

COVER SHEET

1 6 1 8 0
SEC Registration Number

I S L A N D I N F O R M A T I O N &
T E C H N O L O G Y . I N C
(Company's Full Name)

4 T H F L R . V E R N I D A I
C O N D O M I N I U M 1 2 0 A M O R S O L O
S T . M A K A T I C I T Y
(Business Address : No. Street City / Town / Province)

Serafin B. Linda
Contact Person

913-2839
Company Telephone Number

JULY 31, 2007

1 0
Month

3 1
Day

SEC FORM 17-0
FORM TYPE

Month

Day

N A

Secondary License Type. If Applicable

Dept Requiring This. Doc

Amended Articles Number/Section

Total No. Of Stockholders

Total Amount Of Borrowings
Domestic Foreign

To Be Accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

Remarks = Pls. Use black ink for scanning purpose

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: **July 31, 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 I 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 I-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 plan of the corporation to offer stock rights to its stockholders is being pursued. It hired the services of Abacus Capital and Investment Corporation to underwrite the said job in behalf of the corporation. The preparation of documents related to said undertaking is being jointly worked out by the said company and Island Information and the estimated time to complete the concerned documents prior to its submission to the Securities and Exchange Commission (SEC) and to the Philippine Stock Exchange, Inc. is within the remaining months of the year 2007.

During the quarter, November to July, the corporation realized a net loss of P486,351.45. This was because the service income coming from a 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 July 31, 2007, the net decrease of PHP315,612.21 in the cash on hand and in bank was because the service income coming from a major client of the corporation, Cypress Manufacturing Corporation, had already ceased. Also, this was due to the payments made to Vernida I Condominium Corporation for the association dues corresponding to the first quarter of 2007 and to the other government agencies and for operational expenses.

The increase in the accounts receivable amounting to PHP4,270.96 pertains to the increase in receivable from Golden Tower Securities & Holdings, Inc. for the rental of a portion of the corporation's condominium unit.

The increase in the Other Current Assets account amounting to PHP148,897.69 represents Vat Input Tax of PHP107,196.22 from contractor Exponent Enterprises; creditable withholding tax credit of PHP 24,635.88 from Golden Tower Securities & Holdings, Inc., Prepaid Income Tax Credit of PHP3,000.00 and Advances to Officers & Employees amounting to PHP14,065.59.

The decrease in the value of Properties and Equipment amounting to PHP136,500.02 was due to the depreciation of office improvement of the unit owned by the Corporation at Vernida I Condominium.

The decrease in the Current Liabilities amounting to PHP30,547.12 was due to the payments made by the corporation for accrued expenses, 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 July 2007 with that of November 2005 to July 2006, the decrease in the Service Income amounting to PHP2,562,450.52 was because the contracted service jobs being extended to Cypress Manufacturing Company is already terminated.

The decrease in the Other Income amounting to PHP324.32 pertains to the lower cash dividend received from the Philippine Long Distance Telephone Company (PLDT).

The decrease in the Cost of Services amounting to PHP1,984,006.42 was due to the termination of the service contract with a major client of the Corporation, Cypress Manufacturing Company.

The decrease in the depreciation expense amounting to PHP8,949.97 was because there were no more depreciation charges within the period concerned.

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 concerned within the subject period.

The increase in the Association Dues amounting to PHP10,485.60 was due to the increase in the monthly association dues imposed by Vernida I Condominium Corporation where the Corporation is a member being a unit owner.

The increase in the Salaries & Wages account amounting to PHP26,753.74 was due to the adjustment of salaries and wages paid to the employees of the Corporation.

The decrease in the Light & Water account amounting to PHP10,487.31 was due to the decrease in the power usages of the Corporation.

The decrease in the stockholders' meeting expenses amounting to PHP1,166.00 was due to the decrease in the cost of food served during the last stockholders meeting.

The decrease in the Postage, Telephone & Telegram account amounting to PHP4,476.96 was due to the reduction of overseas telephone charges in the subject period.

The decrease in the insurance expense amounting to PHP460.00 was due to the reduction of premium charged for the fire insurance coverage of the unit owned by the Corporation at Vernida I Condominium.

The decrease in the Stationery, Printing & Office Supplies amounting to PHP10,395.24 was because there were no printing jobs done during the subject period.

The increase in the SSS, Philhealth and ECC contributions amounting to PHP1,262.40 was due to the increase in the premium paid to the said public institutions.

The amount of PHP5,050.00 in the Proxy Statement Charges pertains to the amount paid to the Securities & Exchange Commission in relation to the last stockholders meeting.

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

The decrease in the Miscellaneous Expense account amounting to PHP9,113.48 was due to the cost cutting measures being adopted 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:

$$\text{Php } 1,468,085.44 / \text{Php } 205,007.88 = 716.11\%$$

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:

$$\text{Php } (486,351.45) / 10,058,337.42 = - 4.84 \%$$

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:

$$\text{Php } (486,351.45) / \text{Php } 60,000.00 = -81.06\%$$

In the Statement of Changes in Equity, by comparing November 2006 to July 2007 and November 2005 to July 2006, the increase in the Deficit Account pertains mainly to the net loss of Php486,351.45 realized from November 2006 to July 2007 and due to the 100 % decrease of service income from Cypress Manufacturing.

OPERATING EXPENSES

ACCOUNT TITLE	NOV. '06- JUL. '07	NOV. '05- JULY '06	INCREASE/DECR EASE
Cost of Services	713,403.97	2,697,410.39	(1,984,006.42)
PSE listing fee	200,000.00	200,000.00	- 0 -
Depreciation	136,500.00	145,449.97	(8,949.97)
Professional Fee	172,500.03	172,499.98	0.05
Association Dues	95,028.32	84,542.72	10,485.60
Taxes & Licenses	87,614.42	62,565.82	25,048.60
Salaries and wages	101,528.74	74,775.00	26,753.74
Light & Water	21,736.82	32,224.13	(10,487.31)
Stockholders' meeting	9,460.00	10,626.00	(1,166.00)
Postage, telephone	32,953.15	37,430.11	(4,476.96)
Insurance	4,421.80	4,882.60	(460.80)
Stationery, Printing	6,541.16	16,936.40	(10,395.24)
SSS, philhealth & ECC	5,682.40	4,420.00	1,262.40
Proxy Statcment charges	5,050.00	- 0 -	5,050.00
Repair & Maintenance	- 0 -	7,000.00	(7,000.00)
Transportation & Per diem	4,500.00	4,500.00	- 0 -
Miscellaneous	2,025.52	11,139.00	(9,113.48)
Total	1,598,946.33	3,566,402.12	(1,967,455.79)

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

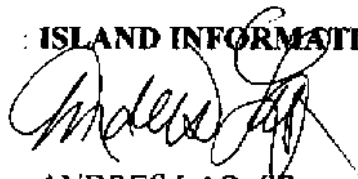
There is no disclosure that had to be made under SEC Form 17-C.

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.**

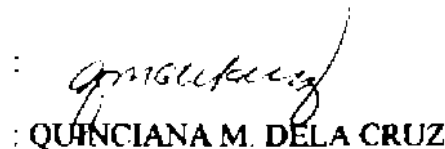
Title

: **President and CEO**

Date

: **September 11, 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. 408
 Page No. 40
 Book No. 98
 Series of 2007

DANILO B. BATARES
 NOTARY PUBLIC
 UNTIL DEC. 31, 2007
 TIN 138-R13-0009
 JBP LIFEROLL # 413 / 01-04-B6
 PTR NO 5308706/MIA. 0-02-02

ISLAND INFORMATION & TECHNOLOGY INC

BALANCE SHEET
AS OF JULY 31, 2007

		<u>NOV '06 - JUL '07</u>	<u>(AUDITED) OCTOBER 31, 2006</u>
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash on hand and in bank	P	36,215.79	P 351,828.00
Receivables, net		44,300.96	40,030.00
Other current assets		<u>1,387,568.69</u>	<u>1,238,671.00</u>
Total Current Assets		<u>1,468,085.44</u>	<u>1,630,529.00</u>
NON-CURRENT ASSETS			
Properties and equipment, net		182,001.98	318,502.00
Investment property, net		<u>8,408,250.00</u>	<u>8,408,250.00</u>
Total Non-Current Assets		<u>8,590,251.98</u>	<u>8,726,752.00</u>
TOTAL ASSETS	P	<u>10,058,337.42</u>	<u>P 10,357,281.00</u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Accounts payable and other liabilities	P	<u>205,007.88</u>	<u>P 235,555.00</u>
NON-CURRENT LIABILITIES			
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>
EQUITY			
Capital stocks		48,857,486.85	48,857,487.00
Deficit		<u>(100,776,443.45)</u>	<u>(100,290,092.00)</u>
Total Equity		<u>(51,918,956.60)</u>	<u>(51,432,605.00)</u>
TOTAL LIABILITIES AND EQUITY	P	<u>10,058,337.42</u>	<u>P 10,357,281.00</u>

ISLAND INFORMATION & TECHNOLOGY INC
STATEMENT OF INCOME
FOR THE THIRD QUARTER ENDING JULY 31, 2007
(with comparative figures for the third quarter ending July 31, 2006)

REVENUES:	MAY - JUL '07	MAY - JUL '06	NOV '06-JUL '07	NOV '06-JUL '06
Service Income	P -	P 895,050.00	P 931,794.88	P 3,494,245.40
Rent Income	60,000.00	60,000.00	180,000.00	180,000.00
Other Income	-	524.32	800.00	1,124.32
Total	60,000.00	955,574.32	1,112,594.88	3,675,369.72
OPERATING EXPENSES				
Cost of services	-	685,271.14	713,403.97	2,697,410.39
PSE listing maintenance fee	-	-	200,000.00	200,000.00
Depreciation	45,500.00	48,483.32	136,500.00	145,449.97
Professional fees	57,500.01	57,500.00	172,500.03	172,499.98
Association dues	23,757.08	21,289.88	95,028.32	84,542.72
Taxes and licenses	-	-	87,014.42	82,565.82
Salaries and wages	24,150.00	22,775.00	101,528.74	74,775.00
Light and water	-	14,135.58	21,736.82	32,224.13
Stockholders' annual meeting expenses	9,460.00	-	9,460.00	10,626.00
Postage, telephone and telegram	13,464.67	12,284.11	32,953.15	37,430.11
Insurance	-	-	4,421.80	4,882.60
Stationery, printing and office supplies	4,601.16	-	6,541.16	16,936.40
SSS, philhealth and ECC contributions	2,026.90	1,105.00	5,682.40	4,420.00
Proxy statement charges	-	-	5,050.00	-
Repair and maintenance	-	-	-	7,000.00
Transportation and per diem	-	-	4,500.00	4,500.00
Miscellaneous	-	60.00	2,625.52	11,139.00
Total	180,748.82	882,904.03	1,588,946.33	3,566,402.12
NET INCOME (LOSS) FOR THE PERIOD	P (120,748.82)	P 92,670.29	P (486,351.45)	P 108,967.60
EARNINGS (LOSS) PER SHARE				
Net Income (loss) for the period	(0.0000250)	0.0000192	(0.0001007)	0.0000226
Total # of shares issued and subscribed				

ISLAND INFORMATION & TECHNOLOGY INC
STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDING JULY 31, 2007
(with comparative figures for the third quarter ending JULY 31, 2006)

	<u>NOV '06 - JUL '07</u>	<u>NOV. '05 - JULY '06</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	P (486,351.45) P	26,923.31
Adjustments for:		
Depreciation expenses	136,500.00	96,968.65
Prior years' transfer agent fee	-	(20,000.00)
Operating income (loss) before working capital changes		
Decrease (increase) in:		
Accounts receivable	(4,270.96)	271,017.08
Other current assets	(148,897.69)	(481,372.79)
Increase (decrease) in:		
Accounts payable and other liabilities	<u>(30,547.12)</u>	<u>87,812.05</u>
Net cash provided from (used in) operating activities	(533,567.22)	1,348.30
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase(decrease) in advances from officers and stockholders	<u>217,956.14</u>	<u>155,171.36</u>
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANK	(315,612.08)	156,517.68
CASH ON HAND AND IN BANK - BEGINNING	<u>351,827.87</u>	<u>433,838.63</u>
CASH ON HAND AND IN BANK - END	<u>P 36,215.79 P</u>	<u>590,356.29</u>

ISLAND INFORMATION & TECHNOLOGY INC
STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDING JULY 31, 2007
(with comparative figures for the third quarter ending July 31, 2006)

CAPITAL STOCK	JULY	
	2007	2006
Authorized capital stock - 5 billion common shares @ P0.01 per value per share = <u>P50,000,000</u>		
Issued and outstanding - 4,830,630,068 shares	P 48,306,300.68	P 48,306,300.68
Subscribed and paid up - 55,118,519 shares (net of subscriptions receivable of P15,000)	551,188.19	551,188.19
	48,857,488.85	48,857,488.85
 DEFICIT		
Balance - beginning	(100,290,092.00)	(93,422,848.74)
Prior year's transfer agent fee	-	(20,000.00)
Net income (loss)	(486,351.45)	26,823.31
Balance - ending	(100,776,443.45)	(93,415,025.43)
TOTAL	P (51,918,958.80)	P (44,558,438.58)

ISLAND INFORMATION & TECHNOLOGY, INC.
Aging of Accounts Receivable
As of July 31, 2007

Name	Total Amount	90 days & above	90 days	60 days AMOUNT	Curent 1-30 days
Golden Tower Sec. & Holdings, Inc.	<u>44,300.96</u>	<u>-</u>	<u>-</u>	<u>24,300.96</u>	<u>20,000.00</u>
TOTAL	<u>44,300.96</u>	<u>-</u>	<u>-</u>	<u>24,300.96</u>	<u>20,000.00</u>