FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

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FILER

GS TELECOM LTD

CIK:**754435**| IRS No.: **363296861** | State of Incorp.:**CO** | Fiscal Year End: **0630**
Type: **10QSB** | Act: **34** | File No.: **000-13313** | Film No.: **99573264**
SIC: **3661** Telephone & telegraph apparatus

Mailing Address
C/O 10200 WEST 44TH AVENUE #400
WHEAT RIDGE CO 80033

Business Address
C/O 10200 WEST 44TH AVENUE #400
WHEAT RIDGE CO 80033
3034228127

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the quarterly period ended: September 30, 1998

GS TELECOM LIMITED
(Exact name of registrant as specified in its charter)

TELECONFERENCING SYSTEMS INTERNATIONAL, INC.
(Former name)

Colorado	0-13313	36-3296861
(State or other jurisdiction of incorporation)	(Commission File Number)	IRS Employer Identification No.

First Floor, Hampton House, 20 Albert Embankment London SE1 7TJ
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 44-171-587 3687

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days.

Yes X No ____

As of September 30, 1998, there were 16,828,414 shares of common stock, no par value, outstanding.

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PART I: FINANCIAL INFORMATION

GS TELECOM LIMITED
(Unaudited)

<S> Condensed Consolidated Balance Sheet	<C> September 30, 1998 $	<C> September 30, 1997 $
ASSETS		
CURRENT ASSETS		
Cash	-	204
Accounts Receivable	3,938	
Prepaid Value Added Tax	16,309	
Total Current Assets	20,247	204

PROPERTY AND EQUIPMENT less accumulated depreciation of $44947		
	20247	204
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$	$
CURRENT LIABILITIES		
Convertible and demand notes payable	588,900	
Accounts payable	723,367	
Payable to Affilliates and Related Parties	328,890	
Accrued interest payable	36,295	
Bank overdrafts net of cash of $32	1,378	
Total current liabilities	1,678,830	
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, no par value per share;		
Authorized 100,000,000 shares;		
Issued and outstanding 16,828,414 and 278,220 respectively	1,137,357	966,857
Accumulated deficit	(2,801,450)	(966,653)
Foreign currency translation adjustments	5,510	
Total stockholders' (deficit)	$(1,658,583)	204
Liabilities and Stockholders Equity (Deficit)	20247	204

See Accompanying Notes

</TABLE>

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GS TELECOM LIMITED
(Unaudited)

<S>	<C>	<C>
	Three Months ended	
Condensed Consolidated Statement of Operations	September 30, 1998 $	September 30, 1997 $
Net Sales		
Cost of Sales		
Gross Income (Loss)		
Selling, General and Administrative Expenses	(81,273)	
LOSS FROM CONTINUING OPERATIONS	$ (81,273)	
Discontinued Operations		
Write-Off of Investment in unconsolidated subsidiary		

Write-off of goodwill of consolidated subsidiaries		
Loss from discontinued operations		
Loss before extraordinary item	$ (81,273)	
EXTRAORDINARY ITEM - SETTLEMENT AND EXTINGUISHMENT OF TRADE DEBT AND RELATED PARTY AMOUNTS PAYABLE		
NET INCOME (LOSS)	$ (81,273)	
BASIC AND DILUTIVE NET INCOME (LOSS) PER SHARE:		
(LOSS) FROM CONTINUING OPERATIONS	$ (0.005)	$ (0.000)
(LOSS) FROM DISCONTINUED OPERATIONS	$ (0.000)	$ (0.000)
EXTRAORDINARY ITEM		
PER SHARE NET LOSS (1997 INCOME)	$ (0.005)	$ (0.000)
WEIGHTED AVERAGE SHARES OUTSTANDING	16,828,414	278,220

See Accompanying Notes

</TABLE>

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GS TELECOM LIMITED
(Unaudited)
Condensed Consolidated Statement of Cash Flows
CASH FLOWS FROM OPERATING ACTIVITIES

<S>	<C>	<C>
	Three Months ended	
	September 30, 1998 $	September 30, 1997 $
Net income (loss)	$ (81,273)	
PROVIDED BY OPERATING ACTIVITIES		
Write-off Investment in Unconsolidated Subsidiary		
Write-off Goodwill of Consolidated Subsidiaries		
Common Stock Issued for Services		
Depreciation and amortization		
Changes in Operating Assets and Liabilities		
Receivables		
Inventories		
Prepaid and Other Assets		
Accounts Payable	27,848	
Accrued Interest Payable	12,583	
Bank Overdraft		
Net Cash Flows from (used for) operating activities	$ (40,842)	0
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment		
Investment in Unconsolidated Subsidiary		
Investment in Consolidated Subsidiaries		

Net Cash Flows (used for) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from (repaid to) affiliates and related parties	40,842	
Issuance of Convertible and other notes payable		
Net Cash Flows (used for) financing activities	40,842	
EFFECT OF EXCHANGE RATE CHANGES ON CASH		
NET INCREASE (DECREASE) IN CASH	0	
CASH AT BEGINNING OF PERIOD	0	204
CASH AT PERIOD END	0	204
SUPPLEMENTAL DISCLOSURES		
Net Interest Paid	12,583	0
Non-cash investing and financing activities		

See Accompanying Notes

</TABLE>

GS TELECOM LIMITED
Notes to Condensed Consolidated Financial Statements
at September 30, 1998
(Unaudited)

Note A - Organization and Business

Organization and Nature of Business

GS Telecom Limited, formerly Teleconferencing Systems International, Inc. (the "Company") was incorporated in Colorado on December 19, 1983. Activities of the Company from June 30, 1995 until November 15, 1997 were primarily liquidation of operating assets and settlement of obligations owed creditors and employees as previously reported.

On November 15, 1997, the Company acquired an Isle of Man company; also named GS Telecom Limited (later changed to GST Limited - "GST"), by issuance of a $150,000 convertible note payable. GST, the acquired subsidiary, had net liabilities of $544,268. The note payable was subsequently converted into 14,500,000 shares of common stock and issued to the acquired company stockholders.

The assets of the GST subsidiary also included Associated Power Industries Limited ("API"), an U.K. designer and manufacturer of energy savings systems. GST owns 50% of API with an option to acquire the remaining 50% ownership interest for three years beginning September 1, 1998. The investment in API had been accounted for using the equity method. Since the Company had insufficient Board representation or other control attributes and as a result of continued operating losses by API, during fiscal 1998, management elected to write off its investment of $242,447.

GST also has two U.K. wholly owned subsidiaries: Guardian Smart Systems Limited ("GSS") and Total Energy Controls (Commercial) Limited ("TECC"). GSS' business is the design and marketing of domestic energy savings and home management systems and TECC's business is to market and install commercial energy saving devices. Mainly due to a lack of working capital, neither GSS nor TECC was successful, and Management elected, effective June 30, 1998, to discontinue operations. Accordingly, the Company has taken steps and adopted a plan to pay obligations owed employees and others, resulting in an estimated loss from discontinued operations of $140,099, and expensed un-amortized goodwill totaling $475,367. This was reflected in fiscal 1998.

Going Concern Considerations

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has incurred significant recurring losses and has substantial working capital

and capital and stockholders' deficits as of September 30, 1998.

At quarter end, the Company had no substantial product, services or properties and required significant additional financing to satisfy outstanding obligations and to commence operations. Management's plans to address these matters include private placements of stock, obtaining short-term loans, and seeking suitable joint venture relationships in technology and e-commerce fields of business.

Since June 30, 1998 the Company has entered into an agreement to acquire for common stock of the Company, software ownership interests in software and special effects production companies (see Note I).

Note B - Summary of Significant Accounting Policies

Principles of Consolidation
The financial statements include the accounts of GS Telecom Limited, GST Limited, Guardian Smart Systems Limited and Total Energy Controls (Commercial) Limited. All significant inter-company transactions and balances have been eliminated.

Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant areas requiring the use of management estimates are accrual of costs of discontinued operations, assessment of realization of goodwill and investments, useful asset lives for depreciation and amortization, and valuation of stock of issued for services and deferred tax benefits. Actual results inevitably will differ from those estimates, and such differences may be material to the financial statements.

Foreign Currency

The financial statements of the Company's non-U.S. subsidiaries are translated into U.S. dollars using current rates of exchange, with gains or losses included in the cumulative translation adjustment account in the stockholders' equity

section of the consolidated balance sheet. Revenues, costs and expenses denominated in foreign functional currencies are translated at the weighted average exchange rate for the period. Gains and losses on currency transactions (denominated in currencies other than the local currency) are reflected in the statement of consolidated operations.

Revenue Recognition

Sales are recognized when products are shipped. Sales generally are on an open account basis, subject to credit limits.

Property, Plant and Equipment

Property, equipment and vehicles are recorded at cost. Maintenance and repair costs are charged to expense as incurred, and renewals and improvements that extend the useful life of assets are capitalized. Depreciation is computed using the straight-line method over the assets' estimated useful lives as follows:

Equipment	4 years
Vehicles	4 years
Office equipment	4 years

In fiscal 1998, substantially all operations of the Company's subsidiaries were discontinued and the remaining net costs of depreciable assets were charged off. Accordingly, depreciation expense recorded in fiscal 1998 and 1997 was $44,947 and none, respectively.

Goodwill

Goodwill arose from the acquisition of GST in fiscal 1998 for assumption of net liabilities totaling $332,800 and issuance of a $150,000 convertible note payable to stockholders of the subsidiary. Prior to June 30, 1998, goodwill was being amortized over 40 years on a straight-line basis. As of June 30, 1998, Management elected to discontinue the operations of GST, and accordingly, write-off the $475,367 unamortized cost of the goodwill in fiscal 1998.

Income Taxes

The Company has adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," which incorporates the use of the asset and liability approach of accounting for income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future consequences of temporary differences between the financial reporting basis and tax basis of assets and liabilities (see Note D).

Statement of Cash Flows Information and Supplemental Non-Cash Financing Activities

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less.

Basic Earnings (Loss) Per Share

Basic earnings (loss) per share of common stock are computed using the weighted average number of shares outstanding during each period. Diluted earnings per share is computed on the basis of the average number of common shares outstanding plus the dilutive effect of convertible notes payable.

The basic and the dilutive earnings per share are the same in fiscal 1998 since the Company had a net loss and the inclusion of the effect of the convertible notes issued in 1998 would be anti-dilutive.

Note C - Notes Payable

Unsecured 9% notes payable to an individual dated February 19, 1998 and March 31, 1998, payable on demand.	$212,400
8% convertible notes payable issued November 20, 1997, due September 30, 2000.	376,500
	$588,900

The notes are classified as a current liability because the Company has subsequently agreed to repay the obligations upon receipt of anticipated funding in fiscal 1999.

Note D - Income Taxes

As a result of the substantial change in ownership of the Company arising from the issuance of 14.5 million shares of common stock in November 1997, the Company's net operating loss carryforward became limited to the estimated value of the stock issued. As of June 30, 1998 the accumulated net operating loss carryforward totals approximately $150,000 that may be offset against future taxable income, if any. The loss carryforward expires in varying amounts from 2003 through 2013.

GS TELECOM LIMITED
Notes to Condensed Consolidated Financial Statements
at September 30, 1998
(Unaudited)

Note E - Stockholders' Equity

Stock-Split

On January 6, 1998, the board of directors approved a 150-to one reverse split of the issued and outstanding common shares of the Company. All share and per share amounts have been retroactively restated in the accompanying financial statements to reflect the effect of the reverse stock split.

Conversion of Note Payable

On November 15, 1997, the Company acquired GST by issuance of a $150,000 convertible note payable to GST stockholders. On January 6, 1998, the $150,000 note payable was converted into 14,500,000 shares of common stock (approximately $.01 per share).

Stock Issued for Services

On February 10, 1998, the Company issued 2,050,000 shares of common stock to two individuals (holders of note payable from the Company) for services related to the reorganization of the Company. The value of the services were estimated at $20,500 ($.01 per share).

Convertible Notes Payable

The convertible note holders have the option to convert the original principal amount of the notes (a total of $376,500) into common stock at the lower of $2 per share or 75% of the average closing bid price of the stock for trading five days prior exercise. Notwithstanding the foregoing, if, after the effectiveness of a registration statement or if an exemption is available from registration, the closing bid price of the common stock reaches $4 per share for five consecutive trading days, the Company has the option to require conversion of up to 50% of the original principal, and if the closing bid price reaches $8 per share, the Company has the option of requiring conversion of all of the original principal.

Note F - Related Party Transactions

The Company paid management fees to an entity owned by a stockholder/director/officer of the Company totaling $12,000 in 1997.

GS TELECOM LIMITED
Notes to Condensed Consolidated Financial Statements
at September 30, 1998
(Unaudited)

Note G - Commitments

The Company leases its present office on a month-to month basis at $1,000 per month.

Note H - Fair Value of Financial Instruments

The carrying amounts for accounts receivable, accounts payable and accrued expenses approximates fair value because of the short maturities of these instruments. The fair value of notes payable approximates fair value because of the market rate of interest on the debt.

The determinations of fair value discussed above are subjective in nature and involve uncertainties and significant matters of judgement and do not include income tax considerations. Therefore, the results cannot be determined with precision and cannot be substantiated by comparison to independent market values and may not be realized in actual sale or settlement of the instruments.

Note I - Events Subsequent to June 30, 1998 (Unaudited)

In September 1998, the Company entered into a reverse merger agreement to acquire Masstech, Inc., a Delaware corporation. Subsequently, the merger agreement was modified to provide for the Masstech software and intangible property rights ("IPR") for $150,000 in the form of 6.6 million shares of common stock of the Company (approximately $.23 per share). In addition, two principals of Masstech, Dr. Steven Gillam and Mr. Andrew Castle, agreed to sell to the Company for 48.4 million shares of common stock of the Company, their 15% ownership interest in each of four companies involved in producing special effects for the Hollywood film industry:

Manex Studios, LLC
Manex Visual Effects, LLC
Manex Entertainment, LLC
Mass Illusions, LLC

The transaction was entered into in September 1998 and modified in December 1998. It is subject to due diligence and other conditions and is not yet closed. Subsequent to entering into the initial agreement, Dr. Gillam and Mr. Castle have been appointed as members of management and directors of the Company.

Universal Syntropy Corporation, a California corporation wholly owned and organized by the Company in fiscal 1999, is managing the commercialization of the IPR discussed above. Universal Syntropy is located in Alameda, California.

Note B - Basic Earnings (Loss) Per Share Basic earnings (loss) per share of common stock are computed using the weighted average number of shares outstanding during each period. All share information and per share data have been retroactively restated for all periods presented to reflect reverse stock splits.

ITEM 2.

Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations for the three month period ended September 30, 1998 compared to same period ended September 30, 1997

As a result of the discontinuance of trading operations in the UK, the Company had no sales revenues and no gross profits. For the same period in 1997, the net sales were $0 with no cost of sales for a gross profit of $0.

In quarter ended September 30, 1998, the Company incurred selling, general and administrative expenses of $81,273 resulting in an operating loss of ($81,273). For the same period in 1997 the company incurred $0 of such costs which resulted in an operating loss of ($0).

The Company lost ($.005) per share in the three month period compared to a loss of ($0) per share in the same period in 1997.

Liquidity and Capital Resources

At period end, the Company had $0 cash capital and current and total assets of $20,247. The Company had $1,678,830 in current liabilities at period end. In light of the deficit ($1,658,583) in current assets and operating capital, the Company will be forced to either borrow against or sell assets or make private placements of stock or debt in order to fund continued operations and its debt repayment program, as above. No assurance exists as to the ability to make private placements of stock or borrow funds.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings - None.

Item 2. Changes in securities - None.

Item 3. Senior Securities Debt.

As a result of a dispute neither interest nor capital payments required under the terms of the Notes have been made which resulted in a technical default. As a result of an agreement in December 1998 between the Noteholders and the Company the default situation was waived until June 1999.

Terms of Conversion

The convertible note holders have the option to convert the original principal amount of the notes ($376,500) into common stock at the lower of $2 per share or 75% of the average closing bid price of the stock for trading five days prior exercise. Notwithstanding the foregoing, if, after the effectiveness of a registration statement or if an exemption is available from registration, the closing bid price of the common stock reaches $4 per share for five consecutive trading days, the Company has the option to require conversion of up to 50% of the original principal, and if the closing price reaches $8 per share, the Company has the option of requiring conversion of all of the original principal.

Item 4. Submission of matters to a vote of security holders - None.

Item 5. Other information

GS Telecom Limited formerly Teleconferencing Systems International, Inc. (the "Company") was incorporated in Colorado on December 19, 1983.

Activities of the Company from June 30, 1995 until November 15, 1997 were primarily liquidation of operating assets and settlement of obligations owed creditors and employees as previously reported. On

November 15, 1997, the Company acquired an Isle of Man Company, also named GS Telecom Limited, (later changed to GST Limited - "GST") by

issuance of a $150,000 convertible note payable.

GST, the acquired subsidiary, had net liabilities of $544,268. The $150,000 note payable was subsequently converted into 14,500,000 shares of common stock and issued to the acquired company stockholders.

The assets of the GST subsidiary, also included Associated Power Industries Limited ("API"), an UK designer and manufacturer of energy savings systems. GST owns 50% of API with an option to acquire the remaining 50% ownership interest for three years.

Since the Company had insufficient Board representation or other control attributes and as a result of continued operating losses by API, during fiscal 1998, management elected to write off its investment of $242,447.

GST also has two UK wholly owned subsidiaries:

Guardian Smart Systems Limited ("GSS") and Total Energy Controls (Commercial) Limited ("TECC"). The business of GSS is to design and market domestic energy savings and home management systems and that of TECC to market and install commercial energy savings devices.

As a result of continued losses in the subsidiaries, the management elected effective June 30, 1998 to discontinue operations. Accordingly the Company has taken steps and adopted a plan to pay obligations owed employees and others resulting in an estimated loss from discontinued operations of $140,099 and expensed un-amortized goodwill totaling $475,367. This was reflected in fiscal 1998.

At the date of this report there remains the obligation to discharge the accounts payable and other payables of the three companies; GST and the two wholly owned subsidiaries, which it is planned, will be done through funds raised by new share subscriptions.

In September 1998 the Company agreed to acquire from Masstech Inc. against the future issue of common stock of the Company, all of its assets, consisting of significant Intellectual Property Rights resulting from the creation of special effects in certain special effects movie studios. In addition, the Company contracted to acquire a 15% ownership was acquired by the Company in Manex Studios, LLC, Manex Visual Effects, LLC, Manex Entertainment, LLC, and Mass Illusion, LLC.

Management of the Company has recently redefined the focus of the Company as a high-tech development and marketing company, engaged in identifying, developing, and marketing innovative technology. Historically, the Company had focused primarily on the development, sale and installation of ecological energy saving technology through its subsidiaries and associate companies. However, the new management of the Company recognized that its development program lagged behind competitors' advances, and during the fourth quarter of 1998, new management commenced a restructuring process which culminated on January 6, 1999, at which time GS Telecom embarked upon negotiations for the strategic acquisition of targeted technologies with a view to developing technology for the telecommunication and e-commerce business sectors.

During the fourth quarter of 1998 and the first quarter of 1999, the Company's management reorganized and effected negotiations to make a number of acquisitions subsequent to the securement of private financing in order to increase the technology base, acquire high-tech products with short term sales revenue capability and create an infrastructure capable of handling the unification of the acquired technologies toward the objective of operating a unique and proprietary high-tech telecommunication and e-commerce network on a world-wide basis.

The Company's long term objectives are:

Interests in API and the wholly-owned subsidiaries, GSS and TECC are to be sold and all legally incurred debt of the wholly owned subsidiaries repaid. This will facilitate an undiluted focus on the business objective of the Company, which is the development of a proprietary and licensed telecommunication and e-commerce network;

The facilitation of an underwriting of the Company's securities--to facilitate technology acquisition, growth and expansion;

The investment in organizational and expansion costs by the Company in its new investments.

The implementation of an aggressive Internet platform for the direct offering of the Company's future products and services to end userswith intent to develop a fully integrated direct access Internet network; and

The issuance of territorial/industry sector exclusive and non-exclusive licenses for select Company technologies and products.

Item 6. Exhibits and Reports on Form 8 - K

The following are filed as Exhibits to this Quarterly Report. The numbers refer to the Exhibit Table of item 601 of regulation S-K; None

b) Reports on Form 8-K filed during the three months ended September 30, 1998 (incorporated by reference):
September 30, 1998

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: March 12, 1999

GS Telecom Limited

/s/ Steven Gillam

Dr. Steven Gillam, President

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