

THE HONGKONG ELECTRIC COMPANY, LIMITED

TEN-YEAR STATEMENT OF FINANCIAL POSITION

At 31 December

HK\$ million	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Non-current assets										
Property, plant and equipment and interests in leasehold land	49,482	49,198	49,137	49,345	48,848	47,976	47,523	46,550	46,123	46,565
Employee retirement benefit scheme assets	580	668	615	216	271	796	456	–	1,033	539
Derivative financial instruments	314	352	241	646	433	21	31	29	8	1
	50,376	50,218	49,993	50,207	49,552	48,793	48,010	46,579	47,164	47,105
Current assets										
Coal, fuel oil and natural gas	525	572	592	763	780	433	629	375	255	204
Stores and materials	357	361	356	351	335	314	301	283	281	278
Trade and other receivables	1,155	1,129	1,104	1,183	1,078	1,118	1,035	1,104	1,071	1,056
Fuel Clause Recovery Account	–	–	1	820	1,035	569	551	998	336	566
Cash and bank balances	6,155	4,629	1,060	8	24	9	92	11	4	21
	8,192	6,691	3,113	3,125	3,252	2,443	2,608	2,771	1,947	2,125
Current liabilities										
Bank loans and other borrowings	(900)	(520)	(503)	(5,317)	(617)	(52)	–	(1,687)	(1,405)	(3,735)
Fuel Clause Recovery Account	(2,283)	(631)	–	–	–	–	–	–	–	–
Trade and other payables	(5,519)	(4,740)	(2,081)	(2,305)	(2,565)	(1,577)	(1,487)	(1,009)	(860)	(898)
Current taxation	(360)	(219)	(340)	(330)	(218)	(157)	(236)	(187)	(410)	(540)
	(9,062)	(6,110)	(2,924)	(7,952)	(3,400)	(1,786)	(1,723)	(2,883)	(2,675)	(5,173)
Net current assets/(liabilities)	(870)	581	189	(4,827)	(148)	657	885	(112)	(728)	(3,048)
Total assets less current liabilities	49,506	50,799	50,182	45,380	49,404	49,450	48,895	46,467	46,436	44,057
Non-current liabilities										
Bank loans and other borrowings	(37,646)	(38,703)	(29,574)	(21,893)	(26,691)	(25,727)	(24,909)	(10,037)	(9,796)	(9,845)
Derivative financial instruments	(168)	(63)	–	–	(10)	(132)	(15)	(14)	(7)	(1)
Customers' deposits	(2,001)	(1,937)	(1,900)	(1,839)	(1,801)	(1,747)	(1,676)	(1,634)	(1,585)	(1,537)
Deferred tax liabilities	(5,698)	(5,927)	(5,955)	(5,912)	(5,883)	(5,763)	(5,622)	(5,479)	(5,426)	(5,432)
Employee retirement benefit scheme liabilities	(587)	(499)	(443)	(821)	(827)	(587)	(722)	(1,267)	(423)	(307)
	(46,100)	(47,129)	(37,872)	(30,465)	(35,212)	(33,956)	(32,944)	(18,431)	(17,237)	(17,122)
Tariff Stabilisation Fund (note 1)	(204)	(288)	(36)	(425)	(497)	(543)	(485)	(311)	(14)	–
Rate Reduction Reserve (note 2)	(1)	–	(3)	(2)	(1)	(4)	(14)	(14)	(1)	–
Smart Power Fund (note 3)	(10)	(5)	–	–	–	–	–	–	–	–
Net assets	3,191	3,377	12,271	14,488	13,694	14,947	15,452	27,711	29,184	26,935
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	921	1,002	1,000	–	4	–	6	22	6	4
Hedging reserves	(141)	(36)	15	3	(4)	8	(6)	(22)	(6)	(4)
Proposed dividend	–	–	–	3,229	2,438	3,683	4,196	3,455	4,928	4,878
	3,191	3,377	3,426	5,643	4,849	6,102	6,607	5,866	7,339	7,289
Loan capital	–	–	8,845	8,845	8,845	8,845	8,845	21,845	21,845	19,646
Total equity	3,191	3,377	12,271	14,488	13,694	14,947	15,452	27,711	29,184	26,935

Notes:

- The Tariff Stabilisation Fund is not part of shareholders' funds.
- The purpose of this reserve is to reduce, by means of rebates, electricity tariffs to customers. Pursuant to 2013 mid-term review of Scheme of Control, the year-end balance of the reserve of a year has to be transferred to the Tariff Stabilisation Fund in the following year starting from end 2013.
- Pursuant to 2013 mid-term review of Scheme of Control, a Smart Power Fund was established in June 2014 to support the carrying out of improvement works to upgrade the energy efficiency performance of building services installations for communal use of non-commercial buildings.