,449,584	278,603	223,424	6,461,154
<u>Accumulated Depreciation</u>					
Balance as of 1 January 2015	-	3,236,185	235,064	181,027	3,652,276
Additions during the year	-	406,893	13,030	7,500	427,423
Disposal during the year	-	-	(19,500)	-	(19,500)
Balance as of 31 December 2015	-	3,643,078	228,594	188,527	4,060,199
Net	1,509,543	806,506	50,009	34,897	2,400,955

11. Deposits

	2016	2015
	JD	JD
Commission's share in telecommunication companies (operating revenues deposits) – orange mobile company	20,726,600	19,217,600
Annual licenses fees deposits	2,304,471	950,809
Telecommunications companies deposits	329,904	434,829
Beneficiaries right guarantee deposits	20,000	23,828
Governmental associations and other parties deposits	12,683	10,047
Beneficiaries right guarantees Interests deposits	157	57
Accrued stamps fines	1	1
Total	23,393,816	20,637,171

12. Operating revenues

	2016	2015
	JD	JD
Frequencies license (*)	25,000,000	139,526,190
Frequencies fees	22,253,983	21,480,689
Commission's share in Telecommunications companies operating revenues	23,131,202	25,130,582
Delay interests	4,171,924	3,710,942
Annual licensing fees	3,798,959	3,880,979
Fees for testing tools and equipments	400,148	390,068
Postal licensing fees	130,499	203,220
Telecommunication licenses fees	46,000	-
Licenses penalties	-	3,150
Total	78,932,715	194,325,820

(*) The item represents as the following:

	2016	2015
	JD	JD
Frequencies licenses fees in range (2100) M.H	25,000,000	137,800,000
Frequencies licenses fees in range (3500) M.H	-	1,726,190
Total	25,000,000	139,526,190

13. Other revenues

	2016	2015
	JD	JD
Written-off provision	15,798	261,525
Miscellaneous	118,247	401,067
Total	134,045	662,592

14. Operating expenses

	2016	2015
	JD	JD
Salaries and wages and allowances	2,357,550	2,139,264
Depreciation	454,846	427,423
Rent	310,000	310,000
Agreements	200,000	200,000
Water and electricity	142,646	137,473
General maintenance	115,329	77,844
Programs	97,995	112,235
Travel on official purposes	68,681	70,415
Subscriptions	53,061	33,764
Cleaning	52,136	51,865
Promotional and awareness campaigns	45,026	75,176
Professional fees	38,721	99,533
Printing and stationary	36,004	42,821
Hospitality	34,092	15,307
Conferences	29,408	-
Security	25,692	25,548
Postage, phone and fax	24,495	17,067
Technical consulting	21,600	20,653
Fuel	18,428	16,281
Ores and raw materials	17,347	4,165
Engineering and economic consultation	8,196	8,170
Insurance	4,374	5,748
Gifts	3,727	63
Stamps	2,252	799
Wages	1,486	564
Commissions	962	1,058
Loss from disposal of property and equipments	569	-
Bad debts	-	94,393
Miscellaneous	271,595	229,298
Total	4,436,218	4,216,927

15. Conversion expenditures

	<u>2016</u>	<u>2015</u>
	<u>JD</u>	<u>JD</u>
The commission contribution in social security	220,013	205,536
Scholarships and training courses	161,513	96,032
The commission contribution in Saving Fund	23,490	22,982
Rewards	<u>7,625</u>	<u>5,131</u>
Total	<u>412,641</u>	<u>329,681</u>

16. Final settlement expenditure of DRS ICAS company

- A. This expenditure represents the financial obligations to be paid from the commission's bank account. Which pertains to the arbitral award against the commission in favor of DRS ICAS LLC, and pursuant to council of ministers Decision No. 11644 dated on 16 September 2015, which includes approval of payment of the financial obligations related to the settlement.
- B. Due to the absence of provision from the general budget of the commission, the amount was recorded in accordance with the commission's letter No. F/3/6/1/888 that was issued on 28 January 2016, which was addressed to the obligation from the saving surplus within the budget of the commission for the year 2016.

17. Lawsuits

Lawsuits against the commission amounted to 79,299,584 JD and (there is also 13 unvalued law suits) and the probability of the final verdict to be favorable or unfavorable wasn't decided by the legal department, in order to determine the needed provision to be charged to the statement of comprehensive income, those lawsuits pending before the judiciary system different courts.

<u>Description</u>	Total amounts for valued lawsuits	Valued lawsuits	Unvalued lawsuits
Prevent claim – unpaid	33,455,413	3	-
Malfunction and damage	-	-	2
Claim for abolishing organizational decision	-	-	9
Prevent claim	430,615	2	-
Refund paid amounts - claim for financial amount	32,256	1	-
Refund paid amounts	42,869,345	6	-
Prevent claim of unpaid financial amounts and abolishing organizational decision	1,340,000	7	-
Prevent unpaid financial claim and prevent claim for stopping the services decision	200,000	1	-
Prevent unpaid financial claim and a claim to abolish an organizational decision and claim for compensation of malfunction and damage	170,000	1	-
Refund amounts and damage and malfunction claim	-	-	1
Claim for refund	641,955	1	1
Decision was issued in favor of the commission where the discrimination submitted by the plaintiff was rejected	160,000	1	-
Grand total	79,299,584	23	13

18. Comparative figures

The numbering of the financial statements 2015 figures were reclassified to correspond with the 2016.

19. Fair Value of Financial Instruments

- Financial instruments comprise of financial assets and financial liabilities.
- Financial assets consist of current accounts and deposits at banks, accounts receivable, other debit balances, accrued revenues, and un-executed tenders.
- Financial liabilities consist of accounts payable, revenues received in advance, deposits, unearned revenues from licenses and frequencies.
- The fair values of financial instruments are not materially different from their carrying values.

20. Risk Management

Interest rate risk

The Company is exposed to interest rate risk since there are material interest bearing financial assets or liabilities related to interest such as a deposit at bank.

Credit risk

The Commission seeks to limit its credit risk with respect to banks by only dealing with reputable banks.

Liquidity Risk

Is the risk that cause difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or other financial assets, the Commission seeks to limit its liquidity risk by ensuring the availability of the necessary bank facilities.

Currency Risk

Is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate, most of the commission's transactions are in Jordanian dinar, and U.S dollars. The Jordanian dinar is fixed against the U.S dollar (USD. 1.41 for each Jordanian dinar).