

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Year ended April 30, 1980

Retained earnings at May 1, 1979, as previously stated	\$412,470
Change in accounting method for capital leases (note C)	(257,822)
Retained earnings at May 1, 1979, as restated	154,648
Net earnings for the year ended April 30, 1980	377,018
Retained earnings at April 30, 1980	\$531,666

The accompanying notes are an integral part of this statement.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended April 30, 1980

Sources of working capital	
From operations	
Earnings before extraordinary credit	\$217,018
Charges (credit) to earnings before extraordinary credit not using (providing) working capital	
Depreciation of property, plant and equipment	187,749
Amortization of patent and organization expense	10,413
Deferred income taxes	(5,000)
Working capital provided by operations, exclusive of extraordinary credit	410,180
Working capital provided by extraordinary credit	160,000
Working capital provided by operations	570,180
Proceeds of long-term debt	110,000
	680,180
Applications of working capital	
Purchase of property, plant and equipment - net	165,882
Reduction of long-term debt	299,516
Reduction of long-term obligations under capital leases	32,763
	498,161
INCREASE IN WORKING CAPITAL	\$182,019
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Changes in components of working capital	
Increase (decrease) in current assets	
Cash	\$(24,143)
Accounts receivable - net	(42,436)
Inventories	617,157
Prepaid expenses and deposits	(56,088)
	494,490
(Increase) decrease in current liabilities	
Bank overdraft	163,266
Notes payable - banks	(420,038)
Current obligations under capital leases	(6,967)
Accounts payable	(19,389)
Amount due former stockholder	(6,990)
Accrued liabilities	(84,770)
Income taxes	62,417
	(312,471)
INCREASE IN WORKING CAPITAL	\$182,019
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The accompanying notes are an integral part of this statement.