

NOTES TO THE ACCOUNTS (Continued)

29 LONG TERM LIABILITIES

	Group	
	2004	2003
	HK\$'000	HK\$'000
Loans, secured	58,302	62,182
Obligations under finance leases	83	359
	58,385	62,541
Amounts due within one year included under current liabilities	(9,702)	(5,276)
	48,683	57,265
The analysis of the above is as follows:		
Bank loans		
- wholly repayable within five years	29,523	26,937
- not wholly repayable within five years	24,526	30,888
	54,049	57,825
Other loans		
- wholly repayable within five years	4,253	4,357
	58,302	62,182
Obligations under finance leases		
- wholly repayable within five years	83	359
	58,385	62,541
Amounts due within one year included under current liabilities	(9,702)	(5,276)
	48,683	57,265

At 31 December 2004, the group's bank loans and other loans (excluding finance lease liabilities) are repayable as follows:

	Bank loans		Other loans	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
- within one year	5,366	4,806	4,253	111
- in the second year	5,623	5,081	-	4,246
- in the third to fifth year	18,534	17,050	-	-
- after the fifth year	24,526	30,888	-	-
	54,049	57,825	4,253	4,357

NOTES TO THE ACCOUNTS (Continued)

29 LONG TERM LIABILITIES (Continued)

At 31 December 2004, the group's finance lease liabilities are repayable as follows:

	Group	
	2004	2003
	HK\$'000	HK\$'000
Within one year	83	395
Future finance charges on finance leases	-	(36)
Present value of finance lease liabilities	83	359
The present value of finance lease liabilities is as follows:		
Within one year	83	359

30 DEFERRED TAXATION

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

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January	72,207	55,606	94,365	63,514
Exchange differences	(89)	893	-	-
Acquisition of subsidiaries	-	(660)	-	-
Deferred taxation charge to profit and loss account (note 8)	34,660	16,368	29,165	30,851
At 31 December	106,778	72,207	123,530	94,365

Deferred income tax liabilities of HK\$317,000 (2003: HK\$74,000) have not been established for the withholding and other taxation that would be payable on the unremitted earnings of an investee company.

Deferred income tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. At 31 December 2004, the group has unrecognised tax losses of HK\$465,557,000 (2003: HK\$471,450,000) to carry forward against future taxable income. These tax losses will expire as follows:

	Group	
	2004	2003
	HK\$'000	HK\$'000
Within 1 year	-	1,862
From 2 to 5 years	1,018	6,950
After 5 years	67,343	74,532
No expiry date	397,196	388,106
	465,557	471,450

NOTES TO THE ACCOUNTS (Continued)

30 DEFERRED TAXATION (Continued)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

(a) Group

Deferred tax liabilities

	Accelerated tax depreciation		Others		Total	
	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January	136,041	64,403	4,617	1,297	140,658	65,700
(Credited)/charged to profit and loss account	(148)	71,651	(1,691)	3,325	(1,839)	74,976
Exchange differences	(8)	(13)	5	(5)	(3)	(18)
At 31 December	135,885	136,041	2,931	4,617	138,816	140,658

Deferred tax assets

	Provisions		Tax losses		Others		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January	18,138	-	29,467	-	20,846	10,094	68,451	10,094
(Charged)/credited to profit and loss account	(15,391)	18,169	(16,780)	29,467	(4,328)	10,972	(36,499)	58,608
Acquisition of subsidiaries	-	-	-	-	-	660	-	660
Exchange differences	36	(31)	(22)	-	72	(880)	86	(911)
At 31 December	2,783	18,138	12,665	29,467	16,590	20,846	32,038	68,451

NOTES TO THE ACCOUNTS (Continued)

30 DEFERRED TAXATION (Continued)

(b) Company

Deferred tax liabilities

	Accelerated tax depreciation		Others		Total	
	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January	131,633	62,483	2,747	1,031	134,380	63,514
(Credited)/charged to profit and loss account	(1,839)	69,150	(1,367)	1,716	(3,206)	70,866
At 31 December	129,794	131,633	1,380	2,747	131,174	134,380

Deferred tax assets

	Provisions		Tax losses		Others		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January	5,575	-	29,015	-	5,425	-	40,015	-
(Charged)/credited to profit and loss account	(3,706)	5,575	(29,015)	29,015	350	5,425	(32,371)	40,015
At 31 December	1,869	5,575	-	29,015	5,775	5,425	7,644	40,015

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Net deferred tax assets recognised on the balance sheet	(18,592)	(23,551)	-	-
Net deferred tax liabilities recognised on the balance sheet	125,370	95,758	123,530	94,365
	106,778	72,207	123,530	94,365

NOTES TO THE ACCOUNTS (Continued)

31 CONTINGENT LIABILITIES

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Guarantees for banking facilities granted to				
- subsidiaries	-	-	128,308	167,892
- an investee company	8,756	1,111	-	-
	8,756	1,111	128,308	167,892

The directors anticipate that no material liabilities will arise from the above bank and other guarantees which arose in the ordinary course of business.

32 CAPITAL COMMITMENTS

The amounts of commitments for fixed assets are as follows:

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Authorised but not contracted for	184,390	169,232	101,645	96,663
Contracted but not provided for	14,845	73,814	9,728	71,038
	199,235	243,046	111,373	167,701

The group's share of capital commitments of the jointly controlled entities was nil (2003: nil).

33 OPERATING LEASE COMMITMENTS

At 31 December 2004, the group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Land and buildings				
-not later than one year	37,077	42,895	15,613	25,064
-later than one year and not later than five years	51,892	36,155	4,266	18,943
-later than five years	11,769	19	-	-
	100,738	79,069	19,879	44,007
Equipment and transponders				
-not later than one year	62,427	98,815	922	859
-later than one year and not later than five years	60,557	186,244	1,175	1,875
-later than five years	5,537	81,877	-	-
	128,521	366,936	2,097	2,734
	229,259	446,005	21,976	46,741

NOTES TO THE ACCOUNTS (Continued)

34 TELEVISION BROADCASTING LICENCE

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

35 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	2004	2003
	HK\$'000	HK\$'000
Operating profit	1,081,391	566,103
Gain on deemed disposal of subsidiaries	-	(27,726)
Gain on disposal of a subsidiary	-	(5,213)
Depreciation charges	269,775	235,319
Impairment of fixed assets	-	15,978
Amortisation of goodwill	7,397	2,127
Gain on disposal of fixed assets	(1,586)	(1,613)
Provision for onerous contracts	-	95,277
Write back of surplus upon settlement of onerous contracts	(11,832)	-
Utilisation/settlement of onerous contracts	(67,568)	-
In-kind contribution to an associated company (note c)	(150,000)	-
Loss on investments	-	1,275
Provision for loss on investments	-	192
Interest income	(20,294)	(3,491)
Exchange differences	2,056	(10,094)
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Operating profit before working capital changes	1,109,339	868,134
Decrease in programmes, film rights and stocks	156,461	60,019
Increase in trade and other receivables, prepayments and deposits	(15,239)	(10,251)
Increase/(decrease) in trade and other payables and accruals	30,093	(62,022)
Increase in pensions obligations - defined benefits plans	4,843	3,730
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Net cash inflow generated from operations	1,285,497	859,610