

TELECOM CENTRAL LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

16 ACQUIRED SUBSIDIARY

As stated in Note 1 (a) 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:

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

The purchase price was \$373.8 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.