

## TELECOM SOUTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS—continued

	30 September 1990 \$000's	31 March 1990 \$000's
<b>8 TERM LIABILITIES (UNSECURED)</b>		
Parent company loan .. .. .	<b>244,881</b>	<b>244,881</b>
Interest rates on the parent company loan ranged from 14.14% to 14.28% for the six months ended 30 September 1990. The parent company loan has no fixed date for repayment.		
<b>9 TAXATION</b>		
Current taxation:		
-Balance at beginning of period .. .. .	3,095	-
-Total taxation in the current period (Note 5) .. .. .	(6,113)	(5,911)
-Tax paid .. .. .		9,006
<b>Prepaid taxation/(Taxation payable) .. .. .</b>	<b>(3,018)</b>	<b>3,095</b>
Deferred taxation:		
-Balance at beginning of period .. .. .	(3,891)	1,228
-Provided in the current period (Note 5) .. .. .	(3,681)	(5,119)
-Other movements .. .. .	6,738	-
<b>Deferred tax provision .. .. .</b>	<b>(834)</b>	<b>(3,891)</b>
<b>10 PROVISION FOR RESTRUCTURING COSTS</b>		
Transferred from Telecom .. .. .	-	28,732
Charges against provision .. .. .	-	(38,422)
	-	(9,690)
Transfer from earnings .. .. .	-	9,690
	-	-
<b>11 SHARE PREMIUM RESERVE</b>		
Balance at beginning of period .. .. .	399,930	-
(Consisting of a premium of \$9,999 on 39,997 redeemable preference shares)		
Movements during period .. .. .	-	399,930
	<b>399,930</b>	<b>399,930</b>
The redeemable preference shares are subject to redemption, at the issue price, five days after written notice from the holder.		
<b>12 ACCOUNTS RECEIVABLE AND PREPAYMENTS</b>		
Accounts receivable .. .. .	46,413	31,439
Unbilled rentals and tolls .. .. .	18,444	28,351
Due from fellow subsidiary companies .. .. .	14,022	32,319
Other accounts receivable and prepayments .. .. .	8,946	4,987
	<b>87,825</b>	<b>97,096</b>
Included in other accounts receivable and prepayments is an amount of \$7.3 million (31 March 1990: \$4.3 million) being the deferral of certain expenditure incurred in relation to the installation of a major computer system. These costs are progressively charged to earnings as each phase of the system becomes fully operational.		
<b>13 INVENTORIES</b>		
Revenue work in progress .. .. .	1,760	2,941
Inventories .. .. .	24,022	24,645
	<b>25,782</b>	<b>27,586</b>