

CABLE & WIRELESS ST. KITTS & NEVIS LTD
STATEMENT OF INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	<u>Notes</u>	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Turnover		47,838	51,480
Outpayments and cost of sales		<u>(11,125)</u>	<u>(12,140)</u>
Gross Income		36,713	39,340
Operating costs	1	<u>(27,090)</u>	<u>(25,279)</u>
Operating Income		9,623	14,061
Profit/(Loss) on Disposal		22	39
Net interest and other income	3	(49)	254
Exceptional Items		<u>-</u>	<u>(1,249)</u>
Income on ordinary activities before taxation		9,596	13,106
Taxation on ordinary activities	4	<u>(2,988)</u>	<u>(5,358)</u>
Income on ordinary activities after taxation		<u>6,608</u>	<u>7,748</u>

CABLE & WIRELESS ST. KITTS & NEVIS LTD
BALANCE SHEET
AS AT SEPTEMBER 30, 2010

	<u>Notes</u>	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	79,174	82,673
Intangible assets	6	405	675
Loan receivable from related party		4,366	12,263
Total Non -Current Assets		<u>83,945</u>	<u>95,611</u>
CURRENT ASSETS			
Inventories		2,713	3,175
Accounts receivable and prepayments	7	17,153	13,379
Amounts due from Group companies		0	0
Cash at bank and in hand	8	6,609	7,870
Total Current Assets		<u>26,475</u>	<u>24,424</u>
Total Assets		<u>110,420</u>	<u>120,035</u>
CAPITAL, RESERVES AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	9	33,130	33,130
Share premium account		3,009	3,009
Retained earnings		37,960	39,869
Total Capital and Reserves		<u>74,099</u>	<u>76,008</u>
LONG TERM LIABILITIES			
Provision for liabilities and charges	10	10,024	10,425
CURRENT LIABILITIES			
Trade accounts payable		1,088	1,870
Amounts owed to Group companies		9,342	18,717
Provision for Taxation		251	2,100
Other Liabilities	11	11,375	7,752
Accrued liabilities and deferred income		4,241	3,163
Total Current Liabilities		<u>26,297</u>	<u>33,602</u>
TOTAL LIABILITIES AND EQUITY		<u>110,420</u>	<u>120,035</u>

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Mr David Lake
 General Manager

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Mr. Jonathan Bass
 Vice President Finance

CABLE & WIRELESS ST. KITTS & NEVIS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	Share Capital ECS'000	Share Premium ECS'000	Retained Earning ECS'000	Total ECS'000
Balance as of March 31, 2009	33,130	3,009	40,400	79,540
Prior Year Audit adjustment	-	-	-	-
Dividend	-	-	(11,596)	(11,596)
Issuance of bonus shares	-	-	-	-
Net Income for the year	-	-	10,831	10,831
Prior Year Audit adjustment	-	-	-	-
Balance as of March 31, 2010	33,130	3,009	39,635	75,774
Dividend	-	-	(8,283)	(8,283)
Net Income for the 6 months ended Sep 30, 2010	-	-	6,608	6,608
Balance as of September 30, 2010	33,130	3,009	37,960	74,099

The accompanying notes form an integral part of these financial statements

CABLE & WIRELESS ST. KITTS & NEVIS LTD
STATEMENT OF CASH FLOWS
AS AT SEPTEMBER 30 2010

	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Cash Flows from operating activities		
Income on ordinary activities before taxation	9,596	13,106
Adjustments for:		
Depreciation expense	5,092	6,090
Loss/(gain) on disposal of property, plant and equipment	(22)	(39)
Net Interest	49	(254)
	<hr/>	<hr/>
Operating cash flows before working capital changes	14,715	18,903
Decrease/(Increase) in inventories	(462)	(195)
(Increase)/decrease in accounts receivable	3,774	(1,059)
Increase/(decrease) in accounts payable and accrued liabilities	(5,456)	2,984
	<hr/>	<hr/>
Net cash from operations	12,571	20,633
Income taxes paid	(7,321)	(4,356)
Interest received	28	254
Interest Paid	(77)	0
Net cash from operating activities	<hr/> 5,278	<hr/> 16,531
Cash flows used in investing activities		
Purchase of tangible property, plant and equipment	(2,007)	(1,794)
Proceeds from disposal of tangible property, plant and equipment	22	39
	<hr/>	<hr/>
Net cash used in investing activities	<hr/> (1,985)	<hr/> (1,755)
Cash flows used in financing activity		
Lending (to)/from Group companies	3,729	(5,854)
Dividends paid	(8,283)	(8,279)
Net cash used in financing activity	<hr/> (4,554)	<hr/> (14,133)
Net change in cash and cash equivalents	(1,261)	643
Net cash and cash equivalents, beginning of year	7,870	7,227
Net cash and cash equivalents, end of year	<hr/> 6,609	<hr/> 7,870

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

1. OPERATING COSTS	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Depreciation of tangible fixed assets	5,092	6,090
Employee costs	4,787	4,916
Licence Fees	2,401	2,554
Utilities	857	911
Management Fees	5,840	2,764
Repairs & Maintenance	505	182
Pension costs	237	245
Insurance	301	358
Operating lease rentals	229	65
Auditor's remuneration - current year	105	103
Directors' fees	6	1
Rental of transmission facilities	-	165
Other operating costs	6,730	6,925
	<u>27,090</u>	<u>25,279</u>

2. EMPLOYEE COST	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Salaries and Wages	3,594	3,901
Staff training	21	21
Other staff costs	1,172	994
	<u>4,787</u>	<u>4,916</u>

Number of employees	93	85
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3. NET INTEREST INCOME	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Interest received	(49)	254
	<u>(49)</u>	<u>254</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2010**

4. TAXATION ON ORDINARY ACTIVITIES

	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Tax on profits for the year	2,988	5,358
Adjustment in respect to prior year	-	-
	<hr/> 2,988	<hr/> 5,358
Deferred taxation	-	-
	<hr/> 2,988 <hr/>	<hr/> 5,358 <hr/>

	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Tax at the standard rate of 35%	3,359	4,587
Tax effect arising from the following:		
Capital allowances in excess of depreciation	-	-
Advance payment @ 30 September 2010	(4,697)	(4,581)
Tax on non-deductible expenditure	4,326	5,352
Adjustment in respect of prior periods	-	-
	<hr/> -	<hr/> -
Current tax charge	<hr/> 2,988 <hr/>	<hr/> 5,358 <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

5. TANGIBLE FIXED ASSETS

	Land and Buildings EC\$000	Plant & Equipment EC\$000	Motor Vehicles EC\$000	Projects Under Construction EC\$000	Total EC\$000
Costs					
At beginning of year-1 April 2010	25,142	201,047	3,052	6,564	235,805
Additions	0	0	0	2,007	2,007
Disposals	0	0	(340)	0	(340)
Transfers between items	0	1,450	368	(1,818)	0
At end of year	25,142	202,497	3,080	6,753	237,472

ACCUMULATED DEPRECIATION

At beginning of year	10,934	139,882	2,556	0	153,372
Charge for the year	324	4,757	185	0	5,266
Charge for impairment	0	0	0	0	0
On disposals	0	0	(340)	0	(340)
At year end	11,258	144,639	2,401	0	158,298

NET BOOK VALUE

At 30 September 2010	13,884	57,858	679	6,753	79,174
At 30 September 2009	14,940	60,645	796	9,472	85,853

The net book value of land and buildings comprises:

	Sep-10 EC\$000	Sep-09 EC\$000
Freehold	13,371	13,979
Long leasehold	510	539
Short leasehold	5	15
	13,886	14,533

6. INTANGIBLE ASSETS

	Sep-10 EC\$000	Sep-09 EC\$000
Cost at beginning of year-1 April 2010	1,192	1,192
Acquisition	-	-
Accumulated charges	(652)	(382)
Amortisation charges for year	(135)	(135)
	405	675

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2010**

7. ACCOUNTS RECEIVABLES AND PREPAYMENTS	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Trade accounts receivables	7892	8,458
Other receivables	6473	1,491
Prepayments and accrued income	4104	4,673
Provision for Bad Debts	(1,316)	(1,243)
	<u>17,153</u>	<u>13,379</u>
8. CASH AT BANK AND CASH IN HAND	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Cash at bank and in hand	6,609	7,870
Short term deposits	-	0
	<u>6,609</u>	<u>7,870</u>
9. SHARE CAPITAL	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Authorised: 50,000,000 Ordinary shares of EC\$1.00 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid:- 33,130,418 (2007:33,130,418)		
Ordinary shares of EC\$1.00 each	<u>33,130</u>	<u>33,130</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2010**

10. PROVISION FOR LIABILITIES AND CHARGES	Redundancy EC\$000	Deferred Taxation EC\$000	Total EC\$000
At 1 April 2010	3	10,023	10,026
Charge/(Credit) for the period	(2)	-	(2)
Credit related to change in tax rate	-	-	0
Credit related to accelerated capital allowances	-	-	-
At 30 September 2010	1	10,023	10,024

The deferred taxation liability is analysed as follows:-

	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Accelerated capital allowances	10,420	10,420

11. OTHER LIABILITIES

	<u>Sep-10</u> EC\$000	<u>Sep-09</u> EC\$000
Customers deposits	1,755	1684
Social Security	103	95
Other Creditors	9,517	5973
	11,375	7,752