

Ciboney Group Limited

Statement of Changes in Stockholders' Net Deficit

Year ended May 31, 2003

Company:

	<u>Capital reserves</u>				<u>Revenue</u>	
	<u>Share Capital</u>	<u>Share Premium</u>	<u>Revaluation reserve</u>	<u>Other</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balances at May 31, 2001	54,600,000	274,836,230	-	4,239,145	(547,413,115)	(213,737,740)
Net loss, being total recognised losses for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,809,717)</u>	<u>(14,809,717)</u>
Balances at May 31, 2002	54,600,000	274,836,230	-	4,239,145	(562,222,832)	(228,547,457)
Net loss, being total recognised losses for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,193,950)</u>	<u>(53,193,950)</u>
Balances at May 31, 2003	<u>\$54,600,000</u>	<u>274,836,230</u>	<u>-</u>	<u>4,239,145</u>	<u>(615,416,782)</u>	<u>(281,741,407)</u>

Group:

	<u>Capital reserves</u>				<u>Revenue</u>	
	<u>Share capital</u>	<u>Share premium</u>	<u>Revaluation reserve</u>	<u>Other</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balances at May 31, 2001	54,600,000	274,836,230	156,025,996	64,218,904	(899,418,396)	(349,737,266)
Transfer to accumulated deficit	-	-	(2,321,478)	-	2,321,478	-
	<u>54,600,000</u>	<u>274,836,230</u>	<u>153,704,518</u>	<u>64,218,904</u>	<u>897,096,918</u>	<u>(349,737,266)</u>
Net profit for the year	-	-	-	-	34,721,899	34,721,899
Surplus on revaluation of land held for sale	-	-	1,000,000	-	-	1,000,000
Total recognised gains for the year	-	-	1,000,000	-	34,721,899	35,721,899
Balances at May 31, 2002	54,600,000	274,836,230	154,704,518	64,218,904	(862,375,019)	(314,015,367)
Transfer to accumulated deficit	-	-	(2,321,478)	-	2,321,478	-
Net loss, being total recognised losses for the year	-	-	-	-	(54,302,808)	(54,302,808)
Balances at May 31, 2003	<u>\$54,600,000</u>	<u>274,836,230</u>	<u>152,383,040</u>	<u>64,218,904</u>	<u>(914,356,349)</u>	<u>(368,318,175)</u>

Accumulated deficit retained in:

	<u>2003</u>	<u>2002</u>
The company	(615,416,782)	(562,222,832)
Subsidiaries	(298,939,567)	(289,598,209)
Associated company	-	(10,553,978)
	<u>\$ (914,356,349)</u>	<u>(862,375,019)</u>

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