

TELECOM SOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4 INCOME TAX

	Six months ended		Year ended
	30 September		31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
The income tax expense for the period is determined as follows:			
Earnings before income tax	44,886	28,540	75,281
Tax at current rate of 33%	14,812	9,418	24,843
Adjustment for permanent differences	64	376	214
Total income tax expense	14,876	9,794	25,057
The income tax expense is represented by:			
-Current taxation	11,329	6,113	15,940
-Deferred taxation	3,547	3,681	9,117
	14,876	9,794	25,057
The balance sheet provisions are:			
	30 September		31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
Current taxation:			
-Balance at beginning of period	1,780	3,095	3,095
-Total taxation in the current period	(11,329)	(6,113)	(15,940)
-Tax paid	1,299	-	14,625
Prepaid income tax/(Taxation payable)	(8,250)	(3,018)	1,780
Deferred taxation:			
-Balance at beginning of period	(5,651)	(3,891)	(3,891)
-Provided in the current period	(3,547)	(3,681)	(9,117)
-Other movements	(63)	6,738	7,357
Deferred income tax	(9,261)	(834)	(5,651)