

# INTERNATIONAL ROAD DYNAMICS INC.

## Balance Sheet

February 28, 2002, with comparative figures for November 30, 2001

"Unaudited"

	February 28 2002	November 30 2001
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 960,750	\$ 395,657
Accounts receivable	12,355,823	12,376,268
Inventory	1,906,541	1,682,386
Investment tax credits recoverable	2,229,000	2,114,000
Prepaid expenses and deposits	226,971	263,882
	17,679,085	16,832,193
Deferred project costs	411,854	458,766
Capital assets	2,547,437	2,424,623
Intangible assets	399,732	417,732
	\$ 21,038,108	\$ 20,133,314
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities:</b>		
Short-term loans	\$ 3,026,891	\$ 2,304,602
Accounts payable and accrued liabilities	2,114,576	2,608,315
Deferred revenue	497,000	497,000
Future income taxes	2,394,500	2,129,500
Current portion of long-term debt	210,000	200,000
	8,242,967	7,739,417
Long-term debt - net	476,830	539,629
Deferred revenue	536,350	577,886
Future income taxes	137,000	137,000
	9,393,147	8,993,932
<b>Shareholders' Equity:</b>		
Share capital	11,283,978	11,114,860
Retained earnings	360,983	24,522
	11,644,961	11,139,382
	\$ 21,038,108	\$ 20,133,314

Note: These interim financial statements are based on the same accounting policies as, and should be read in conjunction with the most recent audited annual financial statements as of November 30, 2001.

# INTERNATIONAL ROAD DYNAMICS INC.

## Interim Statement of Earnings

"Unaudited"

	Three months ended February 28	
	2002	2001
Sales	\$ 6,299,107	\$ 5,434,287
Cost of sales	3,941,884	3,551,618
	2,357,223	1,882,669
Administrative and marketing expenses	1,425,285	1,113,574
Operating earnings	931,938	769,095
Research and development	170,771	234,845
Earnings before undernoted items	761,167	534,250
Other expenses (income)		
Amortization	145,896	127,740
Interest on short-term debt	33,831	40,170
Interest on long-term debt	13,066	25,242
Interest and other income	(34,447)	(52,645)
	158,346	140,507
Net earnings before provision for future income taxes	602,821	393,743
Provision for future income taxes	265,000	170,000
Net earnings	337,821	223,743
Retained earnings (Deficit), beginning of period	24,522	(1,944,948)
Redemption price of shares in excess of book value	(1,360)	(21,533)
Retained earnings (Deficit), end of period	\$ 360,983	\$ (1,742,738)
Earnings per share - basic and diluted	\$ 0.03	\$ 0.02

Note: These interim financial statements are based on the same accounting policies as, and should be read in conjunction with the most recent audited annual financial statements as of November 30, 2001.

# INTERNATIONAL ROAD DYNAMICS INC.

## Interim Statement of Cash Flows

"Unaudited"

	Three months ended February 28	
	2002	2001
Cash provided by (used in):		
Operations:		
Net earnings	\$ 337,821	\$ 223,743
Item not involving cash:		
Amortization	145,896	127,740
Deferred project costs amortized	46,912	43,425
Issue of common shares for expenses	14,542	36,875
Change in non-cash working capital:		
Accounts receivable	20,445	2,567,904
Investment tax credits recoverable	(115,000)	(50,000)
Provision for future income taxes	265,000	170,000
Inventory	(224,155)	(91,980)
Prepaid expenses and deposits	36,911	(116,867)
Accounts payable and accrued liabilities	(493,739)	(782,374)
Deferred revenue	(41,536)	(80,670)
	<u>(6,903)</u>	<u>2,047,796</u>
Financing:		
Net short-term loans	722,289	(1,253,260)
Repayment of long-term debt	(52,799)	(56,152)
Issue share capital	159,689	34,999
	<u>829,179</u>	<u>(1,274,413)</u>
Investing:		
Additions to capital assets	(250,710)	(103,110)
Additions to intangible assets	-	(8,004)
Repurchase share capital	(6,473)	(285,995)
	<u>(257,183)</u>	<u>(397,109)</u>
Increase (decrease) in cash	565,093	376,274
Cash, beginning of period	395,657	138,038
Cash, end of period	<u>\$ 960,750</u>	<u>\$ 514,312</u>
Supplemental cash flow disclosure:		
Interest paid	\$ 47,151	\$ 67,465

Note: These interim financial statements are based on the same accounting policies as, and should be read in conjunction with the most recent audited annual financial statements as of November 30, 2001.