

CABLE & WIRELESS ST. KITTS & NEVIS LTD
STATEMENT OF INCOME
FOR THE PERIOD ENDED 30 JUNE 2007

	<u>Notes</u>	<u>June-07</u> EC\$000	<u>June-06</u> EC\$000
Turnover		25,715	26,819
Outpayments and cost of sales		(6,948)	(7,024)
Gross Income		18,767	19,795
Operating costs	1	(13,707)	(13,985)
Operating Income		5,060	5,810
Net interest and other income	2	38	71
Income on ordinary activities before taxation		5,098	5,881
Taxation on ordinary activities	3	(1,988)	(2,294)
Income on ordinary activities after taxation		3,110	3,587
Dividend - interim		0	0
- final proposed		0	0
Retained (loss)/profits for the year		3,110	3,587

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

8. PROVISION FOR LIABILITIES AND CHARGES

	Redundancy	Deferred Taxation	Total
	EC\$000	EC\$000	EC\$000
At 1 April 2007	910	10,508	11,418
Adjustment to prior year			0
Payment			0
Charge/(Credit) for the period			0
Credit related to change in tax rate			0
Credit related to accelerated capital allowances			0
At 30 June 2007	910	10,508	11,418

The deferred taxation liability is analysed as follows:-

	<u>Jun-07</u>	<u>Jun-06</u>
	EC\$000	EC\$000
Accelerated capital allowances	10,508	10,796

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

7. SHARE CAPITAL

	<u>Jun-07</u> EC\$000	<u>Jun-06</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 Ordinary shares of EC\$1.00 each	<u>33,130</u>	<u>33,130</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

9. OTHER LIABILITIES

	<u>June-07</u>	<u>June-06</u>
	EC\$000	EC\$000
Customers deposits	1,923	1,828
Social security	156	198
Other creditors	1,569	6,767
	<u>3,648</u>	<u>8,793</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

6. CASH AT BANK AND CASH IN HAND	<u>June-07</u>	<u>June-06</u>
	EC\$000	EC\$000
Cash at bank and in hand	9,839	5,622
Short term deposits	1,299	3,622
	<u>11,138</u>	<u>9,244</u>

Short-term deposits earn interest at an average rate of 3.25% per annum (2006:3.25%)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

5. ACCOUNTS RECEIVABLES AND PREPAYMENTS

	<u>June-07</u>	<u>June-06</u>
	EC\$000	EC\$000
Trade accounts receivables	14,517	12,729
Other receivables	7,080	2,493
Current portion of loan receivable from related party	0	966
Prepayments and accrued income	1,031	2,932
	<u>22,629</u>	<u>19,120</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

4. TANGIBLE FIXED ASSETS

	Land and Buildings	Plant	Motor Vehicles	Projects Under construction	Total
	EC\$000	EC\$000	EC\$000	EC\$000	EC\$000
COST					
At beginning of year-1 April 2007	24,819	180,154	3,648	7,619	216,240
Additions	-			896	896
Disposals					0
Transfers between items		497		(497)	0
At end of June 2007	<u>24,819</u>	<u>180,651</u>	<u>3,648</u>	<u>8,018</u>	<u>217,136</u>
		243			
ACCUMULATED DEPRECIATION					
At beginning of year	9,070	116,969	2,465		128,504
Charge for the year	159	2,498	112		2,769
Charge for impairment				0	0
On disposals					0
At year end	<u>9,229</u>	<u>119,467</u>	<u>2,577</u>	<u>0</u>	<u>131,273</u>
NET BOOK VALUE					
At 30 June 2007	<u>15,590</u>	<u>61,184</u>	<u>1,071</u>	<u>8,018</u>	<u>85,863</u>
At 30 June 2006	<u>15,493</u>	<u>58,323</u>	<u>955</u>	<u>14,148</u>	<u>88,919</u>

The net book value of land and buildings comprises:

	<u>June-07</u>	<u>June-06</u>
	EC\$000	EC\$000
Freehold	14,946	14,857
Long leasehold	644	636
Short leasehold	0	0
	<u>15,590</u>	<u>15,493</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

3. TAXATION ON ORDINARY ACTIVITIES

	<u>Jun-07</u>	<u>38,895</u>
	EC\$000	EC\$000
Tax on profits for the year	1,988	2,294
Adjustment in respect to prior year	0	0
	1,988	2,294
Deferred taxation	0	0
	1,988	2,294

The current year tax charge of EC\$2,294K is higher (2006:higher) than the standard rate of tax of 35%. (2005:35%) See details below.

	<u>Jun-07</u>	<u>38,895</u>
	EC\$000	EC\$000
Tax at the standard rate of 35% (2005: 35%)	1,784	3,533
Tax effect arising from the following:		
Capital allowances in excess of depreciation		
Tax on non-deductible expenditure	204	(1,239)
Adjustment in respect of prior periods		
Current tax charge	1,988	2,294

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

2. NET INTEREST INCOME

	<u>Jun-07</u> EC\$000	<u>Jun-06</u> EC\$000
Interest paid	38	75
Interest received	0	(4)
	<hr/> 38 <hr/>	<hr/> 71 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

EMPLOYEE COST

	<u>Jun-07</u> EC\$000	<u>Jun-06</u> EC\$000
Salaries and Wages	1,938	2,048
Staff training	63	122
Other staff costs	403	409
	<hr/> 2,404 <hr/>	<hr/> 2,579 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

1. OPERATING COSTS

	<u>June-07</u> EC\$000	<u>June-06</u> EC\$000
Employee costs	2,404	2,579
Directors' fees	5	6
Pension costs	138	157
Rental of transmission facilities	509	482
Management Fees	884	857
Operating lease rentals	40	94
Other operating costs	6,798	6,981
Depreciation of tangible fixed assets	2,769	2,539
Exceptional items	-	-
Auditor's remuneration - current year	166	18
Trading foreign exchange losses	(5)	313
Profit on sale of fixed assets	-	(41)
	<u>13,707</u>	<u>13,985</u>

CABLE & WIRELESS ST. KITTS & NEVIS LTD
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2007

	<u>June-07</u> EC\$000	<u>June-06</u> EC\$000
Cash Flows from operating activities		
Income on ordinary activities before taxation	5,098	5,881
Adjustments for:		
Depreciation expense	2,769	2,539
Loss/(gain) on disposal of property, plant and equipment	-	(41)
Net Interest	(38)	(71)
Operating cash flows before working capital changes	<u>7,829</u>	<u>8,308</u>
Decrease/(Increase) in inventories	(865)	(962)
(Increase)/decrease in accounts receivable	(2,554)	(1,234)
Increase in accounts payable and accrued liabilities	5,490	(5,670)
Net cash from operations	<u>9,900</u>	442
Income taxes paid	(2,500)	(3,000)
Interest received	39	75
Interest Paid	-	(4)
Net cash from operating activities	<u>7,439</u>	<u>(2,487)</u>
Cash flows used in investing activities		
Purchase of tangible property, plant and equipment	(2,278)	(931)
Proceeds from disposal of tangible property, plant and equipment	-	41
Net cash used in investing activities	<u>(2,278)</u>	<u>(890)</u>
Cash flows used in financing activity		
Lending from Group companies		
Dividends paid	(3,323)	(3,313)
Net cash used in financing activity	<u>(3,323)</u>	<u>(3,313)</u>
Net change in cash and cash equivalents	<u>1,838</u>	<u>(6,690)</u>
Net cash and cash equivalents, beginning of year	9,300	15,934
Net cash and cash equivalents, end of year	<u>11,138</u>	<u>9,244</u>

CABLE & WIRELESS ST. KITTS & NEVIS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30 2007

	Share Capital EC\$'000	Share Premium EC\$'000	Retained Earnings EC\$'000	Total EC\$'000
Balance as of March 31, 2006	33,130	3,009	38,689	74,828
Dividend			(11,039)	(11,039)
Issuance of bonus shares				0
Net Income for the year			12,517	12,517
Balance as of March 31, 2007	33,130	3,009	40,167	76,306
Dividend				
Net Income for the 3 months ended June 30 2007			3,110	3,110
Balance as of June 30, 2007	33,130	3,009	43,277	79,416

The accompanying notes form an integral part of these financial statements

CABLE & WIRELESS ST. KITTS & NEVIS LTD
BALANCE SHEET
FOR THE PERIOD ENDED JUNE 30, 2007

	<u>Notes</u>	<u>June-07</u> EC\$000	<u>June-06</u> EC\$000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	85,863	88,919
Loan receivable from related party		615	1,906
Total Non -Current Assets		86,478	90,825
CURRENT ASSETS			
Inventories		2,416	1,853
Accounts receivable and prepayments	5	22,629	19,120
Amounts due from Group companies		375	403
Cash at bank and in hand	6	11,138	9,244
Total Current Assets		36,558	30,620
Total Assets		123,036	121,445
CAPITAL, RESERVES AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	7	33,130	33,130
Share premium account		3,009	3,009
Retained earnings		43,277	48,122
Total Capital and Reserves		79,416	84,261
LONG TERM LIABILITIES			
Provision for liabilities and charges	8	11,418	11686
CURRENT LIABILITIES			
Trade accounts payable		8,309	2,653
Amounts owed to Group companies		12,356	6,656
Provision for income tax		5,984	1,525
Other Liabilities	9	3,648	8,793
Accrued liabilities and deferred income		1,906	5,871
Total Current Liabilities		32,202	25,498
TOTAL LIABILITIES AND EQUITY		123,036	121,445