

26 Consolidated Cash Flow Statement

For the year ended 31 March 2006

Herald Holdings Limited Annual Report 2006

	2006 HK\$'000	2005 (restated) HK\$'000
Operating activities		
Profit before taxation	105,123	115,652
Adjustments for:		
– Interest income	(5,070)	(1,686)
– Dividend income from listed securities	(397)	(49)
– Share of profit of jointly controlled entity	(494)	(181)
– Depreciation	26,796	27,149
– Amortisation of land lease premium	299	292
– Loss on disposal of fixed assets	41	247
– Valuation gains on investment properties	(2,140)	(1,172)
– Write back of impairment losses on property, plant and equipment	(9,294)	–
– (Write back of)/provision for impairment losses on club membership	(60)	520
– Net realised and unrealised (gains)/losses on trading securities (2005: other securities)	(1,180)	121
– Finance costs	145	275
– Foreign exchange loss	61	910
Operating profit before changes in working capital	113,830	142,078
Increase/(decrease) in amount due to jointly controlled entity	2	(15)
Decrease/(increase) in inventories	27,335	(25,289)
Decrease/(increase) in trade and other receivables	42,764	(35,173)
(Decrease)/increase in trade and other payables	(35,477)	38,413
Decrease in provision for long service payments	(273)	(603)
Cash generated from operations	148,181	119,411
Tax paid		
– Hong Kong Profits Tax paid	(18,294)	(5,085)
– Taxation outside Hong Kong paid	(3,731)	(8,239)
	(22,025)	(13,324)
Net cash generated from operating activities	126,156	106,087

	Note	2006 HK\$'000	2005 (restated) HK\$'000
Investing activities			
Payment for purchase of fixed assets		(21,230)	(23,191)
Payment for purchase of:			
– trading securities		(61,130)	–
– other financial assets		–	(2,000)
Proceeds from disposal of fixed assets		3,228	976
Proceeds from sale of trading securities		9,426	–
Interest received		5,070	1,686
Dividends received from listed securities		397	49
Dividend received from jointly controlled entity		230	376
Net cash used in investing activities		(64,009)	(22,104)
Financing activities			
Interest paid		(145)	(275)
Dividends paid to equity shareholders of the company		(42,975)	(30,697)
Dividend paid to minority interests		–	(2,563)
Net cash used in financing activities		(43,120)	(33,535)
Net increase in cash and cash equivalents		19,027	50,448
Cash and cash equivalents at 1 April		223,564	172,330
Effect of foreign exchange rate changes		(3,196)	786
Cash and cash equivalents at 31 March	22	239,395	223,564