

**NEW HORIZONS  
INCOME STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 1999**

SALES		\$930,000
EXPENSES		
DEPRECIATION - FURNITURE	\$500	
DEPRECIATION - EQUIPMENT	10,350	
SALARIES	490,000	
RENT	20,000	
ADMINISTRATION & SALES	120,000	
R & D	88,000	
TOTAL EXPENSES	<u>728,850</u>	<u>728,850</u>
NET INCOME		<u><u>\$201,150</u></u>

**NEW HORIZONS  
STATEMENT OF RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

BEGINNING RETAINED EARNINGS JAN 1, 1999	(\$154,500)
ADD: NET INCOME	<u>201,150</u>
RETAINED EARNINGS DECEMBER 31, 1999	<u><u>\$46,650</u></u>

**NEW HORIZONS  
INCOME STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2000**

SALES		\$1,860,000
EXPENSES		
DEPRECIATION - FURNITURE	\$500	
DEPRECIATION - EQUIPMENT	10,350	
SALARIES	860,000	
RENT	20,000	
ADMINISTRATION & SALES	160,000	
R & D	98,000	
TOTAL EXPENSES		1,148,850
NET INCOME		\$711,150

**NEW HORIZONS  
STATEMENT OF RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 2000**

BEGINNING RETAINED EARNINGS JAN 1, 2000	\$46,650
ADD: NET INCOME	711,150
RETAINED EARNINGS DECEMBER 31, 2000	\$757,800

**INCOME STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2001**

SALES		\$3,100,000
EXPENSES		
DEPRECIATION - FURNITURE	\$1,000	
DEPRECIATION - EQUIPMENT	20,350	
SALARIES	1,020,000	
RENT	50,000	
ADMINISTRATION & SALES	200,000	
R & D	250,000	
TOTAL EXPENSES		1,541,350
NET INCOME		\$1,558,650

**NEW HORIZONS  
STATEMENT OF RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

BEGINNING RETAINED EARNINGS JAN 1, 2001	\$757,800
ADD: NET INCOME	1,558,650
RETAINED EARNINGS DECEMBER 31, 2001	\$2,316,450