Gibraltar Regulatory Authority

Report and
Financial Statements
31st March 2024

Gibraltar Regulatory Authority
Report and Financial Statements for the year ended 31st March 2024

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Members and other information

MEMBERS	John Paul Rodriguez (Chairman) Tony Provasoli Kieran Power Francis Lopez
AUDITORS	Moore Stephens Limited Suite 5 Watergardens Block 4 Gibraltar
OFFICE ADDRESS	2nd Floor, Eurotowers 4 1 Europort Road Gibraltar

Chairman's Report

The Members of the Gibraltar Regulatory Authority ("the Members") submit their report and the audited financial statements for the year ended 31st March 2024.

Principal Activities

The principal activities of the Gibraltar Regulatory Authority (the "GRA" or the "Authority") are to exercise the powers, discharge the duties and perform the functions required of it under the Gibraltar Regulatory Authority Act 2000, as delegated to it by HM's Government of Gibraltar ("HMGoG"), and as may be required from time to time by statutory provision.

Results

The results for the year are shown in the income and expenditure account on page 7. The deficit for the year of £50,572 (2023: surplus for the year of £521,043) was transferred to the general fund.

Going concern

The financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes continuity of operations, realisation of assets and satisfaction of liabilities in the ordinary course of operations. Continued funding from HMGoG is primarily required to support the Authority. However, since the Authority was established for the purpose of implementation of the Gibraltar Regulatory Authority Act 2000, the Authority's existence is dependent on the enactment of the said Act. As such, the Members are not aware of any plans of HMGoG to repeal the Act and abolish the Authority, as well as of any events that could lead HMGoG to significantly reduce its funding contributions to support the Authority.

Members

The Members who served during the year and to date were as stated on page 2.

Statement of Members' responsibilities

The Members are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Authority at the end of the financial year and of the surplus or deficit for that year and which comply with the Gibraltar Regulatory Authority Act 2000.

Under that law the Members have elected to prepare the financial statements in accordance with applicable law in Gibraltar and Gibraltar Financial Reporting Standards. In preparing the financial statements, the Members are required to:

a) select suitable accounting policies and then apply them consistently;
b) make judgements and estimates that are reasonable and prudent;
c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The Members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairman's Report (continued)

Disclosure of information to Auditors
Each person that was a Member at the time this report was approved confirms that:

- so far as they are aware, there is no relevant audit information of which the Authority's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Member in order to make themselves aware of any relevant audit information and to establish that the Authority's auditor is aware of that information.

Moore Stephens Limited, the auditors during the year, being eligible for reappointment, have expressed their willingness to continue in office for the following year.

Approved by the Members and signed by order of the GRA Board:

John Paul Rodriguez
Chief Executive Officer (Chairman)

Bradley Tosso
Director

Date: 21/06/24

MOORE Stephens

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Independent Auditor's Report

To the Members of Gibraltar Regulatory Authority
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gibraltar Regulatory Authority (the "Authority"), which comprise the balance sheet as at 31st March 2024, income and expenditure account, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Authority's affairs as at 31st March 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with Gibraltar Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), 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 opinion.

Responsibilities of the Members for the Financial Statements

The Members are responsible for the preparation of financial statements that give a true and fair view in accordance with applicable law in Gibraltar and Gibraltar Financial Reporting Standards, and for such internal control as the Members determine 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, the Members are responsible for assessing the Authority'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 the Members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our 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.

Directors: Clive Dixon, Andrew Dixon, Anthony Seymour, Scott Trimble and Jennifer Karpa.
Company registration Number 103142 Gibraltar
An independent member of Moore Global Network Limited – members in principal cities throughout the world.

MOORE Stephens

Independent Auditor's Report (continued)

To the Members of Gibraltar Regulatory Authority
Report on the Audit of the Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 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 Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.

- Conclude on the appropriateness of the Members' 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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority 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 the Members 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.

This report, including the opinion, has been prepared for and only for the Members and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed upon by our prior consent in writing.

Jennifer Karpa
2024-06-21
17:30+02:00

Jennifer Karpa
Statutory auditor

For and on behalf of
Moore Stephens Limited
Gibraltar

Date: JUNE 21, 2024

Income and Expenditure Account

	Note	2024	2023
		£	£
Turnover			
HM Government of Gibraltar Contributions		**2,400,000**	2,400,000
Other income		**34,616**	3,983
		2,434,616	2,403,983
Expenditure			
Staff expenses	6	**1,713,435**	1,616,021
Establishment costs		**354,723**	318,904
Other operating expenses		**94,722**	87,711
Committee members' fees		**20,000**	20,000
Legal and professional fees		**258,559**	(198,939)
Auditor's remuneration		**6,100**	5,750
Depreciation		**37,649**	33,493
		(2,485,188)	(1,882,940)
(Deficit)/Surplus for the year		**(50,572)**	521,043
General fund brought forward		**984,774**	463,731
General fund carried forward		**934,202**	984,774

There are no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current or preceding year.

Balance Sheet

	Note	2024	2023
		£	£
Assets			
Fixed assets			
Tangible	7	**96,224**	83,437
Total fixed assets		**96,224**	83,437
Current assets			
Debtors	8	**83,103**	63,763
Cash at bank and in hand		**951,209**	876,999
Total current assets		**1,034,312**	940,762
Total assets		**1,130,536**	1,024,199
Creditors: amounts falling due within one year	9	**(196,334)**	(39,425)
Net current assets		**837,978**	901,337
Total assets less current liabilities		**934,202**	984,774
Financed by:			
General fund		**934,202**	984,774
		934,202	984,774

These financial statements were approved and authorised by the Gibraltar Regulatory Authority on 21/06/2024 and were signed on their behalf by:

John Paul Rodriguez
Chief Executive Officer (Chairman)

Bradley Tosso
Director

Notes to the Financial Statements

1. Authority information

The Gibraltar Regulatory Authority (the "Authority") is an independent statutory body that was established under the Gibraltar Regulatory Authority Act 2000. Its various duties are laid out in several different Acts and Regulations.

The Authority has a wide range of responsibilities across various sectors and sets and enforces regulatory rules in accordance with Gibraltar legislation. The Authority's remit includes the promotion of data privacy, upholding of information rights and freedom of information. It also carries regulatory functions in the areas of electronic communications, broadcasting, postal services, competition, higher education and cyber security.

2. Basis of preparation

The financial statements of the Authority have been prepared in accordance with Gibraltar Accounting Standards, including Gibraltar Financial Reporting Standard 102 Section 1A – small entities ('GFRS 102 Section 1A – small entities'). These financial statements are prepared on a going concern basis and under the historical cost convention. It should be noted that the Authority meets the definition of a Public Benefit Entity.

The preparation of financial statements in conformity with GFRS 102 requires the use of certain critical accounting estimates. The area where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements are presented in pound sterling (£), which is the functional and presentation currency of the Authority. Monetary amounts in these financial statements were rounded to the nearest sterling (£1).

The Authority meets the definition of a small entity under Section 1A of GFRS 102 and has therefore taken advantage of the disclosure exemptions available to it including the presentation of cash flow statements.

The Authority's deficit for the year was £50,572 (2023 surplus: £521,043).

Going concern

The financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes continuity of operations, realisation of assets and satisfaction of liabilities in the ordinary course of operations. Continued funding from HM Government of Gibraltar ("HMGoG") is primarily required to support the Authority. However, since the Authority was established for the purpose of implementation of the Gibraltar Regulatory Authority Act 2000, the Authority's existence is dependent on the enactment of the said Act. As such, the Members are not aware of any plans of HMGoG to repeal the Act and abolish the Authority, as well as of any events that could lead HMGoG to significantly reduce its funding contributions to support the Authority.

3. Significant accounting estimates and assumptions

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the tangible assets, and note 4 for the useful economic lives for each class of assets.

4. Principal accounting policies

Income
Income includes contributions from HMGoG approved in yearly government budgeting which are recognised on an accruals basis.

Pension costs
The Authority makes contributions to the Gibraltar Provident Trust (No. 2) Pension Scheme and to The Gibraltar Superannuation Fund Scheme. Costs are accounted for on an accruals basis and are recognised in the income and expenditure account in the year in which they are incurred.

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:-

Fixtures and fittings	-	20% straight-line method
Office equipment	-	20% straight-line method
Computer equipment	-	50% straight-line method

General fund
The General Fund represents the accumulated surplus in excess of expenditure of the Authority.

Financial instruments
Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Authority after deducting all of its liabilities. All financial assets and liabilities are initially measured at amortised cost using the effective interest method. Debt instruments that have no stated interest rate and are classified as creditor or debtor within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

5. Taxation

Under the provisions of the Gibraltar Regulatory Authority Act 2000, the Income of the Authority is exempt from income tax.

6. Staff costs

	2024	2023
	£	£
Staff costs are analysed as follows:		
Wages and salaries	**1,435,497**	1,382,239
Salary lump sum payments	**21,300**	-
Social security and pension costs	**234,089**	229,355
Holiday pay accrual	**22,549**	4,427
	1,713,435	1,616,021

The average number of employees during the year ended 31 March 2024 was 25 (2023: 25).

7. Tangible fixed assets

	Office equipment	Fixtures and Fixtures	Computer Equipment	Total
Cost				
As at 1st April 2023	115,581	96,726	45,090	**257,397**
Additions	10,246	-	40,190	**50,436**
Disposals	-	-	(22,521)	**(22,521)**
As at 31st March 2024	125,827	96,726	62,759	**285,312**
Depreciation				
As at 1st April 2023	45,015	85,803	43,142	**173,960**
Charge for the year	23,371	6,392	7,886	**37,649**
Disposals	-	-	(22,521)	**(22,521)**
As at 31st March 2024	68,386	92,195	28,507	**189,088**
Net book value				
As at 31st March 2024	**57,441**	**4,531**	**34,252**	**96,224**
As at 31st March 2023	70,566	10,923	1,948	83,437

8. Debtors

	2024	2023
	£	£
Prepayments	**78,183**	61,847
Accrued interest receivable	**4,920**	1,916
	83,103	63,763

9. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	**1,357**	56
Accruals and deferred income	**8,713**	7,454
Other creditors	**142,800**	11,000
Holiday pay accrual	**43,464**	20,915
	196,334	39,425

Other Creditors include a provision of £142,800 (2023: £11,000) for estimated legal fees that may arise from ongoing legal cases.

10. Lease commitments

The Authority leases a property for its own occupation. The Authority's liability to pay future rents under the terms of the lease are as follows:

	2024	2023
	£	£
Payable within one year	**192,901**	187,007
Payable between two and five year	**828,658**	798,730
Payable after more than five years	**948,935**	1,159,884

The lease payments made during the year amount to £187,007 (2023: £181,868).

11. Related party transactions

Fees paid to Authority members were as follows:

	2024	2023
	£	£
John Paul Rodriguez	**5,000**	5,000
Tony Provasoli	**5,000**	5,000
Kieran Power	**5,000**	5,000
Francis Lopez	**5,000**	5,000
	20,000	20,000

12. Events after the reporting date

There have been no other significant events after the end of the reporting year to disclose in the financial statements.