

Nuvolt Corporation Inc.

Consolidated Financial Statements
As at August 31, 2010 and 2009

Together with Auditors' Report

AUDITORS' REPORT

To the Shareholders of
Nuvolt Corporation Inc.,

We have audited the consolidated balance sheets of **NUVOLT CORPORATION INC.** as at August 31, 2010 and 2009 and the consolidated statements of income and comprehensive income, deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

*Mallette*¹

Mallette
L.L.P.
Chartered Accountants

Québec City, Canada
October 1, 2010 (November 18, 2010 for Note 27)

¹ CA auditor permit No. 12506

Nuvolt Corporation Inc.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the years ended August 31,

2010

2009

GROSS REVENUE	\$	993,311	\$	1,737,185
COST OF GOODS SOLD		<u>782,969</u>		903,528
GROSS PROFIT		<u>210,342</u>		833,657
OTHER OPERATING EXPENSES				
Selling expenses		783,894		599,694
Administrative expenses		787,007		530,882
Research and development expenses		16,453		8,999
Financial expenses		<u>189,980</u>		146,076
		<u>1,777,334</u>		1,285,651
NET LOSS AND COMPREHENSIVE INCOME	\$	(1,566,992)	\$	(451,994)
Earning per share (Note 23)				
Net income, non-diluted and diluted per share	\$	(0.0244)	\$	(0.0086)

Additional information to the statements of income (Note 7)

The accompanying notes are an integral part of these consolidated financial statements.

Nuvolt Corporation Inc.

CONSOLIDATED STATEMENTS OF DEFICIT

For the years ended August 31,

2010

2009

BALANCE , beginning of year	\$ (6,923,488)	\$ (6,471,494)
Net loss and comprehensive income	(1,566,992)	(451,994)
Shares issuance costs (Note 17)	<u>(156,929)</u>	-
BALANCE , end of year	\$ (8,647,409)	\$ (6,923,488)

The accompanying notes are an integral part of these consolidated financial statements.

Nuvolt Corporation Inc.

CONSOLIDATED BALANCE SHEETS

As at August 31,

2010

2009

ASSETS

CURRENT ASSETS

Cash	\$	53,968	\$	48,819
Accounts receivable (Note 8)		487,726		418,989
Inventories (Note 9)		219,999		272,169
Prepaid expenses		18,929		6,884
		780,622		746,861
NOTES RECEIVABLE (Note 10)		8,391		8,391
CAPITAL ASSETS (Note 11)		119,926		58,754
DEPOSIT ON CAPITAL ASSETS ACQUISITION		157,927		-
INTANGIBLE ASSETS (Note 12)		2,403,575		1,485,550
	\$	3,470,441	\$	2,299,556

The accompanying notes are an integral part of these consolidated financial statements.

Nuvolt Corporation Inc.

CONSOLIDATED BALANCE SHEETS (continued)

As at August 31,

2010

2009

LIABILITIES

CURRENT LIABILITIES

Bank overdraft	\$ -	\$ 2,345
Bank loan (Note 13)	-	40,000
Accounts payable (Note 14)	351,968	256,859
Deferred revenue	6,114	17,354
Current portion of long-term debt (Note 15)	429,446	213,748
Current portion of debenture (Note 16)	342,034	241,537

1,129,562 771,843

LONG-TERM DEBT (Note 15)

408,235 1,391,537

DEBENTURES (Note 16)

715,674 129,860

2,253,471 2,293,240

SHAREHOLDERS' EQUITY

Capital stock (Note 17)	7,172,685	5,377,565
Stock options (Note 19)	283,789	164,293
Warrants (Note 20)	821,530	114,462
Contributed surplus (Note 21)	1,586,375	1,273,484
Deficit	(8,647,409)	(6,923,488)

1,216,970 6,316

\$ 3,470,441 \$ 2,299,556

COMMITMENTS (Note 22)

On behalf of the Board,

(signed) Jean Lambert _____, Director

(signed) Jacques Dion _____, Director

The accompanying notes are an integral part of these consolidated financial statements.

Nuvolt Corporation Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended August 31,

2010

2009

OPERATING ACTIVITIES

Net loss and comprehensive income	\$ (1,566,992)	\$ (451,994)
Items not affecting cash		
Amortization of capital assets	36,634	28,631
Amortization of intangible assets	8,807	15,376
Interest capitalized on long-term debt	-	18,337
Interest capitalized on debenture	43,742	34,890
Stock-based compensation	204,242	17,264
	<u>(1,273,567)</u>	<u>(337,496)</u>
Net change in non-cash working capital items (Note 24)	388,644	495,518
	<u>(884,923)</u>	<u>158,022</u>

INVESTING ACTIVITIES

Acquisition of capital assets	(54,382)	(23,164)
Deposit on acquisition of capital assets	(157,927)	-
Increase in deferred development costs	(1,319,371)	(614,824)
	<u>(1,531,680)</u>	<u>(637,988)</u>

FINANCING ACTIVITIES

Change in bank loan	(40,000)	(170,000)
Additional funding	892,000	1,228,799
Repayment of long-term debt	(128,028)	(479,701)
Repayment of debenture	(52,000)	(44,000)
Issuance of shares	1,837,050	-
Shares issuance costs	(84,925)	-
	<u>2,424,097</u>	<u>535,098</u>

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	7,494	55,132
CASH AND CASH EQUIVALENTS, beginning of year	46,474	(8,658)
CASH AND CASH EQUIVALENTS, end of year	\$ 53,968	\$ 46,474

Cash and cash equivalents of the Company include:

Cash	\$ 53,968	\$ 48,819
Bank overdraft	-	(2,345)
	<u>\$ 53,968</u>	<u>\$ 46,474</u>

Cash flows related to operating activities include interest payments of \$75,907 (2009 - \$82,952) and no income tax payments (2009 - \$262).

The accompanying notes are an integral part of these consolidated financial statements.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The Company, incorporated under Part IA of the Québec Companies Act, manufactures and distributes stray voltage neutralization equipment and electrical network monitoring devices.

2. GOING CONCERN ASSUMPTION

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will continue its operation in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company incurred significant operating loss during the year and has an accumulated deficit as at August 31, 2010. As a result, its ability to continue as a going concern depends on the financial support of its creditors and shareholders, as well as the Company's ability to generate an operating profit. The Company is currently seeking new investors.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Management feels that the measures the Company took or intends to take will mitigate the effect of the conditions and facts that raise doubt about the appropriateness of the going concern assumption on which it based the preparation of these financial statements.

If the Company were not able to respect the going concern principle, some assets could be subject to impairment or a significant reduction in value.

3. CHANGES IN ACCOUNTING POLICIES

Goodwill and intangible assets

During the year 2010, the Company has adopted the recommendations of the Canadian Institute of Chartered Accountants relating to Section 3064 "Goodwill and intangible assets". This section establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets.

The adoption of these new standards had no impact on the amounts recognized in the financial statements.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

3. CHANGES IN ACCOUNTING POLICIES (continued)

Financial instruments - Disclosures and presentation

In June 2009, the Canadian Institute of Chartered Accountants modified Section 3862 "Financial instruments - Disclosures and presentation" in order to improve disclosure about fair value assessments, including on the relative reliability of data on which these assessments are based. The hierarchy of fair value consists of the following levels:

Level 1 - Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Evaluation data from observable market for the asset or liability directly or indirectly obtained.

Level 3 - Evaluation using data other than observable market for the asset or liability.

These new requirements have had an impact only on the information provided and therefore have no impact on the results of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principle of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary Agrivolt Inc.

Use of estimates

The preparation of financial statements in accordance 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 contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Currency translation

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date, whereas other assets and liabilities are translated at the rates in effect at the date of the transaction. Revenue and expense items are translated at the average year rate, except for amortization, which is translated at his historical cost. All exchange gains and losses are current in nature and are included in the statements of income.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The principal revenues of the Company are equipment sales and maintenance revenues. Revenues are recognized when the following conditions are respected:

- Persuasive evidence of an arrangement exists;
- The seller's price to the buyer is fixed or determinable.

The Company accounts for its equipment sales when the customer has confirmed its acceptance of the equipment and when the collection is reasonably assured.

The maintenance revenues are accounted for on a straight-line basis over the contract period. The amounts billed or received according to the terms of the contract with customers, that are not satisfying those accounting criterias, are recognized as deferred revenues.

Where an agreement provides for multiple deliverables, the Company allocates the proceeds of the sale between the various components according to the relative value method.

The interest incomes are accounted for according to the accrual method.

Income taxes

The Company accounts for as income tax expense or revenue the amount of income taxes payable or recoverable for the year and the change of the future income tax assets and liabilities accounts based on current income tax rate applied to temporary difference between the carrying value of the Company's assets and liabilities and their tax base. A future income tax asset is accounted for when it is more likely than not that the Company will benefit from the tax relief related to deductible temporary differences.

Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognized at fair value and classified in one of the following categories: held-for-trading financial assets or liabilities, investments held-to-maturity, loans and receivables, available-for-sale financial assets and other financial liabilities. They are subsequently recognized according to their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and financial liabilities

Held-for-trading financial assets

Financial instruments, which include cash and the bank overdraft, are classified as held-for-trading financial assets and are recognized at fair value at each balance sheet date. Any change in fair value is included in net income during the period in which it arises.

Loans and receivables and other financial liabilities

Financial instruments classified as loans and receivables, including the accounts receivable and the notes receivable and other financial liabilities, including bank loan, accounts payable, long-term debt and the debenture are recognized at amortized cost using the effective interest rate method. Interest income or expense is included in net income over the expected term of the instrument.

Fair value

The fair value generally corresponds to the consideration for which the instrument could be exchanged in a transaction at arm's length transaction between knowledgeable, willing parties freely under conditions of full competition.

Transaction costs

Transaction costs are deducted from the debenture and amortized using the effective interest rate on the actual expected life of the debenture concerned.

Inventory

Raw materials are valued at the lower of cost and replacement cost, the cost being determined using the first in, first out method. Finished goods and goods in process inventories are valued at the lower of cost (including raw materials, direct labour and manufacturing overhead) and net realizable value, the cost being determined using the first in, first out method.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are accounted for at cost.

Amortization is based on their estimated life using the following methods and rates:

	Amortization methods	Rates
Reference works	straight-line	33.33%
Tools and equipment	straight-line	20%
Data processing equipment and software	straight-line	33.33%
Commercial booths	straight-line	33.33%
Rolling stock	diminishing balance	30%
Furniture and fittings	straight-line	12.5% and 20%

Intangible assets

Patents and Trademark

Patents and the trademark are accounted for at cost.

Amortization is based on their estimated life using the straight-line method at the rate of 10%.

Development costs

Research and development costs are expensed as incurred. However, development expenses are deferred when they meet generally accepted criterias for deferral up to the amount that is reasonably certain to be recovered. Deferred development costs are amortized on a straight-line basis over a five-year period.

Investment tax credits for research and development expenses and government assistance are recognized in deduction in the period when the cost is incurred, on condition that the Company is reasonably certain of the materialization of the credits. Investment tax credits must be examined and approved by the fiscal authority in a way that the amount accepted may differ of the accounted amount.

Impairment of long-term assets

Long-term assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds the undiscounted cash flows expected to result from their use and eventual disposition. An impairment loss should be measured as the amount by which the carrying amount of a long-term asset exceeds its fair value. No impairment loss was recognized as at August 31, 2010 and 2009.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Products warranties

The equipment sold are covered by a one year warranty. Estimated warranty repairs are accounted for by the Company at the time of sale of the products under warranty based on their past experience.

Issuance costs

Share issuance costs have been applied against retained earnings.

Stock-based compensation and other stock-based products

The Company offers a stock-based compensation plan that is described in Note 19. The Company recognizes as an expense in the statements of income the fair value of the stock options at the grant date. Any consideration paid by employees on exercise or purchase of stock options is credited to share capital. Compensation expense for options granted under the stock option plan is recognized on a straight-line basis over the vesting period of the options. The value allocated to the stock options is transferred to capital stock once the common shares are issued.

Cash and cash equivalents

The Company's cash and cash equivalents include cash and highly liquid financial instruments, with an initial term of three months or less.

5. FUTURE CHANGES TO SIGNIFICANT ACCOUNTING POLICIES

International financial reporting standards (IFRS)

In February 2008, The Accounting Standards Board has confirmed that publicly accountable enterprises must adopt IFRS for years beginning on or after January 1, 2011. Consequently, the Company will apply IFRS from September 1, 2011. These standards will replace current generally accepted accounting principles of Canada. The Company is currently evaluating the future impact of these new standards on its commercial operations, financial information systems and financial statements.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

6. INCOME TAXES

The future income tax assets and liabilities are related to the following items:

	2010	2009
Future income tax assets		
Long-term		
Capital assets	\$ 179,983	\$ 185,812
Tax losses	855,430	541,609
Research and development expenses	105,553	131,717
Accounting reserve provision	3,099	7,425
Financing expenses	88,612	72,346
	1,232,677	938,909
Future income tax liabilities		
Long-term		
Intangible assets and research and development tax credits	(49,034)	(46,802)
	1,183,643	892,107
Valuation allowance	(1,183,643)	(892,107)
	\$ -	\$ -

The Company's effective tax rate differs from the combined statutory rate (federal and provincial). This difference is attributable to the following elements:

	2010		2009	
Combined federal and provincial rate	\$ (473,702)	(30.23)%	\$ (139,666)	(30.90)%
Tax rate increase (decrease) resulting from:				
Non-deductible debenture interest	(9,117)	(0.58)	(12,326)	(2.72)
Valuation allowance	291,536	18.60	145,336	32.15
Subsidiary's losses	143,065	9.13	58,549	12.95
Gap on rates and other	48,218	3.08	(51,893)	(11.48)
Effective tax rate	\$ -	- %	\$ -	- %

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

6. INCOME TAXES (continued)

Non-capital losses likely to reduce taxes of future exercises are of \$3,017,400 at the federal level and \$3,002,100 at the provincial level. The Company could be prevailed of the tax advantage rising from the carryforward of these losses until 2030:

	Federal	Provincial
2014	\$ 132,600	\$ 128,300
2025	\$ 386,700	\$ 378,200
2026	\$ 154,500	\$ 152,000
2027	\$ 265,600	\$ 265,600
2028	\$ 565,000	\$ 565,000
2029	\$ 362,000	\$ 362,000
2030	\$ 1,151,000	\$ 1,151,000

Moreover, the Company has non-capital losses in the United-States in the amount of \$381,000. The Company could be prevailed of the tax advantage rising from the carryforward of these losses for a period of twenty to thirty years.

7. ADDITIONAL INFORMATION TO THE STATEMENTS OF INCOME

The income statements include the following items:

	2010	2009
Amortization of capital assets	\$ 36,634	\$ 28,631
Amortization of intangible assets	\$ 8,807	\$ 15,376
Expenses related to stock-based compensation		
Salaries	\$ 176,642	\$ 17,264
Professional services	\$ 27,600	\$ -
Debenture and long-term debt interest	\$ 142,695	\$ 109,380
Interest on short-term debt	\$ 2,437	\$ 8,463
Gain (loss) in exchange rate	\$ (6,015)	\$ 4,827

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

8. ACCOUNTS RECEIVABLE

	2010	2009
Trade	\$ 161,254	\$ 262,289
Bad debt provision	38,222	-
	123,032	262,289
Security deposit	135,166	6,323
Travelling expenses advances, without interest	3,200	5,753
Advances to shareholders, without interest	3,200	3,200
Commodity taxes	23,962	12,148
Research and development tax credits*	199,166	129,276
	\$ 487,726	\$ 418,989

* Research and development tax credits are related to a submission that has not yet been examined by tax authorities.

9. INVENTORIES

	2010	2009
Raw materials	\$ 106,432	\$ 107,143
Goods in process	8,850	40,805
Finished goods	104,717	124,221
	\$ 219,999	\$ 272,169

10. NOTES RECEIVABLE

	2010	2009
Notes receivable from shareholders, without interest, maturing upon dividend payment	\$ 8,391	\$ 8,391

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

11. CAPITAL ASSETS

	2010		2009	
	Cost	Accumulated amortization	Net book value	Net book value
Reference works	\$ 71,824	\$ 71,824	\$ -	\$ -
Tools and equipment	208,354	199,281	9,073	15,800
Data processing equipment and software	83,121	68,184	14,937	10,263
Commercial booths	70,137	26,524	43,613	18,110
Rolling stock	71,949	29,518	42,431	5,350
Furniture and fittings	69,074	59,202	9,872	9,231
	\$ 574,459	\$ 454,533	\$ 119,926	\$ 58,754

12. INTANGIBLE ASSETS

	2010		2009	
	Cost	Accumulated amortization	Net book value	Net book value
Patents	\$ 199,444	\$ 37,212	\$ 162,232	\$ 152,898
Development costs	2,486,821	253,495	2,233,326	1,326,709
Trademark	8,017	-	8,017	5,943
	\$ 2,694,282	\$ 290,707	\$ 2,403,575	\$ 1,485,550

During the year 2010, the Company incurred \$12,917 (2009 - \$58,897) for patents and \$2,074 (2009 - \$5,943) for a trademark.

The Company also incurred development costs of \$1,111,007 (2009 - \$493,567) and recognized research and development tax credits of \$199,166 (2009 - \$129,276) in reduction of the development costs. During the year 2009, government contributions of \$27,555 were recognized against development costs.

As at August 31, 2010, patents of a cost of \$164,107 (2009 - \$152,898), a trademark of a cost of \$8,017 (2009 - \$5,943) and development costs, net of research and development tax credits and government contributions, of \$2,189,948 (2009 - \$1,309,242) were not amortized.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

13. BANK LOAN

The Company has available credit facility amounting to \$250,000, bearing interest at the bank prime rate plus 4%, secured by accounts receivable and by inventories. The credit facility is renewable on December 31, 2010.

As at August 31, 2010, the credit facility was not used and a letter of credit for a total amount of \$10,000 expiring January 16, 2011 had been issued.

Under the terms of the credit agreement, the Company must comply with a debt covenant relating to the maintenance of a financial ratio. As at August 31, 2010, the Company was not in compliance with this debt covenant.

14. ACCOUNTS PAYABLE

	<u>2010</u>	<u>2009</u>
Accounts payable and accrued liabilities	\$ 260,933	\$ 162,371
Salaries and commitment fees	85,643	62,283
Provision for warranties	4,610	7,205
Customer deposits	782	25,000
	<u>\$ 351,968</u>	<u>\$ 256,859</u>

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

15. LONG-TERM DEBT

	2010	2009
Note payable, without interest, repayable in one instalment of \$185,000 on June 2010 and one of \$183,975 on January 2011, secured by all the Company's present and future assets, included research and development tax credits recoverable on years 2010 and 2011 ^{a)}	\$ 368,975	\$ 368,975
Notes payable to Investment Quebec, of an originally amount of \$458,333, plus capitalized cost, interest at the prime rate to the prime rate plus 2.75%, secured by a floating load on the assets present and future, payable in monthly instalments of \$5,170 and a final payment of \$2,799, maturing from December 2015 to April 2016 ^{b)}	336,439	351,977
Notes payable, secured by rolling stock with a net value of \$38,686, effective interest at 2.9%, repayable in monthly instalments of \$1,195, maturing in November 2012	32,267	-
Note payable to a shareholder, without interest, repayable in one instalment in September 2010 ^{c)}	100,000	-
Notes payable to directors, without interest, repayable in one instalment, maturing in September 2010	-	375,000
Amounts due to directors, without interest and repayment terms	-	500,000
Note payable, without interest, repayable in annual instalments of \$7,507, maturing in October 2009 ^{d)}	-	7,507
Notes payable, 11%, repayable in monthly instalments of \$652 including principal and interest, maturing from December 2008 to October 2009	-	858
Note payable, secured by rolling stock with a net book value of \$5,350, without interest, repayable in monthly instalments of \$485, maturing in October 2009	-	968
	837,681	1,605,285
Current portion	429,446	213,748
	\$ 408,235	\$ 1,391,537

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

15. LONG-TERM DEBT (continued)

Long-term debt principal repayments for the next five years are as follows:

2011 -	\$	429,446
2012 -	\$	106,681
2013 -	\$	135,925
2014 -	\$	68,340
2015 -	\$	68,340

- a) As at August 31, 2010, the Company had an outstanding amount of \$185,000 on a note payable. This amount is included in the current portion.
- b) In addition to the monthly payments, the Company will have to reimburse annually beginning February 28, 2013 an amount of capital corresponding to 20% of the net generated funds of the Company. During the year 2009, interest of an amount of \$18,837 was capitalized with the notes payable.

Under the terms of the credit agreement, the Company must comply with financial ratios. As at August 31, 2010 and 2009, the Company was not in compliance with these ratios. The creditor has signified his tolerance at this regard.

On September 2010, the Notes Payable terms have changed. Under the new terms, the Notes Payable are repayable in monthly instalments of \$2,585 until July 2011, in monthly instalments of \$5,685 thereafter and a final payment of \$5,764.

- c) On September 14, 2010, an amount due to a shareholder has been changed to a note payable, bearing interest at 12%, repayable over three years by monthly capital instalments of \$1,000 the first year, \$2,000 the second year and eleven capital instalments of \$5,000 thereafter and a final payment of \$9,000.

On November 1, 2010, the Company concluded a moratorium for the refunding of the note payable. This moratorium will end when the Company will have refunded the debt to Investment Quebec incurred at the same moment (Note 27).

- d) This note payable is made out in US dollars and represents US\$6,856.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

16. DEBENTURES

	<u>2010</u>	<u>2009</u>
Debtenture, non-guaranteed and non-convertible, nominal rate of 15%, implicit rate of 25%, repayable in monthly capital instalments of \$4,000 until May 2011 and a final payment of \$312,000, maturing in June 2011	\$ 342,034	\$ 371,397
Debtentures, non guaranteed, nominal rate of 12%, calculated semi-annually, implicit rate of 23.5%, convertible in common shares at a conversion price of \$0.20 per share, repayable, capital and interest, on January 9, 2012	<u>715,674</u>	-
	1 057 708	371,397
Current portion	<u>342,034</u>	241,537
	\$ 715,674	\$ 129,860

Principal debtenture repayments for the next two years are as follows:

2011 - \$ 348,000
2012 - \$ 800,000

During the year 2010, the Company issued non guaranteed debtentures. The company chose to determine the liability component by discounting cash flows at market rates charged for similar debt which no associated equity component and determine the equity component by default. Upon initial recognition, the Company recorded a liability in the amount of \$694,569 and an equity component of a \$105,431 that was charged to contributed surplus, for a total of \$800,000. Implicit interest rate of 23.5% are reflected in income.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

17. CAPITAL STOCK

Authorized an unlimited number of shares, without par value

Common shares, participating and voting

The following summary illustrates the changes in the Company's capital stock for the years ended August 31, 2010 and 2009:

	2010		2009	
	Number	Stated value	Number	Stated value
BALANCE , beginning of year	52,810,329	\$ 5,377,565	52,810,329	\$ 5,377,565
Issuance of shares	19,966,999	1,795,120	-	-
BALANCE , end of year	72,777,328	\$ 7,172,685	52,810,329	\$ 5,377,565

In accordance with the requirements of the Exchange, common shares are escrowed pursuant to a CPC escrow arrangement. Under the terms of the arrangement, 10% of the escrowed common shares have been released on issuance of the final exchange bulletin and 15% of the additional common shares will be released at six-month intervals thereafter, that is on the 6th, 12th, 18th, 24th, 30th and 36th month following the initial release. As at August 31, 2010, no share (2009 - 10,888,889) is escrowed.

On September 4, 2009, following the first closing of a private placement, the Company issued 9,266,666 Units at a price of \$0.15 per unit, for a total of \$1,390,000. Each unit is composed of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the Company, at a price of \$0.15 per share for a period of 36 months from the closing date. Of this amount, a total of 5,666,667 units were subscribed by members of the board of directors, including 5,000,000 issued in conversion of a note payable and amounts due. The fair value of the shares and warrants was estimated at \$889,600 and \$500,400 respectively at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.33%
Expected life	3 years
Expected volatility	100%
Dividend yield	Nil

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

17. CAPITAL STOCK (continued)

On October 19, 2009, the Company announced the second closing of its private placement by issuing 1,333,667 units at a price of \$0.15 per unit, for a total of \$200,050. Each unit is composed of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the Company, at a price of \$0.15 per share for a period of 36 months from the closing date. Of this amount, 166,667 units were subscribed by a conversion of a note payable to a director. The fair value of the shares and warrants was estimated at \$130,032 and \$70,018 respectively at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.48%
Expected life	3 years
Expected volatility	100%
Dividend yield	Nil

On February 9, 2010, 100,000 stocks options have been exercised at a price of \$0.12 per share. The fair value of the 100,000 shares is \$16,600.

On March 29, 2010, the Company announced a closing of a private placement by issuing 1,666,666 units at a price of \$0.15 per unit, for a total of \$250,000. Each unit is composed of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the Company, at a price of \$0.20 per share for a period of 36 months from the closing date. The fair value of the shares and warrants was estimated at \$162,500 and \$87,500 respectively at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.61%
Expected life	3 years
Expected volatility	100%
Dividend yield	Nil

On August 23, 2010, the Company announced a closing of a private placement by issuing 4,900,000 units at a price of \$0.10 per unit, for a total of \$490,000. Each unit is composed of one common share and one-half of a warrant. Each warrant entitles the holder to acquire one common share of the Company, at a price of \$0.20 per share for a period of 36 months from the closing date. The fair value of the shares and warrants was estimated at \$381,818 and \$108,182 respectively at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.22%
Expected life	3 years
Expected volatility	100%
Dividend yield	Nil

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

17. CAPITAL STOCK (continued)

On August 27, 2010, the Company announced a closing of a private placement by issuing 2,700,000 units at a price of \$0.10 per unit, for a total of \$270,000. Each unit is composed of one common share and one-half of a warrant. Each warrant entitles the holder to acquire one common share of the Company, at a price of \$0.20 per share for a period of 36 months from the closing date. The fair value of the shares and warrants was estimated at \$214,570 and \$55,430 respectively at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.28%
Expected life	3 years
Expected volatility	100%
Dividend yield	Nil

To distribute the proceed of the stock issuances, the Company has opted for the proportional method by which the value is distributed based on market values of shares and warrants.

Issuances costs in the amount of \$156,929, including professional fees and the fair value of stock options, have been charged to deficit.

18. CAPITAL MANAGEMENT

The Company includes the total of the equity in the capital definition.

In terms of capital management, the Company's objectives are to preserve its ability to continue its operation to ensure its sustainability and to provide an adequate return to its shareholders. The Company uses its capital to fund its research and development expenses, the marketing strategy and to insure an adequate level of cash flow.

The Company's objectives and policies in terms of capital management have not changed since September 1, 2009.

In order to maintain and adjust its capital structure, the Company can issue new shares and new debts. The Company must comply with:

- A ratio debt/equity of 0.5;
- A ratio of working capital of 1.5;
- A minimum working capital of \$75,000.

As at August 31, 2009 and 2010, the Company was not in compliance with those ratios [Notes 13 and 15b)].

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

19. STOCK OPTIONS

Stock option plan

The Company has established a stock option plan under which certain directors, officers, employees and consultants can be granted Company stock options. The maximum number of options that can be issued under this plan is 6,341,000. The exercise price of each option corresponds to the determined price at the date of grant. The determined price cannot be less than the market value on the day prior to the attribution date. The maximum term of an option is ten years and the vesting period is determined at the time of the stock options issue.

On September 24, 2009, the Company granted 1,600,000 stock options to directors, board's members and employees. The acquisition of the rights will be as follows: 1/3 at the grant date, 1/3 on November 30, 2009 and 1/3 on November 30, 2010. When exercised, each option entitles the holder the right to purchase one common share at an exercise price of \$0.11, until September 4, 2014. The fair value of the options was estimated at \$132,800 at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	2.36%
Expected life	5 years
Expected volatility	100%
Dividend yield	Nil

On November 17, 2009, the Company granted 100,000 stock options to an employee. The acquisition of the rights will be as follows: 1/3 at the grant date, 1/3 on January 31, 2010 and 1/3 on November 17, 2010. When exercised, each option entitles the holder the right to purchase one common share at an exercise price of \$0.10, until November 17, 2014. The fair value of the options was estimated at \$7,500 at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	2.30%
Expected life	5 years
Expected volatility	100%
Dividend yield	Nil

On January 7, 2010, the Company granted 600,000 stock options to directors and board's members. The acquisition of the rights will be as follows: 1/3 at the grant date, 1/3 on March 31, 2010 and 1/3 on March 31, 2011. When exercised, each option entitles the holder the right to purchase one common share at an exercise price of \$0.12, until January 7, 2015. The fair value of the options was estimated at \$54,000 at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	2.48%
Expected life	5 years
Expected volatility	100%
Dividend yield	Nil

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

19. STOCK OPTIONS (continued)

On January 7, 2010, the Company granted 600,000 stock options to a consultant according to its stock option plan. The acquisition of the rights will be at the grant date. When exercised, each option entitles the holder the right to purchase one common share at an exercise price of \$0.12, until January 7, 2011. The fair value of the options was estimated at \$27,600 at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.37%
Expected life	1 year
Expected volatility	100%
Dividend yield	Nil

On August 27, 2010, following the closing of a private placement, the Company granted 189,000 stock options to Northern Securities as compensation options. The acquisition of the rights will be at the grant date. When exercised, each option entitles the holder the right to purchase one unit of Nuvolt at an exercise price of \$0.10 per unit until August 27, 2012. Each unit is comprised of one common share and one-half of a common share warrant. The fair value of the options was estimated at \$12,852 at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.28%
Expected life	2 years
Expected volatility	100%
Dividend yield	Nil

On April 1, 2009, the Company granted 3,000 stock options to an employee. The acquisition of the rights is on December 31, 2009. When exercised, each option entitles the holder the right to purchase one common share at an exercise price of \$0.10, expiring in five years. The fair value of the options was estimated at \$21 at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.50%
Expected life	5 years
Expected volatility	100%
Dividend yield	Nil

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

19. STOCK OPTIONS (continued)

The following table summarizes the situation of the Company's stock option plan as at August 31, 2010 and 2009:

	2010		2009	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding, beginning of year	3,648,656	\$ 0.11	3,840,656	\$ 0.11
Granted	3,089,000	0.11	3,000	0.10
Cancelled	(750,000)	0.10	(70,000)	0.10
Exercised	(100,000)	0.12	-	-
Forfeited	(687,656)	0.15	(125,000)	0.15
Outstanding, end of year	5,200,000	\$ 0.11	3,648,656	\$ 0.11
Options exercisable, end of year	4,216,667		3,145,656	
Weighted average fair value of options granted during the year	\$ 0.076		\$ 0.007	

The following table summarizes information about stock options outstanding August 31, 2010:

Range of exercise price	Options outstanding			Options exercisable	
	Number of options outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
\$0.10	2,600,000	2.20 years	\$ 0.10	2,316,667	\$ 0.10
\$0.11	1,500,000	4.01 years	0.11	1,000,000	0.11
\$0.12	1,100,000	2.53 years	0.12	900,000	0.12
\$0.10 - \$0.12	5,200,000	2.79 years	\$ 0.11	4,216,667	\$ 0.11

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

20. WARRANTS

The summary of the changes during the years ended August 31, 2010 and 2009, relative to the warrants is as follows:

	2010		2009	
	Warrants	Weighted average exercise price	Warrants	Weighted average exercise price
Outstanding, beginning of year	3,333,333	\$ 0.15	15,866,666	\$ 0.19
Granted	16,066,999	0.17	-	-
Forfeited	(3,333,333)	0.15	(12,533,333)	0.20
Outstanding, end of year	16,066,999	\$ 0.17	3,333,333	\$ 0.15
Warrants that might be exercised, end of year	16,066,999	\$ 0.17	3,333,333	\$ 0.15
Weighted average fair value of warrants granted during the year	\$ 0.0051		\$ -	

The following table summarizes information about fixed warrants outstanding August 31, 2010:

Range of exercise price	Warrants outstanding			Warrants exercisable		
	Number of warrants outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of warrants exercisable	Weighted average exercise price	
\$0.15	10,600,333	2.03 years	\$ 0.15	10,600,333	\$ 0.15	
\$0.20	5,466,666	2.86 years	0.20	5,466,666	0.20	
\$0.15 - \$0.20	16,066,999	2.31 years	\$ 0.17	16,066,999	\$ 0.17	

On March 11, 2010, the warrant attached to the non-convertible debenture enabling the holder to buy 3,333,333 common shares at a price of \$0.15 has expired and was forfeited. The amount allocated to the warrant is \$114,462 (Note 16).

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

21. CONTRIBUTED SURPLUS

The following table presents the changes in contributed surplus during the years ended August 31, 2010 and 2009:

	2010	2009
BALANCE , beginning of year	\$ 1,273,484	\$ 657,067
Conversion privilege on the debenture	105,431	-
Cancellation of stock options	92,998	12,435
Cancellation of warrants	114,462	603,982
BALANCE , end of year	\$ 1,586,375	\$ 1,273,484

22. COMMITMENTS

The Company has leases commitments until 2012 for the rental of warehouses and rolling stock. The balance of the commitments under such leases is \$108,168. Minimum payments payable required for the next two years are as follows:

2011 -	\$ 87,774
2012 -	\$ 20,394

During the year 2010, the Company has entered into an employment contract of indefinite duration with two directors. The Company must pay a severance payment in the event that it would terminate the contract for any reason other than serious misconduct.

23. EARNING PER SHARE

The basic earning per common share is calculated by dividing the net income (net loss) assumed by the common shareholders by the weighted average number of common shares outstanding during the year. Diluted net income (net loss) per share is calculated giving effect to the potential dilution that could occur if stock options and warrants to issue common shares were exercised at the later of the beginning of the period or the issuance date. The treasury stock method is used to determine the dilutive effect of stock options and warrants.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

23. EARNING PER SHARE (continued)

The following table shows the basic weighted average number of common shares outstanding:

	2010	2009
Basic weighted average number of shares outstanding	\$ 64,085,412	\$ 52,810,329

Items excluded from the calculation of diluted net income per share

Stock options	5,468,109	3,815,379
Warrants	12,884,307	14,321,461

For the years 2010 and 2009, the diluted net loss per share was the same as the basic net loss per share since the dilutive effect of the stock options and of the warrants was not included in the calculation: otherwise the effect would have been anti-dilutive. Accordingly, the diluted net loss per share was calculated using the basic weighted average number of shares outstanding.

24. ADDITIONAL INFORMATION TO THE STATEMENTS OF CASH FLOWS

The net change in non-cash working capital is as follows:

	2010	2009
Accounts receivable	\$ 130,429	\$ 481,827
Inventories	52,170	11,954
Prepaid expenses	(12,045)	8,032
Accounts payable	229,330	(12,137)
Deferred revenue	(11,240)	5,842
	\$ 388,644	\$ 495,518

During the year 2010, the Company acquired capital assets of \$43,424 which are financed by a long-term debt.

The Company acquired intangible assets including patents in the amount of \$11,628 (2009 - \$46,561) and development expenses of \$15,842 (2009 - \$174,282), which are financed by accounts payable of \$27,470 (2009 - \$220,843).

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

24. ADDITIONAL INFORMATION TO THE STATEMENTS OF CASH FLOWS (continued)

The Company accounted for a tax credit receivable of \$199,166 (2009 - \$129,276) as a reduction of intangible assets - development expenses.

An amount due to a director in the amount of \$100,000 has been converted into a note payable to a shareholder.

The Company issued shares and warrants, totalising \$775,000 in exchange for repayment of notes and amounts payable to directors.

The Company incurred share issuance costs in the amount of \$59,152 which are financed by accounts payable and it also incurred the fair value of the stock options in the amount of \$12,852.

During the year 2009, an account of \$368,975 due to a supplier was converted into a long-term note payable. Also, an amount due to a director of \$100,000 was converted into a note payable.

25. FINANCIAL INSTRUMENTS

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and price risk. The Company is exposed to two of these risks; the risk associated with interest rate and currency risk

Interest rate risk

The Company has borrowings bearing interest at variable rates. Consequently, the Company is exposed to interest rate risk based on changes in the prime rate. However, a 1% change in the prime rate would not have a significant effect on the Company's results and financial position. Assuming a 1% increase of the interest rate on the amounts reported as Long-Term Debts, net loss would have increase by \$3,364 (2009 - \$3,919) for the exercise ended August 31, 2010.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

25. FINANCIAL INSTRUMENTS (continued)

Market risk

Currency risk

Part of the Company's purchases and sales are denominated in foreign currency, namely in US dollars. Consequently, the Company has a foreign currency exposure on certain assets and liabilities. As at August 31, 2010, net assets denominated in US dollars and converted to Canadian dollars totalled \$296,743 (2009 - \$165,764). The Company does not use financial instruments to manage its exposure to changes in currency exchange rates.

An increase of 1% of the Canadian dollar against the American dollar, all other variables remaining constant, would decrease the net loss of \$2,359 (2009 - increase of the net loss of \$5,241). A decrease of 1% of the Canadian dollar against the American dollar would increase the net loss of \$2,359 (2009 - decrease of the net loss of \$5,241).

Credit risk

The Credit risk is primarily attributable to a debtor not respecting its financial obligations. The Company does not believe to be exposed to a risk of credit higher than normal in regards to its customers. The Company has several customers in various geographical areas, verifies new customers' credit and recognizes a provision for bad debt when management believes that there is a risk not to recover the amount receivable. Moreover, the Company has credit insurance for most of its accounts receivable. Accordingly, during the year 2010, the Company made a provision for a debt in the amount of \$38,222. The maximal exposure is equal to the book of notes receivable.

Cash flow risk

Liquidity risk is the risk that the Company may not be able to meet all its commitments regarding net cash flow in a timely manner.

The Company has a credit facility, which allows it to have sufficient funds to meet its short-term financial needs associated with its regular operations. The Company monitors its cash flow weekly, which allows it to seek additional liquidity in a timely manner, when required. The necessary funding comes from debt and the contribution of share capital, and allows the Company to pursue its activities.

As at August 31, 2010, the Company had accounts payable of \$351,968 (2009 - \$256,859). The maturity date of the long-term debt, the debenture and commitments are presented in Notes 15, 16 and 22.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

25. FINANCIAL INSTRUMENTS (continued)

Fair value

The fair value of notes receivable could not be determined because it is virtually impossible to find on the market a financial instrument with basically the same economic characteristics.

For the notes payable bearing interest at variable rates, the fair value is comparable to the book value, since their variable rate.

For the debentures, other notes payable and amount payable, the fair value is comparable to the book value due to the interest rate that is comparable to the rate to which the Company could negotiate a loan with similar conditions and expiry.

Financial instruments carried at fair value are classified into a hierarchy which reflects the importance of data used to compile the ratings. This hierarchy includes three levels:

- Level 1 - Prices (unadjusted) in active markets for identical assets and liabilities, cash and bank overdraft are classified in this level.
- Level 2 - Evaluation data from observable market for the asset or liability, directly or indirectly obtained.
- Level 3 - Evaluation based on data other than observable market for the asset or liability.

During the year 2010, there was no transfer in assessments of financial assets between the different levels.

26. SEGMENT INFORMATIONS

The Company has examined its activities and has determined that it operates only under one reportable operating sector. This segment is the selling of neutralization equipment of stray voltage and control system of farm electric equipment.

The Company operates from only one localisation. All of the Company's capital assets and intangible assets are located in Canada.

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

26. SEGMENT INFORMATIONS (continued)

Revenues by geographic region are detailed as follows:

	2010	2009
Canada	\$ 675,416	\$ 807,793
United States	317,895	929,392
	\$ 993,311	\$ 1,737,185

Revenues have been allocated to geographic regions based on the country of residence of the related customers.

During the year ending August 31, 2010, the Company did make 15% (2009 - 9%) of its total revenues with one client.

27. SUBSEQUENT EVENTS

On November 1, 2010, the Company has obtained a loan from Investissement Quebec, of a maximum amount of \$450,000. The loan bears interest at prime rate plus 9% and is repayable at the reception of the proceeds of the current private placement, exceeding the first \$150,000 closed after October 29, 2010, or any other fund raising, or no later that June 20, 2011. This loan is secured by all Company's present and future assets.

On November 18, 2010, the Company announced the closing of a private placement by issuing 2,255,000 units at a price of \$0.10 per unit, for a total of \$225,500. Each unit is composed of one common share and one-half of a warrant. Each warrant entitles the holder to acquire one common share of the Company, at a price of \$0.20 per share for a period of 36 months from the closing date. The fair value of the shares and warrants was estimated at \$180,400 and \$45,100 respectively at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.57%
Expected life	3 years
Expected volatility	100%
Dividend yield	Nil

Nuvolt Corporation Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at August 31, 2010 and 2009

27. SUBSEQUENT EVENTS (continued)

On November 18, 2010, following the closing of a private placement, the Company granted 122,850 stock options to Northern Securities as compensation options. The acquisition of the rights will be at the grant date. When exercised, each option entitles the holder the right to purchase one unit of Nuvolt at an exercise price of \$0.10 per unit until November 18, 2012. Each unit is comprised of one common share and one-half of a common share warrant. The fair value of the options was estimated at \$7,494 at the grant date using the Black & Scholes option pricing model based on the following weighted average hypothesis:

Risk-free interest rate	1.57%
Expected life	2 years
Expected volatility	100%
Dividend yield	Nil

28. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation used in the current year.