

## TELECOM CENTRAL LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS—*continued***20 ACQUIRED SUBSIDIARY**

As stated in Note 1 (i) Telecom Central Limited acquired with effect from 1 April 1990 the shares and net assets of Telecom Midland Limited. The effect of the acquisition on the assets and liabilities of the Company as at 1 April 1990 was:

| <i>Increase in Assets</i>                                  |    |    |    |    |    |    |    |    |    |    | <i>\$ Million</i> |
|--|----|----|----|----|----|----|----|----|----|----|-------------------|
| Cash, accounts receivable and prepayments                  | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 95.1              |
| Prepaid taxation   | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 4.5               |
| Inventories  | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 14.5              |
| Fixed Asset  | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 429.1             |
|  |    |    |    |    |    |    |    |    |    |    | <u>543.2</u>      |
| <br><i>Increase in Liabilities and Shareholders' Funds</i> |    |    |    |    |    |    |    |    |    |    |                   |
| Accounts payable and accruals                              | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 45.9              |
| Proposed dividends   | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 24.4              |
| Deferred tax provision                                     | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 1.7               |
| Pre-acquisition retained earnings                          | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 12.2              |
|  |    |    |    |    |    |    |    |    |    |    | <u>84.2</u>       |
|  |    |    |    |    |    |    |    |    |    |    | <u>459.0</u>      |

The purchase price was \$373.8 million for those net assets purchased and \$85.2 million for the ordinary and preference shares acquired, with settlement to be in cash, funded by debt and shares.