

**Schedule 2
FORM ECSRC - Q**

(Select One)

Quarterly Report For the period ended June 2012

or

TRANSITION REPORT _____
(Applicable where there is a change in reporting issuer's financial year)

For the transition period from _____ to _____

Issuer Registration Number: 00216

Cable & Wireless St. Kitts and Nevis Limited

(Exact name of reporting issuer as specified in its charter)
St. Kitts & Nevis

(Territory or jurisdiction of incorporation)

_____ 10 Cayon Street, Basseterre, St. Kitts _____
(Address of principal executive Offices)

(Reporting issuer's: Michael Davis

Telephone number (including area code): __ (869) 465-3707 _____

Fax number: _____ (869 465-1643 _____

Email address: _____ michael.h.davis@time4lime.com _____

(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report. _____

CLASS	NUMBER
Ordinary Shares	33,130,418

SIGNATURES


A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Quarterly Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:
David Lake

Name of Director:
Dr. Osbert Liburd





Signature

Signature

7th May 2013
Date

May 8, 2013
Date

Name of Chief Financial Officer (Finance
Manager):
Michael Davis


Signature

May 3, 2013
Date

INFORMATION TO BE INCLUDED IN THE REPORT

1. **Financial Statements**

Provide quarterly Financial Statements in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

- (a) (Condensed Balance Sheet as of the end of the most recent financial year and just concluded quarter.
- (b) Condensed Statement of Income for the interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
- (c) Condensed Statement of Cash Flows for the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) Examples of financial data items to be included in constructing financial statements for various types of businesses are provided in Parts A-D. These items are meant to serve as guidelines only.
- (e) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

- *Please find attached copies of the financial statements for the period ended June 30, 2012 which provides the above information.*

2. **Management's Discussion and Analysis of Financial Condition and Results of Operations**

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be

from the end of the preceding financial year to the date of the most recent interim quarterly report.

This section should be completed as per instructions for completing the MD&A.

Liquidity

- *The current ratio was 1.54: 1 for the period ended compared to 1.20: 1 for the corresponding period one year ago. The quick ratio increased from 1.31: 1 to 1.66: 1 for the current period ended. The improvement in liquidity was driven by an increase in other receivable from tax recoverable.*

Capital Resources

- Current capital expenditure for the period ended was \$2.3m which was funded by the operating activities.

Results of Operation

- Turnover for the period ended June 30, 2012 was \$18.7m. This represents a 10% decline in revenue compared to the previous period ended June 30, 2011. Out payment increased by 9.5% to \$3.6m. Gross income decreased by 13.7% to \$15m. Operating income decreased by 34% to \$3.2m.
- The decrease in turnover resulted primarily from a 14% decline in Fixed Line revenue. The changes in the telecommunications technology have resulted in less usage of Fixed Line.
- Outpayments increased by 9% driven by increase in mobile outpayments for the provision of prepaid services.
- Decline in gross margin is driven by the decline in fixed line revenue and increase in mobile outpayments.
- Operating profit decline due to the increase in utility cost as a result of delayed accrual or prior period utility charges due to billing delays.

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3. Disclosure of Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements and only include factors that are unique to the company. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

- *Operational risk resulting from fraud, loss of key people, product failure, loss of key suppliers and litigation from other service providers and customers.*
- *Financial risk caused by bad debts and foreign exchange loss.*
- *Environmental risks due to competition, changes in regulations, or economic slowdown.*
- *Risk as a threat including loss or market share as a result of competition targeted to the internet service, mobile service and broadband service products.*

The above risks are not material and the probability of their occurrence is quite low.

4. Legal Proceedings.

A legal proceeding need only be reported in the ECSRC - Q filed for the quarter in which it first became a reportable event and in subsequent quarterly reports in which there have been material developments. Subsequent Form ECSRC - Q filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

Not applicable

5. Changes in Securities and Use of Proceeds.

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

- (b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:
- Offer opening date (provide explanation if different from date disclosed in the registration statement)
 - Offer closing date (provide explanation if different from date disclosed in the registration statement)
 - Name and address of underwriter(s)
 - Amount of expenses incurred in connection with the offer
 - Net proceeds of the issue and a schedule of its use
 - Payments to associated persons and the purpose for such payments
- (b) Report any working capital restrictions and other limitations upon the payment of dividends.

Above not applicable

6. Defaults Upon Senior Securities.

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 percent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

Above are not applicable

- (b) If any material arrears in the payment of dividends has occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

Above are not applicable

7. Submission of Matters to a Vote of Security Holders.

If any matter was submitted during the period covered by this report to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.
- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.
- (c) A brief description of each other matter voted upon at the meeting and state the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.
- (d) A description of the terms of any settlement between the registrant and any other participant.
- (e) Relevant details of any matter where decision was taken otherwise than at a meeting of such security holders.

Above are not applicable

8. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC - MC report (related to disclosure of material information), with respect to which information is not otherwise called for by this form. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC - MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC - Q report.

Part A

Relevant Financial Data Items for Commercial and Industrial Companies

Item Descriptions

- Cash and Cash Items
- Marketable securities
- Notes and Accounts Receivables-Trade
- Allowances for doubtful accounts
- Inventory
- Total Current Assets
- Intangible Assets
- Property Plant and Equipment
- Accumulated Depreciation
- Other Assets (explain)
- Total Assets
- Accounts Payable
- Total Current Liabilities
- Other Liabilities (explain)
- Bonds, mortgages and similar debt
- Preferred stock-mandatory redemption
- common stock
- other stockholder's equity
- Total liabilities and stockholder's equity
- net sales of tangible products
- total revenues
- cost of tangible goods sold
- total costs and expenses applicable to sales and revenues
- other costs and expenses
- provision for doubtful accounts and notes
- Interest and amortisation of debt discount
- Income before taxes and other items
- income tax expense
- income/loss continuing operations
- Discontinued operations
- extraordinary items
- Cumulative effect-changes in accounting principles
- net income or loss
- earnings per share -primary
- earnings per share - fully diluted

Part B

Relevant Financial Data Items for Bank Holding Companies and Banks

Item Descriptions

- Cash and due from banks
- interest bearing deposits
- Borrowings from the ECCB, Inter-bank Market activity and other bank borrowings
- trading account assets
- investment and mortgage backed securities held for sale
- Investments: to provide schedule of type, rates, maturity and place – (whether domestic/regional or foreign)
- loans
- allowances for losses
- Fixed Assets
- total assets
- other liabilities
- Total deposits
- short-term borrowings
- long-term debt
- preferred stock-mandatory redemption
- preferred stock-no mandatory redemption
- common stocks
- other stockholder's equity
- total liabilities and stockholder's equity
- contingent accounts
- interest and fees on loans
- interest and dividends on investments
- other interest income
- total interest income
- interest expense on deposits
- total interest expense
- net interest income
- provision for loan losses
- investment securities gains/losses
- other expenses
- income/loss before income tax
- income/loss before extraordinary items
- extraordinary items
- cumulative changes in accounting principles

- net income or loss
- earnings per share-primary
- earnings per share- fully diluted

Part C

Relevant Financial Items for Broker-Dealers Holding Companies

Items Description

- Cash and cash items
- receivables from brokers and dealers, customers and others
- securities purchased under resale agreements
- financial instruments owned
- fixed assets
- total assets
- short term borrowings including commercial paper
- payable to customers, brokers/dealers (including clearing brokers) and others
- securities sold under agreements to repurchase
- long-term debt
- preferred stock-mandatory redemption
- preferred stock - no mandatory redemption
- common stock
- other stockholder's equity
- total liabilities and stockholder's equity
- revenue from trading activities
- interest and dividends
- commissions
- interest expense
- other sources of revenue
- compensation and employee related expense
- income/loss before income tax
- income/loss before extraordinary items
- extraordinary items, less tax
- cumulative change in accounting principles
- net income or loss
- earnings per share- primary
- earnings per share - fully diluted

Part D

Relevant Financial Data Items for Public Utility and Utility Holding Companies

Item Descriptions

- total net utility plant
- other property and investments
- total current assets
- total deferred charges
- balancing amount for total assets
- total assets
- common stock
- capital surplus, paid in,
- retained earnings
- total common stockholders equity
- preferred stock subject to mandatory redemption
- preferred stock not subject to mandatory redemption
- long term debt, net
- short term notes
- notes payable
- commercial paper
- long term debt-- current portion
- preferred stock-- current portion
- obligation under capital leases
- obligation under capital leases--current portion
- balancing amount for capitalisation and liabilities
- total capitalisation and liabilities
- gross operating revenue
- other operating expense
- total operating expense
- operating income (loss)
- other income (loss), net
- income before interest charges
- total interest charges
- net income
- preferred stock dividends

- earnings available for common stock
- common stock dividends
- total annual interest charges on all bonds
- cash flow from operations
- earnings per share –primary
- earnings per share -fully diluted

CABLE & WIRELESS ST. KITTS & NEVIS LTD
 STATEMENT OF INCOME
 FOR THE PERIOD ENDED JUNE 30, 2012

	<u>Notes</u>	<u>Jun-12</u>	<u>Jun-11</u>
		EC\$000	EC\$000
Turnover		18,689	20,763
Outpayments and cost of sales		<u>(3,638)</u>	<u>(3,322)</u>
Gross Income		15,051	17,440
Operating costs	1	<u>(11,808)</u>	<u>(12,469)</u>
Operating Income		3,243	4,971
Net interest and other income	3	(57)	44
Exceptional Items		<u>(258)</u>	<u>-</u>
Income on ordinary activities before taxation		2,928	5,015
Taxation on ordinary activities	4	<u>(1,201)</u>	<u>(2,078)</u>
Income on ordinary activities after taxation		<u>1,727</u>	<u>2,938</u>

CABLE & WIRELESS ST. KITTS & NEVIS LTD
BALANCE SHEET
AS AT June 30, 2012

	<u>Notes</u>	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	5	71,384	76,287
Intangible Assets	6	-	197
Other non-Current Assets		2,108	1,601
Total Non -Current Assets		<u>73,492</u>	<u>78,085</u>
CURRENT ASSETS			
Inventories		1,812	1,395
Trade receivables and Other receivables	7	20,855	14,524
Cash at bank and in hand	8	1,331	1,061
Total Current Assets		<u>23,998</u>	<u>16,980</u>
Total Assets		<u>97,490</u>	<u>95,065</u>
CAPITAL, RESERVES AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	9	33,130	33,130
Share premium account		3,009	3,009
Capital and other reserves		-	-
Profit and loss reserve		27,960	33,963
Total Capital and Reserves		<u>64,099</u>	<u>70,102</u>
LONG TERM LIABILITIES			
Provision for liabilities and charges		7,679	10,598
Loans Payable	10	11,264	1,420
CURRENT LIABILITIES		<u>18,943</u>	<u>12,018</u>
Trade accounts payable		3,306	1,293
Amounts owed to Group companies		164	2,026
Provision for Taxation		1,112	(242)
Other Liabilities	11	4,449	3,278
Accrued liabilities and deferred income		5,417	6,590
Total Current Liabilities		<u>14,448</u>	<u>12,945</u>
TOTAL LIABILITIES AND EQUITY			
SHAREHOLDERS' FUNDS		<u>97,490</u>	<u>95,065</u>

CABLE & WIRELESS ST. KITTS & NEVIS LTD
 STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED JUNE 30, 2012

	Share Capital EC\$'000	Share Premium EC\$'000	Retained Earning EC\$'000	Total EC\$'000
Balance as of March 31, 2011	33,130	3,009	39,309	75,448
Prior Year Audit adjustment	-	-	-	-
Dividend	-	-	(11,596)	(11,596)
Issuance of bonus shares	-	-	-	-
Net Loss for the year	-	-	(727)	(727)
Prior Year Audit adjustment	-	-	-	-
Balance as of March 31, 2012	33,130	3,009	26,986	63,125
Dividend	-	-	(753)	(753)
Net Income for the 3 months ended June 30, 2012	-	-	1,727	1,727
Balance as of December 31, 2012	33,130	3,009	27,960	64,099

The accompanying notes form an integral part of these financial statements

CABLE & WIRELESS ST. KITTS & NEVIS LTD
 STATEMENT OF CASH FLOWS
 AS AT JUNE 30 2012

	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
Cash Flows from operating activities		
Income on ordinary activities before taxation	2,928	5,015
Adjustments for:		
Depreciation expense	2,134	2,458
Loss/(gain) on disposal of property, plant and equipment	-	-
Net Interest	57	(44)
Amotisation of intangible Assets	-	99
Operating cash flows before working capital changes	<u>5,119</u>	<u>7,528</u>
Decrease/(Increase) in inventories	(700)	(440)
(Increase)/decrease in accounts receivable	(2,616)	767
Increase/(decrease) in accounts payable and accrued liabilities	1,432	(444)
	<u>3,235</u>	<u>7,411</u>
Net Income for the 6 months ended June 30, 2012		
Income taxes paid	(1,310)	(1,910)
Interest received	(76)	44
Interest Paid	19	-
Net cash from operating activities	<u>(1,367)</u>	<u>5,545</u>
Cash flows used in investing activities		
Purchase of tangible property, plant and equipment	(2,294)	(218)
Cash received from loans proceeds/lending to other group company	-	3,471
	<u>(2,294)</u>	<u>3,254</u>
Net cash used in investing activities		
Cash flows used in financing activity		
Lending (to)/from Group companies	891	1,061
Dividends paid	(753)	(8,283)
Net cash used in financing activity	<u>138</u>	<u>(8,283)</u>
Net change in cash and cash equivalents	<u>(288)</u>	<u>311</u>
Net cash and cash equivalents, beginning of year	1,619	750
Net cash and cash equivalents, end of year	<u>1,331</u>	<u>1,061</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2012

5. OPERATING COSTS	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
Depreciation of tangible fixed assets	2,134	2,557
Employee costs	2,078	2,164
Licence Fees	1,194	1,102
Utilities	2,363	602
Management Fees	3,472	4,296
Repairs & Maintenance	148	139
Pension costs	-	120
Insurance	187	147
Operating lease rentals	152	103
Auditor's remuneration - current year	78	186
Directors' fees	-	1
Exceptional Items	258	(21)
Network	1,712	328
Other operating costs	16	744
	<u>13,792</u>	<u>12,468</u>
6. EMPLOYEE COST	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
Salaries and Wages	1,632	1,617
Staff training	4	2
Other staff costs	442	545
	<u>2,078</u>	<u>2,164</u>
Number of employees	92	96
7. NET INTEREST INCOME	<u>Jun-12</u> EC\$000	<u>Jun-10</u> EC\$000
Interest expense	(76)	0
Interest Income	19	44
	<u>(57)</u>	<u>44</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2012

8. TAXATION ON ORDINARY ACTIVITIES

	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
Tax on profits for the year	1,201	2,078
Adjustment in respect to prior year	-	-
	<u>1,201</u>	<u>2,078</u>
Deferred taxation	-	-
	<u>1,201</u>	<u>2,078</u>

	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
Income before tax	2,928	5,015
Tax at the standard rate of 35% (2011:35%)	1,025	1755
Tax effect/(benefit) arising from the following:		
Capital Allowances in excess of depreciation	-	-
Tax on non-deductable expenditure	176	322
Taxation on ordinary activities	<u>1,201</u>	<u>2,078</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2012

9. 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 2012	49,576	117,904	11,802	2,878	182,160
Additions	-	97	-	2,197	2,294
Disposals	-	-	-	-	-
Transfers between items	-	187	-	(178)	9
At end of year- December 2012	<u>49,576</u>	<u>118,188</u>	<u>11,802</u>	<u>4,897</u>	<u>184,463</u>
ACCUMULATED DEPRECIATION					
At beginning of year	27,705	72,792	9,604	-	110,101
Charge for the year	615	2,274	89	-	2,978
Charge for impairment	-	-	-	-	-
On disposals	-	-	-	-	-
At Year End	<u>28,320</u>	<u>75,066</u>	<u>9,693</u>	<u>-</u>	<u>113,079</u>
NET BOOK VALUE					
At 31 December 2012	<u>21,256</u>	<u>43,122</u>	<u>2,109</u>	<u>4,897</u>	<u>71,384</u>
At 01 April 2012	<u>21,871</u>	<u>45,112</u>	<u>2,198</u>	<u>2,878</u>	<u>72,059</u>

The net book value of land and buildings comprises:

	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
Freehold	21,026	13,686
Long leasehold	845	279
Short leasehold	-	-
	<u>21,871</u>	<u>13,965</u>

10. INTANGIBLE ASSETS

	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
Cost at beginning of year-1 April 2012	1,192	1,192
Amortisation charges for year	(1,192)	(995)
Balance June 30 2012	<u>-</u>	<u>197</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2012

7. ACCOUNTS RECEIVABLES AND PREPAYMENTS

	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
Trade accounts receivables	13,530	
Provision for Bad Debts	(1,954)	
Other receivables	6,291	
Prepayments and accrued income	2,988	
	<u>20,855</u>	<u> </u>

8. CASH AT BANK AND CASH IN HAND

	<u>Jun-12</u> EC\$000	<u>Jun-11</u> EC\$000
Cash at Bank	1,331	1,061
Short term deposits	-	-
	<u>1,331</u>	<u>1,061</u>

9. SHARE CAPITAL

	<u>Jun-12</u> EC\$000	<u>Jun-11</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 (2011:33,130,418) Ordinary shares of EC\$1.00 each	<u>33,130</u>	<u>33,130</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2012

10. PROVISION FOR LIABILITIES AND CHARGES	Asset R O	Redundancy	Deferred Taxation	Total
	EC\$000	EC\$000	EC\$000	EC\$000
At 1 April 2012	1,434	285	6,245	7,964
Charge/(Credit) for the period	-	(285)	-	(285.00)
Credit related to change in tax rate	-	-	-	-
Credit related to accelerated capital allowances	-	-	-	-
At 30 June 2012	<u>1,434</u>	<u>-</u>	<u>6,245</u>	<u>7,679</u>

The deferred taxation liability is analysed as follows:-

	<u>Jun-12</u>	<u>Jun-11</u>
	EC\$000	EC\$000
Accelerated capital allowances	<u>6,245</u>	<u>9,194</u>

Net Income for the 6 months ended June 30, 2012

11. OTHER LIABILITIES

	<u>Jun-12</u>	<u>Jun-11</u>
	EC\$000	EC\$000
Customers deposits	1536	1,832
Social Security	-	-
Other Creditors	2,913	1,446
	<u>4,449</u>	<u>3,278</u>