

TELECOM SOUTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

10 SHAREHOLDERS' EQUITY	1991	1990
	\$000's	\$000's
Balance at beginning of period (Consisting of a premium of \$9,999 on 39,997 redeemable preference shares)	399,930	-
Movements during period	-	399,930
	<b>399,930</b>	<b>399,930</b>

Dividends declared apply to redeemable preference shares as if they were ordinary shares. On winding up of the company preference shareholders rank in priority to ordinary shareholders in respect of outstanding dividends and the issue price of the redeemable preference shares. The redeemable preference shares are subject to redemption, at the issue price five days after written notice from the holder.

RETAINED EARNINGS	1991	1990
	\$000's	\$000's
Balance at beginning of year	7,903	-
Net earnings	50,224	28,188
	58,127	28,188
Dividends	(27,689)	(20,285)
<b>Balance at end of year</b>	<b>30,438</b>	<b>7,903</b>

## DIVIDENDS

Interim and final dividends declared from the retained earnings of the company are as follows:

	1991	1990
	\$000's	\$000's
Interim dividends	27,689	-
Final dividend	-	20,285
	27,689	20,285

## 11 COMMITMENTS

## OPERATING LEASES

Operating lease commitments are mainly in respect of leases of land and buildings. Minimum rental commitments as at 31 March 1991 for all non-cancellable operating leases are:

	(in millions)
Payable within 1 year	3.2
Payable within 1-2 years	2.9
Payable within 2-3 years	2.0
Payable within 3-4 years	1.5
Payable within 4-5 years	1.3
Payable thereafter	2.3
	<b>\$13.2</b>