

NOTES TO THE ACCOUNTS (Continued)

32 OPERATING LEASE COMMITMENTS

At 31 December 2003, the group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group		Company	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Land and buildings				
-not later than one year	42,895	106,986	25,064	91,531
-later than one year and not later than five years	36,155	64,700	18,943	38,866
-later than five years	19	34	-	-
	79,069	171,720	44,007	130,397
Equipment and transponders				
-not later than one year	98,815	92,673	859	-
-later than one year and not later than five years	186,244	256,375	1,875	-
-later than five years	81,877	112,501	-	-
	366,936	461,549	2,734	-
	446,005	633,269	46,741	130,397

33 TELEVISION BROADCASTING LICENCE

The company operates under the terms of a licence granted by the Government of Hong Kong Special Administrative Region (the Government) which runs for a twelve year period to 30 November 2015. The licence will be subject to a mid-term review in 2009.

NOTES TO THE ACCOUNTS (Continued)

34 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow generated from operations

	2003	2002
	HK\$'000	HK\$'000
Operating profit	533,164	735,549
Depreciation charges	235,319	167,111
Impairment of fixed assets	15,978	-
Amortisation of goodwill	2,127	-
Gains on disposal of fixed assets	(1,613)	(148)
Provision for onerous contracts	95,277	-
Loss on investments	1,275	-
Provision for loss on investments	192	-
Interest income	(3,491)	(7,786)
Exchange differences	(10,094)	(10,412)
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Operating profit before working capital changes	868,134	884,314
Decrease/(increase) in programmes, film rights and stocks	60,019	(122,738)
(Increase)/decrease in trade and other receivables, prepayments and deposits	(10,251)	181,278
Decrease in trade and other payables and accruals	(62,022)	(160,577)
Increase in pensions obligations - defined benefits plans	3,730	1,418
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Net cash inflow generated from operations	859,610	783,695

NOTES TO THE ACCOUNTS (Continued)

34 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Analysis of changes in financing during the year:

	Minority interests	Share capital including premium	Long term bank loans	Other loans	Obligations under finance leases	Short term loans
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balances at 1 January 2003	424	623,926	72,148	4,478	462	232,786
Capital contributed by minority shareholders	38,685	-	-	-	-	-
Gain on deemed disposal of subsidiaries	(27,726)	-	-	-	-	-
Acquisition of subsidiaries (note 34(c))	54,331	-	-	-	-	-
Exchange differences	(640)	-	1,137	(19)	116	-
Repayments during the year	-	-	(75,509)	(102)	(219)	(232,786)
Additions during the year	-	-	60,049	-	-	549,368
	64,650	-	(14,323)	(121)	(103)	316,582
Share of profits attributable to minority interests	18,711	-	-	-	-	-
Balances at 31 December 2003	83,785	623,926	57,825	4,357	359	549,368
Balances at 1 January 2002	-	623,926	87,081	5,481	591	175,947
Exchange differences	(2,689)	-	4,414	10	53	-
Repayments during the year	-	-	(21,552)	(1,013)	(182)	(175,947)
Additions during the year	-	-	2,205	-	-	232,786
Repayments of a loan due to a minority shareholder	(1,156)	-	-	-	-	-
	(3,845)	-	(14,933)	(1,003)	(129)	56,839
Share of profits attributable to minority interests	4,269	-	-	-	-	-
Balances at 31 December 2002	424	623,926	72,148	4,478	462	232,786

NOTES TO THE ACCOUNTS (Continued)

34 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(c) Acquisition of subsidiaries

	HK\$'000
Net assets acquired	
Fixed assets	1,243
Investments in securities	378
Deferred tax assets	660
Stocks	664
Trade and other receivables, prepayment and deposits	23,719
Cash and bank balances	26,972
Trade and other payables and accruals	(10,876)
Tax payable	(212)
Exchange difference	1,422
Minority interests	(54,331)
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	(10,361)
Goodwill	64,866
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	54,505
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Satisfied by	
Investment in a former associated company	25,377
Cash	29,128
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	54,505
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(d) Sales of a subsidiary

	HK\$'000
Net assets disposed of	
Fixed assets	102,016
Trade and other receivables, prepayment and deposits	7,479
Cash and bank balances	5,497
Trade and other payables and accruals	(15,965)
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	99,027
Gain on disposal	5,213
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	104,240
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Satisfied by	
Share of net assets of a former subsidiary	(5,009)
Amount due from a former subsidiary	109,249
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	104,240
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