

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Balance Sheet

November 30, 2002 and 2001

	2002	2001
Assets		
Current assets:		
Cash	\$ 356,101	\$ 395,657
Accounts receivable	11,421,998	12,376,268
Inventory	2,063,418	1,682,386
Investment tax credits recoverable	1,689,000	2,114,000
Prepaid expenses and deposits	86,371	263,882
	15,616,888	16,832,193
Deferred project costs	153,560	458,766
Capital assets	3,775,543	2,424,623
Intangible assets	355,390	417,732
	\$ 19,901,381	\$ 20,133,314
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term loans	\$ 133,332	\$ 2,304,602
Accounts payable and accrued liabilities	2,613,596	2,608,315
Current income taxes	25,500	-
Deferred revenue	328,000	497,000
Future income taxes	1,698,000	2,129,500
Current portion of long-term debt	100,000	200,000
	4,898,428	7,739,417
Long-term debt - net	1,243,629	539,629
Deferred revenue	674,679	577,886
Future income taxes	95,000	137,000
	6,911,736	8,993,932
Shareholders' Equity:		
Share capital	11,636,948	11,114,860
Retained earnings	1,352,697	24,522
	12,989,645	11,139,382
	\$ 19,901,381	\$ 20,133,314

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Statement of Earnings

For the years ended November 30, 2002 and 2001

	2002	2001
Sales	\$ 29,042,906	\$ 28,394,046
Cost of sales	18,799,549	18,689,171
	10,243,357	9,704,875
Administrative and marketing expenses	6,587,331	5,419,097
Operating earnings	3,656,026	4,285,778
Research and development	775,471	906,315
Earnings before undernoted items	2,880,555	3,379,463
Other expenses (income)		
Amortization	647,393	553,005
Interest on short-term debt	153,632	194,688
Interest on long-term debt	63,548	75,100
Investment tax credits recovered	-	(936,500)
Interest and other income	(71,078)	(112,037)
	793,495	(225,744)
Net earnings for the period before income taxes	2,087,060	3,605,207
Provision for income taxes	752,000	1,605,000
Net earnings for the period after income taxes	1,335,060	2,000,207
Retained earnings (deficit), beginning of period	24,522	(1,944,948)
Shares repurchased in excess of book value	(6,885)	(30,737)
Retained earnings, end of period	\$ 1,352,697	\$ 24,522
Earnings per share - basic	\$ 0.10	\$ 0.16
- diluted	\$ 0.10	\$ 0.15

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Statement of Cash Flows

For the years ended November 30, 2002 and 2001

	2002	2001
Cash provided by (used in):		
Operations:		
Net earnings	\$ 1,335,060	\$ 2,000,207
Items not involving cash:		
Amortization	647,393	553,005
Deferred project costs amortized	305,206	174,882
Issue of common shares for expenses	56,384	101,008
Provision for future income taxes	752,000	1,605,000
Change in non-cash working capital:		
Accounts receivable	954,270	(875,782)
Investment tax credits recoverable	(775,000)	(1,231,500)
Inventory	(381,032)	(297,528)
Prepaid expenses and deposits	177,511	7,538
Accounts payable and accrued liabilities	5,281	(396,438)
Deferred revenue	(72,207)	291,684
	<u>3,004,866</u>	<u>1,932,076</u>
Financing:		
Net short-term loans	(2,171,270)	(344,780)
Issuance of long-term debt	813,206	26,866
Repayment of long-term debt	(209,206)	(367,544)
Issue share capital	486,440	125,579
Repurchase share capital	(27,621)	(352,130)
	<u>(1,108,451)</u>	<u>(912,009)</u>
Investing:		
Additions to capital assets	(1,924,195)	(743,525)
Additions to intangible assets	(11,776)	(18,923)
	<u>(1,935,971)</u>	<u>(762,448)</u>
Increase (decrease) in cash	(39,556)	257,619
Cash, beginning of period	395,657	138,038
Cash, end of period	\$ 356,101	\$ 395,657
Supplemental cash flow disclosure:		
Interest paid	\$ 161,440	\$ 203,728