

TELECOM CENTRAL LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13 RELATED PARTY TRANSACTIONS

RELATIONSHIP WITH STATE OWNED ENTERPRISES AND GOVERNMENT DEPARTMENTS

The Company is wholly owned by Telecom Corporation of New Zealand Limited which in turn was owned by the Crown until 12 September 1990. During that time the Company undertook many transactions with other State Owned Enterprises and government departments which were carried out at arm's length and in the normal course of business.

RELATIONSHIP WITH PARENT AND FELLOW SUBSIDIARY COMPANIES

During the period the Company derived revenue from access fees, maintenance services, and asset construction services provided to fellow subsidiaries. The company also utilised network capacity and related services and group management services provided by fellow subsidiaries. Additionally, certain inventory and network assets were procured from and serviced by fellow subsidiaries.

Outstanding intercompany balances as at 31 March 1991 are:

Intercompany Receivable	\$0.6 million
Intercompany Payable and current account	\$176.7 million
Intercompany Term Liabilities	\$254.0 million

With the exception of the current account and the term liability, the balances are payable on normal trading terms. The current account is on call and the term liability has no fixed date for repayment. No related party debts have been written off or forgiven during the year.

14 FELLOW SUBSIDIARY COMPANIES

At 31 March 1991 the principal fellow subsidiaries of the Company were as follows:

- Telecom Auckland Limited
- Telecom Wellington Limited
- Telecom South Limited
- Telecom Networks and International Limited
- Telecom Directories Limited
- Telecom Equipment Supplies Limited
- Telecom Cellular Limited
- Telecom Mobile Radio Limited
- Telecom Repair Services Limited
- Telecom Paging Limited
- New Zealand Telecommunications Systems Support Centre Limited
- Comtel Communications Limited
- Telecom Corporation of New Zealand (Overseas Finance) Limited
- TCNZ (UK) Investments Limited
- Telecom Wellington Investments Limited
- Telecom Operations Limited
- Telecom North Limited