

TELECOM SOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7 FIXED ASSETS

	30 September		31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
Telecommunication equipment:			
- Cost	963,895	847,659	923,002
- Accumulated depreciation	(313,794)	(256,938)	(294,485)
	650,101	590,721	628,517
Capital work in progress	49,240	100,341	96,231
Land	37,678	38,356	38,055
Buildings:			
- Cost	91,700	67,664	69,533
- Accumulated depreciation	(12,269)	(9,498)	(10,915)
	79,431	58,166	58,618
Other fixed assets:			
- Cost	101,135	81,239	92,483
- Accumulated depreciation	(42,062)	(34,093)	(38,225)
	59,073	47,146	54,258
Total cost	1,243,648	1,135,259	1,219,304
Total accumulated depreciation	(368,125)	(300,529)	(343,625)
Total net book value	875,523	834,730	875,679

Included in telecommunications equipment, at 30 September 1991, 30 September 1990 and 31 March 1991 respectively, is equipment (principally customer premises equipment) leased to customers under operating leases with a cost of \$121.4 million, \$113.6 million and \$117.1 million, together with accumulated depreciation of \$89.7 million, \$66.6 million and \$78.3 million.

Other fixed assets include tools and plant, vehicles, office equipment, furniture and fittings and computer equipment.

During the six months ended 30 September 1991, the Company entered into a sale and leaseback of telecommunications equipment with a fellow group company. At 30 September 1991, assets capitalised under finance leases associated with this transaction had a cost of \$34.6 million and accumulated depreciation of \$0.3 million.

REGISTRATION OF TITLE TO LAND

Certificates of title for freehold interests in land included in the assets purchased from the Crown are being progressively raised by the Crown and transferred to Group companies. Titles for approximately 90% of the freehold interests have now been issued and, for the remainder, equitable ownership rests with the Group.