

PUBLIC INVITATION TO TENDER FOR EXTERNAL AUDIT SERVICES

1. Introduction

Gibtelecom Limited is seeking to appoint external auditors for the provision of Financial Audits related services for the period of five years commencing with the current financial year which ends on 31 December 2022, with an option for an additional five-year extension, subject to an annual reappointment which will be based on a review of performance and costs.

The tender will include the audit of the 2022 accounts (safe potential exceptions identified later on in the tender process).

2. Background

Gibtelecom is a group of companies headquartered in Gibraltar. The Gibtelecom group ("the group") is reporting its accounts in Gibraltar in accordance with UK GAAP (FRS 102 which is fully transposed in Gibraltar's GFRS 102).

The main activity of the group is the provision of telecommunications services in the domains of fixed line telephony, mobile telephony, fixed broadband and TV. Gibtelecom also offers a wide range of Enterprise communication services together with the supply of networks and communications equipment. The group is also the provider of data centre services and a global communications carrier through its investments in submarine fibre optic cables and several technical points of presence and interconnection points in Europe, Africa, Middle East and Asia.

The parent Company of the group, Gibtelecom Ltd ("the Company"), is also the main operational Company of the group. It is the incumbent telecom operator in Gibraltar. The Company is registered in Gibraltar and is authorised under the Communications Act 2006 to provide fixed line, mobile, satellite and other radio-communications services. The latest published audited accounts (2021) are available on the Company's website (www.gibtele.com).

Through its fully owned subsidiary, Zinnia Telecomunicaciones SL, Gibtelecom group also provides mobile services in Spain under the brand name Lobster.

The shareholding of the Company is ultimately the Government of Gibraltar.

3. Scope of work

The external audit of the parent Company, the group and all subsidiaries registered in Gibraltar is to be undertaken in accordance with the Gibraltar Generally Accepted Accounting Practice, including Gibraltar Financial Reporting Standard 102; and the requirements of the Companies Act 2014.

The audit needs to be carried out in accordance with International Standards on Auditing (ISAs) and all applicable laws.

The external audit of the subsidiaries located overseas is to be undertaken in accordance with local Companies Act, local regulations and local GAAPs. Any significant discrepancies (if any) with UK GAAP will need to be identified and harmonised for the purpose of the group consolidation.

The external audit will include the following entities:

Entity	Auditor in 2021	Company Status	Activity
1. Gibtelecom Ltd	Deloitte Gibraltar	Active	Parent company of the group, provider of telecom Services in Gibraltar and internationally
2. Rockolo Ltd	Deloitte Gibraltar	Active	Provider of data centre activity in Gibraltar
3. Zinnia Ltd	Deloitte Gibraltar	Active	Holding and call centre for Lobster
4. Gibconnect Ltd	Deloitte Gibraltar	Dormant	NA
5. Gibtel pension Fund	Deloitte Gibraltar	Active	Pension fund
6. GNC pension Fund	Deloitte Gibraltar	Active	Pension fund
7. Zinnia SL (aka Lobster)	Deloitte Madrid - Spain	Active	Provider of telecom services in Spain
8. Gibraltar Telecom (UK) Ltd	Moore Kingston Smith - UK	Active - Created in April 2020	Consulting
9. Rockolo (Malaysia) Bhd	Mazars - Malaysia	Dormant - Created in July 2020	Provider of data centre activity in Asia
10. Rockolo (Malta) Ltd	TBC	Dormant - Created in January 2022	Provider of data centre activity in Malta

11. In addition, the auditors will ensure that Gibtelecom Ltd and the group are tax compliant as per The Gibraltar tax legislation. They will therefore provide tax advice and ensure all tax filings are made on time and as per applicable regulations in Gibraltar.

Gibtelecom's financial year finishes on 31 December. Draft accounts would be available for the auditors by no later than 14 weeks after the year end. The audit is usually completed in time for the annual report and audited accounts to be available by the end of June/July for consideration by the Board of Directors in late July/early August.

4. Content of the tender

Your proposal must include:

1. Information about your firm, in Gibraltar and overseas.
2. Your experience in the Telecom industry.
3. A timetable of how you would meet the deadlines in respect of the 2022 accounts audit, and your materiality thresholds.
4. A brief CV of the staff to be assigned to the audit, in Gibraltar and overseas.
5. An outline of the audit approach.
6. A **breakdown** of fees for each of the 11 assignments highlighted before.
7. A breakdown of fees per level (Partner, Manager, Junior etc) and the modalities for agreeing fees.
8. If your firm currently audits or provides accounting services to any of our competitors, we require that you highlight the name of the competitor and that you demonstrate how you propose to manage a potential conflict of interest.
9. A demonstration as to how you propose to manage a potential conflict of interest between your role as tax advisor and auditor.
10. Your views on specific technical issues pertaining our accounts.
11. Your overall approach to quality assurance.
12. Your overall approach to dealing with emerging accounting issues and notably the convergence between UK GAAP and IFRS.
13. Processes that your firm use to address matters related to client satisfaction and continuous improvement.

5. Assessment of the tender

Your proposal should reach Gibtelecom in a sealed envelope by no later than Tuesday 20 December, clearly labelled as “external audit tender”. Please forward your proposal in a sealed envelope to Matthieu Mamou, CFO at the following address and confirm by email (finance@gibtele.com) that a sealed envelope was sent or delivered:

Gibtelecom
P.O. Box 929
15/21 John Mackintosh Square
Gibraltar

Alternatively, you can submit your proposal electronically to finance@gibtele.com and ensure that the subject of the email starts with “external audit tender”.

At a later date in the process, once your proposal has been reviewed by Gibtelecom, the shortlisted tenders will be invited to make a presentation to the Company.

Gibtelecom is fully owned by the Government of Gibraltar and operates as an independent company at arm’s length. The tender process is an internal procedure in place in Gibtelecom.

The Company does not bind itself to accept the lowest priced offer or any particular tender. Although, it shall be noted that one of the objectives of the tender is to identify costs savings and realise operational efficiencies on the audit process overall.

The quality of your tender, your credentials and your ability to complete on time and at a high degree of quality all assignments will be paramount in the decision taking.

Your capacity to coordinate auditors overseas will also be a key criterion.

Your ability to devise a simple, straight forward, time-effective and relevant audit approach for both the Gibtelecom teams and the audit teams will be highly regarded.

Finally, we would like to emphasise that the relation with our auditors is traditionally one of trust, partnership and mutual understanding; we hope to continue building up this relation with our future auditors.

Should you wish to obtain more information about the accounts or the assignments, please contact the CFO (matthieu.mamou@gibtele.com) and / or the Finance Manager (Caroline.robba@gibtele.com).

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