

Hutchison Gateway Limited

(Registered Number 1014551)

Financial Statements

For the year ended 31 December 2015

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Hutchison Gateway Limited

Financial Statements For the Year Ended 31 December 2015

Contents	Page(s)
Directors' Report	1 - 2
Independent Auditors' Report	3 - 4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 12

Hutchison Gateway Limited

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2015.

Principal activities and business review

The Company's principal activity is to pay certain H3G operating companies to terminate switched telephony traffic into their respective networks. The traffic for which the Company bears such costs relates to VOIP to circuit switched traffic that emanates from Skype incoming calls to Skype capable 3G handsets.

The Company has not received call termination interconnection fees since January 2014.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Directors do not propose a dividend in 2015 (2014:Nil).

Future outlook

The Company is expected to maintain the current level of activity for the foreseeable future.

Branches outside the United Kingdom

The Company has no branches outside the United Kingdom.

Directors

The Directors who held office during the year and up to the date of signing the Financial Statements, were as follows:

Frank Sixt
Edith Shih
Neil McGee
Christian Salbaing
Robin Sng

Directors' and officers' liability insurance is provided by another Group company.

Hutchison Gateway Limited

Directors' Report (continued)

Statement of Directors' responsibilities (continued)

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; 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 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.

Statement of disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all steps that ought to be taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to be reappointed and are deemed to be reappointed unless otherwise resolved by the Directors

On behalf of the Board


Christian Salbaing
Director

DATE: 26 SEPTEMBER 2016.

Independent auditors' report to the members of Hutchison Gateway Limited

Report on the financial statements

Our opinion

In our opinion, Hutchison Gateway Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. 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 2, 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) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



Deshan Karunaratne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

27 September 2016

Hutchison Gateway Limited
(Registered Number 1014551)

Statement of Comprehensive Income
For the Year Ended 31 December 2015

	<i>Notes</i>	2015 £	2014 £
Turnover		-	-
Administrative expenses		-	(502)
Loss on ordinary activities before taxation	3	-	(502)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		-	(502)
Other comprehensive income		-	-
Total comprehensive expense		-	(502)

There are no recognised gains or losses other than the loss for the financial years above and therefore no separate statement of total recognised gains and losses has been presented.

All of the Company's activities are in respect of continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

Hutchison Gateway Limited
(Registered Number 1014551)

Statement of Financial Position as at 31 December 2015

	Notes	2015 £	2014 £
Creditors - amounts falling due within one year	6	(85,314,726)	(85,314,726)
Net liabilities		(85,314,726)	(85,314,726)
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		(85,314,826)	(85,314,826)
Total shareholder's deficit		(85,314,726)	(85,314,726)

The notes on pages 8 to 12 form part of these financial statements.

The financial statements on pages 5 to 12 were approved by the Board on **26 SEPTEMBER 2016**
and signed on its behalf by


Christian Salbaing
Director

Hutchison Gateway Limited
Registered Number 1014551

Statement of Changes in Equity
For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1 January 2014	100	(85,314,324)	(85,314,224)
Loss for the financial year and total comprehensive expense	-	(502)	(502)
Balance as at 31 December 2014	100	(85,314,826)	(85,314,726)
Balance at 1 January 2015	100	(85,314,826)	(85,314,726)
Loss for the financial year and total comprehensive expense	-	-	-
Balance as at 31 December 2015	100	(85,314,826)	(85,314,726)

Hutchison Gateway Limited

Notes to the Financial Statements for the year ended 31 December 2015

1 General Information

The Company is not currently expected to have any further activity.

2 Accounting policies

(a) Basis of accounting

The financial statements of Hutchison Gateway Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed if applicable.

In the current year, the Company adopted FRS 100 and FRS 101. In the previous year, the financial statements were prepared in accordance with the applicable UK accounting standards.

This change in the basis of preparation has altered the recognition and measurement requirements previously applied in accordance with UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in note 9.

There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and input used for fair value measurement of assets and liabilities).
- Paragraphs 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of (i) paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of Financial Statements':
 - 10(d) (statement of cash flows),
 - 16 (statement of compliance with IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information), - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of Cash Flows'.
- Paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation).
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more member of a group.

(b) Going Concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate holding company, Hutchison International Limited. The Directors have received confirmation that Hutchison International Limited intend to support the Company for at least one year after these financial statements are signed.

(c) Taxation

UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Hutchison Gateway Limited

Notes to the Financial Statements for the year ended 31 December 2015

2 Accounting policies (continued)

(d) Deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and law) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxed levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

Hutchison Gateway Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

3 Loss on ordinary activities before taxation

	2015 £	2014 £
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The loss on ordinary activities before taxation is stated after charging:

Recharges from Group companies in respect of incoming interconnection calls originating from the internet	-	502
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Services provided by the Company's Auditors

	2015 £	2014 £
Auditors' remuneration for audit services	1,200	1,200
Amounts paid to Auditors in respect of non-audit work:		
Tax services	-	-

The audit fee for 2015 and 2014 was borne by Hutchison Whampoa (Europe) Limited.

4 Directors' emoluments and employee numbers

No fees or other emoluments were paid to the Directors in respect of their services to the Company during the year, and nor are any payable (2014: Nil).

There were no employees during the year (2014: None).

5 Tax on loss on ordinary activities

	2015 £	2014 £
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a) Analysis of tax charge in the year

Current tax

Total current tax	-	-
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Deferred Tax

Total Deferred Tax	-	-
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<u>Tax on loss on ordinary activities</u>	<u>-</u>	<u>-</u>
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b) Factors affecting current tax charge for the year

The tax assessed on the loss on ordinary activities for the year is higher (2014: higher) than the standard rate of corporation tax in the United Kingdom of 20.25% (2014: 21.5%).

Hutchison Gateway Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

5 Tax on loss on ordinary activities (continued)

	2015 £	2014 £
Loss on ordinary activities before taxation	-	(502)
Corporation tax on loss on ordinary activities before taxation at 20.25% (2014: 21.5%)	-	(108)
Permanent differences	-	108
Effect of tax rate change	-	-
Total current tax	-	-

c) Factors that may affect future tax charges

UK corporation tax rate of 21% from April 2014 was reduced to 20% from April 2015. Future changes to UK corporation tax are further reductions to 19% from April 2017 and 17% from April 2020.

6 Creditors - amounts falling due within one year

	2015 £	2014 £
Amounts owed to Group undertakings	(85,314,726)	(85,314,726)

Amounts owed to Group undertakings are unsecured, interest-free and repayable on demand.

7 Called up share capital

	2015 £	2014 £
Allotted and fully paid 100 (2014: 100) ordinary shares	100	100

Hutchison Gateway Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

8 Ultimate parent undertaking

The immediate parent undertaking is Hutchison Whampoa (UK) Limited, a company incorporated in UK.

Up to 2 June 2015, the Company's ultimate parent undertaking and controlling party was Hutchison Whampoa Limited, a company incorporated in Hong Kong, which was the largest group into which the results of the Company were consolidated. The financial statements of Hutchison Whampoa Limited can be obtained from 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong.

Upon completion of the Merger and Spin-off proposal as mentioned in the joint announcement made by Hutchison Whampoa Limited and Cheung Kong (Holdings) Limited on 9 January 2015, the Company's ultimate parent undertaking and controlling party has changed from Hutchison Whampoa Limited to CK Hutchison Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands, effective from 3 June 2015.

9 Transition to FRS101

This is the first year that the Company has presented its results under FRS 101. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 101 was 1 January 2014. There are no changes to the profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 101 as a result of changes to the accounting policies.