	Notes	2006 $'000	2005 $'000
Revenue		22,534,979	22,213,581
Out payments		5,834,698	4,956,198
Other cost of sales		1,288,613	2,279,099
Total cost of sales		7,123,311	7,235,297
Gross margin		15,411,668	14,978,284
Employee expenses	3	3,228,384	3,145,757
Administrative, marketing and selling expenses	4	5,588,137	5,372,070
Depreciation and amortisation		2,744,190	2,445,705
Total operating expenses		11,560,711	10,963,532
Operating profit		3,850,957	4,014,752
Net finance costs	5	696,036	1,064,780
Other		175,812	(150,254)
Profit, before taxation	6	2,979,109	3,100,226
Taxation	7	833,881	819,092
Profit attributable to stockholders		2,145,228	2,281,134
Dealt with in the financial statements of:			
The company		2,059,220	2,181,897
The subsidiaries		86,008	99,237
		2,145,228	2,281,134
Earnings per stock unit	8	12.75¢	13.56¢

The accompanying notes form an integral part of the financial statements.

	Notes	2006 $'000	2005 $'000
Property, plant & equipment	9	26,777,618	27,622,370
Intangible assets	10	1,007,070	622,923
Deferred expenditure	11	45,235	33,211
Employee benefits assets	13(a)	3,649,000	2,645,000
Total non-current assets		31,478,923	30,923,504
Cash and cash equivalents	14	1,799,510	1,781,123
Accounts receivable	15	3,423,550	3,759,747
Taxation recoverable		73,572	-
Prepaid expenses		491,622	190,070
Due from related companies	16	288,746	122,515
Inventories	17	423,288	370,653
Current portion of deferred expenditure	11	108,321	117,456
Total current assets		6,608,609	6,341,564
TOTAL ASSETS		38,087,532	37,265,068
Stated capital/share capital	18	16,817,440	16,817,440
Reserves	19	2,498,166	870,425
Accumulated profit		1,014,145	1,477,095
TOTAL EQUITY		20,329,751	19,164,960
Bank overdraft, unsecured	14	-	548
Trade and other accounts payable	20	5,155,118	6,024,806
Provisions	21	263,625	67,192
Current portion of loans	22	385,727	364,950
Taxation		-	225,324
Due to related companies		30,081	9,068
Total current liabilities		5,834,551	6,691,888
Loans	22	219,501	563,957
Due to ultimate parent company	23	6,764,838	7,032,783
Deferred tax liability	12	3,197,097	2,364,843
Provisions	21	531,705	349,548
Employee benefits obligations	13(b)	1,210,089	1,097,089
Total non-current liabilities		11,923,230	11,408,220
TOTAL LIABILITIES		17,757,781	18,100,108
TOTAL EQUITY & LIABILITIES		38,087,532	37,265,068

The financial statements on pages 2 to 31 were approved by the Board of Directors on May 24, 2006 and signed on its behalf by:

______________________________ Director
Rodney Davis

______________________________ Director
Hon. Pat Rousseau, O. J.

The accompanying notes form an integral part of the financial statements.

	Notes	2006 $'000	2005 $'000
Property, plant & equipment	9	26,706,236	27,532,757
Intangible assets	10	1,007,070	622,923
Interest in subsidiaries, shares at cost		12,117,350	12,117,350*
Deferred expenditure	11	45,235	33,211
Employee benefits assets	13(a)	3,649,000	2,645,000
Total non-current assets		43,524,891	42,951,241
Cash and cash equivalents	14	1,636,667	1,649,052
Accounts receivable	15	3,380,033	3,731,251
Prepaid expenses		491,622	190,070
Due from related companies	16	298,349	121,496
Company tax recoverable		71,832	-
Inventories	17	423,288	370,014
Current portion of deferred expenditure	11	108,321	117,456
Total current assets		6,410,112	6,179,339
TOTAL ASSETS		49,935,003	49,130,580
Stated capital/share capital	18	16,817,440	16,817,440
Reserves	19	2,432,666	833,534
Accumulated profit		704,089	1,253,046*
TOTAL EQUITY		19,954,195	18,904,021
Bank overdraft, unsecured	14	-	548
Trade and other payables	20	5,056,430	5,955,749
Provisions	21	263,625	67,192
Current portion of loans	22	385,727	364,950
Taxation		-	227,739
Due to related companies		30,081	9,068
Total current liabilities		5,735,863	6,625,246
Due to subsidiaries	24	12,329,526	12,201,516
Loans	22	219,501	563,957
Due to ultimate parent company	23	6,764,838	7,030,908
Deferred tax liability	12	3,197,097	2,364,843
Provisions	21	523,894	343,000
Employee benefits obligations	13(b)	1,210,089	1,097,089
Total non-current liabilities		24,244,945	23,601,313
TOTAL LIABILITIES		29,980,808	30,226,559
TOTAL EQUITY & LIABILITIES		49,935,003	49,130,580

The financial statements on pages 2 to 31 were approved by the Board of Directors on May 24, 2006 and signed on its behalf by:

______________________________ Director
Rodney Davis

______________________________ Director
Hon. Pat Rousseau, O. J.

* Restated (see note 26)

The accompanying notes form an integral part of the financial statements.

	2006 $'000	2005 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit attributable to stockholders	2,145,228	2,281,134
Adjustments for:		
Unrealised translation losses on loans	42,507	8,254
Employee benefits, net	(891,000)	(422,677)
Depreciation and amortisation	2,744,190	2,445,705
Amortisation of deferred expenditure	136,016	273,520
Deferred taxation	832,254	2,823,780
Loss on disposal of property, plant & equipment and intangible assets	601,276	147,599
Gain on disposal of investment	-	(297,853)
Interest earned	(78,205)	(70,285)
Income tax expense	1,627	(2,004,688)
Interest expense	1,018,425	1,142,440
Provisions	182,157	349,548
Cash generated before changes in working capital	6,734,475	6,676,477
Accounts receivable	338,008	(180,719)
Prepaid expenses	(301,552)	(190,070)
Due from related companies	(166,231)	(36,910)
Inventories	(52,635)	(80,941)
Trade and other accounts payable	(956,425)	902,465
Provisions	196,433	67,192
Due to related companies	21,013	(73,545)
Cash generated from operations	5,813,086	7,083,949
Income tax paid	(300,523)	(65,491)
Net cash provided by operating activities	5,512,563	7,018,458
CASH FLOWS FROM INVESTING ACTIVITIES		
Unrealised translation adjustment on consolidation	28,609	2,545
Acquisition of property, plant & equipment and intangible assets	(2,966,435)	(5,278,792)
Proceeds from disposal of property, plant & equipment and intangible assets	81,574	405,042
Interest received	76,394	63,924
Proceeds from disposal of investments	-	427,426
Deferred expenditure incurred	(138,905)	(171,998)
Net cash used by investing activities	(2,918,763)	(4,551,853)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in loans	(366,186)	(2,345,161)
Dividends paid	(1,009,046)	-
Interest paid	(931,688)	(1,027,664)
Due to ultimate parent company	(267,945)	575,544
Net cash used by financing activities	(2,574,865)	(2,797,281)
Net increase/(decrease) in cash and cash equivalents	18,935	(330,676)
Cash and cash equivalents at beginning of year	1,780,575	2,111,251
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,799,510	1,780,575

	2006 $'000	2005 $'000
Comprised of:		
Cash and bank balances	1,799,510	1,781,123
Bank overdraft	-	(548)
	1,799,510	1,780,575

The accompanying notes form an integral part of the financial statements.

The Group:	Stated capital/ Share capital $'000 (note 18)	Reserves $'000 (note 19)	Accumulated profit $'000	Total $'000
Balances at April 1, 2004	16,817,440	756,366	(506,187)	17,067,619
Profit attributable to stockholders	-	-	2,281,134	2,281,134
Release of appreciation in fair value of investment	-	(186,338)	-	(186,338)
Unrealised translation adjustment on consolidation	-	2,545	-	2,545
Transfer to capital reserve, net	-	297,852	(297,852)	-
Balances at March 31, 2005	16,817,440	870,425	1,477,095	19,164,960
Profit attributable to stockholders	-	-	2,145,228	2,145,228
Dividends (note 25)	-	-	(1,009,046)	(1,009,046)
Transfer from capital reserve	-	(833,534)	833,534	-
Transfer to employee benefits reserve	-	2,432,666	(2,432,666)	-
Unrealised translation adjustment on consolidation	-	28,609	-	28,609
Balances at March 31, 2006	16,817,440	2,498,166	1,014,145	20,329,751
Retained in the financial statements of:				
The company	16,817,440	2,432,666	704,089	19,954,195
The subsidiaries	-	65,500	310,056	375,556
Balances at March 31, 2006	16,817,440	2,498,166	1,014,145	20,329,751
The company	16,817,440	833,534	1,253,047	18,904,021
The subsidiaries	-	36,891	224,048	260,939
Balances at March 31, 2005 [Restated, see notes 2(f) and 26]	16,817,440	870,425	1,477,095	19,164,960

Recognised gains:

(a) Total recognised gains for the year aggregated $2,173,837,000 (2005: $2,097,341,000).
(b) Recognised gains per ordinary stock unit for the year were 12.92¢ (2005: 12.47¢).

The accompanying notes form an integral part of the financial statements.

1. The company and its regulatory framework

The company is incorporated in Jamaica and its ordinary stock units are listed on the Jamaica Stock Exchange.

The company's registered office is located at 2-6 Carlton Crescent, Kingston 10, Jamaica, West Indies. The company is domiciled in Jamaica.

The company is a 79% subsidiary of Cable and Wireless (CALA Investments) Limited, incorporated in the Cayman Islands, and the ultimate parent company is Cable and Wireless plc., incorporated in England. Another subsidiary of Cable and Wireless plc. holds an additional 3% of the issued ordinary stock units of the company. Cable and Wireless group companies are referred to in these financial statements as "related companies".

The principal activity of the group and the company is the provision of domestic and international telecommunications services under various operating licences granted on March 14, 2000, under the Telecommunications Act (the Act).

The operating licenses, all of which extend to March 14, 2015, are:

Carrier (Cable & Wireless Jamaica Limited) Licence;
Service Provider (Cable & Wireless Jamaica Limited) Licence;
Spectrum (Cable & Wireless Jamaica Limited) Licence;
Domestic Mobile Carrier (Cable & Wireless Jamaica Limited) Licence;
Domestic Mobile Service Provider (Cable & Wireless Jamaica Limited) Licence;
Domestic Mobile Spectrum (Cable & Wireless Jamaica Limited) Licence;
Free Trade Zone Carrier (Jamaica Digiport International Limited) Licence; and
Free Trade Zone Service Provider (Jamaica Digiport International Limited) Licence.

In accordance with the Act, rates on certain fixed line services are subject to a "price-cap" methodology applied by the Office of Utilities Regulation.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the requirements of the Companies Act.

At the date of authorisation of the financial statements, there were certain standards and interpretations which were in issue but were not yet effective. Those which are considered relevant to the company and their effective dates are as follows:

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance: (cont'd)

IFRS 7	Financial Instruments: Disclosure	January 1, 2007
IAS 19 Amendment	Actuarial Gains & Losses, Group Plans and Disclosures	January 1, 2006
IAS 39 Amendment	The Fair Value Option	January 1, 2006
IAS 39 Amendment	Financial Instrument Cash Flow Hedge Accounting for Forecast Intra-group Transactions	January 1, 2006
IFRIC 4	Determining whether an arrangement contains a Lease	January 1, 2006
IFRIC 9	Reassessment of Embedded Derivatives	June 1, 2006

The adoption of IFRS 7 and IAS 19 Amendment, is expected to result in additional disclosures for financial instruments and employee benefits assets and obligation. Except for these additional disclosures, the adoption of these standards and interpretations is not expected to have a material impact on the financial statements.

(b) Basis of preparation:

The financial statements are presented in Jamaica dollars ($), which is the functional currency of the company.

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date, and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting estimates and judgements:

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(b) Basis of preparation: (cont'd)

Accounting estimates and judgements: (cont'd)

(i) Pension and other post-retirement benefits:

The amounts recognised in the balance sheet and income statement for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The expected return on plan assets considers the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the company's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will affect the amounts recorded in the financial statements for these obligations.

(ii) Impairment of assets:

Annual and ongoing assessments of impairment of assets [as outlined in note (2r)] require management to exercise judgement in estimating future cash flows.

It is reasonably possible, based on existing knowledge that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(c) Basis of consolidation:

The group financial statements include the financial statements of the company and its wholly-owned subsidiaries – The Jamaica Telephone Company Limited (JTC), Jamaica International Telecommunications Limited (JAMINTEL) and Jamaica Digiport International Limited, all of which are incorporated in Jamaica – made up to March 31, 2006. The company and its subsidiaries are collectively referred to as the "Group".

JTC and JAMINTEL were rendered dormant on April 1, 1995, when all of their undertaking, assets and liabilities were transferred to the company pursuant to the Telecommunications of Jamaica (Transfer to and Vesting of Assets and Liabilities of Jamaica Telephone Company Limited and Jamaica International Telecommunications Limited) Act, 1995.

All significant inter-company transactions are eliminated.

(d) Revenue recognition:

Operating revenue represents amounts, excluding general consumption tax billed, for the provision of domestic and international telecommunications services. In accordance with normal practice in the telecommunications industry, estimates are included to provide for that portion of revenue which connecting carriers have not yet reported.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(e) Property, plant & equipment and Intangible assets: (cont'd)

(i) Owned assets:

Items of property, plant & equipment and intangible assets (computer software) are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

Asset retirement obligation costs are included in the cost of transmission equipment.

(ii) Depreciation/amortization:

Depreciation/amortisation is computed on the straight-line basis at annual rates estimated to write down the assets to their estimated residual values at the end of their expected useful lives.

No depreciation is charged on construction in progress and land.

Depreciation/amortisation rates are as follows:

Buildings	-	2.5% to 10%
Plant and Machinery	-	5% to 22.5%
Cables and transmission equipment	-	5% to 8%
Office equipment and computers	-	10% to 25%
Computer equipment	-	20%
Software	-	20% & 33.3%

(f) Interest in subsidiaries:

The company's investments in subsidiaries which were previously shown on the equity accounting basis, are now shown at cost in compliance with the Revised IAS 27, Consolidation and Separate Financial Statements.(See note 26).

(g) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances, and include short-term deposits and other monetary investments with maturities ranging between one and three months from balance sheet date.

Bank overdrafts, that are repayable on demand and form an integral part of the group's cash management activities, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(h) Accounts receivable:

Trade and other receivables are stated at cost less impairment losses.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(i) Related party balances and transactions:

A party is related to an entity if:

(i) directly or indirectly the party:
- controls, is controlled by, or is under common control with the entity;
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity.

(ii) the party is a member of the key management personnel of the entity.

(iii) the party is a close member of the family of any individual referred to in (i) or (ii) above.

(iv) the party is a post-employment benefit plan for the benefit of employees of the entity, or any entity that is a related party of the entity.

(j) Inventories:

Inventories, consisting principally of items held for resale and are valued at the lower of cost, determined on the weighted average basis, and estimated realisable value.

(k) Accounts payable:

Trade and other payables are stated at cost.

(l) Provisions:

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation:

(i) Restructuring:

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly.

(ii) Site restoration:

The Group has contractual obligations to dismantle and restore cell sites at the end of agreed periods. A provision for site restoration is recognised at the commencement of the lease and revised annually.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(m) Capitalisation of borrowing costs:

Where the company:

- Borrows generally for the purpose of obtaining a qualifying asset, borrowing costs relating to such funds are capitalised based on the weighted average rate of borrowings outstanding during the year (excluding borrowings made specifically for the purpose of obtaining a qualifying asset).

- Borrows to fund a specific qualifying asset, borrowing costs are capitalised as part of the cost of obtaining that asset.

(n) Dividends:

Dividends are recognised as a liability in the period in which they are declared.

(o) Income taxes:

Taxation on the profit or loss for the year comprises current and deferred tax. Taxation is recognised in the income statement, except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is computed using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the company and its subsidiary are able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Operating lease payments:

Payments made under operating leases are recognized in the income statement on the straight line basis over the term of the lease.

(q) Employee benefits:

Employee benefits comprising pensions and other post-employment assets and obligations included in these financial statements have been actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion.

The actuarial valuations were conducted in accordance with IAS 19, and the financial statements reflect the company's post-employment benefits assets and obligations as computed by the actuary. In carrying out their audit, the auditors make use of the work of the actuary and the actuary's report.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(q) Employee benefits: (cont'd)

(i) Pension arrangements:

The company is a sponsoring employer of a defined benefit pension scheme administered by trustees. The adoption of IAS 19 does not affect the pension scheme, which continues to be governed by the approved trust deeds and rules, and remains under the full control of the appointed trustees.

The company's net obligation in respect of defined benefit pension arrangements is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any scheme assets is deducted. To the extent that the obligation is less than the fair value of scheme assets, the asset recognised is restricted to the discounted value of future benefits available to the group. The discount rate applied is the yield at balance sheet date on long-term government instruments that have maturity dates approximating the terms of the group's obligation. The calculation is performed using the projected unit credit method.

The subsidiary's contributions to its defined contribution pension scheme are recognised as expenses in the income statement as incurred.

(ii) Other post-retirement benefits:

The company provides post-retirement health care benefits, to certain of its retirees. These benefits are usually conditional upon the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans and the present value of future benefits at the balance sheet date is shown as an obligation on the balance sheet.

In calculating the Group's constructive obligation in respect of post-retirement benefits, to the extent that any cumulative unrecognised gain or loss exceeds 10% of the present value of the benefit obligation, that portion is recognised in the income statement over the expected average remaining working lives of the employees affected; otherwise, the actuarial gain or loss is not recognised.

(iii) Other employee benefits:

Employee entitlements to leave are recognised when they accrue to employees. An accrual is made for the estimated liability for vacation leave, as a result of services rendered by employees up to the balance sheet date.

(r) Impairment:

(i) The carrying amounts of the Group's assets, other than inventories [see accounting policy(j)] are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or group of assets (cash-generating unit) exceeds its recoverable amount. Impairment losses are recognized in the income statement.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(r) Impairment: (cont'd)

(i) (cont'd)

The recoverable amount of the Group's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the group of assets/cash-generating unit to which the asset belongs.

(ii) Reversals of impairment:

An impairment loss in respect of receivables is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For all other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(s) Net finance costs:

Net finance costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, material bank charges and foreign exchange gains and losses recognised in the income statement.

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(t) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable, related company balances and trade investments. Similarly financial liabilities include bank overdraft, accounts payable, provisions, related company balances and loans.

(u) Interest-bearing borrowings:

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(v) Segment reporting:

A segment is a component of the group that is engaged either in providing distinguishable services and products (business segment), or in providing services and products within a distinguishable economic environment (geographical segment), which are subject to risks and rewards that are different from those of other segments.

In accordance with IAS 14 (Revised), Segment Reporting, an enterprise is required to look at, *inter alia*, the nature of its products and services, the types or class of customers for the products and services, the methods used to distribute the products and the nature of the regulatory environment. The company considers itself to be an integrated telecommunications provider with no distinguishable segments. Therefore its internal organisational reporting and management structures, and its service delivery are organised to provide an integrated menu of telecommunication products.

3. Employee expenses

	2006 $'000	2005 $'000
Gross salaries	2,821,633	1,712,092
Other benefits and allowances	1,041,357	1,896,081
Employee benefits income	(985,000)	(510,000)
Redundancy costs	350,394	47,584
	3,228,384	3,145,757

4. Administrative, marketing and selling expenses

	2006 $'000	2005 $'000
Administrative	3,702,892	2,395,225
Marketing	673,246	513,940
Selling	1,211,999	2,462,905
	5,588,137	5,372,070

5. Net finance costs

	2006 $'000	2005 $'000
Interest expenses:		
Fixed loans	36,637	144,197
Ultimate parent company	923,377	873,613
Other	58,411	124,630
Foreign exchange losses/(gains):		
Unrealised losses on loans	42,507	8,254
Other unrealised (gains)losses	(133,732)	19,210
Realised losses	7,041	16,310
	934,241	1,186,214
Less:		
Interest income	(78,205)	(70,285)
Specific borrowing costs capitalised (note 9)	(160,000)	(51,149)
	696,036	1,064,780

Interest income arises materially from treasury transactions entered into in the ordinary course of business.

6. Disclosure of expenses/(income) and related party transactions

Profit before taxation is stated after charging/(crediting) the following:

		2006 $'000	2005 $'000
Directors' emoluments:			
Fees		1,498	1,284
Management remuneration		25,421	76,456
Auditors' remuneration		16,268	13,507
Depreciation and amortisation		2,744,190	2,445,705
Loss on disposal of property plant & equipment		601,276	147,599
Bad debt expenses		324,634	313,525
Inventory write off		93,310	82,839
Management & branding fees	- ultimate parent company	389,126	390,779
Interest expense	- ultimate parent company	923,377	859,537
Other expenses	- related companies	30,226	38,309
Revenue, net	- related companies	877,067	358,847

All transactions with related companies were entered into in the ordinary course of business.

Key management personnel compensation is as follows:

	2006 $'000	2005 $'000
Short term employee benefits	177,694	120,068
Post employment benefits	20,000	7,200

7. Taxation

Taxation, based on the results for the year adjusted for taxation purposes, is made up as follows:

	2006 $'000	2005 $'000
Current tax expense:		
Income tax	1,627	4,235
Adjustments in respect of prior years	-	(2,008,923)
Deferred taxation:		
Utilisation of tax losses carried forward	475,721	520,779
Origination and reversal of temporary differences	356,533	2,303,001
	833,881	819,092

Reconciliation of effective tax rate:

	2006 $'000	2005 $'000
Profit before taxation	2,979,109	3,100,226
Computed "expected" tax expense @ 33[1]/3%	993,036	1,033,408
Difference between profit for financial statements and tax reporting purposes on:		
Exchange losses disallowed	-	6,569
Property, plant & equipment	(99,497)	38,221
Relief under the Jamaica Export Freezone Act	(29,580)	(20,652)
Disallowed expenses and other capital adjustments	(30,078)	(238,454)
Total differences	(159,155)	(214,316)
Actual tax expense	833,881	819,092

Disallowable expenses include donations, pension benefits, health benefit, capital gains, legal fees and deferred revenue provisions.

At March 31, 2006 taxation losses, subject to agreement by the Commissioner of Taxpayer Audit & Assessment available for relief against future taxable profit, amounted to approximately $2,989 million (2005: $1,562 million).

8. Earnings per stock unit

The calculation of earnings per stock unit is based on the profit attributable to stockholders of $2,145,228,000 (2005: $2,281,134,000) and the 16,817,439,740 issued and fully paid ordinary stock units at March 31, 2006 and 2005.

9. Property, plant & equipment

(a) The Group:

	Freehold land & buildings $'000	Plant & machinery $'000	Cables & transmission equipment $'000	Office equipment, & computers $'000	Capital work-in-progress $'000	Total $'000
Cost:						
March 31, 2005	5,499,609	34,219,011	8,111,497	1,298,233	5,618,020	54,746,370
Additions	1,392	-	-	-	2,128,712	2,130,104
Transfers/reclassifications	1,029,822	2,078,489	257,420	402,171	(3,767,902)	-
Disposals/retirements	(100,439)	(412,070)	-	(1,810)	(776,969)	(1,291,288)
March 31, 2006	6,430,384	35,885,430	8,368,917	1,698,594	3,201,861	55,585,186
Depreciation:						
March 31, 2005	1,146,122	19,512,657	5,138,409	699,852	626,960	27,124,000
Charge for the year	349,509	1,320,861	354,903	417,824	-	2,443,097
Transfer	(3,652)	1,165	-	2,487	-	-
Eliminated on disposals/ retirements & adjustments	(48,860)	(81,979)	-	(1,730)	(626,960)	(759,529)
March 31 2006	1,443,119	20,752,704	5,493,312	1,118,433	-	28,807,568
Net book values:						
March 31, 2006	4,987,265	15,132,726	2,875,605	580,161	3,201,861	26,777,618
March 31, 2005	4,353,487	14,706,354	2,973,088	598,381	4,991,060	27,622,370

(b) The Company:

	Freehold land & buildings $'000	Plant & machinery $'000	Cables & transmission equipment $'000	Office equipment & computers $'000	Capital work-in-progress $'000	Total $'000
Cost:						
March 31, 2005	5,450,477	32,150,654	7,567,707	1,270,781	5,612,838	52,052,457
Additions	-	-	-	-	2,128,712	2,128,712
Transfers/reclassifications	1,034,267	2,076,879	257,420	399,336	(3,767,902)	-
Disposals/retirements	(93,374)	(416,273)	-	(30)	(771,787)	(1,281,464)
March 31, 2006	6,391,370	33,811,260	7,825,127	1,670,087	3,201,861	52,899,705
Depreciation:						
March 31, 2005	1,114,438	17,068,060	5,034,525	675,717	626,960	24,519,700
Charge for the year	346,431	1,305,704	354,903	417,523	-	2,424,561
Eliminated on disposals retirements & adjustments	(41,890)	(81,912)	-	(30)	(626,960)	(750,792)
March 31, 2006	1,418,979	18,291,852	5,389,428	1,093,210	-	26,193,469
Net book values:						
March 31, 2006	4,972,391	15,519,408	2,435,699	576,877	3,201,861	26,706,236
March 31, 2005	4,336,039	15,082,594	2,533,182	595,064	4,985,878	27,532,757

9. Property, plant & equipment (cont'd)

Freehold land & buildings for the group and the company include land aggregating $74,585,000 (2005: $79,663,000) at historic cost.

Borrowing costs specifically attributable to the acquisition of property, plant & equipment aggregating $160,000,000 (2005: $51,149,000) were capitalised during the year based on the application of a weighted average cost of borrowing of 13.67% (2005: 6.79%).

10. Intangible assets

This represents acquired computer software as follows:

	The Group and the Company	
	2006	2005
	$'000	$'000
Cost:		
At beginning of year	1,914,013	1,752,770
Additions	836,331	161,243
Disposals	(217,525)	-
At end of year	2,532,819	1,914,013
Amortisation:		
At beginning of year	1,291,090	923,818
Charge for year	301,093	367,272
Elimination on disposal	(66,434)	-
At end of year	1,525,749	1,291,090
Net book value at end of year	1,007,070	622,923

11. Deferred expenditure

	The Group and the Company	
	2006	2005
	$'000	$'000
Long-term portion of deferred GCT	45,235	33,211
Current portion of deferred GCT	108,321	117,456
	153,556	150,667

Deferred General Consumption Tax, (GCT), comprises input tax on capital acquisitions and is recoverable over a twenty-four month period by way of offset against output tax.

	The Group and the Company	
	2006	2005
	$'000	$'000
Deferred GCT:		
At beginning of year	150,667	252,189
Incurred during the year	138,905	171,998
Claimed during the year	(136,016)	(273,520)
Balance of deferred GCT at end of year	153,556	150,667

12. Deferred tax liability

The net deferred tax liability is attributable to temporary differences in the recognition of the following:

	The Group and the Company	
	2006	2005
	$'000	$'000
Employee benefits	752,348	454,485
Property, plant & equipment	3,361,087	2,409,911
Taxation losses	(996,533)	(520,779)
Other	80,195	21,226
	3,197,097	2,364,843

All changes in provision for deferred taxation are recognised in the income statement.

At March 31, 2006, a deferred tax liability of approximately $2,438 million (2005: $2,438 million) relating to investment in certain subsidiaries has not been recognised, as the company controls whether any liability will be incurred and management is satisfied that it will not be incurred in the foreseeable future.

13. Employee benefits

(a) Pension assets:

	The Group and the Company	
	2006	2005
	$'000	$'000
Present value of funded obligations	(5,324,000)	(4,267,000)
Fair value of plan assets	10,678,000	10,815,000
Unrecognised actuarial gains	(1,650,000)	(3,647,000)
Unrecognised amount due to limitation	(55,000)	(256,000)
Recognised assets	3,649,000	2,645,000

(i) Movements in the net asset recognised in the balance sheet:

	The Group and the Company	
	2006	2005
	$'000	$'000
Balance at beginning of year	2,645,000	2,119,000
Contributions paid	19,000	16,000
Credit recognised in the income statement	985,000	510,000
Balance at end of year	3,649,000	2,645,000

13. Employee benefits (cont'd)

(a) Pension assets: (cont'd)

(ii) Credit recognised in the income statement:

	The Group and the Company	
	2006	2005
	$'000	$'000
Current service costs	126,000	88,000
Interest on obligations	496,000	398,000
Actuarial gains recognised	(1,289,000)	(84,000)
Expected return on plan assets	(117,000)	(969,000)
Change in disallowed assets	(201,000)	57,000
	(985,000)	(510,000)
Actual return on plan assets	(11.89)%	19.20%

(iii) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	The Group and the Company	
	2006	2005
Discount rate	12.5%	12.5%
Expected return on plan assets	12.5%	12.5%
Future salary increases	10.0%	10.0%
Future pension increases	7.0%	5.0%

(b) Other post-retirement benefits:

	The Group and the Company	
	2006	2005
	$'000	$'000
Present value of obligations	1,469,000	1,022,000
Unrecognised actuarial (gains)/losses	(258,911)	75,089
Recognised liability	1,210,089	1,097,089

(i) Movements in the net liability recognised in the balance sheet:

	The Group and the Company	
	2006	2005
	$'000	$'000
Balance at beginning of year	1,097,089	993,766
Expense recognised in the income statement	113,000	103,323
Balance at end of year	1,210,089	1,097,089

13. Employee benefits (cont'd)

(b) Other post-retirement benefits: (cont'd)

(ii) Expense recognised in the income statement:

	The Group and the Company 2006 $'000	2005 $'000
Current service costs	33,000	17,000
Interest on obligations	125,000	120,000
Contributions paid	(45,000)	(33,677)
	113,000	103,323

(iii) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	The Group and the Company 2006	2005
Discount rate	12.5%	12.5%
Medical claims growth	11.5%	10.0%

(c) Movement in net employee benefits:

	The Group and the Company 2006 $'000	2005 $'000
Net pension assets	3,649,000	2,645,000
Employee benefits obligation	(1,210,089)	(1,097,089)
	2,438,911	1,547,911
Less: Opening net assets	(422,677)	(1,125,234)
Net Employee Benefits	2,016,234	422,677

14. Cash and cash equivalents

	The Group		The Company	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Cash at bank	868,702	823,472	705,859	738,030
Short term deposits	930,808	438,699	930,808	392,070
Monies under escrow	-	518,952	-	518,952
Cash and bank balances	1,799,510	1,781,123	1,636,667	1,649,052
Bank overdraft	-	(548)	-	(548)
	1,799,510	1,780,575	1,636,667	1,648,504

15. Accounts receivable

	The Group		The Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Trade receivables	3,055,339	3,717,900	3,030,521	3,677,729
Allowance for doubtful debts	(340,125)	(564,012)	(325,626)	(549,513)
	2,715,214	3,153,888	2,704,895	3,128,216
Other receivables	708,236	605,759	675,138	602,935
	3,423,450	3,759,647	3,380,033	3,731,151

16. Due from related companies

This represents amounts receivable from other Cable & Wireless group companies, principally for telecommunications traffic.

17. Inventories

	The Group		The Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Mobile handsets	284,629	267,670	284,629	267,670
PABX equipment	97,372	87,340	97,372	87,340
Other inventories	41,287	15,643	41,287	15,004
Net inventory	423,288	370,653	423,288	370,014

18. Stated capital(2005: Share capital)

	The Group and the Company	
	2006	2005
	$'000	$'000
Authorised:		
16,820,000,000 ordinary shares at no par value (2005: $1 each)		
Issued and fully paid:		
16,817,439,740 ordinary stock units at no par value (2005:$1 each)	16,817,440	16,817,440

Under the Companies Act 2004 (the Act), which became effective February 1, 2005, all shares in issue are deemed to be without a par (or nominal) value, unless the company by ordinary resolution elects to retain par value. The company did not make an election to retain par value, hence shares are deemed to be without par value.

19. Reserves

	The Group		The Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Capital reserve	-	833,534	-	833,534
Unrealised translation reserve	65,500	36,891	-	-
Employee benefits reserve*	2,432,666	-	2,432,666	-
	2,498,166	870,425	2,432,666	833,534

* This reserve represents a transfer from retained earnings representing the net pension assets credit, net of deferred taxation, recognised as at March 31, 2006.

20. Trade and other payables

	The Group		The Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Trade payables	3,028,243	4,066,842	3,025,637	4,062,947
Other payables	2,126,875	1,957,964	2,030,793	1,892,802
	5,155,118	6,024,806	5,056,430	5,955,749

21. Provisions

	The Group			The Company		
	Restructuring	Site Restoration	Total	Restructuring	Site Restoration	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2005	67,192	349,548	416,740	67,192	343,000	410,192
Provisions made during the year	263,625	136,145	399,770	263,625	134,882	398,507
Provisions used during the year	(67,192)	-	(67,192)	(67,192)	-	(67,192)
Unwind of discount	-	46,012	46,012	-	46,012	46,012
Balance at 31 March 2006	263,625	531,705	795,330	263,625	523,894	787,519
Non Current	-	531,705	531,705	-	523,894	523,894
Current	263,625	-	263,625	263,625	-	263,625
	263,625	531,705	795,330	263,625	523,894	787,519

22. Loans

	The Group and the Company	
	2006	2005
	$'000	$'000
Guaranteed by Government of Jamaica:		
Export Development Corporation		
Interest free loan repayable 1999/2038 (US$3,534,122)		
(2005: US$3,600,000) [See note (a) below]	231,485	221,529
Guaranteed by Cable and Wireless plc:		
European Investment Bank		
3% loan repayable 1996/2006 (US$5,074,947)		
(2005: US$10,151,000)	332,409	624,710
	563,894	846,239
Unsecured:		
Government of Jamaica		
10% loan repayable 1995/2007	41,334	82,668
Total loans outstanding	605,228	928,907
Less: Current portion	(385,727)	(364,950)
Non-current portion of loans	219,501	563,957

(a) Export Development Corporation – This loan has been remeasured to fair value using an imputed interest rate of 3.3%.

23. Due to ultimate parent company

	The Group		The Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Inter company trading (i)	(54,314)	(354,821)	(54,314)	(356,696)
Other loans (ii)	6,819,152	7,387,604	6,819,152	7,387,604
	6,764,838	7,032,783	6,764,838	7,030,908

This represents amounts arising from:

(i) Foreign currency denominated (receivables)/payables relating to arms length inter-company trading in the normal course of business;

(ii) The balance at March 31, 2006 represents loans of US$8,403,000 (2005: US$ 11,640,000) and J$6,268,797,000 (2005: J$6,671,230,000). The US$ denominated loans bear interest at 2% above the London Interbank Offer Rate (LIBOR), which at March 31, 2006 was 5.20% (2005:3.09%). The J$ denominated loans bear interest at 2% above the six month treasury bill rate (at the date of drawdown) which at March 31, 2006 was 13.18% (2005: 13.21%.) The interest rates are variable at the option of the lender. The US$ amounts are repayable by June 30, 2006 and the J$ amounts are repayable upon 30 days notice. The lender has given written undertaking not to demand any re payment prior to March 31, 2007.

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24. Due to subsidiaries

This represents interest-free long-term loans for which no fixed repayment terms have been determined. The balance includes loans designated in United Stated Dollars totalling US$5,271,424 (2005: US$3,000,000).

25. Dividends

	2006 $'000	2005 $'000
Ordinary dividends of 5 cents per share, gross (2005: nil)	1,009,046	-

26. Prior year adjustment

As stated in note 2(f) the company can no longer account for its interest in its subsidiaries on the equity basis. The company's balance sheet has been restated as follows:

	Retained earnings $'000	Investment in subsidiaries $'000	Capital reserve $'000
As previously reported	1,497,287	12,378,289	16,699
Prior year adjustment	(244,241)	(260,939)	(16,699)
	1,253,046	12,117,350	-

The disclosure of balances retained by the company and by the subsidiaries in the Statement of Changes in Stockholders' Equity has been restated accordingly.

27. Financial instruments

Exposure to various types of financial instrument risk arises in the ordinary course of the group's business. Derivative financial instruments are not presently used to reduce exposure to fluctuations in interest and foreign exchange rates.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

For certain customers, the group requires cash deposits in respect of financial assets, materially trade receivables. These cash deposits generally cover significant credit risk related to such customers. Additionally, appropriate credit procedures are in place to minimise exposure to credit risk generally. These include credit evaluations on all new customers and comprehensive procedures for the disconnection of services to, and recovery of amounts owed by, defaulting customers. Cash and cash equivalents are placed with substantial financial institutions which are believed to have minimal risk of default.

27. Financial instruments (cont'd)

(b) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The interest rate profile of the financial liabilities of the group, at balance sheet date, was as follows:

Currency	Fixed rate financial liabilities $'000	Floating rate financial liabilities $'000	Financial liabilities on which no interest is paid $'000	Total $'000
March 31, 2006:				
UK£	-	-	5,349	5,349
US$	332,408	550,355	1,535,722	2,418,485
€	-	-	622	622
Jamaica$	41,334	6,268,797	5,826,097	12,136,228
	373,742	6,819,152	7,367,790	14,560,684
March 31, 2005:				
UK£	-	-	363,727	363,727
US$	624,710	716,373	2,462,135	3,803,218
€	-	-	11,608	11,608
Jamaica$	82,668	6,857,095	4,391,625	11,331,388
	707,378	7,573,468	7,229,095	15,509,941

Floating rate financial liabilities mainly comprise bank borrowings bearing interest at rates fixed in advance for periods ranging from three months by reference to LIBOR for US dollar (US$) borrowings. Bank overdrafts are unsecured and subject to fixed interest rates which may be varied by appropriate notice by the lender. Financial liabilities on which no interest is paid [see note 22(a)] comprise a loan from Export Development Corporation, accounts payable and amounts owed to the ultimate parent company in the normal course of business.

The maturity profiles of the company's fixed loan financial liabilities are disclosed in note 22.

There are no material long-term floating rate financial assets. Surplus cash is invested in UK pound sterling (UK£), US dollar (US$) and Jamaica dollar ($) money market deposits for short periods ranging between one and three months.

27. Financial instruments (cont'd)

(c) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The group incurs foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the Jamaica dollar.

The table below shows the group's foreign currency exposure, at balance sheet date, being exposures on foreign currency transactions that gave rise to the net currency losses recognised during the year:

	Net foreign currency monetary liabilities		
	UK£	US$	€
	'000	'000	'000
March 31, 2006:	1,500	(32,293)	-
March 31, 2005:	(2,637)	(31,237)	(145)

Exchange rates in terms of Jamaica dollars were as follows:

	UK£	US$	€
At May 24, 2006	122.69	65.71	83.78
At March 31, 2006	112.94	65.50	70.50
At March 31, 2005	112.57	61.70	77.70

(d) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

(e) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the management of the group, in conjunction with its ultimate parent company, aims at maintaining flexibility in funding by keeping lines of funding available as well as by acquiring and maintaining prudential cash resources in appropriate currencies required to settle commitments.

27. Financial instruments (cont'd)

(f) Cash flow risk:

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The group manages this risk through budgetary measures, ensuring as far as possible, that fluctuations in cash flows relating to monetary financial assets and liabilities are matched, to mitigate any significant adverse cash flows.

(g) Fair value disclosures:

(i) Fair value amounts represent estimates of the arms-length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. Where such instruments exist, they are valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

(ii) The carrying value reflected in the financial statements for cash and cash equivalents, accounts receivable, other financial assets and other financial liabilities are assumed to approximate to their fair values due to their short-term nature. Amounts due to/from related companies are considered to approximate their carrying value as they represent an ability to effect set-offs in future in the amounts disclosed. Long-term assets, except for trade investments, and liabilities are carried at their contracted settlement value. The estimated fair value of trade investments has been determined using available market information and appropriate valuation methodologies applied consistently. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realisation or discounts on settlement.

28. Commitments and contingencies

(a) Capital commitments:

At March 31, 2006, commitments for capital expenditure, for which no provision has been made in these financial statements, were as follows:

	The Group and the Company	
	2006	2005
	$'000	$'000
Commitments in respect of contracts placed	711,878	207,159
Amounts authorised in addition to contractual commitments, but not committed	857,435	569,527
	1,569,313	776,686

28. Commitments and contingencies (cont'd)

(b) Lease commitments:

Unexpired commitments under operating leases are payable as follows:

	The Group		The Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Within 1 year	12,801	18,306	91	278
From 1-2 years	11,404	12,493	-	94
From 2-15 years	70,573	79,976	-	-
	94,978	110,775	91	372

In addition to the above operating lease commitments, the company has outsourced its entire motor vehicle fleet management to a third party. During the year, an annual rental of $281,621,000 (2005: $284,162,000) was paid under the agreement and expected future payments, for the year ending March 31, 2007, aggregate approximately $312,836,991.

(c) Contingent liabilities:

A legal case has been brought against the company in which the plaintiff is claiming damages of $300,000,000. Judgement was handed down in favour of the company, however the plaintiff has filed a notice of appeal.

The company may be exposed to further expenses totalling $129,500,000, which could arise based on legal interpretations which are at variance with those provided by the company's independent tax consultants.

No provision has been made in respect of these items as the directors are of the view that no liability will materialise with regard to the issues mentioned.