

**GSM Conference Services Limited**

**Annual Report and financial statements**

**Year ended 31 March 2017**

**Company Number 05581669**

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## GSM Conference Services Limited

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**DIRECTORS AND OTHER INFORMATION**

**Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

John Hoffman  
Louise Easterbrook  
David Walsh (appointed 9 November 2016)

**Company secretary and registered office**

David Walsh (appointed 1 May 2016)  
2<sup>nd</sup> Floor Walbrook Building  
25 Walbrook  
London EC4N 8AF

Registered number: 05581669

**Independent Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London E14 5GL

**Banker**

HSBC plc  
70 Pall Mall  
London  
SW1Y 5EZ

## GSM Conference Services Limited

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### STRATEGIC REPORT

#### Business Review

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

#### Risks

100% of the sales of the company are to its parent, GSMA Ltd and therefore the company is reliant upon the success of its parent to ensure its own future existence.

#### Business Model

GSM Conference Services Limited provides sales agency and conference and event operational services to its parent GSMA Ltd. GSM Conference Services Limited is remunerated by its parent using an arms-length methodology that is a factor of both its own cost base and the volume of sales that it achieves as a sales agency to its parent.

#### Future Developments

GSM Conference Services Limited's strategic plans are aligned with the future plans of its parent GSMA Ltd, modest growth is anticipated to support the growth of GSMA Ltd conference and events activities.

The strategic review was approved by the board on 28 June 2017 and was signed on its behalf by



Louise Easterbrook  
Director  
28 June 2017

## **DIRECTORS' REPORT**

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2017.

### **Principal activities**

GSM Conference Services Limited is a privately owned company. The principal activity of the company is that of a sales agency for conference and related activities.

### **Results**

The income statement for the years ended 31 March 2017 and 31 March 2016 is set out on page 7. The company generated a profit for the year before taxation of £291,343 (2016: £725,897). The company did not propose a dividend for the current financial year (2016: NIL) and the profit for the year of £20,689 (2016: £423,992) has been transferred to reserves.

### **Financial Risk Management**

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro as detailed in note 17.

### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Other information**

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 3.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### **Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

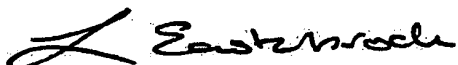
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**DIRECTORS' REPORT - continued**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

The directors' report was approved by the board on 28 June 2017 and was signed on its behalf by



Louise Easterbrook  
Director  
28 June 2017

Registered Office Address: Floor 2, The Walbrook Building, 25 Walbrook, London, EC4N 8AF

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GSM Conference Services Limited**

We have audited the financial statements of GSM Conference Services Limited for the year ended 31 March 2017 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

*This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.*

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Tudor Aw (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

5 July 2017

# GSM Conference Services Limited

## INCOME STATEMENT for the year ended 31 March 2017

	Note	2017 £	2016 £
Revenue		11,887,912	9,267,064
Administrative expenses	1	<u>(11,596,569)</u>	<u>(8,541,167)</u>
Operating profit and profit before taxation		291,343	725,897
Taxation	3	<u>(270,654)</u>	<u>(301,905)</u>
Profit for the year and total comprehensive income attributable to owners of the company		<u><u>20,689</u></u>	<u><u>423,992</u></u>

The company has not recognised gains or losses other than the profits for the current and previous year and therefore there is no other comprehensive income for the year.

The accompanying notes form an integral part of these financial statements.



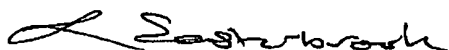
# GSM Conference Services Limited

## BALANCE SHEET as at 31 March 2017

	Note	2017 £	2016 £
<b>Non-current assets</b>			
Property, plant and equipment	4	96,378	42,279
Investments	5	<u>15</u>	<u>15</u>
		<u>96,393</u>	<u>42,294</u>
<b>Current assets</b>			
Trade and other receivables	6	1,327,129	1,556,360
Cash and cash equivalents	7	<u>1,299,509</u>	<u>609,642</u>
		<u>2,626,638</u>	<u>2,166,002</u>
<b>Total assets</b>		<u><b>2,723,031</b></u>	<u><b>2,208,296</b></u>
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	11	1	1
Retained earnings	18	<u>1,170,404</u>	<u>1,149,715</u>
<b>Total Equity</b>		<u><b>1,170,405</b></u>	<u><b>1,149,716</b></u>
<b>Current liabilities</b>			
Trade and other payables	8	1,281,796	813,320
Current tax liabilities		<u>270,830</u>	<u>245,260</u>
		<u>1,552,626</u>	<u>1,058,580</u>
<b>Total liabilities</b>		<u><b>1,552,626</b></u>	<u><b>1,058,580</b></u>
<b>Total equity and liabilities</b>		<u><b>2,723,031</b></u>	<u><b>2,208,296</b></u>

The accompanying notes form an integral part of the financial statements.

The financial statements on pages 7 to 17 were approved by the board on 28 June 2017 and were signed on its behalf by



Louise Easterbrook  
Director

Registered Company Number: 05581669

**CASH FLOW STATEMENT for the year ended 31 March 2017**

	Note	2017 £	2016 £
<b>Cash flows (used in) / from operating activities</b>			
Cash (used in) / generated from operations	15	1,035,352	873,890
Income tax paid		(245,084)	(343,777)
Net cash (used in) / generated from operating activities		790,268	530,113
<b>Cash flows (used in) / generated from investing and financing activities</b>			
Dividend Paid	16	-	-
Purchase of property, plant and equipment		(100,401)	(1,461)
Disposals of property, plant and equipment		-	9
Net decrease in cash and cash equivalents		689,867	528,661
Cash and cash equivalents at the beginning of the year		609,642	80,981
Cash and cash equivalents at the end of the year		1,299,509	609,642

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2017**

	Note	Share Capital £	Retained Earnings £	Total Equity £
Balance as at 31 March 2015		1	725,723	725,724
Profit for the year and total comprehensive income		-	423,992	423,992
Balance as at 31 March 2016		<u>1</u>	<u>1,149,715</u>	<u>1,149,716</u>
Profit for the year and total comprehensive income		-	20,689	20,689
Balance as at 31 March 2017	11, 18	<u>1</u>	<u>1,170,404</u>	<u>1,170,405</u>

The accompanying notes form an integral part of these financial statements.

## ACCOUNTING POLICIES

These financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on a going concern basis and under the historical cost convention.

The company is a UK registered entity limited by shares incorporated in England and domiciled in the United Kingdom.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

### Revenue

Revenue represents the invoiced value of service supplied by the company, net of value added tax and trade discounts. Revenue is recognised at the point that the service is provided.

### Foreign currencies

#### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in UK Pounds, which is the company's functional and presentation currency and is denoted by the symbol "£".

#### (ii) Transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is provided on a straight-line basis, to allocate asset cost less residual amounts over estimated economic lives. The estimated economic lives assigned to property, plant and equipment are as follows:

	Years
Office Equipment	4
IT equipment & software	3 to 5
Leasehold additions	to lease end

### Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short term, highly liquid investments which can be accessed within three months or less.

### Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. When a trade receivable is uncollectable it is written off against an allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited back to the income statement.

### Leases

Leases entered into where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

### Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

**ACCOUNTING POLICIES – continued**

**Taxation**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax legislation is subject to interpretation and established provisions, where appropriate, on the basis of the amount expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on significant temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**Related Party Transactions**

The company is remunerated for the services that it provided to its parent company, GSMA Ltd, on an arms-length basis using a benchmarked rate of return. Its parent company also provides some overhead services to GSM Conference Services Limited under an intercompany services agreement and these balance due to and from the parent company are recognised at the balance sheet date as related party transactions.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received.

**New Standards**

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2016 that would be expected to have a material impact on the company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

**Key judgement and estimation uncertainty**

The preparation of financial statements under IFRS requires management to make estimates and assumptions that affect amounts recognised for assets and liabilities at the balance sheet date and the amounts for revenue and expenditure incurred during the reported period. There are no material estimates or assumptions that have a significant impact on the carrying value of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

	2017 £	2016 £
<b>1 Administrative expenses</b>		
Employee benefit expenses (note 2)	8,737,915	6,510,296
Travel, entertaining and meetings	821,363	739,202
Project consultants fees and expenses	783,526	166,382
Establishment expenses	773,210	664,547
Legal and professional fees	86,222	118,936
Information services, technology and communication costs	136,610	124,169
Depreciation	45,542	111,826
Realised & Unrealised exchange (gains) / losses	83,857	(47,262)
Financial expenses	3,601	2,363
Managed services expenditure	124,723	150,708
	<u>11,596,569</u>	<u>8,541,167</u>

Costs of £32,000 (2016: £30,000) for the annual audit of the financial statements of the Company are borne by its parent GSMA Ltd, and no recharge is made to the Company.

	2017 £	2016 £
<b>2 Employee benefit expense</b>		
Wages and salaries	7,406,009	5,391,800
Social Security costs	733,835	522,474
Other Pension costs - defined contribution scheme	162,318	139,469
Other staff costs	435,753	456,553
	<u>8,737,915</u>	<u>6,510,296</u>

Average monthly no of regular staff	94	81
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	2017 £	2016 £
<b>3 Taxation</b>		
(a) Corporation tax for the year	<u>270,654</u>	<u>301,905</u>

(b) Tax reconciliation

The current charge for the year is different than (2016: different than) the current charge that would results from applying the standard rate of Corporation Tax applicable in the respective countries to profit on ordinary activities.

The differences are explained below:

	2017 £	2016 £
Profit before taxation	<u>291,343</u>	<u>725,897</u>
Profit on ordinary activities at the standard rate of tax (20%) (2016:20%)	58,269	145,179
Effects of:		
Prior year under-provision	-	56,646
Non-taxable (income) / loss	<u>212,385</u>	<u>100,080</u>
	<u>270,654</u>	<u>301,905</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

4 Property, plant and equipment

	Office equipment £
<b>Year ended 31 March 2016</b>	
Opening net book amount	152,653
Additions	1,461
Disposals	(9)
Depreciation charge	(111,826)
Closing net book amount	<u>42,279</u>
<b>At 31 March 2016</b>	
Cost	408,373
Accumulated depreciation	(366,094)
Net book amount	<u>42,279</u>
<b>Year ended 31 March 2017</b>	
Opening net book amount	42,279
Additions	100,401
Disposals	-
Depreciation charge	(46,302)
Closing net book amount	<u>96,378</u>
<b>At 31 March 2017</b>	
Cost	508,774
Accumulated depreciation	(412,396)
Net book amount	<u>96,378</u>

5 Investments

Name	GSMA India Services Private Limited	
Country of incorporation	India	
Proportion of ownership interest	As at 31 March 2017	0.01% (2016: 0.01%)
Cost	As at 31 March 2017	£15 (2016: £15)
Name	GSMA Brasil Telecomunicacoes LTDA	
Country of incorporation	Brazil	
Proportion of ownership interest	As at 31 March 2017	0.04% (2016: 0.04%)
Cost	As at 31 March 2017	BRL 1 (2016: BRL 1)

6 Trade and other receivables

	2017 £	2016 £
Amounts owed from group undertakings (note 13)	911,140	1,275,985
Other taxation and social security	215,441	152,476
Prepayments	31,513	16,034
Other receivables	169,035	111,865
	<u>1,327,129</u>	<u>1,556,360</u>

Amounts owed from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## GSM Conference Services Limited

### NOTES TO THE FINANCIAL STATEMENTS – continued

#### 7 Cash and cash equivalents

	2017 £	2016 £
Cash at bank and on hand	1,299,509	609,642

#### 8 Trade and other payables

	2017 £	2016 £
Trade payables	75,091	69,529
Social security and other taxes	148,116	122,154
Accrued expenses	1,052,157	615,205
Other payables	6,432	6,432
	1,281,796	813,320

#### 9 Contingencies

There are no contingent liabilities at the year end (2016: Nil)

#### 10 Operating lease commitments

The company is committed to make payments under operating leases relating to the premises it occupied as follows:

	2017 £	2016 £
Due within one year	672,085	554,475
Due within 2 to 5 years	160,795	676,698



**NOTES TO THE FINANCIAL STATEMENTS – continued**

**11 Share capital**

	2017 £	2016 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 (2016: 1,000)	<u>1,000</u>	<u>1,000</u>
<b>Issued and fully paid:</b>		
1 ordinary share of £1 (2016: 1)	<u>1</u>	<u>1</u>

**12 Parent and ultimate controlling party**

The company is a wholly owned subsidiary of GSMA Ltd. The directors consider the ultimate parent to be GSM Association, a Swiss verein, which is the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2017. Copies of the GSM Association consolidated financial statements can be obtained from Floor 2, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.

**13 Related party transactions**

	2017 £	2016 £
Year end balances arising from the sale of services due from GSMA Ltd and from the purchase of overhead goods and services due to GSMA Ltd and Associated Companies	<u>911,140</u>	<u>1,275,985</u>

**14 Key Management Compensation**

All key management personnel compensation is borne by the ultimate parent company.

**15 Cash (used in) / generated from operations**

	2017 £	2016 £
Profit before taxation	291,343	725,897
Adjustment for:		
Depreciation (note 4)	46,302	111,826
<b>Changes in working capital</b>		
(Increase) / Decrease in trade and other receivables	229,231	635,616
(Decrease) / Increase in trade and other payables	468,476	(599,449)
<b>Cash (used in) / generated from operations</b>	<u>1,035,352</u>	<u>873,890</u>

**16 Dividend Paid**

During the year no dividend was paid to shareholders (2016: £Nil).

## 17 Financial instruments and risk management

The accounting policies for financial instruments have been applied to cash and cash equivalents, trade and other receivables and trade and other payables.

### (a) Market risk

#### Interest rate risk management

The company does not hold or issue any interest bearing financial assets or liabilities that may expose the group to either interest rate flows or fair value volatility.

#### Foreign exchange

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and Euro.

Its foreign exchange risk arises from the future transactions, recognised assets and liabilities undertaken in currencies other than the Sterling. The company does not use derivative financial instruments to manage foreign exchange risk but its ultimate parent company, the GSM Association, does have its major income streams in both Euros and US Dollars and these are broadly matched by its short-term foreign currency outflows.

The company's policy concerning forex exposure is to hedge its cash flows naturally to provide some stability over the medium term, rather than simply hedging short-term using treasury instruments.

#### Price risk management

The company has no exposure to equity securities price risk at the balance sheet date.

### (b) Credit risk management

The company does not have any significant concentrations of credit risk. Policies are in place to ensure that transactions are only undertaken with customers with an appropriate credit history.

### (c) Liquidity risk management

The company has no borrowings at the balance sheet date and ensures its liquidity is maintained by periodic reviews of all short and medium term funding requirements. Its policy is to support its retained earnings by cash or cash equivalents.

### (d) Hedging activities

The company has not entered into any hedging activities during the year and had no outstanding transactions at the balance sheet date.

### (e) Other derivatives

The company has not entered into any other derivative transactions.

### (f) Fair value of financial instruments

All of the company's financial instruments are carried at an amount that approximates its fair value on the balance sheet at 31 March 2017 and 2016.

## 18 Retained Earnings

	£
Opening retained earnings at 1 April 2016	1,149,715
Profit for the year ended 31 March 2017	20,689
Closing retained earnings at 31 March 2017	<u>1,170,404</u>