

## TELECOM AUCKLAND 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>284,491</b>	<b>284,491</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 .. .. .	23,290	–
–Total taxation in the current period (Note 5) .. .. .	(7,182)	(18,236)
–Tax paid .. .. .	–	41,526
<b>Prepaid taxation .. .. .</b>	<b>16,108</b>	<b>23,290</b>
Deferred taxation:		
–Balance at beginning of period .. .. .	(1,264)	12,242
–Provided in the current period (Note 5) .. .. .	(5,723)	(13,506)
–Other movements .. .. .	7,274	–
<b>Future tax benefit/(Deferred tax provision) .. .. .</b>	<b>287</b>	<b>(1,264)</b>
<b>10 PROVISION FOR RESTRUCTURING COSTS</b>		
Transferred from Telecom .. .. .	–	26,334
Charges against provision .. .. .	–	(36,257)
	–	(9,923)
Transfer from earnings .. .. .	–	9,923
	–	–
<b>11 SHARE PREMIUM RESERVE</b>		
Balance at beginning of period .. .. .	464,614	–
(Consisting of a premium of \$9,999 on 46,466 redeemable preference shares)		
Movements during period .. .. .	–	464,614
	<b>464,614</b>	<b>464,614</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 .. .. .	92,772	91,278
Unbilled rentals and tolls .. .. .	26,621	33,838
Due from fellow subsidiary companies .. .. .	5,066	1,324
House mortgage loans to employees .. .. .	126	177
Other accounts receivable and prepayments .. .. .	5,362	6,044
	<b>129,947</b>	<b>132,661</b>
Included in other accounts receivable and prepayments is an amount of \$3.0 million (31 March 1990; \$4.4 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 .. .. .	7,980	14,289
Inventories .. .. .	47,669	40,320
	<b>55,649</b>	<b>54,609</b>