

Statements of Earnings & Retained Earnings

	For the 6 months ended March 31	
	2010	2009
Revenue		
Managed information services	\$ 1,551,694	\$ 1,758,212
Equipment and software sales	767,994	1,355,053
Interest and other income	13,658	14,300
	2,333,346	3,127,565
Expenses		
Managed information services	1,145,134	1,425,194
Cost of goods sold	566,158	1,020,791
General and administrative	437,949	489,860
Sales and marketing	115,075	110,970
	2,264,315	3,046,815
Earnings before the following:	69,031	80,750
Research and development	60,000	60,000
Amortization	139,829	107,713
Interest and bank charges	20,952	21,829
Stock compensation expense	82,473	52,923
Unrealized loss on marketable securities	(59,988)	7,811
Net loss	(174,235)	(169,526)
Deficit, beginning of period	(3,984,385)	(3,334,841)
Deficit, end of period	\$ (4,158,620)	\$ (3,504,367)
Net earnings (loss) per share	\$(0.005)	\$(0.005)

Balance Sheets

	As at	
	March 31 2010	September 30 2009
Assets		
Cash and cash equivalents	\$ 9,626	\$ 83,953
Accounts receivable	689,042	531,844
Inventory	40,046	22,996
Marketable securities, at fair value	64,407	13,669
Prepaid expenses	17,277	17,277
Total current assets	820,398	669,739
Proprietary software	210,981	300,981
Customer lists	67,903	97,932
Property and equipment	141,116	156,006
	\$ 1,240,398	\$ 1,224,658
Liabilities		
Demand credit facility	\$ 251,885	\$ 364,386
Accounts payable and accrued liabilities	549,557	617,854
Deferred revenue	135,889	127,285
Loans payable – current portion	30,000	50,000
Total current liabilities	924,467	1,159,525
Deferred leasehold allowances	7,000	8,000
Loans payable	405,000	285,000
	\$ 1,379,331	\$ 1,452,525
Shareholders' equity		
Common shares	\$ 4,019,687	\$ 3,756,518
Deficit	(4,158,620)	(3,984,385)
	\$ (138,933)	\$ (227,867)
	\$ 1,240,398	\$ 1,224,658

Statements of Cash Flow

	For the 6 months ended March 31	
	2010	2009
Operating		
Net loss	\$ (174,235)	\$ (169,526)
Amortization	139,829	107,713
Stock compensation expense	82,473	52,923
Unrealized (gain) loss on marketable securities	(59,988)	7,811
	11,921	(1,079)
Change in non-cash working capital	(221,516)	98,298
	(233,437)	97,219
Financing		
Increase in long-term obligations	100,000	25,000
Issuance of common shares – net	176,521	21,427
Change in demand credit facility	(112,501)	(114,716)
	164,020	(68,289)
Investing		
Acquisition of property and equipment	(4,910)	(17,930)
Acquisition of Micro-Aid	-	(11,000)
	(4,910)	(28,930)
Net change in cash	\$ (74,327)	-
Cash, beginning of period	83,953	-
Cash, end of period	9,626	-