

Ciboney Group Limited

Statement of Consolidated Cash Flows

Year ended May 31, 2003

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Net (loss)/profit for the year	(54,302,808)	34,721,899
Adjustments to reconcile net (loss)/profit for the year to cash provided by operating activities:		
Items not involving cash:		
Depreciation	12,569,632	23,414,986
Share of current year's loss of associated company	227,365	6,720
Adjustment in share of associated company's net assets	25,664	(30,238)
Minority share of subsidiary's loss	(117,268)	(117,265)
Unrealised currency exchange losses	123,284,470	27,722,568
Amortisation of deferred time-share sales	(4,048,356)	(3,507,526)
	77,638,699	82,211,144
(Increase)/decrease in current assets:		
Resale agreements	94,615,190	(114,210,987)
Accounts receivable and prepaid expenses	(106,708,578)	1,731,675
Owed by other related companies		550,825
Income tax recoverable	(1,728,352)	(842,057)
Increase/(decrease) in current liabilities:		
Accounts payable and accrued charges	33,824,963	117,302,496
Interest payable	1,864,074	(16,120,930)

Owed to other related companies	<u>-</u>	(<u>3,199,325</u>)
Net cash provided by operating activities	<u>99,505,996</u>	<u>67,422,841</u>
Cash flows from investing activities:		
Fixed assets additions	(1,114,497)	-
Interest in associated companies	317,635	1,270,540
Time-share receivable	<u>8,266,674</u>	<u>15,950,500</u>
Net cash provided by investing activities	<u>7,469,812</u>	<u>17,221,040</u>
Cash flows from financing activities:		
Bank loan and overdraft	786,743	(3,703,707)
Long-term loans	(<u>76,038,233</u>)	(<u>66,370,094</u>)
Net cash used by financing activities	(<u>75,251,490</u>)	(<u>70,073,801</u>)
Net increase in cash and short-term deposits	31,724,318	14,570,080
Cash and short-term deposits at beginning of year	<u>56,821,398</u>	<u>42,251,318</u>
Cash and short-term deposits at end of year	\$88,545,716 =====	56,821,398 =====
