

# Notes to the Consolidated Financial Statements

## Cardno Limited and its Controlled Entities for the year ended 30 June 2010

### 34. BUSINESS COMBINATIONS CONTINUED

The assets and liabilities arising from the acquisitions are as follows:

	Acquirees' carrying amount \$'000	Fair Value \$'000
Cash	1,527	1,527
Receivables	1,995	1,995
Inventories	17	17
Deferred tax assets	233	233
Property, plant and equipment	1,581	1,581
Creditors & borrowings	(1,288)	(1,288)
Provisions	(1,078)	(1,078)
Net identifiable assets acquired	<b>2,987</b>	<b>2,987</b>
Outflow of cash to acquire subsidiaries, net of cash acquired		
Cash consideration		7,400
Less: Balances acquired		
Cash		1,527
<b>Outflow of cash</b>		<b>5,873</b>

- (b) The Group also acquired the issued share capital of TBE Group Inc, a US based infrastructure services firm with offices across 19 US states as well as China, the UK and Canada, with an effective acquisition date of 15 September 2008 and contributed revenues of \$75,381,574 and net profit after tax (NPAT) of \$6,260,221 to the Group.

If the acquisition had occurred on 1 July 2008 revenue and NPAT for the Group would have been \$606,730,344 and \$41,856,788 respectively.

#### Details of acquisition

	\$'000
<b>Purchase Consideration</b>	
Cash	36,573
Vendor liability – earn-out agreement	9,027
Direct costs relating to the acquisitions	589
Total purchase consideration	46,189
Fair value of net identifiable assets acquired	3,488
Goodwill	42,701

The assets and liabilities arising from the acquisition are as follows:

	Acquirees' carrying amount \$'000	Fair Value \$'000
Cash	423	423
Receivables	13,222	13,222
Inventories	3,778	3,778
Property, plant and equipment	1,643	1,643
Intangibles	-	1,039
Provisions	(7,184)	(7,184)
Creditors & borrowings	(9,433)	(9,433)
Net identifiable assets acquired	<b>2,449</b>	<b>3,488</b>
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration		36,573
Less: Balances acquired		
Cash		423
<b>Outflow of cash</b>		<b>36,150</b>