



**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE  
SECURITIES REGULATION CODE AND SRC RULE 17 THEREUNDER**

1. For the quarterly period ended. **April 30, 2007**
2. Commission identification number: **16180**
3. BIR Tax Identification number: **000-589-662**
4. Exact name of Registrant as specified in its charter

**ISLAND INFORMATION & TECHNOLOGY, INC.**

5. Province, country or other jurisdiction of incorporation or organization:  
Makati City, Philippines
6. Industry Classification Code. (SEC Use Only)  
**Communication**

7. Address of registrant's principal office:

4-B Vernida 1 Condominium  
120 Amorsolo St., Legaspi Village  
Makati City

8. Registrant's telephone number, including area code.

(632) 813-2839, 892-1316

9. Former name, former address and former fiscal year, if changed since last report:  
n/a

10. Securities registered pursuant to Section 4 and 8 of the RSA

Title of each Class	Number of Shares of Common Stock Outstanding
Common stock at Par Value	4,885,748,685

11. Are any or all of the securities listed on the Philippine Stock Exchange?  
Yes (X)                      No ( )

12. Indicate by check mark whether the registrant:

a) has filed all reports required to be filed by Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder and Section 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes (x)      No ( )

b) has been subject to such filing requirements for the past 90 days

Yes ( )      No (x)

## PART 1-FINANCIAL INFORMATION

### Item 1. Financial Statements Required Under SRC Rule 68.1

Balance Sheets	Annex "A"
Income Statements	Annex "B"
Statement of Cash Flows	Annex "C"
Statement of Changes in Equity	Annex "D"

With reference to the attached financial statements:

1. Interim Balance Sheet as of the end of the current interim period and a Comparative Balance Sheet as of the end of the immediately preceding financial year October 31, 2006 were audited.
2. Statement showing changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year. See exhibit "A"
3. There were no common stock equivalents during the period. As such basic and diluted earnings per share are the same. Loss per share for the period is shown in the accompanying Consolidated Statements of Income.
4. The Interim financial report was in compliance with generally accepted accounting principles.
5. The same accounting policies and methods of computations were followed in the interim financial statement as compared with the most recent annual financial statements.

In this interim period, there had been

- No seasonal or cyclical factor that affected this quarter's interim operations.
- No unusual item that affected assets, liabilities, equity, net income or cash flows.
- No change in estimates reported in prior financial years that had a material effect.
- No issuance, repurchase and repayment of equity securities.
- No material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period;
- No changes in the composition of the issuer, no business combination, acquisition nor disposal of subsidiaries and long term investments and no long-term investments, restructuring and discontinuing operations.

- No changes in contingent liability or contingent asset since the last annual balance sheet date.
- No material contingencies and any other events or transactions that are material to an understanding of the current interim period other than those discussed in item 2 of this report

**Item 2. Management's Discussion and Analysis (MDA) of Financial Condition and Results of Operations {Par. III, Par. (A) (2) (b) }.**

The corporation is still expecting for the approval of its application for registration statement from the Securities and Exchange Commission regarding its stock rights offer. This is in relation to its plan to put up a Container Yard Depot (CYD) project. The subject documents are expected to be released anytime barring any other requirements that will be asked by the said government authority.

During the quarter, November to April 2007, the corporation realized a net loss of P365,602.53. This was because the service income coming from the major client of the corporation, Cypress Manufacturing Corporation, had already ceased.

On the **BALANCE SHEET ACCOUNTS**, by comparing the period October 2006 to that of April 30, 2007, the net decrease of PHP258,052.21 in the cash on hand and in bank was due to the payment made to Vernida I Condominium Corporation for association dues of the first quarter of 2007, payment to other government agencies and the rest, for operational expenses.

The increase in the accounts receivable amounting to PHP35,070.96 pertains to the office rental of Golden Tower Securities & Holdings, Inc.

The increase in the Other Current Assets account amounting to PHP147,306.50 represents Vat Input Tax due of PHP108,005.02 from contractor Exponent Enterprises; creditable withholding tax credit of PHP 24,635.88 from Golden Tower Securities & Holdings, Inc. and Advances to Officers & Employees amounting to PHP14,665.60.

The decrease in the value of Properties and Equipment amounting to PHP91,000.02 pertains to the depreciation of Office Improvement.

The decrease in the Current Liabilities amounting to PHP19,027.13 represents the payment made by the corporation for accrued expense, audit, retainer's and transfer fees.

The increase in the Non-Current Liabilities amounting to PHP217,955.24 was due to the cash advances taken from Mr. Andres Lao, Sr., the Corporation's President and CEO.

In the Statement of Income, by comparing the period November 2006 to April 2007 with that of November 2005 to April 2006, the decrease in the Service Income amounting to PHP1,667,400.52 was because the contracted service jobs being extended to Cypress Manufacturing Company was already terminated.

The increase in the Other Income amounting to PHP200.00 pertains to the cash dividend received from the Philippine Long Distance Telephone Company (PLDT).

The decrease in the Cost of Service amounting to PHP1,667,400.52 was because no service job was done during the subject period

The decrease in the depreciation expense amounting to PHP5,966.65 was because there was no more depreciation expense charged for the office equipment.

The increase in the Taxes & Licenses account amounting to PHP25,048.60 was due to the increase in the taxes paid to the different government agencies within the period concerned.

The increase in the Association Dues amounting to PHP8,018.40 was due to the increase of the monthly dues being charged by Vernida I Condominium Corporation where the Corporation is a bona-fide member.

The increase in the Salaries & Wages account amounting to PHP4,000.00 was due to the adjustment of the salaries and wages being paid to the employees of the Corporation

The increase in the Light & Water account amounting to PHP3,648.27 was due to the increase in the power usages of the Corporation because of the summer season.

The amount of PHP21,378.74 pertains to 13<sup>th</sup> month paid to employees for the year 2006

The decrease in the Postage, Telephone & Telegram account amounting to PHP5,657.52 was due to the reduction of overseas telephone charges in the subject period

The amount of PHP5,050.00 in the Proxy Statement Charges pertains to amount paid to the Securities & Exchange Commission upon submission of proxy statement for their (SEC's) approval.

The decrease in the Insurance Expense account amounting to PHP460.80 was because there was a decrease in the Insurance Premium charged for the fire insurance coverage of the Vernida I Condominium unit owned by the Corporation

The increase in the SSS, Philhealth and ECC contributions account amounting to PHP341 50 was due to the increase of premium paid to the said public institutions

The decrease in the Stationery, printing and office supplies account amounting to PHP15,286 40 was because there was no printing jobs done during the period.

The decrease in the Repair & Maintenance account amounting to PHP7,000.00 was because there was no repair done during the subject period

The decrease in the Miscellaneous Expense account amounting to PHP9,053 48 was due to the cost cutting measures being implemented by the Corporation.

The **Performance Indicators** of the Corporation are as follows: (Using the same periods, November 2005 to April 2006 and November 2006 to April 2007.)

**1. Current Ratio = Current Assets/Current Liabilities**

The Current Ratio is the general measure of liquidity. It represents the ratio of all current assets to all current liabilities. It is sometimes called the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities.

**Illustration:**

$$\text{Php } 1,554,854.25 / \text{Php } 216,527.87 = 718.06\%$$

**2. Profit (Loss) on Total Assets Ratio = Net Profit (Loss)/Total Assets**

The profit on Total Assets Ratio is useful to show the analyst how well the firm employs its assets in the business. It is most significant when comparing different companies in the same industry, as one indication of the ability of management to use assets profitably in the business.

**Illustration.**

$$\text{Php } (365,602.63) / 10,190,606.23 = -3.59\%$$

**3. Profit (Loss) on Sales Ratio = Net Income (Loss)/Net Sales**

The Profit on Sales Ratio highlights the success of the corporation to obtain a price for its products above the total cost of making and/or selling the goods. This ratio represents the net operating margin. As such, it indicates the strength or weakness of the corporation's market position as compared with competitors in the industry, at least during the preceding fiscal period.

**Illustration:**

$$\text{Php } (365,602.63) / \text{Php } 1,052,594.88 = -34.73\%$$

In the Statement of Changes in Equity, by comparing November 2006 to April 2007 and November 2005 to April 2006, the increase in the Deficit Account pertains mainly to the net loss of Php365,602.63 realized from November 2006 to April 2007 and due to the 64.15% decrease of service income from Cypress Manufacturing.

## OPERATING EXPENSES

ACCOUNT TITLE	NOV. '06- APR. '07	NOV. '05- APR. '06	INCREASE/DECR EASE
Cost of Services	713,403.97	2,012,139.25	(1,298,735.28)
PSE listing fee	200,000.00	200,000.00	- 0 -
Professional fees	115,000.02	114,999.98	0.04
Depreciation	91,000.00	96,966.65	( 5,966.65)
Taxes & Licenses	87,614.42	62,565.82	25,048.60
Association dues	71,271.24	63,252.84	8,018.40
Salaries and wages	56,000.00	52,000.00	4,000.00
Light & Water	21,736.82	18,088.55	3,648.27
13 <sup>th</sup> month pay	21,378.74	- 0 -	21,378.74
Postage, telephone	19,488.48	25,146.00	( 5,657.52)
Proxy statement	5,050.00	- 0 -	5,050.00
Transportation & Per diem	4,500.00	4,500.00	- 0 -
Insurance	4,421.80	4,882.60	( 460.80)
SSS, philhealth and ECC	3,656.50	3,315.00	341.50
Stationery, printing	1,650.00	16,936.40	( 15,286.40)
Repair & Maintenance	- 0 -	7,000.00	( 7,000.00)
Miscellaneous	2,025.52	11,079.00	( 9,053.48)
<b>Total</b>	<b>1,418,197.51</b>	<b>2,692,872.09</b>	<b>(1,274,674.58)</b>

All the other expense accounts remain the same or have no significant change, and in addition:

- Reasonably expected to have a material favorable or unfavorable impact on net sales/revenue/income from continuing operations.
- There is no comparable discussion that will enable the reader to assess material changes in financial condition and results of operation since the end of the last fiscal year and for the comparable interim period in the preceding financial year.
- there is no discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations.
- There is no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations
- There is no significant elements of income or loss that did not arise from the issuer's continuing operations.
- There is no cause for any material change/s (10% or more) from period to period in one or more line items of the issuer's financial condition or results of operations.

- There is no material commitment for capital expenditures.

**PART II – OTHER INFORMATION**

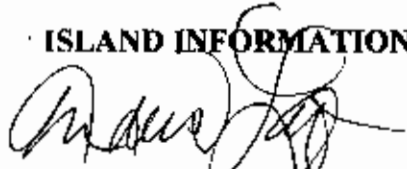
There is no disclosure that had to be made under SEC Form 17-C.

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant : **ISLAND INFORMATION & TECHNOLOGY, INC.**

Signature

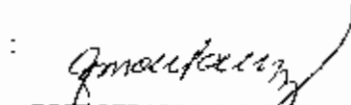


: **ANDRES LAO, SR**

Title : **President and CEO**

Date : **June 13, 2007**

Signature

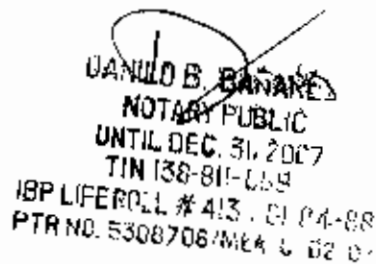


: **QUINCIANA M. DELA CRUZ**

Title : **Accountant**

**SUBSCRIBED AND SWORN** to before me this 13th day of June 2007 in Makati City, affiant exhibited to me their CTC Nos 17677143 issued on January 31, 2007 at Makati City and CTC Nos. 01397893 issued on April 10, 2006 at Makati City respectively

Doc. No. *678*  
Page No. *208*  
Book No. *57*  
Series of 2007



**DANILO B. BANANE**  
NOTARY PUBLIC  
UNTIL DEC. 31, 2007  
TIN 138-811-059  
IBP LIFEROLL # 413 . 01 04-88  
PTR NO. 5308708/MEK & 02 07

**ISLAND INFORMATION & TECHNOLOGY INC**  
**BALANCE SHEET**  
**AS OF APRIL 30, 2007**

		<u>NOV. '06 - APR. '07</u>		<u>(AUDITED)</u> <u>OCTOBER 31, 2006</u>
<b><u>A S S E T S</u></b>				
<b>CURRENT ASSETS</b>				
Cash on hand and in bank	P	93,775.79	P	351,828.00
Receivables, net		75,100.96		40,030.00
Other current assets		<u>1,385,977.50</u>		<u>1,238,671.00</u>
Total Current Assets		<u>1,554,854.25</u>		<u>1,630,529.00</u>
<b>NON-CURRENT ASSETS</b>				
Properties and equipment, net		227,501.98		318,502.00
Investment property, net		8,408,250.00		8,408,250.00
Other non-current assets		<u>-</u>		<u>-</u>
Total Non-Current Assets		<u>8,635,751.98</u>		<u>8,726,752.00</u>
<b>TOTAL ASSETS</b>	<b>P</b>	<b><u>10,190,606.23</u></b>	<b>P</b>	<b><u>10,357,281.00</u></b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and other liabilities	P	<u>216,527.87</u>	P	<u>235,555.00</u>
<b>NON-CURRENT LIABILITIES</b>				
Advances from officers and stockholders		59,750,537.24		59,532,582.00
Deposits for future stocks subscriptions		<u>2,021,748.90</u>		<u>2,021,749.00</u>
Total Non-Current Liabilities		<u>61,772,286.14</u>		<u>61,554,331.00</u>
<b>EQUITY</b>				
Capital stocks		48,857,486.85		48,857,487.00
Deficit		<u>(100,655,694.63)</u>		<u>(100,290,092.00)</u>
Total Equity		<u>(51,798,207.78)</u>		<u>(51,432,605.00)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P</b>	<b><u>10,190,606.23</u></b>	<b>P</b>	<b><u>10,357,281.00</u></b>

**ISLAND INFORMATION & TECHNOLOGY INC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SECOND QUARTER ENDING APRIL 30, 2007**  
(with comparative figures for the second quarter ending April 30, 2006)

	<u>APRIL</u>	
	<u>2007</u>	<u>2006</u>
<b>CAPITAL STOCK</b>		
Authorized capital stock - 5 billion common shares @ P0.01 par value per share = <u>P50,000,000</u>		
Issued and outstanding - 4,830,630,066 shares	P 48,306,300.66	P 48,306,300.66
Subscribed and paid up - 55,118,619 shares (net of subscriptions receivable of P15,000)	<u>551,186.19</u>	<u>551,186.19</u>
	<u>48,857,486.85</u>	<u>48,857,486.85</u>
<b>DEFICIT</b>		
Balance - beginning	(100,290,092.00)	(93,422,848.74)
Prior year's transfer agent fee	-	(20,000.00)
Net income (loss)	<u>(365,602.63)</u>	<u>26,923.31</u>
Balance - ending	<u>(100,655,694.63)</u>	<u>(93,415,925.43)</u>
<b>REVALUATION INCREMENT IN PROPERTIES</b>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u>P (51,798,207.78)</u>	<u>P (44,558,438.58)</u>

**ISLAND INFORMATION & TECHNOLOGY INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDING APRIL 30, 2007**  
(with comparative figures for the second quarter ending April 30, 2006)

	<u>NOV. '06 - APR. '07</u>	<u>NOV. '05 - APR. '06</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	P (365,602.63) P	26,923.31
Adjustments for:		
Depreciation expenses	91,000.00	98,966.65
Prior years' transfer agent fee	-	(20,000.00)
Operating income (loss) before working capital changes		
Decrease (increase) in:		
Accounts receivable	(35,070.96)	271,017.08
Other current assets	(147,306.50)	(481,372.79)
Increase (decrease) in:		
Accounts payable and other liabilities	<u>(19,027.13)</u>	<u>87,812.05</u>
Net cash provided from (used in) operating activities	(476,007.22)	1,346.30
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase(decrease) in advances from officers and stockholders	217,955.14	155,171.36
Decrease in subscription receivables on stock options	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANK</b>	(258,052.08)	156,517.66
<b>CASH ON HAND AND IN BANK - BEGINNING</b>	<u>351,827.87</u>	<u>433,838.63</u>
<b>CASH ON HAND AND IN BANK - END</b>	<u>P 93,775.79 P</u>	<u>590,356.29</u>

**ISLAND INFORMATION & TECHNOLOGY INC**  
**STATEMENT OF INCOME**  
**FOR THE SECOND QUARTER ENDING APRIL 30, 2007**  
*(with comparative figures for the second quarter ending April 30, 2006)*

<b>REVENUES:</b>	<u>FEB. - APR. '07</u>	<u>FEB. - APR. '06</u>	<u>NOV. '06-APR. '07</u>	<u>NOV. '06-APR. '06</u>
Service income	P -	P 1,154,925.00	P 931,794.88	P 2,589,195.40
Rent income	60,000.00	60,000.00	120,000.00	120,000.00
Other income	-	-	800.00	600.00
Total	<u>60,000.00</u>	<u>1,214,925.00</u>	<u>1,052,594.88</u>	<u>2,719,795.40</u>
<b>OPERATING EXPENSES</b>				
Cost of services	-	886,285.73	713,403.97	2,012,139.25
PSE listing maintenance fee	-	200,000.00	200,000.00	200,000.00
Professional fees	57,500.00	57,499.98	115,000.02	114,999.98
Depreciation	45,500.00	48,483.32	91,000.00	96,966.65
Taxes and licenses	-	1,100.00	87,614.42	62,565.82
Association dues	47,514.16	-	71,271.24	83,252.84
Salaries and wages	28,000.00	22,500.00	58,000.00	52,000.00
Light and water	10,838.71	9,862.94	21,736.82	18,068.55
13th month pay	-	-	21,378.74	-
Postage, telephone and telegram	8,537.33	11,696.31	19,488.48	25,146.00
Proxy statement charges	5,050.00	-	5,050.00	-
Transportation and per diem	4,500.00	4,500.00	4,500.00	4,500.00
Insurance	-	4,882.60	4,421.80	4,882.80
SSS, philhealth and ECC contributions	1,925.90	1,657.50	3,658.50	3,315.00
Stationery, printing and office supplies	1,650.00	16,936.40	1,650.00	16,936.40
Repair and maintenance	-	7,000.00	-	7,000.00
Miscellaneous	<u>1,000.00</u>	<u>1,029.00</u>	<u>2,025.52</u>	<u>11,079.00</u>
Total	<u>212,118.11</u>	<u>1,273,412.78</u>	<u>1,418,197.51</u>	<u>2,692,872.09</u>
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>P (152,118.11) P</b>	<b>P (58,487.78) P</b>	<b>P (365,602.63) P</b>	<b>P 26,923.31</b>
<b>EARNINGS (LOSS) PER SHARE</b>				
Net income (loss) for the period	<u>(0.0000315)</u>	<u>(0.0000121)</u>	<u>(0.0000757)</u>	<u>0.0000056</u>
Total # of shares issued and subscribed				

ISLAND INFORMATION & TECHNOLOGY, INC.  
Aging of Accounts Receivable  
As of April 30, 2007

Name	Total Amount	90 days & above	90 days	60 days AMOUNT	Curent 1-30 days
Golden Tower Sec. & Holdings, Inc.	<u>75,101.18</u>	<u>15,101.18</u>	<u>20,000.00</u>	<u>20,000.00</u>	<u>20,000.00</u>
<b>TOTAL</b>	<u><b>75,101.18</b></u>	<u><b>15,101.18</b></u>	<u><b>20,000.00</b></u>	<u><b>20,000.00</b></u>	<u><b>20,000.00</b></u>