

**GSM Conference Services Limited**

**Annual Report and financial statements**

**Year ended 31 March 2018**

**Company Number 05581669**

FRIDAY



\*A7L9B5C0\*

A18

21/12/2018

#244

COMPANIES HOUSE

**CONTENTS**

	Pages
DIRECTORS AND OTHER INFORMATION	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	4
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GSM CONFERENCE SERVICES LTD	6
INCOME STATEMENT	8
BALANCE SHEET	9
CASH FLOW STATEMENT	10
STATEMENT OF CHANGES IN EQUITY	11
ACCOUNTING POLICIES	12 - 13
NOTES TO THE FINANCIAL STATEMENTS	14 - 18

## **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 (resigned 22 February 2018)  
Louise Easterbrook  
David Walsh (resigned 22 February 2018)  
Alex Sinclair (appointed 22 February 2018)

### **Company secretary and registered office**

Oonagh Stein (appointed 22 February 2018)  
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

## 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.

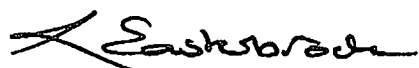
### Business Model

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 2018 and was signed on its behalf by



Louise Easterbrook  
Director  
19 December 2018

## **DIRECTORS' REPORT**

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2018.

### **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 2018 and 31 March 2017 is set out on page 7. The company generated a profit for the year before taxation of £727,992 (2017: £291,343). The company did not propose a dividend for the current financial year (2017: NIL) and the profit for the year of £534,953 (2017: profit of £20,689) 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.

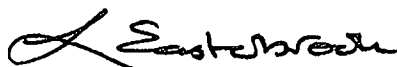
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable 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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 2018 and was signed on its behalf by



Louise Easterbrook  
Director  
19 December 2018

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**

### **Opinion**

We have audited the financial statements of GSM Conference Services Limited ("the company") for the year ended 31 March 2018 which comprise the income statement, balance sheet, cash flow statement and statement of changes in equity, and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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**

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.

**Tudor Aw (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
19 December 2018



**INCOME STATEMENT for the year ended 31 March 2018**

	Note	2018 £	2017 £
<b>Revenue</b>		10,937,125	11,887,912
Administrative expenses	1	<u>(10,209,133)</u>	<u>(11,596,569)</u>
Operating profit before taxation		727,992	291,343
Taxation	3	<u>(193,036)</u>	<u>(270,654)</u>
<b>Profit for the year and total comprehensive income attributable to owners of the company</b>		<u><b>534,956</b></u>	<u><b>20,689</b></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.

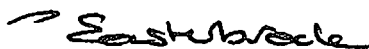
The accompanying notes form an integral part of these financial statements.

**BALANCE SHEET as at 31 March 2018**

	Note	2018 £	2011 £
<b>Non-current assets</b>			
Property, plant and equipment	4	70,849	96,378
Investments	5	<u>15</u>	<u>15</u>
		<u>70,864</u>	<u>96,393</u>
<b>Current assets</b>			
Trade and other receivables	6	1,670,819	1,327,129
Cash and cash equivalents	7	<u>1,137,969</u>	<u>1,299,509</u>
		<u>2,808,788</u>	<u>2,626,638</u>
<b>Total assets</b>		<u><b>2,879,652</b></u>	<u><b>2,723,031</b></u>
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	11	1	1
Retained earnings	18	<u>1,705,360</u>	<u>1,170,404</u>
<b>Total Equity</b>		<u><b>1,705,361</b></u>	<u><b>1,170,405</b></u>
<b>Current liabilities</b>			
Trade and other payables	8	956,943	1,281,796
Current tax liabilities		<u>217,348</u>	<u>270,830</u>
		<u>1,174,291</u>	<u>1,552,626</u>
<b>Total liabilities</b>		<u><b>1,174,291</b></u>	<u><b>1,552,626</b></u>
<b>Total equity and liabilities</b>		<u><b>2,879,652</b></u>	<u><b>2,723,031</b></u>

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

The financial statements on pages 8 to 18 were approved by the Board on 28 June 2018 and were signed on its behalf by



Louise Easterbrook  
Director

Registered Company Number: 05581669

**CASH FLOW STATEMENT for the year ended 31 March 2018**

	Note	2018 £	2017 £
<b>Cash flows (used in) / from operating activities</b>			
Cash generated from operations	15	94,531	1,035,352
Income tax paid		(246,518)	(245,084)
Net cash (used in) / generated from operating activities		(151,987)	790,268
<b>Cash flows (used in) / generated from investing and financing activities</b>			
Purchase of property, plant and equipment	4	(9,553)	(100,401)
Net (decrease) / increase in cash and cash equivalents		(161,540)	689,867
Cash and cash equivalents at the beginning of the year		1,299,509	609,642
Cash and cash equivalents at the end of the year		1,137,969	1,299,509

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

**STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2018**

	Note	Share Capital £	Retained Earnings £	Total Equity £
<b>Balance as at 31 March 2016</b>		1	1,149,715	1,149,716
Profit for the year and total comprehensive income		-	20,689	20,689
<b>Balance as at 31 March 2017</b>		<u>1</u>	<u>1,170,404</u>	<u>1,170,405</u>
Profit for the year and total comprehensive income		-	534,956	534,956
<b>Balance as at 31 March 2018</b>	11, 18	<u>1</u>	<u>1,705,360</u>	<u>1,705,361</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 private 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 2017 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.

### **Adopted IFRS Not Yet Applied**

The new accounting standards coming into force in 2018 and 2019 have been considered by the company.

Based on our preliminary review, it is anticipated that there is no material impact to revenue recognition under IFRS 15 and financial instruments under IFRS 9 from 1 April 2018.

IFRS 16 is currently being reviewed for implementation from 1 April 2019.

# NOTES TO THE FINANCIAL STATEMENTS

	2018 £	2017 £
<b>1 Administrative expenses</b>		
Employee benefit expenses (note 2)	8,153,873	8,737,915
Travel, entertaining and meetings	782,554	821,363
Project consultants fees and expenses	669,202	783,526
Establishment expenses	784,772	773,210
Legal and professional fees	52,023	86,222
Information services, technology and communication costs	138,223	136,610
Depreciation	33,670	45,542
Realised & Unrealised exchange (gains) / losses	(454,721)	83,857
Financial expenses	3,770	3,601
Managed services expenditure	45,767	124,723
	<u>10,209,133</u>	<u>11,596,569</u>

Costs of £34,000 (2017: £32,000) 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.

	2018 £	2017 £
<b>2 Employee benefit expense</b>		
Wages and salaries	6,627,242	7,406,009
Social Security costs	736,122	733,835
Other Pension costs - defined contribution scheme	177,238	162,318
Other staff costs	613,271	435,753
	<u>8,153,873</u>	<u>8,737,915</u>

Average monthly no of regular staff 102 94

	2018 £	2017 £
<b>3 Taxation</b>		
(a) Corporation tax for the year	<u>193,039</u>	<u>270,654</u>

- (b) Tax reconciliation  
The current charge for the year is different than (2017: different than) the current charge that would result from applying the standard rate of Corporation Tax applicable to profit on ordinary activities.

The differences are explained below:

	2018 £	2017 £
Profit before taxation	<u>727,992</u>	<u>291,343</u>
Profit on ordinary activities at the standard rate of tax at 19% (2017:20%)	138,318	58,269
Effects of:		
Prior year (over) / under provision	(24,305)	-
Non-taxable loss / (income)	<u>79,023</u>	<u>212,385</u>
	<u>193,036</u>	<u>270,654</u>

## NOTES TO THE FINANCIAL STATEMENTS – continued

## 4 Property, plant and equipment

	Office equipment £
<b>Year ended 31 March 2017</b>	
Opening net book amount	42,279
Additions	100,401
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>
<b>Year ended 31 March 2018</b>	
Opening net book amount	96,378
Additions	9,553
Disposals	-
Depreciation charge	(35,082)
Closing net book amount	<u>70,849</u>
<b>At 31 March 2018</b>	
Cost	518,259
Accumulated depreciation	(447,410)
Net book amount	<u>70,849</u>

## 5 Investments

Name	GSMA Services India Private Limited	
Country of incorporation	India	
Proportion of ownership interest	As at 31 March 2018	0.01% (2017: 0.01%)
Cost	As at 31 March 2018	£15 (2017: £15)
Name	GSMA Brasil Telecomunicacoes LTDA	
Country of incorporation	Brazil	
Proportion of ownership interest	As at 31 March 2018	0.04% (2017: 0.04%)
Cost	As at 31 March 2018	BRL 1 (2017: BRL 1)
Name	GSMA SRL	
Country of incorporation	Argentina	
Proportion of ownership interest	As at 31 March 2018	10% (2017: 10%)
Cost	As at 31 March 2018	ARS 3,000 (2017: ARS 3,000)

## 6 Trade and other receivables

	2018 £	2017 £
Amounts owed from group undertakings (note 13)	1,095,184	911,140
Other taxation and social security	237,242	215,441
Prepayments	154,617	31,513
Other receivables	183,776	169,035
	<u>1,670,819</u>	<u>1,327,129</u>

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

	2018 £	2017 £
Cash at bank and on hand	<u>1,137,969</u>	<u>1,299,509</u>

8 Trade and other payables

	2018 £	2017 £
Trade payables	13,249	75,091
Social security and other taxes	144,921	148,116
Accrued expenses	756,022	1,052,157
Other payables	<u>42,751</u>	<u>6,432</u>
	<u>956,943</u>	<u>1,281,796</u>

9 Contingencies

There are no contingent liabilities at the year end (2017: Nil)

10 Operating lease commitments

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

	2018 £	2017 £
Due within one year	672,084	672,085
Due within 2 to 5 years	<u>1,481,475</u>	<u>160,795</u>
	<u>2,153,559</u>	<u>832,880</u>

11 Share capital

	2018 £	2017 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 (2017: 1,000)	<u>1,000</u>	<u>1,000</u>
<b>Issued and fully paid:</b>		
1 ordinary share of £1 (2017: 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 2018. Copies of the GSM Association consolidated financial statements can be obtained from Floor 2, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.

**NOTES TO THE FINANCIAL STATEMENTS – continued**

**13 Related party transactions**

	<b>2018</b>	<b>2017</b>
	£	£
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>1,095,184</u>	<u>911,140</u>

**14 Key Management Compensation**

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

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

	<b>2018</b>	<b>2017</b>
	£	£
Profit before taxation	727,992	291,343
Adjustment for: Depreciation (note 4)	35,082	46,302
<b>Changes in working capital</b>		
(Increase)/Decrease in trade and other receivables	(343,690)	229,231
(Decrease) / Increase in trade and other payables	(324,853)	468,476
<b>Cash generated from operations</b>	<u>94,531</u>	<u>1,035,352</u>

**16 Dividend Paid**

During the year no dividend was paid to shareholders (2017: £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 2017	1,170,404
Profit for the year ended 31 March 2018	534,956
Closing retained earnings at 31 March 2018	<u>1,705,360</u>