

Ciboney Group Limited

Statement of Consolidated Cash Flows

Year ended May 31, 2004

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Net profit/(loss) for the year	350,843,692	(54,302,808)
Adjustments to reconcile net profit/(loss) for the year to cash provided by operating activities:		
Items not involving cash:		
Depreciation	12,251,924	12,569,632
Investment written off	300,000	-
Share of current year's loss of associated company	-	227,365
Adjustment in share of associated company's net assets	-	25,664
Minority share of subsidiary's loss	(68,364)	(117,268)
Currency exchange losses	24,633,793	123,284,470
Gain on disposal of property, plant and equipment	(395,808,976)	-
Amortisation and write-off of deferred time-share sales	<u>(125,730,094)</u>	<u>(4,048,356)</u>
	(133,578,025)	77,638,699
(Increase)/decrease in current assets:		
Resale agreements	(2,318,932)	94,615,190
Accounts receivable	74,672,823	(106,708,578)
Income tax recoverable	(1,004,011)	(1,728,352)
Increase/(decrease) in current liabilities:		
Accounts payable and accrued charges	(48,012,502)	33,824,963

Interest payable	<u>122,761,712</u>	<u>1,864,074</u>
Net cash provided by operating activities	<u>12,521,065</u>	<u>99,505,996</u>
Cash flows from investing activities:		
Interest in associated companies	-	317,635
Property, plant and equipment additions	-	(1,114,497)
Net proceeds of disposal of property, plant and equipment	972,872,863	-
Time-share receivable	11,819,295	8,266,674
Note receivable	<u>(857,455,660)</u>	<u>-</u>
Net cash provided by investing activities	<u>127,236,498</u>	<u>7,469,812</u>
Cash flows from financing activities:		
Bank loan and overdraft	(796,608)	786,743
Long-term loans	<u>(134,294,492)</u>	<u>(76,038,233)</u>
Net cash used by financing activities	<u>(135,091,100)</u>	<u>(75,251,490)</u>
Net increase in cash and short-term deposits	4,666,463	31,724,318
Cash and cash equivalents at beginning of year	<u>88,545,716</u>	<u>56,821,398</u>
Cash and cash equivalents at end of year	<u>\$93,212,179</u>	<u>88,545,716</u>
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