

Ten-Year Balance Sheet

As at 31st December

The Hongkong Electric Company, Limited

HK\$ million	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Assets										
Non-current assets										
Fixed assets	45,104	45,287	44,045	41,688	39,761	37,750	35,120	32,315	29,087	24,590
Employee retirement benefit assets	220	212	–	–	–	–	–	–	–	–
	45,324	45,499	44,045	41,688	39,761	37,750	35,120	32,315	29,087	24,590
Current assets										
Coal and fuel oil	86	120	138	100	142	135	143	188	152	148
Stores	281	292	301	299	309	291	280	275	265	225
Fuel Clause Account	1,147	1,235	1,216	981	262	186	–	–	–	–
Trade and other receivables	1,018	1,039	664	633	641	525	486	416	348	356
Bank balances	3	2	5	12	9	–	–	6	1	1
	2,535	2,688	2,324	2,025	1,363	1,137	909	885	766	730
Current liabilities										
Bank loans and other borrowings	(8,269)	(9,266)	(7,944)	(6,573)	(5,992)	(5,176)	(4,680)	(4,901)	(3,326)	(2,403)
Fuel Clause Account	–	–	–	–	–	–	(7)	(20)	(103)	(147)
Trade and other payables	(1,011)	(1,242)	(1,858)	(1,511)	(1,867)	(2,309)	(2,351)	(1,957)	(3,024)	(1,544)
Taxation	(301)	(419)	(792)	(209)	(227)	(179)	(142)	(204)	(53)	(130)
	(9,581)	(10,927)	(10,594)	(8,293)	(8,086)	(7,664)	(7,180)	(7,082)	(6,506)	(4,224)
Net current liabilities	(7,046)	(8,239)	(8,270)	(6,268)	(6,723)	(6,527)	(6,271)	(6,197)	(5,740)	(3,494)
Total assets less current liabilities	38,278	37,260	35,775	35,420	33,038	31,223	28,849	26,118	23,347	21,096
Non-current liabilities										
Bank loans and other borrowings	(3,852)	(7,295)	(8,036)	(9,639)	(8,790)	(8,444)	(8,343)	(5,649)	(3,461)	(3,776)
Deferred creditors	(760)	(972)	(1,184)	(1,362)	(1,770)	(2,036)	(1,734)	(3,103)	(4,064)	(3,043)
Customers' deposits	(1,387)	(1,350)	(1,302)	(1,242)	(1,169)	(1,131)	(1,084)	(1,016)	(958)	(892)
Employee retirement benefit liabilities	(68)	(57)	–	–	–	–	–	–	–	–
Deferred taxation (Note 4)	(5,105)	(4,599)	–	–	–	–	–	–	–	–
	(11,172)	(14,273)	(10,522)	(12,243)	(11,729)	(11,611)	(11,161)	(9,768)	(8,483)	(7,711)
Rate Reduction Reserve (Note 1)	(5)	(10)	(9)	(14)	(21)	(62)	(92)	(93)	(80)	(64)
Development Fund (Note 2)	–	(139)	(138)	(249)	(89)	(340)	(338)	(556)	(638)	(644)
Net Assets	27,101	22,838	25,106	22,914	21,199	19,210	17,258	15,701	14,146	12,677
Capital and Reserves										
Share capital	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411
Reserves (Notes 3 & 4)	–	937	2,460	2,201	1,975	1,724	1,390	1,066	730	311
Proposed dividend	5,200	1,903	4,311	3,917	3,945	3,518	3,036	2,828	2,409	2,102
	7,611	5,251	9,182	8,529	8,331	7,653	6,837	6,305	5,550	4,824
Loan capital	19,490	17,587	15,924	14,385	12,868	11,557	10,421	9,396	8,596	7,853
	27,101	22,838	25,106	22,914	21,199	19,210	17,258	15,701	14,146	12,677

Notes:

- (1) The purpose of this reserve is to reduce, by means of rebates, electricity tariffs to customers.
- (2) The main purpose of the development fund is to assist in financing the acquisition of fixed assets and it is not part of shareholders' funds.
- (3) In accordance with the renewed Scheme of Control Agreement effective 1st January 1994, The Hongkong Electric Company, Limited ("HEC") is required to retain a Scheme of Control tax adjustment at historical tax rates. This tax adjustment shall be retained within HEC until such time as it may be required to pay the tax.
- (4) Hong Kong Statement of Standard Accounting Practice No.12 (revised) "Income Taxes" was first effective for accounting periods beginning on or after 1st January 2003. In order to comply with this revised Statement, the Group adopted a new accounting policy for deferred tax in 2003. Figures for 2002 have been adjusted. However, it is not practicable to restate earlier years for comparison purposes.