

1209960

**HUTCHISON PAGING (UK) LIMITED**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31ST DECEMBER 1993**



**REPORT AND ACCOUNTS FOR THE YEAR ENDED**  
**31ST DECEMBER 1993**

**CONTENTS**

	<b>PAGE NO</b>
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITY	2
AUDITORS' REPORT TO THE SHAREHOLDERS	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE ACCOUNTS	6 - 12

## DIRECTORS' REPORT

The Directors present their Annual Report and the Audited Accounts for the year ended 31st December 1993

### Principal Activities and Business Review

Following the completion of the national wide area paging network in December 1992 the Company has continued to operate and develop its commercial paging services.

### The Results for the Year

The loss for the year was £14,699,000 on a turnover of £3,235,000 with £1,257,000 transferred from deferred expenditure following 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 Company's tangible fixed assets during the year is given in note 9(a).

### Directors

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

Michael Bowerman  
The Lord Derwent LVO  
Hans R Snook  
Anthony Wei Kit Wong  
Alvin Leslie Botting  
Kenneth John Shotton  
Malcolm Nugent Way

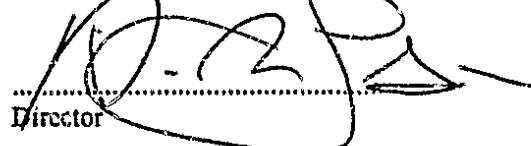
Resigned	23/7/93
Resigned	21/7/93
Resigned	01/1/94

No Director held 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 1993. 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: 27.10.94

Registered Office:  
100 New Bridge Street  
London EC4V 6JA

Registered Number 1809960

## **STATEMENT OF DIRECTORS' RESPONSIBILITY**

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 4 to 12, the Company has used appropriate accounting policies, supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**HUTCHISON PAGING (UK) LIMITED**  
**FOR THE YEAR ENDED 31 DECEMBER 1993**

We have audited the accounts on pages 4 to 12, which have been prepared under the historical cost convention, and the accounting policies set out on pages 6 and 7.

**Respective responsibilities of Directors and Auditors**

As described on page 2, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

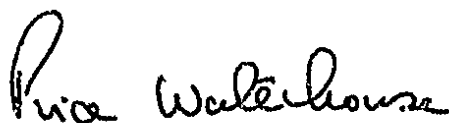
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31st December 1993, and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse  
Chartered Accountants  
and Registered Auditors  
London

Date: 27 October 1994

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31st DECEMBER 1993**

	Notes	1993 £'000	1992 £'000
TURNOVER	2	3,235	2,083
Cost of sales		<u>(6,865)</u>	<u>(3,711)</u>
GROSS PROFIT/(LOSS)		(3,630)	(1,623)
Distribution costs		(4,043)	(3,141)
Administrative expenses		<u>(3,779)</u>	<u>(2,849)</u>
OPERATING PROFIT/(LOSS)	3	(11,452)	(7,613)
Other interest receivable and similar income		0	0
Interest payable and similar charges	4	(1,990)	(1,184)
		<u>          </u>	<u>          </u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(13,442)	(8,797)
Tax on Profit/(Loss) on ordinary activities	7	<u>0</u>	<u>0</u>
LOSS FOR THE YEAR		(13,442)	(8,797)
TRANSFER TO/FROM DEFERRED EXPENDITURE		<u>(1,257)</u>	<u>7,293</u>
(LOSS) FOR THE YEAR		<u><u>(14,699)</u></u>	<u><u>(1,504)</u></u>

No acquisition or discontinued operations have occurred.

There are no recognised gains or losses other than the reported losses shown in the Profit and Loss Account.

The notes on pages 6 to 12 form an integral part of these accounts.

**BALANCE SHEET AT 31st DECEMBER 1993**

	Notes	<u>1993</u>	<u>1992</u>
		<u>£'000</u>	<u>£'000</u>
<b>FIXED ASSETS</b>			
Intangible assets	8	11,204	12,461
Tangible assets	9(a)	10,093	8,805
Investments	9(b)	<u>262</u>	<u>262</u>
		21,559	21,528
<b>CURRENT ASSETS</b>			
Stocks	10	888	287
Debtors	11	1,786	1,412
Cash at bank and in hand		<u>0</u>	<u>0</u>
		2,674	1,699
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(5,164)</u>	<u>(3,791)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,490)</u>	<u>(2,092)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		19,069	19,436
<b>CREDITORS: Amounts falling due in more than one year</b>	13	(34,174)	(19,823)
<b>DEFERRED INCOME</b>	14	(247)	(266)
<b>NET LIABILITIES</b>		<u>(15,352)</u>	<u>(653)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	9,000	9,000
Reserves	16	<u>(24,352)</u>	<u>(9,653)</u>
		<u>(15,352)</u>	<u>(653)</u>

The notes on pages 6 to 12 form an integral part of these accounts

The Board of Directors approved the accounts set out on pages 4 to 12 on the 27 October 1994



Director

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 1993**

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 21). Accordingly, these accounts present information about the Company and not its Group.

**Turnover**

Turnover represents the amounts invoiced and 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 labour costs (including related overheads) directly attributable to building the network. Depreciation is charged 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%
Fixtures, fittings and equipment	15% - 20%

**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.



**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1993**

**1 Accounting Policies (continued)**

**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. Contributions made during the year are taken to the Profit and Loss Account.

**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.

**3 Operating Profit/(Loss)**

	<u>1993</u> £'000	<u>1992</u> £'000
Operating profit/(loss) is stated after charging/(crediting):		
Auditors' remuneration - Audit Services	17	20
Auditors' remuneration - Non-Audit Services	8	7
Depreciation of tangible fixed assets	1,131	286
Amortisation of intangible fixed assets	1,257	107
Amortisation of Government Grants	19	20
Loss on sale of tangible fixed assets	236	101
Directors' emoluments (see note 6)	156	61
Staff costs (see note 5)	3,437	2,397
Operating lease rentals		
- land and buildings	37	37
- other	<u>146</u>	<u>60</u>

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1993**

**4 Interest Payable and Similar Charges**

	<u>1993</u> £'000	<u>1992</u> £'000
Interest payable to holding company	1,990	1,184
Interest payable on bank loans and overdrafts	<u>0</u>	<u>0</u>
	<u>1,990</u>	<u>1,184</u>

**5. Staff Numbers and Costs**

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

	<u>1993</u> Number	<u>1992</u> Number
Telecommunications	<u>135</u>	<u>105</u>

The aggregate payroll costs of these persons were as follows:

	<u>1993</u> £'000	<u>1992</u> £'000
Wages and salaries	2,989	2,111
Social security costs	332	209
Other pension costs	<u>116</u>	<u>77</u>
	<u>3,437</u>	<u>2,397</u>

**6 Directors' Emoluments**

	<u>1993</u> £'000	<u>1992</u> £'000
Amounts paid for the services of directors:		
Remuneration as executives	144	56
Pension Contributions	<u>12</u>	<u>5</u>

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

	<u>1993</u> £'000	<u>1992</u> £'000
Chairman	0	0
Highest paid director	<u>144</u>	<u>56</u>

No other directors were remunerated.

7 Taxation

	<u>1993</u>	<u>1992</u>
	<u>£'000</u>	<u>£'000</u>
United Kingdom corporation tax at 33%	<u>0</u>	<u>0</u>

8 Intangible Fixed Assets - Deferred Expenditure

	<u>Deferred Expenditure</u>
	<u>£'000</u>
1st January 1993	12,461
Amortisation during year	<u>(1,257)</u>
31st December 1993	<u>11,204</u>

9(a) Tangible Fixed Assets

	<u>Freehold property</u>	<u>Network</u>	<u>Fixtures fittings and equipment</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>Cost</b>				
1st January 1993	1,835	6,479	1,563	9,877
Additions	11	1,360	1,284	2,655
Disposals	0	(186)	(240)	(426)
31st December 1993	<u>1,846</u>	<u>7,653</u>	<u>2,607</u>	<u>12,106</u>
<b>Depreciation</b>				
1st January 1993	135	613	324	1,072
Charged in year	34	711	386	1,131
Disposals	0	(42)	(148)	(190)
31st December 1993	<u>169</u>	<u>1,282</u>	<u>562</u>	<u>2,013</u>
<b>Net book value</b>				
31st December 1993	<u>1,677</u>	<u>6,371</u>	<u>2,045</u>	<u>10,093</u>
31st December 1992	<u>1,700</u>	<u>5,866</u>	<u>1,239</u>	<u>8,805</u>

9(b) Fixed Asset Investment

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
1st January 1993	262	262
Additions	<u>0</u>	<u>0</u>
31st December 1993	<u>262</u>	<u>262</u>

The fixed asset investment at 31 December 1993 represents an investment in Hutchison Euromessage a 100% owned subsidiary undertaking incorporated in England which provides paging services, principally in France and Germany. In the opinion of the Directors the value of the investment is not less than its balance sheet value.

10 Stocks

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Goods for resale	<u>888</u>	<u>287</u>

11 Debtors

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Trade Debtors	547	515
Other Debtors	726	503
Prepayments and accrued income	<u>513</u>	<u>394</u>
	<u>1,786</u>	<u>1,412</u>

12 Creditors: Amounts falling due within one year

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Bank overdrafts and loans	16	734
Trade creditors	918	1,253
Other Creditors	271	74
Accruals and deferred income	<u>3,959</u>	<u>1,730</u>
	<u>5,164</u>	<u>3,791</u>

13 Creditors: Amounts falling due in more than one year

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Amount owed to parent undertaking	<u>34,174</u>	<u>19,823</u>

**14 Provisions and Deferred Income - Deferred Government Grants**

	<u>1993</u> <u>£'000</u>
1st January 1993	266
Amortised in year	(19)
31st December 1993	<u>247</u>

**15 Share Capital**

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</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	<u>5,000</u>	<u>5,000</u>	<u>3,000</u>	<u>3,000</u>
	<u>15,000</u>	<u>15,000</u>	<u>9,000</u>	<u>9,000</u>

**16 Reserves**

	<u>Goodwill Reserve</u> <u>£'000</u>	<u>Profit and Loss Account</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
1st January 1993	(340)	(9,313)	(9,653)
Loss for year	<u>0</u>	<u>(14,699)</u>	<u>(14,699)</u>
31st December 1993	<u>(340)</u>	<u>(24,012)</u>	<u>(24,352)</u>

**17 Reconciliation of Movements on Shareholders' Funds**

	<u>1993</u> <u>£'000's</u>	<u>1992</u> <u>£'000's</u>
Loss for the financial year	(14,699)	(1,504)
Opening Shareholders' funds	<u>(653)</u>	<u>851</u>
Closing Shareholders' funds	<u>(15,352)</u>	<u>(653)</u>

18 Lease Commitments

	<u>1993</u> <u>£'000</u>			<u>1992</u> <u>£'000</u>		
	<u>Land &amp; Buildings</u>	<u>Other</u>	<u>Total</u>	<u>Land &amp; Buildings</u>	<u>Other</u>	<u>Total</u>
Within one year	0	0	0	0	0	0
One to five years	0	146	146	0	60	60
Over five years	37	0	37	37	0	37
	<u>37</u>	<u>146</u>	<u>183</u>	<u>37</u>	<u>60</u>	<u>97</u>

19 Capital Commitments

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Contracted for but not provided	617	895
Approved but not contracted for	<u>1,222</u>	<u>888</u>
	<u>1,839</u>	<u>1,783</u>

20 Financial Support

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

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