

TELECOM AUCKLAND 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 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 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.

	1991	1990
8 ACCOUNTS PAYABLE AND ACCRUALS	\$000's	\$000's
Trade accounts payable and accruals	32,650	47,709
Accrued personnel costs	34,320	20,683
Rentals billed in advance	14,472	13,616
Payable to fellow subsidiary companies	22,687	39,672
Payable to parent company	174,356	85,825
	<b>278,485</b>	<b>207,505</b>

	1991	1990
9 LONG TERM DEBT	\$000's	\$000's
Parent company loan	<b>284,491</b>	<b>284,491</b>

Interest rates on the parent company loan ranged from 13.56% to 14.28% for the year ended 31 March 1991. The parent company loan has no fixed date for repayment.

## 10 SHAREHOLDERS' EQUITY

	1991	1990
SHARE PREMIUM RESERVE	\$000's	\$000's
Balance at beginning of period	464,614	-
(Consisting of a premium of \$9,999 on 46,466 redeemable preference shares)		
Movements during period	-	464,614
	<b>464,614</b>	<b>464,614</b>