GSM Conference Services Limited

Annual Report and financial statements

Year ended 31 March 2016

Company Number 05581669

CONTENTS

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:

Anne Bouverot (resigned 31 October 2015)
John Hoffman
Louise Easterbrook

Company secretary and registered office

David Walsh
2nd Floor Walbrook Building
25 Walbrook
London EC4N 8AF

Registered number: 05581669

Independent Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Bankers

HSBC plc
70 Pall Mall
London
SW1Y 5EZ

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 2016 and was signed on its behalf by

Louise Easterbrook
Director
28 June 2016

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2016.

Principal activities
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 2016 and 31 March 2015 is set out on page 6. The company generated a profit for the year before taxation of £725,897 (2015: £809,266). The company proposes a dividend of £1,000,000 per share for the current financial year (2015: NIL) and the profit for the year of £423,992 (2014: £646,468) 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 16

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.

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 2016 and was signed on its behalf by

Louise Easterbrook
Director
28 June 2016

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 2016 set out on pages 6 to 16. 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.

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 2016 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 for which the financial statements are prepared 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

Tudor Aw (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
5 July 2016

INCOME STATEMENT for the year ended 31 March 2016

	Note	2016 £	2015 £
Revenue		9,267,064	8,549,655
Administrative expenses	1	(8,541,167)	(7,740,389)
Operating profit and profit before taxation		725,897	809,266
Taxation	3	(301,905)	(162,798)
Profit for the year and total comprehensive income attributable to owners of the company		**423,992**	**646,468**

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.

BALANCE SHEET as at 31 March 2016

	Note	2016 £	2015 £
Non current assets			
Property, plant and equipment	4	42,279	152,653
Investments	5	15	15
		42,294	152,668
Current assets			
Trade and other receivables	6	1,556,360	2,191,976
Cash and cash equivalents	7	609,642	80,981
		2,166,002	2,272,957
Total assets		**2,208,296**	**2,425,625**
Equity			
Capital and reserves			
Share capital	11	1	1
Retained earnings	18	1,149,715	725,723
Total Equity		**1,149,716**	**725,724**
Current liabilities			
Trade and other payables	8	813,320	1,412,769
Current tax liabilities		245,260	287,132
		1,058,580	1,699,901
Total liabilities		1,058,580	1,699,901
Total equity and liabilities		**2,208,296**	**2,425,625**

The financial statements on pages 6 to 16 were approved by the board on 28 June 2016 and were signed on its behalf by

Louise Easterbrook
Director

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

CASH FLOW STATEMENT for the year ended 31 March 2016

	Note	2016 £	2015 £
Cash flows (used in) / from operating activities			
Cash (used in) / generated from operations	15	873,890	344,095
Income tax paid		(343,777)	(91,568)
Net cash (used in) / generated from operating activities		530,113	252,527
Cash flows (used in) / generated from investing and financing activities			
Dividend Paid	16	-	(400,000)
Purchase of property, plant and equipment		(1,461)	(261)
Disposals of property, plant and equipment		9	-
Purchase of investment		0	(15)
Net decrease in cash and cash equivalents		528,661	(147,749)
Cash and cash equivalents at the beginning of the year		80,981	228,730
Cash and cash equivalents at the end of the year		609,642	80,981

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

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2016

	Note	Share Capital £	Retained Earnings £	Total Equity £
Balance as at 31 March 2014		1	479,255	479,256
Profit for the year and total comprehensive income		-	646,468	646,468
Dividend Distribution		-	(400,000)	(400,000)
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	18	1	1,149,715	1,149,716

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 2015 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

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
1 Administrative expenses		
Employee benefit expenses (note 2)	6,510,296	5,886,944
Travel, entertaining and meetings	739,202	767,846
Project consultants fees and expenses	166,382	238,541
Establishment expenses	664,547	539,851
Legal and professional fees	118,936	8,455
Information services, technology and communication costs	124,169	101,446
Depreciation	111,826	130,943
Realised & Unrealised exchange (gains) / losses	(47,262)	(1,166)
Financial expenses	2,363	-
Managed services expenditure	150,708	67,529
	8,541,167	7,740,389

Costs of £21,000 (2015: £20,000) for the annual audit of the financial statements of the Company are bome by its parent GSMA Ltd, and no recharge is made to the Company.

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
2 Employee benefit expense		
Wages and salaries	5,391,800	4,947,320
Social Security costs	522,474	474,243
Other Pension costs - defined contribution scheme	139,469	137,694
Other staff costs	456,553	327,687
	6,510,296	5,886,944
Average monthly no of regular staff	81	64

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
3 Taxation		
(a) Corporation tax for the year	301,905	162,798

(b) Tax reconciliation

The current charge for the year is different than (2015: different than) the current charge that would results froı applying the standard rate of Corporation Tax applicable in the respective countries to profit on ordinary activities.

The differences are explained below:

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Profit before taxation	725,897	809,266
Profit on ordinary activities at the standard rate of tax (20%) (2015:21%)	145,179	169,946
Effects of:		
Prior year under-provision	56,646	-
Non-taxable (income) / loss	100,080	(7,148)
	301,905	162,798

NOTES TO THE FINANCIAL STATEMENTS – continued

4 Property, plant and equipment

	Office equipment £
Year ended 31 March 2015	
Opening net book amount	283,335
Additions	261
Disposals	-
Depreciation charge	(130,943)
Closing net book amount	152,653
At 31 March 2015	
Cost	477,010
Accumulated depreciation	(324,357)
Net book amount	152,653
Year ended 31 March 2016	
Opening net book amount	152,653
Additions	1,461
Disposals	(9)
Depreciation charge	(111,826)
Closing net book amount	42,279
At 31 March 2016	
Cost	408,373
Accumulated depreciation	(366,094)
Net book amount	42,279

5 Investments

Name	GSMA India Services Private Limited	
Country of incorporation	India	
Proportion of ownership interest	As at 31 March 2016	0.01% (2015: 0.01%)
Cost	As at 31 March 2016	£15 (2015: £15)

Name	GSMA Brasil Telecommunicacoes LTDA	
Country of incorporation	Brazil	
Proportion of ownership interest	As at 31 March 2016	0.04% (2015: 0.04%)
Cost	As at 31 March 2016	BRL 1 (2015: BRL 1)

6 Trade and other receivables

	2016 £	2015 £
Amounts owed from group undertakings (note 12)	1,275,985	1,973,450
Other taxation and social security	152,476	64,845
Prepayments	16,034	147,968
Other receivables	111,865	5,713
	1,556,360	2,191,976

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

NOTES TO THE FINANCIAL STATEMENTS – continued

7 Cash and cash equivalents

	2016 £	2015 £
Cash at bank and on hand	609,642	80,981

8 Trade and other payables

	2016 £	2015 £
Trade payables	69,529	99,638
Social security and other taxes	122,154	192,422
Accrued expenses	615,205	938,764
Other payables	6,432	181,945
	813,320	1,412,769

9 Contingencies

There are no contingent liabilities at the year end (2015: Nil)

10 Operating lease commitments

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

	2016 £	2015 £
Due within one year	554,475	554,475
Due within 2 to 5 years	676,698	1,222,230

11 Share capital

	2016	2015
	£	£
Authorised:		
1,000 ordinary shares of £1 (2015: 1,000)	1,000	1,000
Issued and fully paid:		
1 ordinary share of £1 (2015: 1)	1	1

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 2016. 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

	2016	2015
	£	£
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	1,275,985	1,973,450

14 Key Management Compensation

All key management personnel compensation is borne by the ultimate parent company and the equivalent value based on an estimated proportion of management time for 2016 is £195,279 (2015: £168,846)

15 Cash (used in) / generated from operations

	2016	2015
	£	£
Profit before taxation	725,897	809,266
Adjustment for:		
Depreciation	111,826	130,943
Changes in working capital		
(Increase) / Decrease in trade and other receivables	635,616	(578,424)
(Decrease) / Increase in trade and other payables	(599,449)	(17,690)
Cash (used in) / generated from operations	873,890	344,095

16 Dividend Paid

During the year no dividend was paid to shareholders (2015: £400,000 per share).

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 2016 and 2015.

18 Retained Earnings

	£
Opening retained earnings at 1 April 2015	**725,723**
Profit for the year ended 31 March 2016	**423,992**
Closing retained earnings at 31 March 2016	**1,149,715**