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**HUTCHISON PAGING (UK) LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 1992**

**HUTCHISON PAGING (UK) LIMITED  
REPORT AND ACCOUNTS FOR THE  
YEAR ENDED 31ST DECEMBER 1992**

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## **HUTCHISON PAGING (UK) LIMITED**

### **DIRECTORS' REPORT**

The Directors present their Annual Report and the Audited Accounts for the year ended 31st December 1992.

#### **Business Review and Principal Activities**

The Company completed the construction of its Wide Area Paging Network and launched national service in December 1992.

#### **The results for the year**

The loss for the year was £1,504,000 with £7,293,000 transferred to deferred expenditure prior to completion of the Paging Network.

Detailed results for the year are shown in the Profit and Loss Account on page 4.

#### **Dividend**

The Directors do not recommend the payment of a dividend.

#### **Fixed assets**

A summary of the changes to the Group's tangible fixed assets during the year is given in note 8.

## HUTCHISON PAGING (UK) LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### Directors

The following have served as Directors of the Company during the year.

#### Name


Alvin Leslie Botting	Appointed	1/5/92
Michael Bowerman	Appointed	1/5/92
The Lord Derwent L.V.O.		
Kenneth John Shotton	Appointed	1/5/92
Hans Roger Snook	Appointed	1/5/92
Malcolm Nugent Way	Appointed	1/5/92
Anthony Wei Kit Wong	Appointed	1/5/92
David Steadman	Resigned	7/12/92.

None of the Directors at 31st December 1992 had any interest in the share capital of the Company at any time during the year. The directors had no interests in the shares of other group companies at 31st December 1992. As permitted by statutory instrument the Directors are exempt from notifying the company of interests in the ultimate holding company, which is incorporated outside the United Kingdom.

#### Auditors

The Company's auditors are Price Waterhouse. A resolution to reappoint Price Waterhouse as the Company's auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

.....  
Director

Dated: 10 September 1993

Registered Office:  
100 New Bridge Street  
London EC4V 6JA  
Registered Number 1809960

**HUTCHISON PAGING (UK) LIMITED**  
**AUDITORS' REPORT TO THE MEMBERS OF**  
**HUTCHISON PAGING (UK) LIMITED**

We have audited the accounts on pages 4 to 13 in accordance with Auditing Standards.

In our opinion, the accounts give a true and fair view of the state of affairs of the Company as at 31st December 1992 and the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants  
and Registered Auditors  
London

Date: *9 August 1993*

**HUTCHISON PAGING (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31st DECEMBER 1992**

	<u>Notes</u>	<u>1992</u> £'000	<u>1991</u> £'000
TURNOVER	2	2088	557
Cost of sales		(3711)	(1597)
		-----	-----
GROSS PROFIT		(1623)	(1040)
Distribution costs		(3141)	( 489)
Administrative expenses		(2849)	(2943)
		-----	-----
OPERATING LOSS	3	(7613)	(4472)
Other interest receivable and similar income		-	2
Interest payable and similar charges	4	( 1184)	( 611)
		-----	-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2797)	(5081)
Tax on loss on ordinary activities	7	-----	-----
LOSS FOR THE YEAR		(8797)	(5081)
TRANSFER TO DEFERRED EXPENDITURE		7293	5081
ACCUMULATED DEFICIT FOR THE YEAR		(1504)	-
ACCUMULATED DEFICIT BROUGHT FORWARD		(7809)	(7809)
ACCUMULATED DEFICIT CARRIED FORWARD		(9313)	(7809)
		-----	-----

The notes on pages 6 to 13 form an integral part of these accounts.

# HUTCHISON PAGING (UK) LIMITED

## BALANCE SHEET AT 31st DECEMBER 1992

	Notes	1992	1991
		£'000	£'000
<b>FIXED ASSETS</b>			
Tangible assets	8A	8805	3481
Investments	8B	262	262
Intangible assets	9	12461	5091
			8824
<b>CURRENT ASSETS</b>			
Stocks	10	287	66
Debtors	11	1412	358
Cash at bank and in hand		-	53
		1699	477
<b>CREDITORS: Amounts falling due within one year</b>	12	(3791)	(1292)
<b>NET CURRENT LIABILITIES</b>		<u>(2092)</u>	<u>(815)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		19436	8009
<b>CREDITORS: Amounts falling due after more than one year</b>	13	(19823)	(6532)
<b>PROVISIONS AND DEFERRED INCOME</b>	14	<u>(266)</u>	<u>(286)</u>
<b>NET LIABILITIES</b>		<u>(653)</u>	<u>1191</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	9000	9000
Reserves	16	(9653)	(7809)
		<u>(653)</u>	<u>1191</u>

The notes on pages 6 to 13 form an integral part of these accounts.

The Board of Directors approved the accounts set out on pages 4 to 13 on  
9 August 1993



Director

**HUTCHISON PAGING (UK) LIMITED**

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1992**

**1 Accounting policies**

**Accounting convention**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Consolidation**

The Company is exempt from preparing Group accounts under Section 228 of the Companies Act 1985 as it is a wholly owned subsidiary undertaking (see note 20). Accordingly, these accounts present information about the Company and not its Group.

**Turnover**

Turnover represents the invoiced amount and amounts to be invoiced for goods and services supplied to third parties within the period, excluding amounts billed in advance and value added tax.

**Tangible fixed assets**

**Network**

The network is stated at cost, which includes interest on capital employed in the project and labour costs (including related overheads) directly attributable to building the network. Depreciation is charged from 1 December 1992 on a straight line basis over 10 years.

**Other**

Other fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on tangible fixed assets on a straight line basis from the date that the assets are brought into operation. The rates for each major category are as follows:

Freehold Land	Nil
Freehold Buildings	2%
Motor Vehicles	25%
Fixtures, fittings and equipment	15% - 20%



NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1992

1 Accounting policies (continued)

Intangible fixed assets

Costs incurred in building networks, prior to the date of launch of those networks, are deferred and amortised from 1/12/92; the date of network completion.

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effects of all timing differences to the extent that it is probable that liabilities will crystallise or assets will be realised in the foreseeable future.

Leased assets

Where the Group has substantially all the risk and rewards of ownership of an asset subject to lease, the lease is treated as a finance lease with the equivalent of cost recorded as a fixed asset and a liability. Depreciation is provided in line with the Group policy and finance charges are included in interest.

Other leases are classified as operating leases and lease payments are written off to profit and loss in the period that they are paid.

Pensions

The Company has set up a defined contribution pension scheme for substantially all employees.

Government Grant

Regional Selective Assistance grants are credited to the Profit and Loss Account in relation to the expenditure against which they are given.

2 Turnover

Turnover represents sales to third parties of goods and services within the UK and excludes VAT.

HUTCHISON PAGING (UK) LIMITED

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1992

3 Operating loss

	<u>1992</u> £'000	<u>1991</u> £'000
Operating loss is stated after charging:		
Auditors' remuneration	27	13
Depreciation of tangible fixed assets	286	580
Amortisation of intangible fixed assets	107	-
Loss on sale of tangible fixed assets	101	1278
Directors' emoluments (see note 6)	61	-
Staff costs (see note 5)	2397	1104
Operating lease rentals		
- land and buildings	37	35
- other	60	116
	<u>2397</u>	<u>1104</u>

4 Interest payable and similar charges

	<u>1992</u> £'000	<u>1991</u> £'000
Interest payable to holding company	1184	510
Interest payable on bank loans and overdrafts	0	101
	<u>1184</u>	<u>611</u>

5 Staff numbers and costs

The average number of persons employed by the Company (excluding directors) during the year was as follows:

	<u>1992</u> <u>Number</u>	<u>1991</u> <u>Number</u>
Telecommunications	105	52

The aggregate payroll costs of these persons were as follows:

	<u>1992</u> £'000	<u>1991</u> £'000
Wages and salaries	2111	963
Social security costs	209	74
Other pension costs	77	67
	<u>2397</u>	<u>1104</u>

# HUTCHISON PAGING (UK) LIMITED

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## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1992

### 6 Directors' emoluments

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Amounts paid for the services of directors:		
Remuneration as executives	<u>61</u>	<u>77</u>

Particulars of directors' emoluments (excluding pension contributions), disclosed in accordance with Schedule 5 of the Companies Act 1985, are as follows:

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Chairman	-	-
Highest paid director	55	-

No other Directors were remunerated.

### 7 Tax on loss on ordinary activities

	<u>1992</u>	<u>1991</u>
	£'000	£'000
United Kingdom corporation tax at 11%	<u>-</u>	<u>-</u>

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1992**

**8(a) Tangible fixed assets**

	Freehold property £'000	Network £'000	Fixtures fittings and equipment £'000	Total £'000
<b>Cost</b>				
1st January 1992	1851	1748	771	4370
Additions	-	4705	1021	5726
Disposals	(16)	(56)	(147)	(219)
Transfer	-	82	(82)	-
31st December 1992	<u>1835</u>	<u>6479</u>	<u>1563</u>	<u>9877</u>
<b>Depreciation</b>				
1st January 1992	102	490	297	889
Charged in year	34	130	122	286
Disposals	(1)	(21)	(81)	(103)
Transfer	-	14	(14)	-
31st December 1992	<u>135</u>	<u>613</u>	<u>324</u>	<u>1072</u>
<b>Net book value</b>				
31st December 1992	<u>1700</u>	<u>5866</u>	<u>1239</u>	<u>8805</u>
31st December 1991	<u>1749</u>	<u>1258</u>	<u>474</u>	<u>3481</u>

**8(b) Fixed asset investment**

	<u>1992</u> £'000	<u>1991</u> £'000
1st January 1992	262	140
Additions	-	122
31st December 1992	<u>262</u>	<u>262</u>

The fixed asset investment at 31 December 1992 represents an investment in Hutchison Euromessage a 100% owned subsidiary undertaking incorporated in England which provides paging services. In the opinion of the Directors the value of the investment is not less than its balance sheet value.

HUTCHISON PAGING (UK) LIMITED

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1992

9 Intangible fixed assets - deferred expenditure

	<u>Deferred Expenditure</u> £'000
1st January 1992	5168
Expenditure during year	7400
Amortisation during year	(107)
31st December 1992	<u>12461</u>

10 Stocks

	<u>1992</u> £(000)	<u>1991</u> £(000)
Finished goods and goods for resale	287	66

11 Debtors

	<u>1992</u> £'000	<u>1991</u> £'000
Trade debtors	515	12
Other debtors	503	208
Amounts due from group undertakings	-	64
Prepayments and accrued income	394	74
	<u>1412</u>	<u>358</u>

12 Creditors: Amounts falling due within one year

	<u>1992</u> £'000	<u>1991</u> £'000
Bank overdrafts and loans	734	-
Trade creditors	1253	214
Other creditors	74	41
Amounts owed to group undertakings	-	5
Accruals and deferred income	1730	1032
	<u>3791</u>	<u>1292</u>

13 Creditors: Amounts falling due after more than one year

	<u>1992</u> £'000	<u>1991</u> £'000
Amounts owed to group undertakings	19923	6532

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1992**

**14 Provisions and deferred income - deferred government grants**

	<u>1992</u> £'000
1st January 1992	286
Amortised in year	(20)
31st December 1992	<u>266</u>

**15 Share Capital**

	Authorised		Allotted, called up and fully paid	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
	No. (000's)	No. (000's)	£'000	£'000
Ordinary shares of £1	10,000	10,000	6,000	6,000
9% Cumulative Redeemable Preference shares of £1 each	5,000	5,000	3,000	3,000
	<u>15,000</u>	<u>15,000</u>	<u>9,000</u>	<u>9,000</u>

**16 Reserves**

	Goodwill Reserve £'000	Profit and Loss Account £'000	Total £'000
1st January 1992	-	(7809)	(7809)
Loss for year	-	(1504)	(1504)
Adjustment in year*	(340)	-	(340)
31st December 1992	<u>(340)</u>	<u>(9313)</u>	<u>(9653)</u>

\* Write off goodwill on acquisition of customer base from New World Telecom.

**17 Lease commitments**

	<u>1992</u>			<u>1991</u>		
	<u>Land and buildings</u> £'000	<u>Other</u> £'000	<u>Total</u> £'000	<u>Land and buildings</u> £'000	<u>Other</u> £'000	<u>Total</u> £'000
Amounts payable on operating leases expiring:						
Within one year	-	-	-	-	-	-
One to five years	-	60	60	-	99	99
Over five years	37	-	37	35	5	40
	<u>37</u>	<u>60</u>	<u>97</u>	<u>35</u>	<u>104</u>	<u>139</u>

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1992**

**18 Capital commitments**

	<u>1992</u> £'000	<u>1991</u> £'000
Contracted for but not provided	895	3274
Authorised but not contracted for	888	4379
	<u>1783</u>	<u>7653</u>

**19 Financial support**

The principal shareholders have informed the Company that it is their current intention to provide adequate funds to finance the Company's operations for the foreseeable future.

**20 Ultimate holding company**

The ultimate holding company and the parent of the largest group which prepares group accounts is Hutchison Whampoa Limited, a company incorporated in Hong Kong.

The parent of the smallest group which prepares group accounts is Hutchison Telecommunications (UK) Limited, a company incorporated in Great Britain and registered in England.

Copies of Group accounts of Hutchison Whampoa Limited may be obtained from the Company Secretary at Hutchison House 22F, 10 Harcourt Road, Hong Kong.