

TELECOM WELLINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

**1 STATEMENT OF ACCOUNTING POLICIES (Continued)****RECLASSIFICATIONS**

Certain reclassifications of prior periods' data have been made to conform to current period classifications.

**(d) CHANGES IN ACCOUNTING POLICIES**

There have been no material changes in accounting policies during the period.

**2 OPERATING EXPENSES**

	Six months ended 30 September		Year ended 31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
	<b>127,065</b>	<b>135,047</b>	<b>248,440</b>
Included in operating expenses are:			
- Depreciation	27,282	24,736	50,271
- Audit fees	100	95	190
- Intercompany management fee	6,252	7,927	12,510
- Lease and rental costs	6,443	6,847	13,301

**3 INVESTMENT INCOME/INTEREST EXPENSE**

	Six months ended 30 September		Year ended 31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
Interest income:			
- Intercompany	1,069	36	125
- Other	28	-	-
	1,097	36	125
Dividend income from fellow subsidiary company	5,271	-	869
<b>Total investment income</b>	<b>6,368</b>	<b>36</b>	<b>994</b>
Interest expense:			
- Intercompany	17,646	9,669	20,819