

TELECOM WELLINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

	1991	1990
<b>4 INCOME TAX</b>	<b>\$000's</b>	<b>\$000's</b>
The income tax expense for the year is determined as follows:		
Earnings before taxation	60,602	88,226
Tax at current rate of 33%	19,999	29,115
Adjustment for permanent differences	(68)	333
<b>Total income tax expense</b>	<b>19,931</b>	<b>29,448</b>
The income tax expense is represented by:		
-Current taxation	16,268	25,635
-Deferred taxation	3,663	3,813
	19,931	29,448
The balance sheet provisions as at 31 March are:		
Current taxation:		
-Balance at beginning of year	10,366	-
-Total taxation in the current year	(16,268)	(25,635)
-Tax paid	6,696	36,001
<b>Prepaid income tax</b>	<b>794</b>	<b>10,366</b>
Deferred taxation:		
-Balance at beginning of year	11,009	14,822
-Provided in the current year	(3,663)	(3,813)
-Other movements	(1,566)	-
<b>Future tax benefit</b>	<b>5,780</b>	<b>11,009</b>
	1991	1990
<b>5 ACCOUNTS RECEIVABLE AND PREPAID EXPENSES</b>	<b>\$000's</b>	<b>\$000's</b>
Accounts receivable, net	51,709	60,760
Unbilled rentals and tolls	13,498	14,358
Due from fellow subsidiary companies	10,846	28,006
Prepaid expenses and other	939	1,117
	<b>76,992</b>	<b>104,241</b>
	1991	1990
<b>6 SHORT TERM INVESTMENTS</b>	<b>\$000's</b>	<b>\$000's</b>
Redeemable preference units	<b>3,123</b>	-