

APPENDIX "A"
TO REPORT NUMBER 75
OF THE AUDIT COMMITTEE

Financial Statements

**The University of Toronto
Innovations Foundation**

April 30, 2004

AUDITORS' REPORT

To the Directors of
The University of Toronto Innovations Foundation

We have audited the balance sheet of **The University of Toronto Innovations Foundation** as at April 30, 2004 and the statements of operations, changes in net deficit and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 financial statements present fairly, in all material respects, the financial position of the Foundation as at April 30, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Corporations Act (Ontario), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Toronto, Canada,
June 25, 2004.

Ernst & Young LLP

Chartered Accountants

The University of Toronto Innovations Foundation

BALANCE SHEET

As at April 30

	2004 \$	2003 \$
		<i>[restated - note 3[e]]</i>
ASSETS		
Current		
Cash	169,566	298,920
Accounts receivable <i>[note 7]</i>	548,190	569,817
Note receivable - Biox Corporation <i>[note 3[e]]</i>	—	625,000
Prepaid expenses	11,255	29,345
Total current assets	729,011	1,523,082
Investments <i>[note 3[a]]</i>	686,898	793,375
Shares receivable - Procyon Biopharma Inc. <i>[note 3[d]]</i>	—	54,687
Capital assets, net <i>[note 4]</i>	646,904	931,398
	2,062,813	3,302,542
LIABILITIES AND NET DEFICIT		
Current		
Accounts payable and accrued liabilities <i>[note 3[e]]</i>	644,218	1,071,532
Contract advances	303,698	342,727
Prepaid and pre-billed revenue	394,706	356,805
Current portion of due to the University of Toronto <i>[note 5]</i>	61,227	318,203
Current portion of obligations under capital leases <i>[note 6]</i>	115,086	80,621
Trust account - onSETT <i>[note 7]</i>	28,000	—
Total current liabilities	1,546,935	2,169,888
Due to the University of Toronto <i>[note 5]</i>	5,750,000	3,800,000
Obligations under capital leases <i>[note 6]</i>	140,954	177,910
Deferred capital contributions <i>[note 8]</i>	199,277	299,548
Total liabilities	7,637,166	6,447,346
Commitments <i>[note 9]</i>		
Net deficit		
Invested in capital assets <i>[note 4[c]]</i>	191,587	373,319
Deficit	(5,765,940)	(3,518,123)
Total net deficit	(5,574,353)	(3,144,804)
	2,062,813	3,302,542

See accompanying notes

The University of Toronto Innovations Foundation

STATEMENT OF OPERATIONS

Year ended April 30

	2004 \$	2003 \$ <i>[restated - note 3[e]]</i>
REVENUE		
Royalties and licence fees	562,207	704,745
Sale of commercialization of rights <i>[note 3[e]]</i>	—	1,250,000
Cost recovery - UTECH Services and other <i>[note 1]</i>	220,796	260,591
Reimbursement of patent costs incurred on behalf of licencees <i>[note 10]</i>	114,369	73,671
Project and service fees <i>[note 11]</i>	230,755	318,379
Capital gain	—	3,774
Exceler@tor <i>[notes 3[c] and 8]</i>	792,270	1,070,250
Other	73,678	98,157
	1,994,075	3,779,567
EXPENSES		
Operating <i>[schedule]</i>	2,243,218	2,234,628
Exceler@tor <i>[note 4]</i>	1,430,652	1,480,646
Patent costs incurred on behalf of UTIF <i>[note 10]</i>	314,359	447,963
Patent costs incurred on behalf of licencees <i>[note 10]</i>	114,369	73,671
	4,102,598	4,236,908
Loss before the following	(2,108,523)	(457,341)
Equity pick-up (loss) on investments <i>[notes 3[e] and 3[f]]</i>	(83,016)	(80,000)
Write-down of investments <i>[note 3[d]]</i>	—	(416,703)
Loss before distributions	(2,191,539)	(954,044)
DISTRIBUTIONS		
Distribution to inventors	119,504	107,692
Distribution to the University of Toronto <i>[note 3[e]]</i>	93,182	305,642
Distribution to institutions/others	25,324	54,836
	238,010	468,170
Deficiency of revenue over expenses for the year	(2,429,549)	(1,422,214)

See accompanying notes

The University of Toronto Innovations Foundation

STATEMENT OF CHANGES IN NET DEFICIT

Year ended April 30

	2004		
	Invested in capital assets \$	Deficit \$	Total \$
Net deficit, beginning of year	373,319	(3,518,123)	(3,144,804)
Deficiency of revenue over expenses for the year	—	(2,429,549)	(2,429,549)
Change in invested in capital assets <i>[note 4[d]]</i>	(181,732)	181,732	—
Net deficit, end of year	191,587	(5,765,940)	(5,574,353)

	2003		
	Invested in capital assets \$	Deficit \$	Total \$
<i>[restated - note 3[e]]</i>			
Net deficit, beginning of year	342,845	(2,065,435)	(1,722,590)
Deficiency of revenue over expenses for the year	—	(1,422,214)	(1,422,214)
Change in invested in capital assets <i>[note 4[d]]</i>	30,474	(30,474)	—
Net deficit, end of year	373,319	(3,518,123)	(3,144,804)

See accompanying notes

The University of Toronto Innovations Foundation

STATEMENT OF CASH FLOWS

Year ended April 30

	2004 \$	2003 \$
		<i>[restated - note 3[e]]</i>
OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	(2,429,549)	(1,422,214)
Add (deduct) items not affecting cash		
Depreciation and amortization of capital assets	325,456	468,179
Amortization of deferred capital contributions	(100,271)	(269,222)
Capital gains	—	(12,774)
Write-down of investments	—	416,703
	(2,204,364)	(819,328)
Changes in non-cash working capital balances related to operations		
Accounts receivable	21,627	25,692
Note receivable - Biox Corporation	625,000	(625,000)
Prepaid expenses	18,090	(3,823)
Accounts payable and accrued liabilities	(427,314)	439,281
Contract advances	(39,029)	(146,218)
Prepaid and pre-billed revenue	37,901	146,380
Cash used in operating activities	(1,968,089)	(983,016)
INVESTING ACTIVITIES		
Purchase of capital assets	(40,962)	(232,876)
Net decrease (increase) in investments and shares receivable - Procyon Biopharma Inc.	161,164	(660,038)
Trust account - onSETT	28,000	—
Cash provided by (used in) investing activities	148,202	(892,914)
FINANCING ACTIVITIES		
Increase in due to the University of Toronto	1,693,024	1,676,355
Repayment of long-term debt	—	(143,300)
Increase (decrease) in obligations under capital leases	(2,491)	146,745
Cash provided by financing activities	1,690,533	1,679,800
Net decrease in cash during the year	(129,354)	(196,130)
Cash, beginning of year	298,920	495,050
Cash, end of year	169,566	298,920

See accompanying notes

SCHEDULE OF OPERATING EXPENSES

Year ended April 30

	2004	2003
	\$	\$
Salaries and employee benefits	1,056,678	707,981
Consulting fees	612,544	686,032
Interest charges	156,042	121,170
Office and general	79,387	86,509
Legal fees	66,078	67,644
Depreciation and amortization	59,632	50,061
Travel and promotion	57,266	111,191
Rent	47,998	148,896
Audit and accounting fees	23,596	21,982
Professional activities	23,060	20,307
Equipment lease	16,087	15,026
Bad debts	14,211	166,946
Maintenance	14,000	13,403
Telephone	12,909	11,367
Insurance	3,730	3,108
Sundry	—	3,005
	2,243,218	2,234,628

See accompanying notes

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

1. NATURE OF OPERATIONS AND RELATIONSHIP WITH THE UNIVERSITY OF TORONTO

The University of Toronto Innovations Foundation ["UTIF"] was incorporated, without share capital, in 1980 by the Governing Council of the University of Toronto [the "Governing Council"] under the Corporations Act (Ontario). UTIF has been granted tax-exempt status under the Income Tax Act (Canada). Each director of UTIF is "approved and nominated" for election to the Board by the Governing Council on the recommendation of the President of the University of Toronto [the "University"].

The principal objective of UTIF is to assist the University, its researchers and affiliated institutions to commercialize innovations and inventions made by these University-based researchers.

During 2002, UTIF created the Exceler@tor, a centre of innovation based on the business incubator model. The goal of this program is to provide support services to information technology-based startup companies beyond the range of those provided by traditional business incubators. The Exceler@tor has been sponsored by a number of outside organizations that have provided, at no cost, products and/or services.

UTECH Services is a business development function provided by UTIF to the University's academic community. The service is designed to help academics maximize industry support and participation in their research through grants and matching funds. All significant costs incurred by UTIF in providing these services are reimbursed by the University.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied within the framework of the significant accounting policies summarized below:

Revenue recognition

UTIF follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions externally restricted are deferred and recognized as revenue in the year in which the related expenses are recognized. Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital asset.

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Depreciation and amortization are recorded on a straight-line basis as follows:

Computer equipment	25%
Furnishings and other equipment	10%
Software	50%

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Investments

Where there is control or significant influence, investments are accounted for by the equity method; otherwise, investments are recorded at cost or, where there is deemed to be an impairment in value that is other than temporary, at cost less amounts written off.

The investments in 1523808 Ontario Inc., a wholly-owned for-profit entity, and CELLutions Biosystems Inc. are accounted for by the equity method.

Patent costs

All patent costs are expensed as incurred.

Revenue earned as a result of agreements that provide for the reimbursement of costs incurred in the current or prior years is included in royalties and licence fees when receivable.

Royalties

Royalties and licence fees are distributed based on individual agreements for each technology. Recipients of royalties include the University, inventors at the University, hospitals, inventors from outside the University and other institutions and Centres of Excellence.

Contributed materials and services

Contributed materials and services are not recognized in the financial statements because of the difficulty in determining their fair value.

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at year end. Operating revenue and expenses are translated at exchange rates prevailing on the transaction dates. Gains or losses arising from these translations are included in operations.

Fair values of financial instruments

The carrying values of financial instruments approximate their fair values unless otherwise noted.

Financial assets held by UTIF expose it to credit risk. UTIF provides for an allowance for doubtful accounts to absorb credit losses.

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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

3. INVESTMENTS

[a] Investments consist of shares received primarily in connection with licencing agreements. At April 30, UTIF's investment portfolio consists of the following:

	2004			2003		
	Units held	Book value	Market value	Units held	Book value	Market value
	#	\$	\$	#	\$	\$
BIOX Corporation	389,638	190,477	3,288,544	188,894	8,380	2,266,728
Biotech Breakthrough Fund (I) Inc.	10	10	—	—	—	—
Brighter Futures CSBIF (I) Fund Inc.	33	33	—	33	33	—
Brighter Futures CSBIF (II) Fund Inc.	33	33	—	33	33	—
Cytophotonics	33,333	—	—	33,333	—	—
The Discovery District Biotechnology Fund Inc.	100	—	—	100	—	—
Diversified Balanced CSBIF (I) Fund Inc.	10	10	—	—	—	—
Diversified Balanced CSBIF (I) Fund Inc.	10	10	—	—	—	—
General Communion Inc.	1,800	86	—	1,800	86	—
Interface Biologics	284,203	—	—	284,203	—	—
IF Internet Fund (I) Inc.	100	100	—	100	100	—
Innova Technologies Corp.	23,170	12,695	22,012	23,170	12,695	24,337
Neteka Inc.	247,500	248	—	247,500	248	—
Polyphalt Inc.	22,751	—	—	22,751	—	—
Procyon Biopharma Inc. [note 3[d]]	372,592	156,487	227,841	242,384	101,800	101,800
Select Therapeutics (Canada) Inc.	98,891	—	—	98,891	—	—
		360,189	3,538,397		123,375	2,392,865
CELLutions Biosystems Inc. [note 3[f]]	50	25,046	25,046	—	—	—
1523808 Ontario Inc. [note 3[e]]	100	301,663	301,663	100	670,000	670,000
		686,898	3,865,106		793,375	3,062,865

The market values of certain investments are not readily determinable for various reasons, including the shares are not traded or, if traded, management does not consider the market price to be an appropriate value, primarily because of a lack of liquidity and/or restrictions on resale.

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

- [b] UTIF holds certain investments on behalf of the University and other parties related to licencing agreements, primarily because of restrictions on the ability of the University to transfer these shares [note 5[a]].
- [c] UTIF, through Exceler@tor Service Agreements, earns entitlements to warrants of a number of Exceler@tor companies. These warrants, which may be exercised within five years of issue, are held by UTIF at no cost and no valuation until such time as they may be exercised to purchase common shares of the respective companies.
- [d] In 2001, UTIF sold a colon cancer screening technology to Procyon Biopharma Inc. ["Procyon"]. For compensation, UTIF received cash of \$1,500,000, paid in three installments, and 407,292 common shares of Procyon valued at \$782,000 resulting in a capital gain of \$2,282,000. Of this gain, the proceeds were split among UTIF, the University and the inventors. The inventors received \$1,460,000 in cash and the common shares of Procyon were split 80% to UTIF and 20% to the University. The remaining cash of \$40,000 was used to cover legal costs incurred with the sale. Of the 407,292 common shares, 277,084 had a one-year trading restriction and the other 130,208 had no restrictions and were received by UTIF in May 2003, represented by the 54,687 shares receivable in 2003.

Consistent with UTIF's policy of writing down the investments when there is an other than temporary decline in value, the investment in Procyon common shares was written down to the market value as at April 30, 2003. The write down in value resulted in a decline in the investment of Procyon shares of \$363,576, a decline in receivable for shares of \$195,314 and a decline of \$142,187 in the value of the payable to the University for the University's 20% portion held by UTIF.

- [e] During 2003, UTIF purchased from an inventor the shares of 1523808 Ontario Inc., a for-profit taxable entity under the Income Tax Act (Canada) [the "Corporation"] for \$750,000. The technology held by the Corporation was subsequently sold to Biox Corporation ["Biox"] for \$2,000,000 resulting in a tax liability of \$80,000. UTIF's share of the proceeds from the sale was \$1,250,000 [and options to purchase a certain number of common shares in the capital of Biox] and \$750,000 was allocated as proceeds to the Corporation. Of the \$1,250,000 proceeds allocated to UTIF, \$625,000 was received in cash and \$625,000 was received via a non-interest bearing promissory note from Biox, due September 28, 2003. In addition, of the UTIF proceeds of \$1,250,000, 20%, or \$250,000, was distributed to the University.

The results of the Corporation's operations for 2003 consisted of the proceeds from the sale of the technology of \$750,000, the cost of the technology of \$750,000 and an income tax provision of \$80,000, for a net loss of \$80,000.

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

The 2003 balance sheet for UTIF has been restated to record the initial investment in the Corporation of \$750,000 and the payable to the Corporation of \$750,000. The 2003 results have also been restated to reflect a decrease of \$750,000 to the equity pickup of the Corporation, and a corresponding decrease of \$750,000 to the investment in the Corporation. UTIF should have recorded a loss of \$80,000 in 2003, rather than an equity pickup of \$670,000. The net effect of these restatements on UTIF's operations for 2003 was to reduce the equity pickup by \$750,000 and to increase accounts payable and accrued liabilities by the same amount. The net impact on the investment account of the Corporation is nil, and therefore the balance remains unchanged from the amount reported in the 2003 financial statements.

The results of the Corporation's operations for 2004 consisted of various legal and other costs resulting in a loss to UTIF of \$108,061. In addition, the Corporation declared a dividend to UTIF of \$260,276 and has reimbursed legal and other costs of \$114,725, both of which are included within accounts receivable on the balance sheet.

During the year, UTIF exercised its option to purchase 200,744 [2003 - 32,894] additional shares of Biox as a part of the sale of the technology at a cost of \$182,097 [2003 - \$8,224].

[f] During the year, UTIF purchased 50 common shares of CELLutions Biosystems Inc. [the "company"] for a total of \$0.50 giving UTIF a 50% interest in the company.

As at April 30, 2004, the company had income of \$50,090 for which UTIF's equity portion is \$25,045.

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

4. CAPITAL ASSETS

[a] Capital assets consist of the following:

	2004		2003	
	Cost	Accumulated depreciation/amortization	Cost	Accumulated depreciation/amortization
	\$	\$	\$	\$
Computer equipment	604,678	311,276	597,885	162,389
Furnishings and other equipment	255,196	68,493	222,345	46,905
Software	344,135	341,809	342,898	338,731
Leasehold improvements	551,259	386,786	551,259	234,964
	1,755,268	1,108,364	1,714,387	782,989
Less accumulated depreciation and amortization	1,108,364		782,989	
Net book value	646,904		931,398	

Depreciation and amortization expense of \$265,824 [2003 - \$418,118] has been included in Excelsior expenses, rather than in depreciation and amortization expense in the schedule of operating expenses.

[b] The change in net book value of capital assets consists of the following:

	2004	2003
	\$	\$
Balance, beginning of year	931,398	1,166,701
Purchase of capital assets		
Internally funded	14,832	77,966
New capital leases	26,130	154,910
Depreciation and amortization of capital assets	(325,456)	(468,179)
Balance, end of year	646,904	931,398

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

[c] Invested in capital assets consists of the following:

	2004	2003
	\$	\$
Capital assets, net	646,904	931,398
Less amounts financed by		
Capital leases <i>[note 6]</i>	256,040	258,531
Deferred capital contributions <i>[note 8]</i>	199,277	299,548
	191,587	373,319

[d] The change in net assets invested in capital assets consists of the following:

	2004	2003
	\$	\$
Purchase of capital assets internally funded	14,832	77,966
Repayment of long-term debt	—	143,300
Repayment of capital leases	28,621	8,165
Increase in net assets invested in capital assets	43,453	229,431
Depreciation and amortization of capital assets	(325,456)	(468,179)
Amortization of deferred capital contributions	100,271	269,222
Decrease in net assets invested in capital assets	(225,185)	(198,957)
Change in net assets invested in capital assets	(181,732)	30,474

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

5. DUE TO THE UNIVERSITY OF TORONTO

Due to the University of Toronto consists of the following:

	2004 \$	2003 \$
Accounts payable to the University of Toronto [note 5[a]]	61,227	182,265
Line of credit [note 5[b]]	5,750,000	3,800,000
Procyon Biopharma Inc. shares	—	10,938
Biox Corporation [note 3[e]]	—	125,000
	5,811,227	4,118,203
Less current portion	61,227	318,203
Balance, end of year	5,750,000	3,800,000

[a] Accounts payable to the University of Toronto

Salaries, benefits and other expenses are paid by the University and reimbursed by UTIF. Accounts payable represent the unpaid balances at year-end. In addition, UTIF collects royalties and licence fees, a portion of which is payable to the University.

Also included is the book value of \$39,813 [2003 - \$28,875] for 94,791 [2003 - 68,750] Procyon common shares that have been delivered to UTIF for the University with a value of \$86,260 [2003 - \$28,875].

[b] Line of credit

The line of credit is due to the University and bears interest at the monthly Bank of Canada's prime rate. This credit facility will be available for use until April 30, 2006, at which time principal repayments are to commence with the final payments to be made by April 30, 2010. The maximum credit limit available at April 30, 2004 was \$6,300,000 [2003 - \$4,300,000] and escalates up to a maximum of \$11,000,000 by April 30, 2006.

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

6. OBLIGATIONS UNDER CAPITAL LEASES

Obligations under capital leases are as follows:

	\$
2005	139,708
2006	73,415
2007	65,599
2008	9,463
2009	5,105
Total minimum lease payments	293,290
Less amounts representing interest at 5.69%	37,250
	256,040
Less current portion	115,086
	140,954

7. TRUST ACCOUNT - OnSETT

OnSETT is a new third party organization set up to be a voice for technology transfer from research institutions in Ontario. UTIF is currently performing all accounting functions on behalf of this organization and as such is collecting fees and holding any such cash coming in, in trust, for onSETT. At April 30, 2004, UTIF has recorded \$28,000 in billable fees on behalf of onSETT of which \$27,000 is included in accounts receivable and \$1,000 in cash on the balance sheet.

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of donations of capital assets. The amortization of deferred capital contributions is recorded as Excelsior revenue on the statement of operations. The changes in the deferred capital contributions balance are as follows:

	2004 \$	2003 \$
Balance, beginning of year	299,548	568,770
Less amortization of deferred capital contributions	(100,271)	(269,222)
Balance, end of year	199,277	299,548

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

9. COMMITMENTS

- [a] Commitments have been made by UTIF to pay certain specified percentages of royalties and licence fees to the University and the owners of inventions and innovations.
- [b] UTIF has an operating lease agreement for office space to May 31, 2005, and two leases for office equipment. Exceler@tor also has two operating lease agreements for office space, both of which expire May 31, 2005, and various leases for office equipment. Future minimum annual lease payments are as follows:

	UTIF \$	Exceler@tor \$	Total \$
2005	52,244	292,750	344,994
2006	17,292	25,129	42,421
	69,536	317,879	387,415

10. PATENT COSTS

Patent costs consist of the following:

- incurred on behalf of existing licencees for which UTIF is fully reimbursed. The revenue of \$114,369 [2003 - \$73,671] related to the reimbursement of these costs is recorded in the same year as the patent costs are recorded; and
- incurred by UTIF on unlicensed projects with no source of reimbursement at the time of the expenditure. UTIF incurred \$314,359 [2003 - \$447,963] of such patent costs during the year and these costs may be recovered in future years.

The University of Toronto Innovations Foundation

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

11. PROJECT AND SERVICE FEES

Project and service fees consist of the following:

	2004	2003
	\$	\$
NSERC	115,000	100,000
Consulting	115,755	218,379
	230,755	318,379

The amount from NSERC represents a grant received by the University, the University of Windsor, Ryerson University, McMaster University, York University and Brock University to obtain technology transfer services from UTIF.

12. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2004 financial statements.