

GSM Conference Services Limited

Annual Report

Year ended 31 March 2014

Company Number 05581669

TUESDAY



A3NBFZL7

A27

23/12/2014

#150

COMPANIES HOUSE

CONTENTS

	Page
DIRECTORS AND OTHER INFORMATION	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	4
INDEPENDENT AUDITORS' REPORT	5-6
INCOME STATEMENT	7
BALANCE SHEET	8
CASH FLOW STATEMENT	9
STATEMENT OF CHANGES IN EQUITY	10
ACCOUNTING POLICIES	11 - 12
NOTES TO THE FINANCIAL STATEMENTS	13 - 17

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
John Hoffman
Jeremy Sewell

Company secretary and registered office

Oonagh Stein
7th Floor
5 New Street Square
London
EC4A 3BF

Registered number: 05581669

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

HSBC plc
1st Floor, 60 Queen Victoria Street
London
EC4N 4TR

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 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 report was approved by the board on 23 July 2014 and was signed on its behalf by

Jeremy Sewell
Director
23 July 2014



DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2014.

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 2014 and 31 March 2013 is set out on page 7. The company generated a profit before taxation of £622,063 (2013: £912,929). The company paid a dividend for the current financial year of £2,300,000 per share (2013: £nil) and the profit for the year of £420,126 (2013: £718,919) has been transferred to reserves.

The directors recommend a dividend in respect of the year ended 31 March 2014 of £400,000 per share.

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 15

Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The directors' report was approved by the board on 23 July 2014 and was signed on its behalf by

Jeremy Sewell
Director
23 July 2014



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GSM CONFERENCE SERVICES LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by GSM Conference Services Limited, comprise:

- the Income Statement for the year ended 31 March 2014;
- the Balance Sheet as at 31 March 2014;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the Accounting Policies; and
- the Notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 by our prior consent in writing.



Jonathan Ford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 July 2014

INCOME STATEMENT for the year ended 31 March 2014

	Notes	2014 £	2013 £
Revenue		7,723,219	7,732,231
Administrative expenses	1	<u>(7,101,156)</u>	<u>(6,819,302)</u>
Operating profit and profit before taxation		622,063	912,929
Taxation	3	<u>(201,937)</u>	<u>(194,010)</u>
Profit for the year and total comprehensive income attributable to owners of the company		<u><u>420,126</u></u>	<u><u>718,919</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.

BALANCE SHEET as at 31 March 2014

	Notes	2014 £	2013 £
Non current assets			
Property, plant and equipment	4	283,335	405,522
Current assets			
Trade and other receivables	5	1,613,552	2,637,180
Cash and cash equivalents	6	228,730	248,925
		<u>1,842,282</u>	<u>2,886,105</u>
Total assets		<u>2,125,617</u>	<u>3,291,627</u>
Equity			
Capital and reserves			
Share capital	9	1	1
Retained earnings	16	479,255	2,359,129
Total Equity		<u>479,256</u>	<u>2,359,130</u>
Current liabilities			
Trade and other payables	7	1,430,459	899,575
Current tax liabilities		215,902	32,922
		<u>1,646,361</u>	<u>932,497</u>
Total liabilities		<u>1,646,361</u>	<u>932,497</u>
Total equity and liabilities		<u>2,125,617</u>	<u>3,291,627</u>

The financial statements on pages 7 to 17 were approved by the board on 23 July 2014 and were signed on its behalf by

Jeremy Sewell
Director



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

Company No. 05581669

CASH FLOW STATEMENT for the year ended 31 March 2014

	Notes	2014 £	2013 £
Cash flows from operating activities			
Cash generated from operations	13	2,337,976	534,060
Income tax paid		(55,772)	(322,174)
Net cash generated from operating activities		<u>2,282,204</u>	<u>211,886</u>
Cash flows used in investing and financing activities			
Dividend paid	14	(2,300,000)	-
Purchase of property, plant & equipment		(2,631)	(476,119)
Disposals of property, plant & equipment		232	4,854
Net decrease in cash & cash equivalents		<u>(20,195)</u>	<u>(259,379)</u>
Cash and cash equivalents at the beginning of the year		248,925	508,304
Cash and cash equivalents at the end of the year		<u>228,730</u>	<u>248,925</u>

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

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2014

	Share Capital £	Retained Earnings £	Total Equity £
Balance as at 31 March 2012	1	1,640,210	1,640,211
Profit for the year and total comprehensive income	-	718,919	718,919
Balance as at 31 March 2013	<u>1</u>	<u>2,359,129</u>	<u>2,359,130</u>
Profit for the year and total comprehensive income	-	420,126	420,126
Dividend Distribution	-	(2,300,000)	(2,300,000)
Balance as at 31 March 2014	<u>1</u>	<u>479,255</u>	<u>479,256</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 IFRIC 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.

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.

Property, plant and equipment

Property, plant and equipment are stated at historical cost or deemed cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis, so as to write off their cost less residual amounts over their estimated economic lives. The estimated economic lives assigned to property, plant and equipment are as follows:

Years

Office equipment 3 - 5

The company's policy is to review the remaining economic lives and residual values of property, plant and equipment on an ongoing basis and to adjust the depreciation charge to reflect the remaining estimated life and residual value.

Fully depreciated property, plant and equipment are retained in the cost of property, plant and equipment and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the income statement.

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.

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 balances 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.

Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide sales agency and conference management services to its parent, GSMA Ltd.

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 2012 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 2014 £	Year ended 31 March 2013 £
1 Administrative expenses		
Employee benefit expenses (note 2)	5,143,895	5,097,362
Travel, entertaining and meetings	680,698	576,795
Project consultants fees and expenses	682,148	508,673
Establishment expenses	361,081	441,077
Legal and professional fees	43,982	90,181
Information services, technology and communication costs	137,478	145,612
Depreciation	124,586	71,040
Realised & Unrealised exchange (gains) / losses	(502,124)	(410,495)
Managed services expenditure	429,412	299,057
	<u>7,101,156</u>	<u>6,819,302</u>

Costs of £20,000 (2013: £20,000) 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.

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
2 Employee benefit expense		
Wages and salaries	4,397,112	4,445,073
Social Security costs	436,412	377,338
Other Pension costs - defined contribution scheme	140,734	118,325
Other staff costs	169,637	156,626
	<u>5,143,895</u>	<u>5,097,362</u>

Average monthly no of regular staff	58	54
-------------------------------------	----	----

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
3 Taxation		
(a) Corporation tax for the year	<u>201,937</u>	<u>194,010</u>

(b) Tax reconciliation

The current charge for the year is different than (2013: 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:

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Profit before tax	622,063	912,929
Profit on ordinary activities at the standard rate of tax (23%) (2013:24%)	143,074	219,103
Effects of:		
Non-taxable loss/(income)	58,863	(25,093)
	<u>201,937</u>	<u>194,010</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

4 Property, plant and equipment

	Office equipment £
Year ended 31 March 2013	
Opening net book amount	5,297
Additions	476,119
Disposals	(4,854)
Depreciation charge	(71,040)
Closing net book amount	<u>405,522</u>
At 31 March 2013	
Cost	474,350
Accumulated depreciation	<u>(68,828)</u>
Net book amount	<u>405,522</u>
Year ended 31 March 2014	
Opening net book amount	405,522
Additions	2,631
Disposals	(232)
Depreciation charge	(124,586)
Closing net book amount	<u>283,335</u>
At 31 March 2014	
Cost	476,749
Accumulated depreciation	<u>(193,414)</u>
Net book amount	<u>283,335</u>

5 Trade and other receivables

	2014 £	2013 £
Amounts owed from group undertakings (note 11)	1,382,233	2,358,277
Other taxation and social security	25,441	42,494
Prepayments	201,735	209,360
Other receivables	4,143	27,049
	<u>1,613,552</u>	<u>2,637,180</u>

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

6 Cash and cash equivalents

	2014 £	2013 £
Cash at bank and on hand	<u>228,730</u>	<u>248,925</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**7 Trade and other payables**

	2014	2013
	£	£
Trade payables	61,178	148,748
Social security and other taxes	97,410	96,077
Accrued expenses	1,201,422	654,750
Other payables	70,449	-
	<u>1,430,459</u>	<u>899,575</u>

8 Contingencies

There are no contingent liabilities at the year end (2013: Nil)

9 Share capital

	2014	2013
	£	£
Authorised:		
1,000 ordinary shares of £1 (2013: 1,000)	<u>1,000</u>	<u>1,000</u>
Issued and fully paid:		
1 ordinary share of £1 (2013: 1)	<u>1</u>	<u>1</u>

10 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 2014. Copies of the GSM Association consolidated financial statements can be obtained from 7th Floor, 5 New Street Square, London, EC4A 3BF.

11 Related party transactions

	2014	2013
	£	£
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>1,382,233</u>	<u>2,358,277</u>

12 Key Management Compensation

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

NOTES TO THE FINANCIAL STATEMENTS – continued**13 Cash generated from operations**

	2014	2013
	£	£
Profit before taxation	622,063	912,929
Adjustment for: Depreciation	124,586	71,040
Changes in working capital		
Decrease / (increase) in trade and other receivables	1,023,628	(822,565)
Increase in trade and other payables	567,699	372,656
Cash generated from operations	<u>2,337,976</u>	<u>534,060</u>

14 Dividend paid

During the year the Board of Directors approved a dividend to its shareholders equivalent to £2,300,000 per share (2013:nil)

The Board of Directors propose a dividend of £400,000 per share relating to the year ended 31 March 2014

15 Financial instruments and risk management**(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.

NOTES TO THE FINANCIAL STATEMENTS – continued**(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 2014 and 2013.

16 Retained Earnings

	£
Opening retained earnings at 1 April 2013	2,359,129
Distribution to GSMA Ltd	(2,300,000)
Profit for the year ended 31 March 2014	420,126
Closing retained earnings at 31 March 2014	<u>479,255</u>