

TELECOM SOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

	1991	1990
4 INCOME TAX	\$000's	\$000's
The income tax expense for the year is determined as follows:		
Earnings before income tax	75,281	39,218
Tax at current rate of 33%	24,843	12,942
Adjustment for permanent differences	214	(1,912)
Total income tax expense	25,057	11,030
The income tax expense is represented by:		
-Current taxation	15,940	5,911
-Deferred taxation	9,117	5,119
	25,057	11,030
The balance sheet provisions as at 31 March are:		
Current taxation:		
-Balance at beginning of year	3,095	-
-Total taxation in the current year	(15,940)	(5,911)
-Tax paid	14,625	9,006
Prepaid income tax	1,780	3,095
Deferred taxation:		
-Balance at beginning of year	(3,891)	1,228
-Provided in the current year	(9,117)	(5,119)
-Other movements	7,357	-
Deferred income tax	(5,651)	(3,891)
	1991	1990
5 ACCOUNTS RECEIVABLE AND PREPAID EXPENSES	\$000's	\$000's
Accounts receivable, net	37,672	31,439
Unbilled rentals and tolls	16,825	28,351
Due from fellow subsidiary companies	3,130	32,319
Prepaid expenses and other	906	647
	58,533	92,756