

CK Hutchison (UK) Limited

(Registered Number: 10515733)

Annual Report

For the year ended 31 December 2018

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CK Hutchison (UK) Limited

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CK Hutchison (UK) Limited

Strategic Report

The directors present their strategic report of the Company for the year ended 31 December 2018 (2017: 390 day period ended 31 December 2017).

Principal activities

The principal activity of the Company is to act as a holding company.

Business review, future developments and key performance indicators

Due to the straight forward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or the position of the business.

The loss for the financial period was £6,964 (2017: loss for the 390 day period was: £8,258) and this is driven by professional fees for the audit and tax return.

The directors are satisfied with the performance of the Company during the year.

The Company is expected to continue with the principal activities as stated above.

Principal risks and uncertainties

As the principal activity of the Company is that of a holding company, it is not exposed to a large number of principal risks that could have an adverse impact on it.

The principal activities and risks of the ultimate parent CK Hutchison Holdings Limited, are disclosed in the ultimate parent's annual financial statements, which do not form part of this report.

On behalf of the Board


Christian Salbaing
Director

Date 20 September 2019

CK Hutchison (UK) Limited

Directors' Report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2018 (2017: 390 day period ended 31 December 2017).

Principal activities

The principal activity of the Company is to act as a holding company.

The Company was incorporated on 7 December 2016.

Results and dividends

The loss for the period was £6,964 (2017: loss for the 390 day period was: £8,258). The directors do not propose a dividend in 2018 (2017: nil).

Future outlook

The Company is expected to continue with the principal activities as stated above.

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 Treasury Department. See the notes on page 72 of the Annual Report 2018 of CK Hutchison Holdings Limited for more details. Accordingly, the Company's financial risks are minimised.

Going concern

As at 31 December 2018, the Company had net liabilities of £14,222. 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 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:

Dominic Lai
Neil McGee
Christian Salbaing

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

CK Hutchison (UK) Limited

Directors' Report (continued)

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 and are deemed to be reappointed unless otherwise resolved by the Directors or shareholders.

On behalf of the Board


Christian Salbaing
Director

Date 20 September 2019

Independent auditors' report to the members of CK Hutchison (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, CK Hutchison (UK) 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 loss 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 Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of CK Hutchison (UK) Limited (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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 3, 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.



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

CK Hutchison (UK) Limited

Statement of Comprehensive Income For the 365 day period ended 31 December 2018

		365 day period to 31 December 2018 £	390 day period to 31 December 2017 £
	<i>Note</i>		
Administrative expenses		(6,964)	(8,258)
Operating loss		(6,964)	(8,258)
Loss before taxation	4	(6,964)	(8,258)
Tax on loss	6	-	-
Loss for the financial period		(6,964)	(8,258)
Total comprehensive expense		(6,964)	(8,258)

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

The notes on pages 9 to 14 form an integral part of these financial statements.


CK Hutchison (UK) Limited
(Registered Number: 10515733)

Statement of Financial Position
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investment in subsidiaries	7	14,712,000	14,712,000
		14,712,000	14,712,000
Current liabilities			
Creditors : amounts falling due within one year	8	(14,726,222)	(14,719,258)
Net current liabilities		(14,726,222)	(14,719,258)
Net liabilities		(14,222)	(7,258)
Capital and reserves			
Called up share capital	9	1,000	1,000
Accumulated losses		(15,222)	(8,258)
Total shareholders' deficit		(14,222)	(7,258)

The notes on pages 9 to 14 form an integral part of these financial statements.

The financial statements on pages 6 to 14 were approved by the Board on *20 September 2019*
and signed on its behalf by


Christian Salbaing
Director

CK Hutchison (UK) Limited

Statement of Changes in Equity

For the 365 day period ended 31 December 2018

	Called up share capital	Accumulated losses	Total shareholders' deficit
	£	£	£
Balance on incorporation (7 December 2016)	-	-	-
Issue of shares	1,000	-	1,000
Loss for the financial period and total comprehensive expense	-	(8,258)	(8,258)
Balance as at 31 December 2017	1,000	(8,258)	(7,258)
Loss for the financial period and total comprehensive expense	-	(6,964)	(6,964)
Balance as at 31 December 2018	1,000	(15,222)	(14,222)

CK Hutchison (UK) Limited

Notes to the Financial Statements for the 365 day period ended 31 December 2018

1 General Information

The principal activity of the Company is a holding company.

The company is a private limited company and is incorporated in London, UK.

(Registered address: Hutchison House, 5 Hester Road, London, SW11 4AN, UK)

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 CK Hutchison (UK) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), and the Companies Act 2006. The financial statements are prepared on a going concern basis, under the historical cost convention.

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;
- 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.

CK Hutchison (UK) Limited

Notes to the Financial Statements for the 365 day period ended 31 December 2018 (continued)

2 Accounting policies (continued)

(c) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of financial 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 tax assets and liabilities relate to income taxed 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.

(d) 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.

(e) Consolidated financial statements

The Company is a wholly-owned subsidiary of CK Hutchison Global Investments Limited and is included in the consolidated financial statements of CK Hutchison Holdings Limited, which are publicly available and are prepared under Hong Kong Financial Reporting Standards which are equivalent to International Financial Reporting Standards. Accordingly, the Company has not prepared Group financial statements, in line with s401 of the Companies Act 2006.

(f) Investment in a subsidiary

The Investment in a subsidiary is held at cost less accumulated impairment losses.

(g) 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.

CK Hutchison (UK) Limited

Notes to the Financial Statements for the 365 day period ended 31 December 2018 (continued)

2 Accounting policies (continued)

(h) Share capital and distributions to shareholders

Ordinary shares are classified as equity. Dividends to Company 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.

(i) 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:

- (i) 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.
- (ii) 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:

- (i) the asset is held within a business model whose objective is to collect the contractual cash flows, and
- (ii) 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):

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

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.

CK Hutchison (UK) Limited

Notes to the Financial Statements for the 365 day period ended 31 December 2018 (continued)

3 Critical accounting estimates and judgements

Estimate and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the carrying value of assets, liabilities or total comprehensive income for the year are disclosed as follows:

Investments in subsidiary undertakings

Judgement is required in the assessment of the carrying amount of the investments in the Company's direct undertakings. Estimation of the recoverable amount of investments requires the Company to assess future cash flows projected to be generated by the subsidiary, which in turn is dependant upon a variety of factors including prevailing economic conditions and consumer demand for that entity's products and services.

	365 day period to 31 December 2018 £	390 day period to 31 December 2017 £
4 Loss before taxation		
The loss before taxation is stated after charging:		
Professional fees	121	1,382
Services provided by the Company's auditors		
Auditors' remuneration for audit services	3,623	3,500
Tax services	2,060	2,000

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 365 day period (2017: 390 day period) as their services to the Company were merely incidental to their employment in other Hutchison Group companies.

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

6 Tax on loss

a) Analysis of tax charge in the year	365 day period to 31 December 2018 £	390 day period to 31 December 2017 £
Current tax		
Total current tax	-	-
Tax charge	-	-

CK Hutchison (UK) Limited

Notes to the Financial Statements for the 365 day period ended 31 December 2018 (continued)

6 Tax on loss (continued)

	365 day period to 31 December 2018 £	390 day period to 31 December 2017 £
b) Factors affecting current tax credit for the year		
Loss before taxation	(6,964)	(8,258)
Corporation tax on loss before taxation at 19.00% (2017: 19.25%)	(1,323)	(1,590)
Losses surrendered as group relief	1,323	1,590
Tax charge	-	-

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

There is no deferred tax asset or liability that is not recognised in these financial statements.

c) Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2016). 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 reflected in these financial statements.

d) Group relief

The Company has surrendered the benefit of tax losses to another group company and therefore there are no tax losses carried forward.

7 Investment in subsidiaries

Cost and net book value	£
On incorporation	-
At 1 January 2018	14,712,000
At 31 December 2018	14,712,000

The Company has the following subsidiary undertakings.

	Country of incorporation	Percentage of issued ordinary shares held	
		2018 %	2017 %
Hutchison Whampoa (Europe) Limited	UK	100	100

The directors believe that the carrying value of the investment is supported by their underlying net assets.

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

The principal activity of Hutchison Whampoa (Europe) Limited is the provision of consultancy and professional services.

CK Hutchison (UK) Limited

Notes to the Financial Statements for the 365 day period ended 31 December 2018 (continued)

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	14,726,222	14,719,258

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

9 Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid: 1,000 (2017: 1,000) ordinary shares	1,000	1,000

10 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.

11 Ultimate parent undertaking

The immediate parent undertaking is CK Hutchison Global Investments 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 Ugland House, PO Box 309, Grand Cayman, KY1-1104, Cayman Islands.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is CK Hutchison Holdings Limited. Copies of the CK Hutchison Holdings Limited consolidated financial statements can be obtained from the Company Secretary at 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.