

**SPECTRA INC.**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**THREE MONTHS ENDED MARCH 31, 2008 AND 2007**

Canadian dollars

(Unaudited – See notice of no auditor review)

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, Subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited financial statements of Spectra Inc. have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**SPECTRA INC.**  
Consolidated balance sheets  
March 31, 2008 and 2007

	2008	2007
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 0	\$ 35,282
Accounts receivable	141,393	82,636
Inventories (note 3)	317,236	120,547
Prepaid expenses	14,703	10,559
	<u>473,332</u>	249,024
<b>Equipment</b> (note 4)	<b>69,431</b>	80,462
<b>Intangible assets</b> (note 5)	<b>74,348</b>	34,492
	<u>\$ 617,111</u>	<u>\$ 363,978</u>

<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued charges	\$ 547,655	\$ 1,414,548
Bank overdraft	33,503	-
Loan payable (note 6)	300,000	-
Royalty debenture – current portion (note 8)	25,000	25,000
	<u>906,158</u>	1,439,548
<b>Related party loans</b> (note 7)	<b>39,136</b>	390,586
<b>Royalty debenture</b> (note 8)	<b>519,894</b>	554,849
<b>Convertible preferred shares</b> (note 9)	<b>746,769</b>	-
	<u>2,211,957</u>	<u>2,384,983</u>

<b>SHAREHOLDERS' DEFICIENCY</b>		
<b>Share capital</b> (note 10)	<b>4,659,486</b>	4,425,939
<b>Warrants</b> (note 10)	<b>110,846</b>	9,949
<b>Contributed surplus</b> (note 10)	<b>85,172</b>	24,435
<b>Deficit</b>	<u>(6,450,350)</u>	<u>(6,481,328)</u>
	<u>(1,594,846)</u>	<u>(2,021,005)</u>
	<u>\$ 617,111</u>	<u>\$ 363,978</u>

Approved by the Board

“Andrew Malion”  
\_\_\_\_\_  
Director

“Michael Faye”  
\_\_\_\_\_  
Director

Prepared without audit  
See the accompanying notes

**SPECTRA INC.**

Consolidated statements of earnings (loss) and comprehensive income (loss) and deficit  
Three months ended March 31, 2008 and 2007

	2008	2007
<b>Sales</b>	<b>\$ 260,689</b>	<b>\$ 204,763</b>
<b>Cost of sales</b>	<b>123,145</b>	<u>79,364</u>
<b>Gross profit</b>	<b>137,544</b>	<u>125,399</u>
<b>Expenses</b>		
Management fees	61,000	50,000
Amortization	11,507	7,727
Professional fees	27,968	13,482
Royalty debenture expense	19,552	18,750
Labour costs	63,744	16,440
Office and general	20,569	13,734
Consulting	12,000	12,000
Rent	15,799	16,030
Interest on long-term debt	10,216	15,598
Selling expenses	24,563	15,367
Commission	18,222	6,831
Public relations	2,260	10,000
Royalty	2,304	0
Advertising and promotion	4,106	308
Stock-based compensation	0	0
	<u>293,810</u>	<u>196,267</u>
<b>Loss before undernoted</b>	<b>(156,266)</b>	<b>(70,868)</b>
<b>Debt carrying value adjustment</b>	<b>(24,241)</b>	
<b>Debt settlement</b>	<b>11,610</b>	<b>0</b>
<b>Net earnings (loss) and comprehensive income (loss)</b>	<b>(168,897)</b>	<b>(70,868)</b>
<b>Deficit - beginning of period</b>	<b>(6,281,453)</b>	<b>(6,442,281)</b>
<b>Debt carrying value adjustment</b>	<b>0</b>	<b>31,821</b>
<b>Deficit - end of period</b>	<b>\$ (6,450,350)</b>	<b>\$ (6,481,328)</b>
<b>Earnings (loss) per share - basic and diluted</b>	<b>\$ (0.003)</b>	<b>\$ (0.002)</b>
<b>Weighted average number of common shares</b>		
Outstanding during the period - basic and diluted	<u>46,881,837</u>	<u>40,286,837</u>

Prepared without audit  
See the accompanying notes

**SPECTRA INC.**Consolidated Statements of Cash Flows  
Three months ended March 31, 2008 and 2007

	2008	2007
<b>Cash flows from operating activities</b>		
Net earnings (loss)	\$ (168,897)	\$ (55,310)
Adjustments for non-cash items:		
Amortization	11,507	7,727
Loss on disposition of equipment	0	2,257
Interest paid, net		(15,558)
Debt settlement	(11,610)	-
Debt carrying value adjustment	24,241	-
	<u>(144,759)</u>	<u>(63,141)</u>
Changes in working capital:		
Accounts receivable	24,026	(8,019)
Inventories	(53,490)	(40,324)
Prepaid expenses	4,928	2,662
Accounts payable and accrued charges	70,127	(12,397)
	<u>(99,168)</u>	<u>(121,219)</u>
<b>Net cash used in operating activities</b>	<u>(99,168)</u>	<u>(121,219)</u>
<b>Cash flows used in investing activities</b>		
Equipment additions	(6,400)	-
Intangible assets additions		(13,910)
	<u>(6,400)</u>	<u>(13,910)</u>
<b>Net cash used in investing activities</b>	<u>(6,400)</u>	<u>(13,910)</u>
<b>Cash flows from (used in) financing activities</b>		
Issuance of common shares for cash	-	59,000
Loans proceeds (repayments)	(5,420)	103,527
Royalty debenture payments	(6,517)	-
	<u>(11,937)</u>	<u>162,527</u>
<b>Net cash provided by (used in) financing activities</b>	<u>(11,937)</u>	<u>162,527</u>
<b>Net increase (decrease) in cash</b>	<u>(117,505)</u>	<u>27,398</u>
<b>Cash - beginning of period</b>	<u>84,002</u>	<u>7,884</u>
<b>Cash (bank overdraft) - end of period</b>	<u>\$ (33,503)</u>	<u>\$ 35,282</u>
<b>Supplemental Information</b>		
Interest	<u>\$ 10,216</u>	<u>\$ 14,918</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash items		
Issuance of common shares to settle certain debts	<u>\$ 0</u>	<u>-</u>
Debt carrying value adjustment	<u>\$ 24,241</u>	<u>\$ -</u>
Stock options exercised	<u>\$ 0</u>	<u>\$ -</u>

Prepared without audit  
See the accompanying notes

## **SPECTRA INC.**

Notes to consolidated financial statements  
March 31, 2008 and 2007

### **1. Nature of business and basis of presentation**

#### Nature of business

Spectra Inc. ("Spectra") and its wholly-owned subsidiary Spectra Products Inc. ("SPI") (collectively the "Company") is a manufacturing and marketing company incorporated under the laws of the province of Alberta on October 4, 1994. The Company operates in one market segment - bus and truck transportation safety equipment. The Company manufactures and markets brake monitoring equipment as an after market product through transportation dealers, distributors and direct sales to fleet operators.

#### Going concern

These consolidated financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2008, the Company had a deficit of \$6,450,350 (2007 - \$6,481,328). The Company's ability to meet its obligations and continue as a going concern is dependent upon its ability to obtain additional financing and achievement of profitable operations. Management plans to achieve profitable operations and pursue additional financing, however, there can be no assurance that the Company will be able to secure financing when needed or to obtain such financing on terms satisfactory to the Company, if at all. The Company is seeking additional financing to provide working capital, inventory and capital equipment necessary to implement its five year business plan. The Company will continue to seek new financing, joint venture or strategic financial relationships that will permit ongoing operation of the Company and its subsidiary.

The consolidated financial statements do not reflect any adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

### **2. Summary of significant accounting policies**

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant:

#### a) Principles of Consolidation

These consolidated financial statements include the accounts of Spectra and SPI. All significant inter-company transactions and balances have been eliminated.

## **SPECTRA INC.**

Notes to consolidated financial statements

March 31, 2008 and 2007

### **2. Summary of significant accounting policies (cont'd)**

#### b) Revenue recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or the services have been rendered, the sales price is fixed or determinable and collection of the related receivable is reasonably assured. Title and risk of loss generally pass to the customer at the time of delivery of the product to a common carrier. Revenue is recognized upon delivery. The Company considers the receipt of a purchase order, in writing or verbally, as persuasive evidence that an arrangement exists provided the customer is purchasing C.O.D.

#### c) Inventories

Inventories are valued, on a first-in, first-out basis at the lower of cost and net realizable value. The Company writes down estimated obsolete or excess inventory for the difference between the cost of inventory and estimated net realizable value based upon customer forecasts, shrinkage, the aging and future demand of the inventory, past experience with specific customers, and the ability to sell inventory back to customers or suppliers. If these assumptions change, additional write-downs may be required.

#### d) Equipment

Equipment is recorded at cost and amortization is provided, over the estimated useful life of the asset, using the undernoted annual rates and methods:

Dies and molds - other		Units of production method
Dies and molds – Brake Inspector	5 years	Straight line
Furniture and fixtures	20%	Declining balance
Computer equipment	30%	Declining balance
Machinery and equipment	20%	Declining balance

#### e) Intangible assets

Intangible assets consist of patents, trademarks, product rights and prototypes. They are recorded at cost and amortization is provided, over the estimated useful life of the asset, using the undernoted annual rates and methods:

Patents and trademarks	4-10 years	Straight line
Product rights	3-10 years	Straight line
Prototypes	3-10 years	Straight line

## **SPECTRA INC.**

Notes to consolidated financial statements

March 31, 2008 and 2007

### **2. Summary of significant accounting policies (cont'd)**

f) Impairment of long-lived assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability is assessed based on the carrying amount of a long-lived asset compared to the sum of the future undiscounted cash flows expected to result from the use and the eventual disposal of the asset. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

g) Deferred charges

Deferred financing fees are deferred and amortized on a straight line basis over the term of the royalty agreement and the related amortization is included within amortization expense. In accordance with the CICA's Handbook Section 3855 "Financial Instruments", these deferred financing fees have been reclassified to offset against the royalty debenture in 2008 and the 2007 comparative amounts have not been restated.

h) Income taxes

The Company uses the asset and liability method of accounting for future income taxes. Under the asset and liability method, future income tax assets and liabilities are determined based on temporary differences (difference between the accounting basis and the tax basis of the assets and liabilities), and are measured using the currently enacted, or substantively enacted, tax rates and laws expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized. Income tax expense or benefit is the sum of the Company's provision for current income taxes and the difference between the opening and ending balances of the future income tax assets and liabilities.

i) Stock-based compensation

The Company uses the fair value-based method to account for stock-based compensation. The grant date fair value of stock options is estimated using the Black-Scholes option-pricing model. Compensation expense is recognized over the stock option vesting period with a corresponding charge to contributed surplus. When the stock options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded in share capital.

j) Earning (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings (loss) per share, using the treasury stock

## SPECTRA INC.

Notes to consolidated financial statements  
March 31, 2008 and 2007

### 2. Summary of significant accounting policies (cont'd)

j) Earning (loss) per share (cont'd)

method, assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings (loss) per share. As the exercise price of the warrants and options was higher than the average market share price of the shares during 2008 and 2007 the dilutive effect of outstanding options and warrants and their equivalents is not reflected in diluted earnings (loss) per share because their effect would be anti-dilutive.

k) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Significant estimates include the carrying value of certain accrued liabilities and the value of future income taxes. Actual results could differ from those estimates.

### 3. Inventories

	2008	2007
Finished goods	\$ 63,145	\$ 12,662
Raw materials	<u>254,091</u>	<u>107,885</u>
	<u>\$ 317,236</u>	<u>\$ 120,547</u>

### 4. Equipment

	2008		2007	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Dies and molds - other	\$ 98,692	\$ 57,686	\$ 98,692	\$ 49,496
Dies and molds - Brake Inspector	21,045	5,261	19,994	-
Furniture and fixtures	24,731	21,839	24,731	21,116
Computer equipment	12,704	10,661	13,069	11,990
Machinery and equipment	<u>33,144</u>	<u>25,438</u>	<u>30,573</u>	<u>23,995</u>
	<u>\$ 190,316</u>	<u>\$ 120,885</u>	<u>\$ 187,059</u>	<u>\$ 106,597</u>
Net carrying amount		<u>\$ 69,431</u>		<u>\$ 80,462</u>

## SPECTRA INC.

Notes to consolidated financial statements  
March 31, 2008 and 2007

### 5. Intangible assets

	2008		2007	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Patents and trademarks	\$ 41,341	\$ 41,341	\$ 41,341	\$ 39,863
Product rights	43,000	20,132	18,000	16,650
Prototypes	203,076	151,596	141,713	110,049
	<u>\$ 287,417</u>	<u>\$ 213,069</u>	<u>\$ 201,054</u>	<u>\$ 166,562</u>
Net carrying amount		<u>\$ 74,348</u>		<u>\$ 34,492</u>

### 6. Loan payable

The loan payable is due to Dynamic Venture Opportunities Fund Ltd. (“DVOF”), an Ontario labour-sponsored venture capital fund. The loan accrues interest at 12% per annum payable at maturity, is unsecured and matures on the first to occur of June 30, 2008 or the date on which the Company next issues any debt or equity securities or obtains a working capital line of credit.

### 7. Related party loans

Related party loans are due to two key executives, each a shareholder and director of Spectra. These loans bear interest at a rate of 9% per annum and are repayable 366 days after demand. These loans are secured by a first charge general security agreement over the assets of Spectra and a fixed charge on the Schandelmeier patent which is fully amortized as at March 31, 2008.

### 8. Royalty debenture

On August 6, 2004 the Company closed a debenture financing arrangement with DVOF whereby DVOF advanced \$ 750,000 to Spectra's wholly-owned subsidiary, SPI. In consideration of the advance of these funds, DVOF is entitled to receive royalty payments equal to the greater of \$100,000 per annum or 10% of the total annual gross revenue generated by SPI. Twenty-five percent of each royalty payment shall be allocated against the principal amount of the debenture. The royalty payments shall continue until the earlier of (i) the date that the royalty debenture has been fully repaid and (ii) 15 years from issue date, at which time any remaining principal amount shall be due. As additional consideration, the Company issued 3,000,000 bonus shares to DVOF at a deemed price of \$0.05 per share. The royalty debenture is secured by all the assets of SPI by way of a floating charge in favour of DVOF.

**SPECTRA INC.**Notes to consolidated financial statements  
March 31, 2008 and 2007**8. Royalty debenture (cont'd)**

	<b>2008</b>	2007
Royalty debenture payable	\$ <b>658,314</b>	\$ 783,696
Add: debt carrying value adjustment	<b>39,813</b>	(24,665)
Add: accretion of discount on debt	<b>11,390</b>	-
	<b>709,517</b>	759,031
Less: deferred financing fees (net of accumulated amortization of \$53,765 – 2007 \$39,206)	<b>(164,623)</b>	(179,182)
	<b>544,894</b>	579,849
Less: current portion	<b>(25,000)</b>	(25,000)
Long-term portion	<b>\$ 519,894</b>	\$ 554,849

The minimum annual principal payments due in each of the next five years and thereafter are as follows:

2008	\$ 25,000
2009	25,000
2010	25,000
2011	25,000
2012	25,000
Thereafter	<u>533,314</u>
	<b>\$ 658,314</b>

**9. Convertible preferred shares**

On June 1, 2007, SPI completed a \$750,000 private placement with DVOF where SPI issued 750 convertible preferred shares (the "Preferred Shares") for proceeds of \$667,500 and the Company issued 1,500,000 common shares at a market value of \$0.055 per share for proceeds of \$82,500 (see note 11g). The Preferred Shares will pay a 6 percent cumulative annual dividend, payable quarterly, commencing January 1, 2009; are redeemable; are retractable commencing May 31, 2010 for \$1,250 per share; are non-voting and are convertible into 1,000 common shares of SPI which would represent a 25% ownership interest. DVOF has received 750 warrants to subscribe to an additional 750 preferred shares of SPI at a price of \$1,000 each, exercisable until June 30, 2008. By exercising all of the warrants and converting the Preferred Shares, DVOF could increase its ownership of common shares of SPI by an additional 15% to 40% of the total outstanding shares.

**SPECTRA INC.**Notes to consolidated financial statements  
March 31, 2008 and 2007**10. Share capital**

## Authorized

Unlimited common shares  
Unlimited first, second, third and fourth preferred shares to be issued in one or more series, redeemable, with rights, privileges, restrictions and conditions to be determined by the Board of Directors upon issuance  
540,000 second preferred shares Series 1, non-cumulative dividends of 10% per annum, redeemable at the stated value, non-voting

## Issued and outstanding

	<b>2008</b>	2007
46,881,837 (2007 – 40,286,837) common shares	<b>\$ 4,632,486</b>	\$ 4,398,939
90,000 (2007 - 90,000) second preferred shares Series 1	<b>27,000</b>	27,000
	<b>\$ 4,659,486</b>	\$ 4,425,939
	<b>Number of Shares</b>	<b>Amount</b>
Common shares		
Balance December 31, 2007	46,881,837	\$ 4,632,486
Balance March 31, 2008	<b>46,881,837</b>	<b>\$ 4,632,486</b>

On May 15, 1995, the Company entered into an escrow agreement. Pursuant to the agreement, escrowed shares totaled 7,142,780 and one common share is released for each \$0.20 of net income, adjusted for amortization, depletion and deferred taxes. As at March 31, 2008, 5,596,260 (2007 - 5,596,260) shares were held in escrow.

**SPECTRA INC.**

Notes to consolidated financial statements  
March 31, 2008 and 2007

**10. Share capital (cont'd)**Stock options

The Company has a stock option plan for its directors, officers, employees and consultants. The maximum number of shares reserved for issuance under the plan is equal to 10% of the issued and outstanding common shares. Options vest immediately and 350,000 of the outstanding options expire two years from their date of grant and all other outstanding options expire five years from their respective date of grant.

The following table represents all of the Company's stock options granted, exercised, forfeited and expired during the three months ended March 31, 2008 and 2007:

	2008		2007	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	3,025,000	\$ 0.10	2,500,000	\$ 0.13
Granted	-	-	-	-
Expired	(450,000)	0.10	(975,000)	0.25
Balance, end of period	<u>2,575,000</u>	<u>\$ 0.10</u>	1,525,000	\$ 0.10

As at March 31, 2008, the weighted average remaining contractual life of outstanding options was approximately 3 years (2007 - 2 years) and a total of 2,575,000 options (2007 - 1,525,000) were exercisable at a weighted average exercise price of \$0.10 (2007 - \$0.10).

The weighted average estimated fair value at the date of grant for options granted during the period was \$nil (2007 - \$nil). The estimated fair value of options is amortized over the vesting period on a straight-line basis determined on the date of grant using the Black-Scholes option pricing model, based on the following assumptions:

Risk-free interest rate	4.22 %
Expected life	5 years
Expected volatility	89 %
Expected dividends	-

For the period ended March 31, 2008, stock-based compensation expense was \$nil (2007 - \$nil). Stock-based compensation expense is recorded in the statement of earnings and as a charge to contributed surplus.

**SPECTRA INC.**

Notes to consolidated financial statements  
 March 31, 2008 and 2007

**10. Share capital (cont'd)**Warrants

The movements in share purchase warrants were as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Fair Value</b>
Balance, January 1, 2007	1,668,910	\$ 0.10	\$9,949
Granted	4,745,000	0.10	100,897
Exercised	-	-	-
	<hr/>		
Balance, December 31, 2007	6,413,910	0.10	110,846
Granted	-	-	-
Exercised	-	-	-
	<hr/>		
Balance, March 31, 2008	<b>6,413,910</b>	<b>\$ 0.10</b>	<b>\$ 110,846</b>

The fair value of each warrant was determined on the date of grant using the Black-Scholes option pricing model, based on the following assumptions:

Risk-free interest rate	4.10 %
Expected life	2 years
Expected volatility	88 %
Expected dividends	-

At March 31, 2008, the weighted average remaining contractual term of warrants totalled approximately 0.9 years (2007 – 1.9 years).

Contributed Surplus

The movements in contributed surplus were as follows:

	<b>2008</b>	2007
Balance, beginning of period	\$ <b>85,172</b>	\$ 24,435
Stock-based compensation expense	-	-
Value of stock options exercised	-	-
	<hr/>	
Balance, end of period	<b>\$ 85,172</b>	<b>\$ 24,435</b>

## **SPECTRA INC.**

Notes to consolidated financial statements  
March 31, 2008 and 2007

### **11. Related party transactions**

- a) In 2007, the Company entered into a management agreement with a company controlled by a key executive who is a shareholder and director of the Company. Under the terms of the management agreement, that company is entitled to fees of \$180,000 per year until December 31, 2012. For the period ended March 31, 2008, \$45,000 in management fees were expensed. An annual participation fee, calculated as 5% of the annual net income of SPI, is also payable under the terms of the management agreement. No participation fee was due for this period.
- b) A Full and Final Release was signed with a third party in the amount of \$11,610. As this amount is no longer payable, it has been included in other income as debt settlement on the consolidated statement of earnings and comprehensive income and deficit.
- c) During the period, management fees or salaries have been expensed to key executives, who are shareholders and directors of the Company, totaling \$42,804 (2007 - \$50,000). The claim for the 2007 amount was subsequently waived later in the 2007 year.
- d) During the period, royalties of \$2,304 (2007- 0) were paid to a company owned by a director.
- e) During the period, consulting fees of \$12,000 (2007- \$12,000) paid to a company owned by a director.

These transactions were in the normal course of business and recorded at the exchange value established and agreed upon by the related parties.

### **12. Income taxes**

The Company has non capital tax losses available in the amount of approximately \$2,818,500 which can be carried forward to be applied against future years' taxable income. These losses, if unused, will expire as follows:

2008	\$ 365,800
2009	401,600
2010	519,900
2014	278,500
2015	338,800
2026	77,400
2027	<u>836,500</u>
	<u>\$ 2,818,500</u>

**SPECTRA INC.**

Notes to consolidated financial statements

March 31, 2008 and 2007

**13. Commitments**

- a) The Company entered into a management agreement with a company controlled by a key executive who is a shareholder and director of the Company. The management agreement is effective until December 31, 2012 and results in a commitment of \$180,000 per year for management services and an annual participation fee of 5% of the annual net income of SPI.
- b) The Company is obligated under an operating lease for premises until February 28, 2010 as follows:

2008	\$	30,180
2009		30,180
2010		<u>5,030</u>
	\$	<u>65,390</u>

**14. Comparative figures**

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.