

TELECOM SOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6 OTHER ASSETS

Other assets include certain deferred expenditure amounting to \$6.2 million (1990:\$4.3 million) incurred in relation to the installation of a major computer system. The deferred costs relating to each phase of the system are charged to earnings over a period of two years from the date upon which that phase of the system becomes fully operational. Deferred costs amortised during the year ended 31 March 1991 amounted to \$1.5 million (1990:\$0).

	1991	1990
	\$000's	\$000's
7 FIXED ASSETS		
Telecommunication equipment:		
- Cost	923,002	811,818
- Accumulated depreciation	(294,485)	(232,643)
	628,517	579,175
Capital work in progress	96,231	90,699
Land	38,055	38,410
Buildings:		
- Cost	69,533	66,646
- Accumulated depreciation	(10,915)	(8,291)
	58,618	58,355
Other fixed assets:		
- Cost	92,483	74,746
- Accumulated depreciation	(38,225)	(29,313)
	54,258	45,433
Total cost	1,219,304	1,082,319
Total accumulated depreciation	(343,625)	(270,247)
Total net book value	875,679	812,072

Other fixed assets include tools and plant, vehicles, office equipment, furniture and fittings and computer equipment.

Included in telecommunications equipment is equipment (principally customer premises equipment) leased to customers under operating leases with a cost of \$121.4 million (1990:\$113.0 million), together with accumulated depreciation of \$78.8 million (1990:\$64.5 million).