

affidavit of J. Sheldon Gress
 sworn before me, this 14th
 day of September 2004

PAYROLL 42.54%
 PRODUCTION 8.53%

A COMMISSIONER FOR TAKING AFFIDAVITS

INCOME STATEMENT

	10 Months Ended Aug-31-2004	Sales % of	Monthly Aug-31-2004	Monthly Sales % of	9 Months Ended Jul-31-2004	% of Sales %	Monthly Jul-31-2004	Monthly Jul-31-2004 %	8 Months Ended Jun 30,2004	Sales % of	Fiscal Year Ended Oct 31, 2003	Sales % of
Sales : E-COAT	\$1,754,608	17.25%	\$0	0.00%	\$1,754,608	18.50%	\$753	0.12%	\$1,753,855	19.82%	\$3,794,329	28.13%
Sales : POWDER COAT	\$4,463,450	43.89%	\$453,439	66.36%	\$4,010,011	42.28%	\$366,960	57.53%	\$3,643,051	41.18%	\$4,781,695	35.45%
Sales : T-COAT	\$3,903,497	38.39%	\$229,873	33.64%	\$3,673,624	38.73%	\$270,194	42.36%	\$3,403,429	38.47%	\$4,559,386	33.80%
Sales : TOOLING	\$47,238	0.46%	\$0	0.00%	\$47,238	0.50%	\$0	0.00%	\$47,238	0.53%	\$352,760	2.62%
TOTAL SALES	\$10,168,793	100.00%	\$683,312	100.00%	\$9,485,480	100.00%	\$637,908	100.00%	\$8,847,572	100.00%	\$13,488,170	100.00%
Less : sales freight out EC	\$71,304	0.70%	\$510	0.07%	\$70,794	0.75%	(\$515)	-0.08%	\$71,310	0.81%	\$195,526	1.45%
Less : sales freight out TC	\$4,414	0.04%	\$0	0.00%	\$4,414	0.05%	(\$146)	-0.02%	\$4,561	0.05%	\$835	0.01%
Less : Sales Return	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
NET SALES	\$10,093,074	99.26%	\$682,802	99.93%	\$9,410,272	99.21%	\$638,570	100.10%	\$8,771,702	99.14%	\$13,291,809	98.54%
COST OF GOOD SOLD:												
Material - EC	\$1,440,841	14.17%	\$85,427	12.50%	\$1,355,414	14.29%	\$53,098	8.32%	\$1,302,316	14.72%	\$2,491,634	18.47%
Material - TC	\$1,324,998	13.03%	\$56,934	8.33%	\$1,268,064	13.37%	\$50,205	7.87%	\$1,217,859	13.76%	\$2,035,306	15.09%
Material - Tooling	\$29,654	0.29%	\$0	0.00%	\$29,654	0.31%	\$0	0.00%	\$29,654	0.34%	\$142,669	1.06%
Direct Labour - EC	\$2,333,692	22.95%	\$134,326	19.66%	\$2,199,366	23.19%	\$138,633	21.73%	\$2,060,733	23.29%	\$3,832,796	28.42%
Direct Labour - TC	\$1,017,088	10.00%	\$48,046	7.03%	\$969,041	10.22%	\$46,264	7.25%	\$922,777	10.43%	\$1,125,291	8.34%
Indirect Labour	\$1,005,572	9.89%	\$43,523	6.37%	\$962,050	10.14%	\$53,455	8.38%	\$908,595	10.27%	\$1,531,796	11.36%
	\$7,151,845	70.33%	\$368,256	53.89%	\$6,783,589	71.52%	\$341,655	53.56%	\$6,441,934	72.81%	\$11,159,492	82.74%
OTHER VARIABLE EXPENSES :												
Manufacturing Salary	\$317,466	3.12%	\$24,314	3.56%	\$293,151	3.09%	\$27,740	4.35%	\$265,412	3.00%	\$366,293	2.72%
Repairs and maintenance	\$367,201	3.61%	\$18,728	2.74%	\$348,473	3.67%	\$21,506	3.37%	\$326,967	3.70%	\$713,483	5.29%
Filter supplies	\$105,071	1.03%	\$18,334	2.68%	\$86,736	0.91%	\$3,261	0.51%	\$83,476	0.94%	\$144,068	1.07%
Stripping and rework - outside	\$209,133	2.06%	\$8,808	1.29%	\$200,325	2.11%	\$11,495	1.80%	\$188,830	2.13%	\$116,569	0.86%
Safety and medical supplies	\$51,806	0.51%	\$764	0.11%	\$51,042	0.54%	\$3,434	0.54%	\$47,608	0.54%	\$65,321	0.48%
Welding supplies	\$69,556	0.68%	\$2,349	0.34%	\$67,207	0.71%	\$2,932	0.46%	\$64,275	0.73%	\$144,106	1.07%
Chemical and garbage disposal	\$39,802	0.39%	\$1,550	0.23%	\$38,253	0.40%	\$4,208	0.66%	\$34,044	0.38%	\$74,101	0.55%
Chemical supplies	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$928	0.01%
Uniforms	\$15,470	0.15%	\$698	0.10%	\$14,772	0.16%	\$1,569	0.25%	\$13,203	0.15%	\$11,285	0.08%
Vehicle	(\$7,688)	-0.08%	\$0	0.00%	(\$7,688)	-0.08%	\$0	0.00%	(\$7,688)	-0.09%	\$57,518	0.43%
Brokerage	\$6,733	0.07%	\$827	0.12%	\$5,906	0.06%	\$162	0.03%	\$5,744	0.06%	\$7,813	0.06%
Miscellaneous	\$10,400	0.10%	\$0	0.00%	\$10,400	0.11%	\$2,040	0.32%	\$8,360	0.09%	\$16,449	0.12%
Travel	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$90	0.00%
	\$1,184,949	11.65%	\$76,372	11.18%	\$1,108,578	11.69%	\$78,347	12.28%	\$1,030,231	11.64%	\$1,718,023	12.74%
CONTRIBUTION	\$1,756,279	17.27%	\$238,174	34.86%	\$1,518,105	16.00%	\$218,568	34.26%	\$1,299,537	14.69%	\$414,294	3.07%
FIXED MANUFACTURING EXP												
Utilities	\$1,103,160	10.85%	\$65,904	9.64%	\$1,037,256	10.94%	\$74,399	11.66%	\$962,857	10.88%	\$1,472,377	10.92%
Building rent	\$433,925	4.27%	\$49,318	7.22%	\$384,607	4.05%	\$49,318	7.73%	\$335,289	3.79%	\$601,013	4.46%
Property taxes	\$147,100	1.45%	\$14,710	2.15%	\$132,390	1.40%	\$14,710	2.31%	\$117,680	1.33%	\$178,520	1.32%
Amortization	\$58,189	0.57%	\$5,904	0.86%	\$52,285	0.55%	\$5,904	0.93%	\$46,381	0.52%	\$50,341	0.37%
Equipment rental	\$569,388	5.60%	\$45,209	7.93%	\$515,180	5.43%	\$57,599	9.03%	\$457,581	5.17%	\$677,544	5.02%
Insurance	\$174,760	1.72%	\$17,476	2.56%	\$157,284	1.66%	\$17,476	2.74%	\$139,808	1.58%	\$173,374	1.29%
	\$2,486,523	24.45%	\$207,521	30.37%	\$2,279,002	24.03%	\$219,406	34.39%	\$2,059,596	23.28%	\$3,153,167	23.38%
MANUFACTURING PROFIT/ (LOSS)	(\$730,244)	-7.18%	\$30,653	4.49%	(\$760,897)	-8.02%	(\$838)	-0.13%	(\$760,059)	-8.59%	(\$2,738,873)	-20.31%
General and administrative variable	\$462,012	4.54%	\$24,084	3.52%	\$437,927	4.62%	\$24,970	3.91%	\$412,957	4.67%	\$389,908	2.89%
General and administrative fixed	\$705,961	6.94%	\$71,053	10.40%	\$634,908	6.69%	\$70,504	11.05%	\$564,404	6.38%	\$876,499	6.50%
TOTAL ADMINISTRATIVE EXP	\$1,167,973	11.49%	\$95,137	13.92%	\$1,072,835	11.31%	\$95,474	14.97%	\$977,361	11.05%	\$1,266,406	9.39%
NET INCOME / LOSS FROM OPERATION	(\$1,898,216)	-18.67%	(\$64,484)	-9.44%	(\$1,833,732)	-19.33%	(\$96,312)	-15.10%	(\$1,737,420)	-19.64%	(\$4,005,279)	-29.69%
(Gain) / Loss on foreign exchange	\$156,656	1.54%	\$47,755	6.99%	\$108,901	1.15%	(\$272)	-0.04%	\$109,173	1.23%	(\$651,012)	-4.83%
other (income) / loss	(\$87,386)	-0.86%	\$0	0.00%	(\$87,386)	-0.92%	\$0	0.00%	(\$87,386)	-0.99%	(\$355,630)	-2.64%
Interest expense	\$13,116	0.13%	\$3,990	0.58%	\$9,126	0.10%	\$8	0.00%	\$9,118	0.10%	\$7,183	0.05%
	\$82,386	0.81%	\$51,744	7.57%	\$30,641	0.32%	(\$264)	-0.04%	\$30,905	0.35%	(\$999,459)	-7.41%
Gain / (Loss) for year	(\$1,980,602)	-19.48%	(\$116,229)	-17.01%	(\$1,864,373)	-19.66%	(\$96,048)	-15.06%	(\$1,768,325)	-19.99%	(\$3,005,820)	-22.28%