

TELECOM SOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7 FIXED ASSETS (CONTINUED)

REGISTRATION OF TITLE TO LAND

Certificates of title for freehold interests in land included in the assets purchased from the Crown are being progressively raised by the Crown and transferred to Group companies. Titles for approximately 90% (1990:less than 50%) of the freehold interests have now been issued and, for the remainder, equitable ownership rests with the Group.

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
	\$000's	\$000's
8 ACCOUNTS PAYABLE AND ACCRUALS		
Trade accounts payable and accruals	32,784	39,720
Accrued personnel costs	13,795	9,349
Rentals billed in advance	7,255	15,538
Payable to fellow subsidiary companies	6,597	17,680
Payable to parent company	50,318	6,250
	110,749	88,537
	1991	1990
	\$000's	\$000's
9 LONG TERM DEBT		
Parent company loan	244,881	244,881

Interest rates on the parent company loan ranged from 13.56% to 14.25% for the year ended 31 March 1991. The parent company loan has no fixed date for repayment.