

FINANCIAL STATEMENT PRESENTATION
PROPOSED STATEMENT OF FINANCIAL POSITION

| | As at December 31, | |
|---|---------------------------|--------------------|
| | 20X1 | 20X0 |
| BUSINESS | | |
| Operating | | |
| Cash | 74,102 | 61,941 |
| Accounts receivable, trade (net of allowance) (see Note 6) | 922,036 | 527,841 |
| Inventory (see Note 7) | 679,474 | 767,102 |
| Prepaid advertising and other | 86,552 | 78,150 |
| Total short-term operating assets | 1,762,163 | 1,435,034 |
| Property, plant, and equipment (net of accumulated depreciation) (see Note 8) | 2,838,660 | 3,064,200 |
| Goodwill (see Note 9) | 154,967 | 154,967 |
| Other intangible assets (see Note 9) | 35,000 | 35,000 |
| Total long-term operating assets | 3,028,627 | 3,254,167 |
| Advances from customers (see Note 6) | (182,000) | (425,000) |
| Accounts payable, trade (see Note 10) | (612,556) | (505,000) |
| Wages, salaries, and benefits payable (see Note 11) | (173,000) | (200,000) |
| Share-based compensation liability (see Note 11) | (39,586) | (21,165) |
| Total short-term operating liabilities | (1,007,142) | (1,151,165) |
| Long-term liabilities | (3,848) | (1,850) |
| [Net operating assets before operating finance | 3,779,801 | 3,536,186] |
| Operating finance | | |
| Short-term portion of lease liability (see Note 12) | (35,175) | (33,500) |
| Interest payable on lease liability (see Note 12) | (14,825) | (16,500) |
| Total short-term operating finance liabilities | (50,000) | (50,000) |
| Accrued pension liability (see Note 11) | (293,250) | (529,500) |
| Long-term portion of lease liability (see Note 12) | (261,325) | (296,500) |
| Decommissioning liability | (29,640) | (14,250) |
| Total long-term operating finance liabilities | (584,215) | (840,250) |
| Total operating finance liabilities | (634,215) | (890,250)] |
| [Net operating assets | 3,145,586 | 2,645,936] |
| Investing | | |
| Short-term investments | 1,100,000 | 800,000 |
| Available for sale securities (see Note 13) | 473,600 | 485,000 |
| Total short-term investing assets | 1,573,600 | 1,285,000 |
| Equity method investment in company A (see Note 13) | 261,600 | 240,000 |
| Investment at fair value in company B (see Note 13) | 46,750 | 39,250 |
| Total long-term investing assets | 308,350 | 279,250 |
| [Total investing assets | 1,881,950 | 2,849,250] |
| [NET BUSINESS ASSETS | 5,027,536 | 5,495,186] |

| | <u>As at December 31,</u> | |
|--|---------------------------|----------------------|
| | <u>20X1</u> | <u>20X0</u> |
| DISCONTINUED OPERATION | | |
| Assets of discontinued operation | 856,832 | 876,650 |
| Liabilities of discontinued operation | (400,000) | (400,000) |
| [NET ASSETS OF DISCONTINUED OPERATION | 456,832 | 476,650] |
| INCOME TAX | | |
| Income taxes payable (see Note 14) | (72,514) | (63,679) |
| Deferred tax asset (see Note 14) | 46,226 | 89,067 |
| [NET INCOME TAX (LIABILITY) ASSET | (26,288) | 25,388] |
| FINANCING | | |
| Debt | | |
| Short-term debt (see Note 15) | (562,000) | (400,000) |
| Interest payable (see Note 15) | (140,401) | (112,563) |
| Dividends payable | (20,000) | (20,000) |
| [Total short-term debt | (722,401) | (532,563)] |
| [Long-term debt (see Note 15) | (2,050,000) | (2,050,000)] |
| [Total debt | (2,772,401) | (2,582,563)] |
| Equity | | |
| Common stock (par .01, 100,000 shares authorized and issued both years; 76,149 and 73,000 shares outstanding December 31, 20X1 and 20X0, respectively) | (761) | (730) |
| Additional paid-in capital | (1,514,838) | (1,506,770) |
| Treasury stock | 88,360 | 164,500 |
| Retained earnings | (1,100,358) | (648,289) |
| Accumulated other comprehensive income | (158,081) | (138,373) |
| [Total equity | (2,685,678) | (2,129,662)] |
| [TOTAL FINANCING | (5,458,079) | (4,712,225)] |
| [Total short-term assets | 4,192,595 | 3,596,684] |
| [Total long-term assets | 3,383,203 | 3,622,484] |
| [TOTAL ASSETS | 7,575,799 | 7,219,168] |
| [Total short-term liabilities | (2,545,307) | (2,726,906)] |
| [Total long-term liabilities | (2,344,813) | (2,362,600)] |
| [TOTAL LIABILITIES | (4,890,120) | (5,089,506)] |