

Hutchison Global Enabling Services Limited

(Registered Number: 08710411)

Annual Report

For the year ended 31 December 2018



Hutchison Global Enabling Services Limited

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Hutchison Global Enabling Services Limited

(Registered Number: 08710411)

Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2018.

Principal activities

The Company is a private limited company incorporated and domiciled in the United Kingdom. The principal activity of the Company is to support the resale of telecoms services for other group companies of CK Hutchison Holdings Limited (the ultimate holding company of the Company) using mobile virtual network enabling and Internet of Things platforms.

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

Results and dividends

The Company had a profit for the financial year of USD 695,310 (2017: Loss of USD 4,555,649) and net liabilities at the end of the year of USD 20,804,658 (2017: USD 21,499,968). The Directors do not recommend payment of a dividend (2017: USD Nil).

Future outlook

The Company will continue to facilitate the availability of the centralised platforms to the current customer base on behalf of the CK Hutchison Holdings Limited group.

Principal risks and uncertainties

Due to the nature of the wholesale telecommunications market, the key business risk to CK Hutchison Holdings Limited group would be a decline in customer demand or technical failures introduced by our vendors. A reduction in customer demand or difficulties with vendors are the Company's main financial and business risks, as it does not have any non-trading debts external to the CK Hutchison Holdings Limited group to fund the cost of running the business. The Company does not undertake any investment or other activities that would introduce additional risks.

Going concern

As at 31 December 2018, the Company had net current liabilities of USD 20,857,475. A going concern review has been performed by the Directors and the Company has received a letter of support from its ultimate parent, CK Hutchison Holdings Limited. The Directors are satisfied that the Company will be able to meet its liabilities as they fall due, so these financial statements have been prepared on a going concern basis.

Branches outside the UK

The Company has no branches outside the UK.

Financial risk management

The Company's financial risks are managed within the framework of financial and credit policies determined by the Board of Directors of the ultimate parent undertaking, CK Hutchison Holdings Limited. Management of these risks is largely centralised to the Group's Treasury Department, thereby minimising the Company's financial risks.

Hutchison Global Enabling Services Limited
(Registered Number: 08710411)

Directors' Report (continued)

Directors

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

Christian Salbaing
Frank Sixt
Clemence Cheng
Jonathan Miller

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

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have 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 as auditors and are deemed to be reappointed as auditors unless otherwise resolved by the directors or shareholders.

On behalf of the Board

Jonathan Miller
Director



Date 20 September 2019

Independent auditors' report to the members of Hutchison Global Enabling Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hutchison Global Enabling Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent auditors' report to the members of Hutchison Global Enabling Services Limited (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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.



Tim Broadway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
20 September 2019

Hutchison Global Enabling Services Limited
(Registered Number: 08710411)

Statement of Comprehensive Income
For the year ended 31 December 2018

	<i>Note</i>	2018 USD	2017 USD
Revenue	4	7,765,953	1,927,694
Cost of sales		(2,221,477)	(1,233,117)
Gross profit		5,544,476	694,577
Administrative expenses		(4,698,664)	(6,443,222)
Operating profit / (loss)		845,812	(5,748,645)
Profit / (loss) before taxation	5	845,812	(5,748,645)
Tax on profit / (loss)	8	(150,502)	1,192,996
Profit / (loss) for the financial year		695,310	(4,555,649)
Total comprehensive income / (expense) for the year		695,310	(4,555,649)

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

The notes on pages 8 to 18 form an integral part of these financial statements.

Hutchison Global Enabling Services Limited
(Registered Number: 08710411)

Statement of Financial Position
As at 31 December 2018

	Note	USD	2018 USD	USD	2017 USD
Fixed assets					
Intangible assets	9		45,867		3,930,740
Tangible assets	10		6,950		24,736
			52,817		3,955,476
Current assets					
Debtors	11	6,782,577		1,217,526	
Cash at bank and in hand		922,968		1,340,360	
		7,705,545		2,557,886	
Current liabilities					
Creditors - amounts falling due within one year	12	(28,563,020)		(28,013,330)	
Net current liabilities			(20,857,475)		(25,455,444)
Net liabilities			(20,804,658)		(21,499,968)
Capital and reserves					
Called up share capital	13		2		2
Accumulated losses			(20,804,660)		(21,499,970)
Total shareholders' deficit			(20,804,658)		(21,499,968)

The notes on pages 8 to 18 form an integral part of these financial statements.

The financial statements on pages 5 to 18 were approved by the Board on *20 September 2019*
and signed on its behalf by:



Jonathan Miller
Director

Hutchison Global Enabling Services Limited
(Registered Number: 08710411)

Statement of Changes in Equity
For the year ended 31 December 2018

	Called-up share capital	Accumulated losses	Total shareholders' deficit
	USD	USD	USD
Balance as at 1 January 2017	2	(16,944,321)	(16,944,319)
Loss for the financial year and total comprehensive expense	-	(4,555,649)	(4,555,649)
Balance as at 31 December 2017	2	(21,499,970)	(21,499,968)
Balance as at 1 January 2018	2	(21,499,970)	(21,499,968)
Profit for the financial year and total comprehensive income	-	695,310	695,310
Balance as at 31 December 2018	2	(20,804,660)	(20,804,658)

Hutchison Global Enabling Services Limited

(Registered Number: 08710411)

Notes to the Financial Statements for the year ended 31 December 2018

1 General information

The principal activity of the Company is to support the resale of telecoms services for other group companies of CK Hutchison Holdings Limited (the ultimate holding company of the Company) using mobile virtual network enabling and Internet of Things platforms.

The Company is a private limited company incorporated and domiciled in the United Kingdom.

(Registered address: Hutchison House, 5 Hester Road, Battersea, London, SW11 4AN, United Kingdom)

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of Hutchison Global Enabling Services Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

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.

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;
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment'.
- 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) New standards, amendments and IFRIC interpretations

Neither IFRS 9 nor IFRS 15 have had a material effect on the Company and no other new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018, have had a material impact on the Company.

(c) 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 ultimate holding company, CK Hutchison Holdings Limited. The directors have received confirmation that CK Hutchison Holdings Limited intend to support the Company for at least one year after these financial statements are signed.

Hutchison Global Enabling Services Limited
(Registered Number: 08710411)

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts and value added taxes. The Company recognises revenue when performance obligations have been satisfied and for the Company this is when the services have transferred to the customer and the customer has control of these. The Company's activities are described in detail below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of services

The Company provides consultancy and professional services, platform traffic and subscriber charges and platform management and development services under fixed-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceeds the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(e) Tangible assets

Tangible assets are stated at historic cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replacement part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

- Leasehold improvements to end of lease agreement
- Computer equipment over 3 years

The assets residual values and useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets carrying value amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

(f) Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and,
- the expenditure attributable to the software product during its development can be reliably measured.

Hutchison Global Enabling Services Limited
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Notes to the Financial Statements for the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

(f) Intangible assets (continued)

Directly attributable costs that are capitalised as part of the software product include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Following the termination of the master services agreement on 23 December 2018 by the main supplier of the MVNE platform and the current focus of the Company to support the existing customer base and other group companies the decision was made to fully impair the MVNE and IoT intangible assets as at 31 December 2018 given there will be no future economic benefit to the Company from these assets.

(g) Financial Instruments

Financial assets

The Company classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss or at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets.

(b) Financial assets at amortised cost

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(c) Financial assets at fair value through profit or loss

The following financial assets are classified at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at amortised cost
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Hutchison Global Enabling Services Limited
(Registered Number: 08710411)

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

(g) Financial Instruments (continued)

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(h) Cash at bank and in hand

In the statement of financial position, cash at bank and in hand includes deposits held at call with banks.

(i) Related party transactions

The Company discloses transactions with related parties that are not wholly owned within the same Group. It does not disclose transactions with its parent or with members within the same Group that are wholly owned.

(j) Share capital and distributions to shareholders

Ordinary shares are classified as equity. Dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

(k) Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease costs are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Hutchison Global Enabling Services Limited
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Notes to the Financial Statements for the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

(l) Current and 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 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 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 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 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 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 taxes assets and liabilities relate to income tax 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.

(m) Foreign currency

The financial statements are presented in US Dollars, which is the Company's functional and presentational currency. Transactions denominated in foreign currencies are translated at the rate prevailing at the time of the transaction. Monetary assets or liabilities denominated in foreign currencies, which are held at the end of the year, are translated at the year-end rate of exchange. Exchange differences on monetary items are taken to the statement of comprehensive income.

3 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-amended annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and, where applicable, the physical condition of the assets. See notes 10 and 11 for the carrying amount of the tangible and intangible assets, and notes 2 (e) and 2 (f) for the useful economic lives of each class of asset.

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Notes to the Financial Statements for the year ended 31 December 2018 (continued)

4 Revenue

Revenue by category	2018	2017
	USD	USD
Revenue arises from provision of the following services:		
Platform traffic and active subscriber charges	1,913,899	1,254,307
Platform management services and development charges	710,361	673,387
Consultancy and support services to other group companies	5,141,693	-
	7,765,953	1,927,694

Revenue by geography	2018	2017
	USD	USD
Austria	2,032,175	282,291
United Kingdom	3,203,265	90,099
United States of America	2,062,037	1,555,304
Italy	308,071	-
Ireland	138,956	-
Denmark	20,449	-
Sweden	1,000	-
	7,765,953	1,927,694

5 Profit / (loss) before taxation

	2018	2017
	USD	USD
The profit / (loss) before taxation is stated after charging / (crediting):		
Consultancy recharge from fellow group undertaking	-	3,482,467
Depreciation	17,786	19,292
Amortisation	1,813,625	1,603,757
Impairment of intangible asset (included in administrative expenses)	2,294,323	-
Operating lease charges	55,717	58,939
Foreign exchange loss / (gain)	52,333	(44,032)

Services provided by the Company's auditors	2018	2017
	USD	USD
Auditors' remuneration for audit services	12,497	12,000
Amount paid to auditors in respect of tax services	2,000	3,000

Hutchison Global Enabling Services Limited
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Notes to the Financial Statements for the year ended 31 December 2018 (continued)

6 Directors' emoluments

No fees or other emoluments were paid to the Directors in respect of their services to the Company during the year (2017: USD Nil) as their services to the Company were merely incidental to their employment in other Hutchison Group companies.

There were no employees during the year (2017: Nil), apart from the Directors.

7 Staff costs

There were no employees during the year (2017: Nil) except for the Directors.

8 Tax on profit / (loss)

	2018	2017
	USD	USD
a) Analysis of tax (charge) / credit in the year		
Current tax		
United Kingdom corporation tax on profit / (loss) for the year	(79,944)	-
Adjustment in respect of prior years	(70,558)	-
Tax (charge) / credit	(150,502)	1,192,996

b) Factors affecting current tax (charge) / credit for the year

The tax assessed on the profit / (loss) before taxation for the year is lower (2017: lower) than the standard rate of corporation tax in the United Kingdom at 19.00% (2017: 19.25%).

	2018	2017
	USD	USD
Profit / (loss) before taxation	845,812	(5,748,645)
Corporation tax on profit / (loss) before taxation at 19.00% (2017: 19.25%)	160,704	(1,106,614)
Effect of:		
Adjustment in respect of prior years	70,558	-
Utilisation of brought forward tax losses	(79,944)	-
Capital allowances in excess of depreciation	(816)	-
Losses surrendered as group relief for nil consideration	-	1,106,614
Payment for group relief	-	(1,192,996)
Tax charge / (credit)	150,502	(1,192,996)

Hutchison Global Enabling Services Limited
(Registered Number: 08710411)

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

8 Tax on profit / (loss) (continued)

c) Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantially enacted as part of the Finance Bill 2017. These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and are reflected in these financial statements.

9 Intangible assets

	USD
Cost	
At 1 January 2018	9,465,562
Additions	223,075
<hr/>	
At 31 December 2018	9,688,637
Accumulated amortisation and impairment	
At 1 January 2018	5,534,822
Amortisation	1,813,625
Impairment	2,294,323
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At 31 December 2018	9,642,770
Net book amount	
At 31 December 2018	45,867
At 31 December 2017	3,930,740
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Following the termination of the master services agreement on 23 December 2018 by the main supplier of the MVNE platform and the current focus of the Company to support the existing customer base and other group companies the decision was made to fully impair the MVNE and IoT intangible assets as at 31 December 2018 given there will be no future economic benefit to the Company from these assets.

The remaining intangible balance relates to a data analytics reporting tool (Tableau).

Hutchison Global Enabling Services Limited
(Registered Number: 08710411)

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

10 Tangible assets

	Leasehold Improvements	Computer Equipment	Total
	USD	USD	USD
Cost			
At 1 January 2018	75,321	8,666	83,987
At 31 December 2018	75,321	8,666	83,987
Accumulated depreciation			
At 1 January 2018	53,449	5,802	59,251
Charge for the year	16,404	1,382	17,786
At 31 December 2018	69,853	7,184	77,037
Net book amount			
At 31 December 2018	5,468	1,482	6,950
At 31 December 2017	21,872	2,864	24,736

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Notes to the Financial Statements for the year ended 31 December 2018 (continued)

11 Debtors

	2018	2017
	USD	USD
Trade debtors	203,315	160,339
Amounts owed by Group undertakings	831,167	319,471
VAT receivable	24,083	212,378
Prepayments and accrued income	5,724,012	525,338
	6,782,577	1,217,526

Amounts owed by Group undertakings are unsecured, interest-free, have no fixed date of repayment and repayable on demand.

12 Creditors: amounts falling due within one year

	2018	2017
	USD	USD
Amounts owed to Group undertakings	27,476,526	25,942,301
Trade creditors	345,948	564,923
Accruals and deferred income	740,546	1,506,106
	28,563,020	28,013,330

Amounts owed to Group undertakings are unsecured, interest-free, have no fixed date of repayment and repayable on demand.

13 Called up share capital

	2018	2017
	USD	USD
Allotted, called up and fully paid:		
1 (2017: 1) ordinary share at GBP1.00	2	2

14 Related party transactions

There are no transactions with related parties not wholly owned by the Group headed by CK Hutchison Holdings Limited. The Company is exempt from disclosing related party transactions with its parent or with members of the same Group headed by CK Hutchison Holdings Limited.

Hutchison Global Enabling Services Limited

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Notes to the Financial Statements for the year ended 31 December 2018 (continued)

15 Obligations under operating leases

As at 31 December, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	2018 USD	2017 USD
Within one year	18,572	58,939
Within two to five years	-	19,646

There are no obligations under the operating leases greater than five years.

16 Ultimate parent undertaking

The immediate parent undertaking is Harmonic Sky Limited, a company incorporated in the British Virgin Islands.

The Company's ultimate parent undertaking and controlling party is CK Hutchison Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands.

The registered address of CK Hutchison Holdings Limited is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.