

TELECOM SOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7 FIXED ASSETS (Continued)

LAND CLAIMS

Under the Treaty of Waitangi Act 1975 all interests in land included in the assets purchased from the Crown may be subject to claims to the Waitangi Tribunal which has the power to recommend in appropriate circumstances, with binding effect, that the land be resumed by the Crown in order that it be returned to Maori claimants. In the event that land is resumed by the Crown, compensation will be paid to Telecom under the provisions of the Public Works Act 1981. If this is insufficient to cover the loss, certain additional compensation is payable under the provisions of the Sale and Purchase Agreement between Telecom and the Crown.

Under the State Owned Enterprises Act 1986 the Governor General of New Zealand may if satisfied that any land or interest in land held by Telecom is Wahi Tapu (being land of special spiritual, cultural or historical tribal significance) declare by order in Council that the land be resumed by the Crown, with compensation payable to Telecom under the provisions of the Public Works Act 1981.

Telecom would expect to negotiate with the new Maori owners for continued occupancy rights of any sites resumed by the Crown.

8 ACCOUNTS PAYABLE AND ACCRUALS

	30 September		31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
Trade accounts payable and accruals	25,378	31,597	32,784
Accrued personnel costs	11,988	16,368	13,795
Rentals billed in advance	6,769	10,348	7,255
Payable to fellow subsidiary companies	18,372	7,361	6,597
Payable to parent company	-	34,851	50,318
	62,507	100,525	110,749

9 LONG TERM DEBT

	30 September		31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
Parent company loan	226,041	244,881	244,881
Other loans			
-Due to fellow group company	34,620	-	-
-Less long term debt maturing within one year	(3,022)	-	-
	31,598	-	-
	257,639	244,881	244,881