

TELECOM AUCKLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

## 5 ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	30 September		31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
Accounts receivable, net	66,772	92,772	73,542
Unbilled rentals and tolls	29,893	26,621	29,724
Due from fellow subsidiary companies	11,046	5,066	3,314
Prepaid expenses and other	5,472	2,318	5,883
	<b>113,183</b>	<b>126,777</b>	<b>112,463</b>

## 6 OTHER ASSETS

Other assets include certain deferred expenditure amounting to \$4.9 million (30 September 1990: \$3.0 million, 31 March 1991: \$5.3 million) incurred in relation to the installation of major computer systems. The deferred costs relating to each phase of the system are charged to earnings over a period of two years from the date upon which that phase of the system becomes fully operational. Deferred costs amortised during the six months ended 30 September 1991 amounted to \$1.7 million (30 September 1990: \$1.5 million, for the year ended 31 March 1991: \$2.3 million).

In addition, at 30 September 1991, other assets include \$2.8 million, being advances to the Trustee of two employee share purchase plans. These share purchase plans were established in July 1991 as part of the initial public offering and gave employees the opportunity to invest in Telecom, financed by interest free and favourable interest rate loans repayable over a three-year period.

The shares, which were purchased at the initial public offering price of \$2 each, are held in trust for the employee for a restrictive period of three years, during which time voting rights will be exercised by the Trustee in its discretion.