

Notes to the Financial Statements (Cont'd)

14. DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade debtors				
Below 60 days	2,560	2,589	2,169	2,146
61 to 90 days	315	232	202	117
91 days and above	234	152	68	–
	<u>3,109</u>	<u>2,973</u>	<u>2,439</u>	<u>2,263</u>
Deposits and prepayments	<u>2,290</u>	<u>2,440</u>	<u>2,142</u>	<u>2,294</u>
	<u>5,399</u>	<u>5,413</u>	<u>4,581</u>	<u>4,557</u>

Trade debtors represent rental income which is due one month in advance.

15. CREDITORS, ACCRUALS AND DEPOSITS

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade creditors				
Below 60 days	640	121	611	26
Accruals and deposits	<u>13,096</u>	<u>13,605</u>	<u>12,230</u>	<u>12,759</u>
	<u>13,736</u>	<u>13,726</u>	<u>12,841</u>	<u>12,785</u>

16. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a taxation rate of 17.5% (2003: 17.5%).

The movement on the net deferred tax (liabilities)/assets account is as follows:

	Group and Company	
	2004	2003
	HK\$'000	HK\$'000
Accelerated tax depreciation		
At beginning of the year	57	226
Deferred taxation charged to profit and loss account	(183)	(169)
At end of the year	<u>(126)</u>	<u>57</u>

Notes to the Financial Statements (Cont'd)

17. SHARE CAPITAL

	2004 HK\$'000	2003 HK\$'000
Authorised		
30,000,000 shares of HK\$5 each	150,000	150,000
Issued and fully paid		
25,000,000 shares of HK\$5 each	125,000	125,000

18. RESERVES

	Group		Company	
	2004 HK\$'000	2003 HK\$'000 (Restated)	2004 HK\$'000	2003 HK\$'000 (Restated)
Investment properties revaluation reserve				
At beginning of the year	860,157	944,157	784,374	864,374
Surplus/(deficit) on revaluation (note 10)	334,600	(84,000)	300,000	(80,000)
At end of the year	1,194,757	860,157	1,084,374	784,374
Retained profit				
At beginning of the year, as previously reported	26,391	38,124	25,052	36,897
Effect of adoption of SSAP 12	57	226	57	226
At beginning of the year, as restated	26,448	38,350	25,109	37,123
Profit for the year	14,670	25,598	14,509	25,486
Dividend	(32,500)	(37,500)	(32,500)	(37,500)
At end of the year	8,618	26,448	7,118	25,109
	1,203,375	886,605	1,091,492	809,483

	Company and subsidiary company HK\$'000	Associated companies HK\$'000	Total HK\$'000
Retained profit			
At 30 September 2004	12,556	(3,938)	8,618
At 30 September 2003, as restated	30,374	(3,926)	26,448
Investment properties revaluation reserve			
At 30 September 2004	1,194,757	-	1,194,757
At 30 September 2003	860,157	-	860,157

Distributable reserves of the Company at 30 September 2004, calculated under Section 79B of the Hong Kong Companies Ordinance, amounted to HK\$27,118,000 (2003: HK\$45,109,000, as restated).

Notes to the Financial Statements (Cont'd)

19. FUTURE MINIMUM RENTAL PAYMENTS RECEIVABLE

The future minimum rental payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
First year	41,017	41,920	39,151	38,756
Second to fifth year inclusive	15,273	19,848	14,121	19,384
	<u>56,290</u>	<u>61,768</u>	<u>53,272</u>	<u>58,140</u>

The Group's and the Company's operating leases are generally for terms of two years.

20. RELATED PARTY TRANSACTIONS

In the normal course of business activities, certain investment properties of the Group are leased to related companies, which are controlled by certain Directors of the Company, at prices and terms no less than those contracted with other third party tenants of the Group. Rental and related income from these related companies during the year were HK\$2,795,000 (2003: HK\$2,930,000).

21. COMPARATIVE FIGURES

Certain comparative figures have been restated as a result of the adoption of SSAP 12 or to conform with the current year's presentation.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 16 December 2004.