

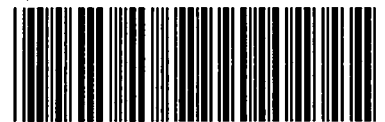
# **Hutchison Gateway Limited**

**(Registered Number 1014551)**

## **Financial Statements**

**For the year ended 31 December 2013**

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# **Hutchison Gateway Limited**

## **Financial Statements For the Year Ended 31 December 2013**

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# Hutchison Gateway Limited

## Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2013.

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 2013 (2012: Nil).

### Future outlook

The value of call termination interconnection fees received by the Company has continued to decline. No further charges after 31st January 2014 are expected to be incurred by the Company.

### 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  
Richard Chan (Resigned 4 March 2013)  
Neil McGee (Appointed 4 March 2013)  
Christian Salbaing  
Robin Sng

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

### 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 United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

# Hutchison Gateway Limited

## Directors' Report (continued)

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 as auditors unless otherwise resolved by the Directors or shareholders.

On behalf of the Board

Christian Salas  
Director

LC

Date 21 August 2014

# ***Independent auditors' report to the members of Hutchison Gateway Limited***

## **Report on the financial statements**

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### **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 December 2013 and of its loss 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.

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

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### **What we have audited**

The financial statements, which are prepared by Hutchison Gateway Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account and statement of total recognised gains and losses 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 their preparation is applicable law and United Kingdom Accounting Standards (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.

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### **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 Financial statements (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.

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## **Opinion on other matter prescribed by the Companies Act 2006**

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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.

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## Other matters on which we are required to report by exception

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### 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.

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### 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.

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### 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 from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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## Responsibilities for the financial statements and the audit

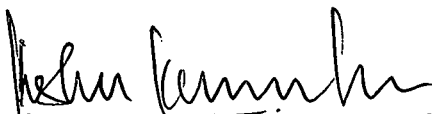
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### Our responsibilities and those of the directors

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 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.



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

22 August 2014

**Hutchison Gateway Limited**  
**(Registered Number 1014551)**

**Profit and Loss Account**  
**For the Year Ended 31 December 2013**

	<i>Notes</i>	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>Turnover</b>		-	-
Administrative expenses	2	(991,492)	(5,393,118)
<b>Loss on ordinary activities before taxation</b>		(991,492)	(5,393,118)
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial year</b>	8	(991,492)	(5,393,118)

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.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

The notes on pages 7 to 10 form part of these financial statements.

**Hutchison Gateway Limited**  
**Registered Number 1014551**

**Balance Sheet as at 31 December 2013**

	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
<b>Creditors - amounts falling due within one year</b>	<b>5</b>	<b>(85,314,224)</b>	<b>(84,322,732)</b>
<b>Net liabilities</b>		<b>(85,314,224)</b>	<b>(84,322,732)</b>
<b>Capital and reserves</b>			
Called up share capital	6	100	100
Profit and loss account	7	(85,314,324)	(84,322,832)
<b>Total shareholders' deficit</b>	<b>8</b>	<b>(85,314,224)</b>	<b>(84,322,732)</b>

The notes on pages 7 to 10 form part of these financial statements.

The financial statements on pages 5 to 10 were approved by the Board on 21 August 2014 and signed on its behalf by

Christian Salvaing  
**Director**

LC



# Hutchison Gateway Limited

## Notes to the Financial Statements for the year ended 31 December 2013

### 1 Accounting policies

#### (a) Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the significant accounting policies, which have been applied consistently except where stated, is set out below.

#### (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) Cash flow statement and related party disclosures

The Company is a wholly-owned subsidiary of Hutchison Whampoa Limited and is included in the consolidated financial statements of the Hutchison Whampoa Limited Group, which are publicly available. Consequently, the Company has taken advantage of the exemption in Financial Reporting Standard ("FRS") 1 (Revised 1996) from preparing a cash flow statement and the exemption in FRS 8 from disclosing transactions with entities that are part of the Hutchison Whampoa Limited Group.

#### (d) 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.

#### (e) Deferred taxation

Deferred tax is provided in full on timing differences between profits computed for taxation purposes and profits as stated in the financial statements, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date.

Deferred tax assets are recognised to the extent that it is regarded by the Directors as more likely than not that they will be recovered. Deferred tax assets and liabilities are measured on an undiscounted basis using tax rates that have been enacted or substantively enacted.

# Hutchison Gateway Limited

## Notes to the Financial Statements for the year ended 31 December 2013 (continued)

### 2 Loss on ordinary activities before taxation

	2013 £	2012 £
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	991,492	5,393,118

The audit fee for 2013 and 2012 was borne by Hutchison Whampoa (Europe) Limited.

### 3 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 (2012: Nil).

There were no employees during the year (2012: Nil).

### 4 Tax on loss on ordinary activities

	2013 £	2012 £
a) Analysis of tax charge in the year		
<b>Current tax</b>		
Total current tax	-	-
<b>Tax on loss on ordinary activities</b>	-	-

#### b) Factors affecting current tax charge for the year

The tax assessed for the year is higher (2012: lower) than the standard rate of corporation tax in the UK (23.25%). The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's profits losses for the year are taxed at an effective rate of 23.25%.

<b>Loss on ordinary activities before taxation</b>	(991,492)	(5,393,118)
Corporation tax on loss on ordinary activities before taxation at 23.25% (2012: 24.5%)	230,522	1,321,314
Permanent differences	(230,522)	(1,321,314)
Effect of tax rate change	-	-
<b>Total current tax</b>	-	-

# Hutchison Gateway Limited

## Notes to the Financial Statements for the year ended 31 December 2013 (continued)

### c) Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's profits losses for the year are taxed at an effective rate of 23.25%.

In addition to the changes in rates of Corporation tax above, further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013. These include reductions to the main rate, reducing the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. UK deferred tax is therefore recognised at the reduced rate of 20%.

### 5 Creditors - amounts falling due within one year

	2013 £	2012 £
Amounts owed to Group undertakings	(85,314,224)	(84,322,732)

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

### 6 Called up share capital

	2013 £	2012 £
Authorised, allotted and fully paid 100 (2012: 100) ordinary shares	100	100

### 7 Profit and loss account

	2013 £	2012 £
Accumulated losses at 1 January	(84,322,832)	(78,929,714)
Loss for the financial year	(991,492)	(5,393,118)
Accumulated losses at 31 December	(85,314,324)	(84,322,832)

### 8 Reconciliation of movements in total shareholders' deficit

	2013 £	2012 £
Shareholders' deficit at 1 January	(84,322,732)	(78,929,614)
Loss for the financial year	(991,492)	(5,393,118)
Shareholders' deficit at 31 December	(85,314,224)	(84,322,732)

# **Hutchison Gateway Limited**

## **Notes to the Financial Statements for the year ended 31 December 2013 (continued)**

### **9 Ultimate parent undertaking**

The immediate parent undertaking is Hutchison Whampoa (UK) Limited, a company incorporated in UK. The ultimate holding company, controlling party and the parent company of the largest group that presents group financial statements is Hutchison Whampoa Limited, a company incorporated and listed in Hong Kong.

Copies of the group financial statements of Hutchison Whampoa Limited may be obtained from the Company Secretary at Hutchison House, 22/F, 10 Harcourt Road, Hong Kong.