

**HUTCHISON IDH DEVELOPMENT LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2003**

**(Registered Number: 3087718)**



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**COMPANIES HOUSE**

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**HUTCHISON IDH DEVELOPMENT LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

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## **HUTCHISON IDH DEVELOPMENT LIMITED ✓**

### **REPORT OF THE DIRECTORS ✓**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2003. ✓

#### **Principal activity and review of business**

The principal activity of the company is project management and provision of related services. No change in the company's activities is anticipated in 2004. The directors are satisfied with the level of business and year end financial position of the company.

#### **Results and dividends**

The results and financial position of the company for the year ended 31 December 2003 are set out in the financial statements. No interim dividend was paid during the year and the directors do not recommend the payment of a final dividend. ✓

The profit for the year of £754 (2002: £891) has been transferred to reserve.

#### **Directors**

The following held office as directors during the year and up to the date of this report:

Raymond Chow ✓  
Tony Tsui ✓  
Raymond Tam ✓  
Herman To ✓  
Nagy El Azar ✓  
Dickie Chung ✓

None of the directors had any interest in the shares of the company during the year.

#### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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 year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 proper accounting records that 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 1985. 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.

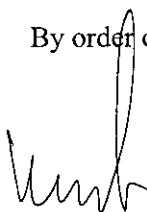
**HUTCHISON IDH DEVELOPMENT LIMITED**

**REPORT OF THE DIRECTORS**

**Auditors**

The financial statements have been audited by PricewaterhouseCoopers LLP who retired and, being eligible, offer themselves for re-appointment. /

By order of the board

A handwritten signature in black ink, appearing to be 'Edith Shih', written over the printed name.

Edith Shih  
Company Secretary /  
18 March 2004 /

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUTCHISON IDH DEVELOPMENT LIMITED**

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit 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 judgments 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 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
31 May 2004

**HUTCHISON IDH DEVELOPMENT LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	2003 £	2002 £
Turnover	1(b)	54,906	175,865
Cost of sales		<u>(63,857)</u>	<u>(180,342)</u>
Gross loss		(8,951)	(4,477)
Other operating income		-	7,736
Administrative expenses		<u>(4,062)</u>	<u>(10,468)</u>
Operating loss	4	(13,013)	(7,209)
Interest receivable and similar income		<u>13,595</u>	<u>8,188</u>
Profit on ordinary activities before taxation		582	979
Tax credit/(charge) on profit on ordinary activities	6	<u>172</u>	<u>(88)</u>
Profit for the year	11	<u><u>754</u></u>	<u><u>891</u></u>

The profit for the year arises from the company's continuing operations.

The company has no recognised gains and losses other than the profit for the year above and therefore no separate statement of total recognised gains and losses has been presented.

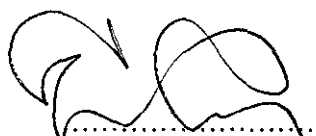
There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The notes on pages 6 to 9 form part of these financial statements.

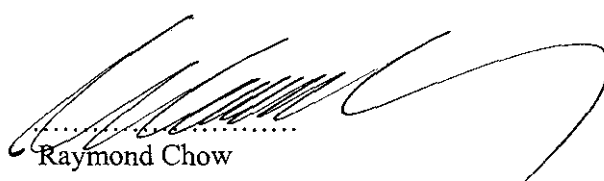
# HUTCHISON IDH DEVELOPMENT LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2003

	Note	2003 £	2002 £
Current assets			
Stocks	7	46,809	-
Debtors	8	17,348	1,302,892
Cash at bank		1,779,066	678,980
		<u>1,843,223</u>	<u>1,981,872</u>
Creditors - amounts falling due within one year	9	(1,690,271)	(1,829,674)
Net assets		<u>152,952</u>	<u>152,198</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	152,852	152,098
Equity shareholders' funds	12	<u>152,952</u>	<u>152,198</u>



Raymond Tam



Raymond Chow

Approved by the board of directors  
on 18 March 2004

The notes on pages 6 to 9 form part of these financial statements.

## **HUTCHISON IDH DEVELOPMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1 Accounting policies**

##### **(a) Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

The principal accounting policies are set out below:

##### **(b) Supplies of construction services**

The company was appointed by Hutchison IDH Limited to develop a site at Kensington. The company purchases construction services and charges these to Hutchison IDH Limited. Revenue from supplies of construction services is recognised when the services are rendered.

##### **(c) Property held for sale**

Property held for sale is stated at the lower of cost and net realisable value. The profit and turnover on sales of property are recorded on the date of sale.

##### **(d) Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date and which could give rise to an obligation to pay more or less taxation in the future. An asset is recognised to the extent that the transfer of economic benefits in future is certain. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantially enacted at the balance sheet date.

#### **2 Cash flow statement**

The company has not presented a cash flow statement as it is a small company as defined by sections 246 to 249 of the Companies Act 1985.

#### **3 Segmental reporting**

The company's activity consists solely of property development in the United Kingdom.

#### **4 Operating loss**

Operating loss is stated after charging auditors' remuneration of £1,259 (2002: £853).

#### **5 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, nor are any payable (2002: Nil).

The average number of people (all of whom were directors) employed by the company during the year was 6 (2002: 6).



# HUTCHISON IDH DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 6 Tax (credit)/charge on profit on ordinary activities

	2003 £	2002 £
Tax (credit)/charge on profit on ordinary activities		
United Kingdom corporation tax	-	196
Over provision in prior year	(172)	(108)
	<u>(172)</u>	<u>88</u>

The differences between the company's expected tax (credit)/charge, using the applicable tax rate, and the company's taxation for the years were as follows.

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>582</u>	<u>979</u>
Expected tax calculated at the applicable tax rate of nil (2002: 20%)	-	196
Over provision in prior year	(172)	(108)
Tax (credit)/charge on profit on ordinary activities	<u>(172)</u>	<u>88</u>

There are no material timing differences between profit as computed for taxation purposes and profit as stated in the financial statements.

### 7 Stocks

Stocks represent property held for sale, being car parking spaces at Royal Gate Kensington, Wright's Lane, Kensington, London W8, United Kingdom.

	2003 £	2002 £
Property held for sale	<u>46,809</u>	<u>-</u>

# **HUTCHISON IDH DEVELOPMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **8 Debtors**

	2003 £	2002 £
Amounts due from group undertakings	6,475	1,292,353
Other debtors	7,096	6,826
Corporation tax recoverable	3,777	3,713
	<u>17,348</u>	<u>1,302,892</u>

The amounts due from group undertakings are unsecured, interest free and repayable on demand.

### **9 Creditors - amounts falling due within one year**

	2003 £	2002 £
Amounts due to group undertakings	12,400	9,000
Taxation	-	196
Accruals	1,677,871	1,820,478
	<u>1,690,271</u>	<u>1,829,674</u>

The amounts due to group undertakings are unsecured, interest free and repayable on demand.

### **10 Called up share capital**

	2003 £	2002 £
Authorised:		
200 ordinary shares of £0.5 each ✓	<u>100</u>	<u>100</u>
Allotted and fully paid:		
200 ordinary shares of £0.5 each ✓	<u>100</u>	<u>100</u>

### **11 Profit and loss account**

	2003 £	2002 £
At 1 January	152,098	151,207
Profit for the year	754	891
At 31 December	<u>152,852</u>	<u>152,098</u>

## HUTCHISON IDH DEVELOPMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 12 Reconciliation of movements in equity shareholders' funds

	2003 £	2002 £
Profit for the year	754	891
Equity shareholders' funds as at 1 January	152,198	151,307
Equity shareholders' funds as at 31 December	<u>152,952</u>	<u>152,198</u>

#### 13 Related party transactions

The company was appointed by Hutchison IDH Limited to develop a site at Kensington and received a development fee on payments made on behalf of Hutchison IDH Limited. During the year ended 31 December 2003, development fee receipts amounted to £54,906 (2002: £175,865).

During the year, the company entered into long term leases of car parking spaces with Hutchison IDH Limited at a premium of £46,809 (2002: Nil).

The company also paid management service fees totalling £46,804 (2002: £40,471) to Hutchison Whampoa Properties (Europe) Limited, a wholly owned subsidiary of Hutchison Whampoa Properties Limited.

At the balance sheet date, £6,475 (2002: £1,292,353) is due from Hutchison IDH Limited and £12,400 (2002: £9,000) is due to Hutchison Whampoa Properties (Europe) Limited.

#### 14 Ultimate parent undertaking

The shareholders of the company comprise:

	Country of incorporation	Percentage of shareholding
Munkton Limited ✓	The British Virgin Islands ✓	47.5% ✓
Milispeed Investments Limited ✓	The British Virgin Islands ✓	40.0% ✓
Coralshine Resources Limited ✓	The British Virgin Islands ✓	10.0% ✓
Endless Gain Corporation ✓	The British Virgin Islands ✓	2.5% ✓
		<u>100%</u>

Munkton Limited is a subsidiary of Hutchison Whampoa Limited (a company incorporated in Hong Kong) and Milispeed Investments Limited is a subsidiary of Industrial Development Holdings Limited (a company incorporated in Hong Kong). Cheung Kong (Holdings) Limited (a company incorporated in Hong Kong) effectively holds 70% of the issued share capital of Industrial Development Holdings Limited and 49.9% of the issued share capital of Hutchison Whampoa Limited.