

TELECOM WELLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

8 OTHER ASSETS (Continued)

In addition, at 30 September 1992, other assets include \$0.6 million (30 September 1991: \$1.1 million, 31 March 1992: \$0.9 million) being advances to the Trustee of two employee share purchase plans. These share purchase plans were established in July 1991 as part of the initial public offering and gave employees the opportunity to invest in Telecom, financed by interest free and favourable interest rate loans repayable over a three-year period.

The shares, which were purchased at the initial public offering price of \$2 each, are held in trust for the employee for a restrictive period of three years, during which time voting rights will be exercised by the Trustee in its discretion.

9 FIXED ASSETS

| | 30 September | | 31 March |
|---------------------------------------|------------------|------------------|------------------|
| | 1992 | 1991 | 1992 |
| | \$000's | \$000's | \$000's |
| Telecommunication equipment: | | | |
| - Cost | 493,257 | 461,579 | 473,667 |
| - Accumulated depreciation | (231,386) | (190,726) | (209,263) |
| | 261,871 | 270,853 | 264,404 |
| Capital work in progress | 8,761 | 9,401 | 16,964 |
| Land | 41,881 | 41,904 | 41,903 |
| Buildings: | | | |
| - Cost | 72,586 | 64,075 | 64,054 |
| - Accumulated depreciation | (13,430) | (7,656) | (8,993) |
| | 59,156 | 56,419 | 55,061 |
| Other fixed assets: | | | |
| - Cost | 60,032 | 64,873 | 70,332 |
| - Accumulated depreciation | (27,239) | (25,134) | (28,447) |
| | 32,793 | 39,739 | 41,885 |
| Total cost | 676,517 | 641,832 | 666,920 |
| Total accumulated depreciation | (272,055) | (223,516) | (246,703) |
| Total net book value | 404,462 | 418,316 | 420,217 |

Included in telecommunications equipment, at 30 September 1992, 30 September 1991 and 31 March 1992 respectively, is equipment (principally customer premises equipment) leased to customers under operating leases with a cost of \$102.0 million, \$102.7 million and \$101.0 million, together with accumulated depreciation of \$84.1 million, \$74.3 million and \$79.1 million.

During the period to 30 September 1992 there were reclassifications from other fixed assets of tools and plant, and fittings to telecommunications equipment and buildings respectively. Other fixed assets now include vehicles, office equipment, furniture and computer equipment.