

Consolidated cash flow statement

MTR CORPORATION LIMITED 079

for the year ended 31 December in HK\$ million	Note	2003	2002
Cash flows from operating activities			
Operating profit from railway and related operations before depreciation		3,747	4,014
Adjustments for:			
Decrease in provision for staff housing loans		–	(1)
Increase/(Decrease) in provision for obsolete stock		7	(1)
Loss on disposal of fixed assets		16	17
Deficit on revaluation of self-occupied office land and buildings		69	–
Project study and deferred expenditures written off		21	209
Amortisation of deferred income from lease transaction		(4)	–
Exchange loss		1	1
Operating profit from railway and related operations before working capital changes		3,857	4,239
Increase in debtors, deposits and payments in advance		(217)	(80)
Decrease in stores and spares		4	3
Increase in creditors, accrued charges and provisions		196	66
Cash generated from operations		3,840	4,228
Overseas tax paid		(3)	–
Net cash generated from operating activities		3,837	4,228
Cash flows from investing activities			
Capital expenditure			
– Tseung Kwan O Extension Project		(679)	(2,336)
– Penny's Bay Rail Link		(457)	(151)
– Property development projects		(88)	(377)
– Purchase of assets and other capital projects		(1,446)	(2,323)
Receipts from property developers		675	2,646
Proceeds from properties sold		180	127
Receipts on disposal of fixed assets		3	1
Proceeds received on reduction of investment in a non-controlled subsidiary		–	9
Acquisition of subsidiaries, net of cash acquired		–	6
Principal repayments under Staff Housing Loan Scheme		17	44
Net cash used in investing activities		(1,795)	(2,354)
Cash flows from financing activities			
Shares issued		88	37
Drawdown of loans		7,441	3,731
Repayment of loans		(8,803)	(1,399)
Reduction in capital element of finance lease		(103)	(142)
Receipts of deferred income from lease transaction		141	–
(Release)/Collection of refundable deposits and asset replacement reserve funds		(3)	4
Interest paid		(1,643)	(1,690)
Interest received		14	27
Interest element of finance lease rental payments		(47)	(58)
Finance charges paid		(32)	(19)
Dividend paid		(415)	(847)
Net cash used in financing activities		(3,362)	(356)
Net (decrease)/increase in cash and cash equivalents		(1,320)	1,518
Cash and cash equivalents at 1 January		1,684	166
Cash and cash equivalents at 31 December	25	364	1,684

The notes on pages 80 to 131 form part of these accounts.