

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

	<u>Notes</u>	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
Turnover		52,998	53,254
Outpayments and cost of sales		(14,636)	(14,288)
Gross Income		38,362	38,966
Operating costs	1	(26,893)	(27,489)
Operating Income		11,469	11,477
Profit/(Loss) on Disposal		24	
Net interest and other income	2	85	(104)
Income on ordinary activities before taxation		11,579	11,373
Taxation on ordinary activities	3	(4,504)	(4,435)
Income on ordinary activities after taxation		7,074	6,938

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 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		0
Charge/(Credit) for the period	(649)		(649)
Credit related to change in tax rate			0
Credit related to accelerated capital allowances			0
At 30 September 2007	<u>261</u>	<u>10,508</u>	<u>10,769</u>

The deferred taxation liability is analysed as follows:-

	<u>Sep-07</u>	<u>Sep-06</u>
	EC\$000	EC\$000
Accelerated capital allowances	<u>10,508</u>	<u>13,326</u>

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

6. CASH AT BANK AND CASH IN HAND	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
Cash at bank and in hand	9,295	8,830
Short term deposits	1,249	3,621
	<u>10,544</u>	<u>12,451</u>

Short-term deposits earn interest at an average rate of 4% per annum (2006:3.25%)

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

7. SHARE CAPITAL

	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
Authorised: 50,000,000 Ordinary shares of EC\$1.00 each	<u>50,000</u>	50,000
Allotted, called up and fully paid:- 33,130,418 Ordinary shares of EC\$1.00 each	<u>33,130</u>	33,130

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

9. OTHER LIABILITIES	<u>Sep-07</u>	<u>Sep-06</u>
	EC\$000	EC\$000
Customers deposits	(1,917)	(1,863)
Social security	(78)	(193)
Other creditors	(4,481)	(5,640)
	<u>(6,476)</u>	<u>(7,696)</u>

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

5. ACCOUNTS RECEIVABLES AND PREPAYMENTS

	Sep-07	<u>Sep-06</u>
	EC\$000	EC\$000
Trade accounts receivables	18,218	14,857
Other receivables	3,582	1,921
Current portion of loan receivable from related party	-	644
Prepayments and accrued income	1,166	2,416
	<u>22,966</u>	<u>19,838</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 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
Costs					
At beginning of year-1 April 2007	24,819	180,154	3,648	7,619	216,240
Additions	-		-	5,793	5,793
Disposals			0		0
Transfers between items	0	497	0	(497)	0
At end of year	<u>24,819</u>	<u>180,651</u>	<u>3,648</u>	<u>12,915</u>	<u>222,033</u>
ACCUMULATED DEPRECIATION					
At beginning of year	9,070	116,969	2,465		128,504
Charge for the year	318	4,942	224		5,484
Charge for impairment					0
On disposals					0
At year end	<u>9,388</u>	<u>121,911</u>	<u>2,689</u>	<u>0</u>	<u>133,988</u>
NET BOOK VALUE					
At 30 September 2007	<u>15,431</u>	<u>58,740</u>	<u>959</u>	<u>12,915</u>	<u>88,045</u>
At 30 September 2006	<u>15,659</u>	<u>57,009</u>	<u>1,444</u>	<u>15,089</u>	<u>89,201</u>

The net book value of land and buildings comprises:

	Sep-07	Sep-06
	EC\$000	EC\$000
Freehold	14,790	15,030
Long leasehold	606	629
Short leasehold	35	0
	<u>15,431</u>	<u>15,659</u>

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

3. TAXATION ON ORDINARY ACTIVITIES

	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
Tax on profits for the year	4,504	4,435
Adjustment in respect to prior year	0	0
	<hr/> 4,504	4,435
Deferred taxation	0	0
	<hr/> 4,504	4,435

The current year tax charge of EC\$4,435K is higher (2005:higher) than the standard rate of tax of 35%. (2005:35%) See details

	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
Tax at the standard rate of 35% (2005: 35%)	4,053	3,981
Tax effect arising from the following:		
Capital allowances in excess of depreciation		
Tax on non-deductible expenditure	452	455
Adjustment in respect of prior periods		
Current tax charge	<hr/> 4,504	4,435

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

2. NET INTEREST INCOME

	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
Interest paid	0	(246)
Interest received	85	142
	<hr/> 85 <hr/>	<hr/> (104) <hr/>

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

EMPLOYEE COST	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
Salaries and Wages	3,870	4,304
Staff training	154	178
Other staff costs	756	880
	<u>4,779</u>	<u>5,362</u>

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

1. OPERATING COSTS

	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
Employee costs	4,779	5,047
Directors' fees	9	14
Pension costs	304	315
Rental of transmission facilities	804	966
Management Fees	1,646	1,296
Operating lease rentals	269	254
Other operating costs	12,806	14,528
Depreciation of tangible fixed assets	5,484	5,156
Exceptional items	-	-
Auditor's remuneration - current year	166	0
Trading foreign exchange losses	3	-
Profit on sale of fixed assets	24	(86)
	<u>26,293</u>	<u>27,489</u>

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

	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
Cash Flows from operating activities		
Income on ordinary activities before taxation	11,579	11,373
Adjustments for:		
Depreciation expense	5,484	5,156
Loss/(gain) on disposal of property, plant and equipment	(24)	(86)
Net Interest	(85)	104
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Operating cash flows before working capital changes	16,953	16,547
Decrease/(Increase) in inventories	(1,058)	(1,929)
(Increase)/decrease in accounts receivable	(2,275)	(774)
Increase in accounts payable and accrued liabilities	5,200	(12,818)
	<hr/>	<hr/>
Net cash from operations	18,820	1,026
Income taxes paid	(5,996)	(7,154)
Interest received	60	142
Interest Paid	(26)	(246)
Net cash from operating activities	12,858	(6,232)
Cash flows used in investing activities		
Purchase of tangible property, plant and equipment	(4,468)	(3,830)
Proceeds from disposal of tangible property, plant and equipment	23	89
	<hr/>	<hr/>
Net cash used in investing activities	(4,445)	(3,741)
Cash flows used in financing activity		
Lending (to)/from Group companies	(3,846)	9,804
Dividends paid	(3,323)	(3,313)
Net cash used in financing activity	(7,169)	6,491
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Net change in cash and cash equivalents	1,244	(3,482)
Net cash and cash equivalents, beginning of year	9,300	15,934
Net cash and cash equivalents, end of year	10,544	12,452

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

	Share Capital EC\$'000	Share Premium EC\$'000	Retained Earning 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				0
Net Income for the 6 months ended September 30 2007			7,074	7,074
Balance as of September 30, 2007	33,130	3,009	47,241	83,380

The accompanying notes form an integral part of these financial statements

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

	<u>Notes</u>	<u>Sep-07</u> EC\$000	<u>Sep-06</u> EC\$000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	88,045	89,201
Loan receivable from related party		3,846	615
Total Non -Current Assets		91,891	89,816
CURRENT ASSETS			
Inventories		2,609	2,820
Accounts receivable and prepayments	5	22,966	19,838
Amounts due from Group companies		1,299	516
Cash at bank and in hand	6	10,544	12,451
Total Current Assets		37,418	35,625
Total Assets		129,309	125,441
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		47,241	51,473
Total Capital and Reserves		83,380	87,612
LONG TERM LIABILITIES			
Provision for liabilities and charges	8	10,769	11387
CURRENT LIABILITIES			
Trade accounts payable		5,676	4,827
Amounts owed to Group companies		12,879	439
Provision for income tax		5,005	(486)
Other Liabilities	9	6,476	7,696
Accrued liabilities and deferred income		5,124	4,162
Loan Payable to Group companies		-	9,804
Dividends payable			
Total Current Liabilities		35,160	26,442
TOTAL LIABILITIES AND EQUITY		129,309	125,441

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Ms. Patricia Walters
Chief Executive

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Mr. Jonathan Bass
Vice President Finance