

Consolidated Financial Statements

VendTek Systems Inc.

October 31, 2006 and 2005

AUDITORS' REPORT

To the Shareholders and Directors of VendTek Systems Inc.

We have audited the consolidated balance sheets of VendTek Systems Inc. as at October 31, 2006 and 2005 and the consolidated statements of operations and retained earnings 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 October 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
January 20, 2007

VendTek Systems Inc.

Consolidated Balance Sheets

October 31, 2006 and 2005

	2006	2005
Assets		
Current Assets		
Cash	\$ 763,664	\$ 246,616
Accounts receivable	1,985,832	1,198,892
Inventories [Note 3]	1,102,654	763,409
Prepaid expenses and deposits	14,467	4,722
Future income tax asset [Note 6]	170,500	-
	4,037,117	2,213,639
Equipment [Note 4]	328,170	204,495
Intangible Assets [Note 5]	19,689	21,491
Deferred Finance Fees [Note 8]	-	17,166
	\$ 4,384,976	\$ 2,456,791
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,950,831	\$ 2,665,120
Income taxes payable [Note 6]	135,137	-
Current portion of long-term debt [Note 7]	272,698	2,611
Current portion of convertible debenture	-	493,200
	2,358,666	3,160,931
Long-term Debt [Note 7]	79,325	7,523
	2,437,991	3,168,454
Shareholders' Equity (Deficit)		
Share Capital [Note 9]	6,804,081	5,153,012
Contributed Surplus	438,545	147,900
Equity Portion of Convertible Debenture [Note 8]	-	34,000
Accumulated Deficit	(5,295,641)	(6,046,575)
	1,946,985	(711,663)
	\$ 4,384,976	\$ 2,456,791

Subsequent Events [Note 14]

See accompanying notes to the consolidated financial statements.

Approved on Behalf of the Board:

"Stuart Wooldridge"

Stuart Wooldridge, Director and
Chairman, Audit Committee

"Sherri Macdonald"

Sherri Macdonald, Director and
Member, Audit Committee

VendTek Systems Inc.

Consolidated Statements of Operations and Accumulated Deficit

For the years ended October 31, 2006 and 2005

	2006	2005
Revenues		
Prepaid telecommunication	\$ 57,600,072	\$ 38,249,136
Hardware and equipment	171,890	76,109
Software license and services	246,116	28,790
	<u>58,018,078</u>	<u>38,354,035</u>
Cost of revenues		
Prepaid telecommunication	54,451,829	36,750,287
Hardware and equipment	31,625	46,020
	<u>54,483,454</u>	<u>36,796,307</u>
	<u>3,534,624</u>	<u>1,557,728</u>
Operating Expenses		
General and administrative	1,861,653	1,367,683
Selling and marketing	422,790	141,051
Research and development	359,452	267,175
Amortization	175,158	147,317
	<u>2,819,053</u>	<u>1,923,226</u>
Earnings (loss) before income taxes	715,571	(365,501)
Income tax expense (recovery) [Note 6]		
Current	135,137	-
Future	(170,500)	-
	<u>(35,363)</u>	<u>-</u>
Net earnings (loss)	750,934	(365,501)
Deficit - Beginning, as previously reported	(6,046,575)	(5,662,219)
Adjustment to reflect change in accounting for employee stock options	-	(18,855)
Deficit - Beginning, restated	(6,046,575)	(5,681,074)
Deficit - Ending	<u>\$ (5,295,641)</u>	<u>\$ (6,046,575)</u>
Basic and diluted earnings (loss) per share	<u>\$ 0.02</u>	<u>\$ (0.01)</u>
Weighted average shares outstanding		
Basic	38,597,341	34,151,496
Diluted	42,297,841	34,151,496

See accompanying notes to the consolidated financial statements.

VendTek Systems Inc.

Consolidated Statements of Cash Flows

For the years ended October 31, 2006 and 2005

	2006	2005
Cash Flows From Operating Activities		
Net earnings (loss)	\$750,934	\$(365,501)
Items not involving cash		
Accretion of convertible debenture to face value	6,800	6,800
Amortization of equipment and deferred finance charges	175,158	147,317
Deferred finance fees	17,166	-
Accrued income taxes	135,137	-
Future income tax recovery	(170,500)	-
Stock-based compensation	290,645	126,440
	1,205,340	(84,944)
Net change in non-cash operating working capital items	(1,839,622)	(433,443)
Net Cash Used In Operating Activities	(634,282)	(518,387)
Cash Flows From Financing Activities		
Proceeds from options exercised	117,580	-
Repayment of convertible debenture	(500,000)	-
Increase in long-term debt	341,889	(7,818)
Shares issued	164,902	-
Cost of issuance of shares	(10,000)	-
Warrants exercised	1,333,989	350,089
Net Cash Provided By Financing Activities	1,448,360	342,271
Cash Flows From Investing Activities		
Purchases of equipment	(297,031)	(85,710)
Net Cash Used In Investing Activities	(297,031)	(85,710)
Net Increase (Decrease) in Cash	517,047	(261,826)
Cash - Beginning	246,617	508,443
Cash - Ending	763,664	246,617
Non-Cash Financing Activities		
Financing from purchase of equipment	146,992	-
Supplemental Disclosures		
Interest paid	55,521	56,061
Income taxes paid	-	-

See accompanying notes to the consolidated financial statements.

VendTek Systems Inc.

Notes to Consolidated Financial Statements

October 31, 2006 and 2005

1. Nature of Operations and Continuance of Business

VendTek Systems Inc. (the "Company") was incorporated on February 23, 1988 under the British Columbia Corporation Act. The Company develops, markets and licenses automated transaction system software and supporting technologies.

VendTek's business focuses primarily in the distribution of prepaid telecom and financial services industries. The Company has developed its own electronic distribution business across Canada. The Company distributes cellular and long distance products through its network and generates revenues by selling these products to its customers using its proprietary e-Fresh™ software.

2. Summary of Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include the following significant accounting policies:

a) Basis of consolidation and presentation

The consolidated financial statements include the accounts of VendTek Systems Inc. and its wholly owned Canadian subsidiaries: VendTek Industries Inc., and Now Prepay Corporation. VendTek Industries Inc. owns VendTek International Inc. (a U.S. company), which is inactive and has no assets. These financial statements also include the accounts of its wholly-owned operating Asian subsidiaries, VendTek Systems Technologies (Beijing) Co., Ltd. and VendTek Systems Asia Pacific (Singapore) Pte. Ltd.

b) Use of estimates

The preparation of these consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Significant financial statement items which involve the use of estimates include the determination of the fair value of stock-based compensation and financial instruments, tax provisions, inventory valuation and the useful lives of property, equipment and intangible assets. Actual results could differ from those estimates.

c) Inventories

Inventories are carried at the lower of actual purchase cost or net realizable value.

d) Property and equipment

Property and equipment is stated at cost. For the assets listed below, amortization is computed on the declining balance basis over the estimated useful lives of the assets at the following annual rates:

Computer hardware	30%
Computer hardware under capital lease	30%
Computer software	100%
Equipment	30%
Furniture and fixtures	20%
Office equipment	20%

e) Intangible assets

Intangible assets with estimated useful lives are stated at cost less accumulated amortization. Amortization is computed on a straight-line basis over five years for patents and domain names and on a straight-line basis over three years for website development costs. Website planning and operating costs are charged to operations.

VendTek Systems Inc.

Notes to Consolidated Financial Statements

October 31, 2006 and 2005

2. Summary of Significant Accounting Policies (continued)

f) Long-lived assets

The Company monitors the recoverability of long-lived assets, based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the assets exceeds the undiscounted estimate of future cash flows from the asset. As at October 31, 2006, no impairment losses have been recorded.

g) Foreign currency translation

The financial statements are presented in Canadian dollars. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates that prevailed at the balance sheet date. Nonmonetary items are translated at historical exchange rates, except for items carried at market value, which are translated at the rate of exchange on effect at the balance sheet date. Revenue and expenses are translated at average rates of exchange during the year. Exchange gains or losses arising on foreign currency translation are included in the determination of operating results for the year.

h) Research and development costs

Research costs are expensed as incurred. Development costs are deferred if they meet certain criteria specified by Canadian generally accepted accounting principles; otherwise they are expensed as incurred. At year-end, the Company has not deferred any development costs.

i) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future tax asset if it is more likely than not that the asset will not be realized.

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion of all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

j) Corporate financing costs

The Company accounts for the direct costs of corporate financing as follows:

(i) Issue of Equity Securities

These costs are deferred if the transaction is more likely than not to be completed. Upon completion, the costs are recorded as a capital transaction and applied to reduce gross proceeds of the equity securities issued. If the transaction is abandoned the costs are charged against operations.

(ii) Issue of Debt Securities

These costs are deferred if the transaction is more likely than not to be completed. Upon completion, the costs are recorded as an asset and amortized to operations using the straight-line method over the term to maturity. If the transaction is abandoned the costs are charged against operations.

VendTek Systems Inc.

Notes to Consolidated Financial Statements
October 31, 2006 and 2005

2. Summary of Significant Accounting Policies (continued)

k) Financial instruments

(i) Fair values

Carrying amounts of certain of the Company's financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to their short-term maturity. The fair values of capital lease obligations and long-term debt are estimated to approximate their carrying values based on borrowing rates currently available to the Company for loans with similar terms.

(ii) Foreign currency risk

Foreign currency risk reflects the risk that the Company's foreign currency denominated net assets or operations will be negatively impacted due to fluctuations in exchange rates. Revenue and expenses of the Company denominated in foreign currencies come due in the short-term and accordingly, management of the Company believes there is no significant exposure to foreign currency fluctuations. The Company does not have foreign currency hedges in place.

(iii) Credit risk

Financial instruments subjecting the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash with high quality financial institutions, which often exceed federally insured limits. Historically, the Company has not experienced losses due to such concentration of credit risk.

The Company's customers are concentrated in Canada, United Arab Emirates and China. As at October 31, 2006, 15% (2005 – 33%) of the Company's accounts receivable are with one customer. The Company performs ongoing credit evaluations and generally does not require collateral. The company has not established an allowance for doubtful accounts as management believes the balance to be fully collectible. This is based upon factors surrounding the credit risk of customers, historical trends and negligible account write-offs.

l) Revenue recognition

The Company's revenue is comprised of three sources: resale and distribution of prepaid telecommunication products (principally prepaid cellular and prepaid long distance products); equipment and parts sales; and software license and the related services sales. Revenues are recognized when pervasive evidence of an arrangement exists, delivery has occurred or services have been rendered the price is fixed or determinable, and collectibility is reasonably assured.

The Company's revenues are primarily generated from the distribution of prepaid long distance and cellular telephone time, principally from the sale of prepaid calling cards and point of sale activated PINs. Sales of prepaid calling cards and point of sale activated PINs, in accordance with Emerging Issues Committee ("EIC") No. 123, "Reporting Revenue Gross as Principal versus Net as an Agent," are recognized on a gross basis as the Company is the primary obligor to its customer, being the retail merchant, and incurs inventory risk (including physical inventory risk).

The resale of prepaid telecommunication services where the Company earns commissions on services sold and does not incur inventory risk are recognized at the date of sale as the Company's continued obligations effectively end on that date. These sales are recorded on a net basis and account for \$601,000 of revenue in fiscal 2006. Equipment sales are ancillary to the resale of prepaid products. Equipment sales and parts revenue is recognized when delivered.

Software license revenues are recognized upon the customer's execution of a software license agreement, the receipt of a purchase order and shipment of the software, provided that no significant vendor obligations remain outstanding. Where significant vendor obligations are negotiated, software license revenues are recognized only after these obligations have been satisfied.

VendTek Systems Inc.

Notes to Consolidated Financial Statements
October 31, 2006 and 2005

2. Summary of Significant Accounting Policies (continued)

m) Stock-based compensation

Effective January 1, 2002, the Company applied the fair value based method of accounting prescribed by CICA Handbook Section 3870, "Stock-based Compensation and Other Stock-based Payments", only to employee stock appreciation rights, and applied the settlement method of accounting to employee stock options. Under the settlement method, any consideration paid by employees on the exercise of stock options or purchase of stock is credited to share capital and no compensation expense was recognized.

The CICA Accounting Standards Board amended Section 3870 to require entities to account for employee stock options using the fair value based method, beginning January 1, 2004. Under the fair value based method, compensation cost is measured at fair value at the date of grant and expensed over the award's vesting period. During the year ended October 31, 2005, and in accordance with one of the transitional options permitted under amended Section 3870, the Company retroactively applied the fair value based method to all employee stock options granted or repriced on or after January 1, 2002.

n) Earnings (loss) per share

Basic earnings (loss) per share are computed using the weighted average number of common shares outstanding during the periods. The treasury stock method is used for the calculation of diluted net earnings (loss) per share. Stock options and warrants are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Diluted earnings per share assumes all outstanding options and warrants have been exercised at the later of the beginning of the fiscal period or the date of issuance. During the current year, 3,917,500 options have been included in the calculation for diluted weighted average number of common shares outstanding.

o) Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

3. Inventories

Inventories consisted of the following at October 31:

	2006	2005
Prepaid products and services	\$ 1,088,763	\$ 754,272
Raw materials	13,891	9,137
	<hr/>	<hr/>
	\$ 1,102,654	\$ 763,409

4. Equipment

Equipment consisted of the following at October 31:

	Cost	2006 Accumulated Amortization	Net Book Value
Computer hardware	\$ 345,507	\$ 282,133	\$ 63,374
Computer hardware under capital lease	11,694	5,930	5,764
Computer software	29,000	27,712	1,288
Equipment	446,384	199,230	247,154
Furniture and fixtures	10,636	6,288	4,348
Office equipment	17,998	11,756	6,242
	<hr/>	<hr/>	<hr/>
	\$ 861,219	\$ 533,049	\$ 328,170

VendTek Systems Inc.

Notes to Consolidated Financial Statements
October 31, 2006 and 2005

4. Equipment (continued)

	Cost	2005 Accumulated Amortization	Net Book Value
Computer hardware	\$ 279,280	\$ 221,991	\$ 57,289
Computer hardware under capital lease	11,694	3,509	8,185
Computer software	29,000	26,312	2,688
Equipment	216,820	92,485	124,335
Furniture and fixtures	9,855	5,201	4,654
Office equipment	17,539	10,195	7,344
	<u>\$ 564,188</u>	<u>\$ 359,693</u>	<u>\$ 204,495</u>

5. Intangible Assets

Intangible assets consisted of the following at October 31:

	Cost	2006 Accumulated Amortization	Net Book Value
Domain names and patents	\$ 71,710	\$ 54,518	\$ 17,192
Web site development	3,121	624	2,497
	<u>\$ 74,831</u>	<u>\$ 55,142</u>	<u>\$ 19,689</u>

	Cost	2005 Accumulated Amortization	Net Book Value
Domain names and patents	\$ 71,710	\$ 50,219	\$ 21,491
Web site development	-	-	-
	<u>\$ 71,710</u>	<u>\$ 50,219</u>	<u>\$ 21,491</u>

6. Income Taxes

As at October 31, 2006 and 2005, the Company has Canadian non-capital losses carried forward of approximately \$1,871,000 (2005 - \$2,723,000) available to reduce future Canadian taxable income expiring as follows:

<u>Year of Expiry</u>	<u>Amount</u>
2014	\$ 27,000
2015	1,844,000
	<u>\$ 1,871,000</u>

As well, the Company has Canadian net capital losses carried forward of approximately \$1,482,000 (2005 - \$1,482,000) available to reduce future Canadian taxable capital gains.

VendTek Systems Inc.

Notes to Consolidated Financial Statements
October 31, 2006 and 2005

6. Income Taxes (continued)

The actual provision for income tax differs from the expected amount calculated by applying the combined applicable Canadian federal and provincial income tax rate to the income (loss) before income taxes. The difference relates to the following items at October 31:

	2006	2005
Earnings (loss) before income taxes	\$ 715,571	\$ (365,501)
Combined Canadian federal and provincial income tax rate	<u>34.1%</u>	<u>34.1%</u>
Expected income tax expense (recovery)	\$ 244,010	\$ (124,636)
Non-deductible permanent differences	117,259	57,034
Realization of previously unrecognized Canadian non-capital losses to reduce Canadian taxable income	(290,595)	-
Change in valuation allowance	<u>(106,037)</u>	<u>67,602</u>
Net income tax recovery	\$ (35,363)	\$ -

Income tax expense allocated to the current year was \$135,137; this amount has been accrued as at October 31, 2006. The tax effects of temporary differences that give rise to significant portions of future tax assets are presented below:

	2006	2005
Future tax assets:		
Non-capital losses	\$ 638,000	\$ 929,000
Net capital losses	505,000	505,000
Property, plant and equipment	<u>145,000</u>	<u>11,000</u>
Total gross future tax assets	1,288,000	1,445,000
Valuation allowance	<u>(1,117,500)</u>	<u>(1,445,000)</u>
Net future tax assets	\$ 170,500	\$ -

It is management's best estimate that it is more likely than not that the Company will realize the benefit of \$170,500 of future tax assets and accordingly the Company has booked a tax recovery of \$170,500 in the current year. In the prior year, the criteria for recognizing future income tax assets had not been met due to the uncertainty of realization and accordingly, a valuation allowance of 100% had been recorded.

7. Long-term Debt

Long-term debt relates to the purchase of point of sale equipment made by the Company and financed over two years, unsecured with imputed interest at a weighted average rate of 24%.

Minimal annual repayments of indebtedness are as follows:

October 31, 2007	\$ 272,698
October 31, 2008	<u>79,325</u>
	<u>\$ 352,023</u>

VendTek Systems Inc.

Notes to Consolidated Financial Statements
October 31, 2006 and 2005

8. Convertible Debentures

On November 29, 2001, the Company completed a convertible debenture financing. The Company received \$500,000 and issued \$500,000 of redeemable convertible debentures with a principal amount of \$1,000 each to one investor. A 7% cash finders' fee was paid. Costs of completing this transaction, totalling \$76,346, were deferred and amortized to operations over the five-year term. The debentures attracted interest at a rate of 9.5% per annum. The debenture matured and was redeemed on June 30, 2006. These debentures were convertible, at the option of the holder, into common shares at the following rates:

- i) July 1, 2004 to June 30, 2005 - \$4.00 per share
- ii) July 1, 2005 to June 30, 2006 - \$5.00 per share

The estimated equity value of the conversion feature of the debentures totalling \$34,000 was included as a separate component of shareholders' equity. The equity component was calculated as the difference between the gross proceeds received by the Company and the discounted cash flow of repayments based on an annual rate of 12%, which was consistent with similar borrowings available to the Company without conversion features. The remaining portion of \$466,000 was classified as a long-term liability. The debt component of \$34,000 was accreted to its face value at maturity over the term of the debt through a charge to interest expense. Upon the debenture's maturity, the \$34,000 equity component was reclassified to share capital.

9. Share Capital

Authorized:

100,000,000 common shares without par value

	Number of Shares	Value
Issued and outstanding at October 31, 2004	32,401,052	\$ 4,802,923
Shares issued upon exercise of warrants	1,750,444	350,089
Issued and outstanding at October 31, 2005	34,151,496	5,153,012
Shares issued upon exercise of warrants	6,672,945	1,334,589
Shares issued upon exercise of options	587,900	117,580
Shares issued in connection with private placement	1,428,571	500,000
Fair value of expired warrants	-	34,000
Less subscriptions receivable	-	(335,100)
Issued and outstanding at October 31, 2006	41,883,483	\$ 6,804,081

During October 2006, the Company arranged a private placement of 1,428,571 of common shares for net proceeds of \$490,000. Of this amount, \$335,100 was not received until November 8, 2006 and, accordingly, was reflected as a subscription receivable at October 31, 2006.

Contributed Surplus

A summary of contributed surplus is as follows:

	Years Ended October 31	
	2006	2005
Balance, beginning	\$ 147,900	\$ -
Stock-based compensation	290,645	126,440
Other	-	21,460
Balance, ending	\$ 438,545	\$ 147,900

VendTek Systems Inc.

Notes to Consolidated Financial Statements
October 31, 2006 and 2005

10. Share Purchase Warrants

The following table summarizes the continuity of the Company's warrants:

	Number of shares	Weighted average exercise price
Balance, October 31, 2004	9,888,360	\$ 0.21
Exercised	(1,750,444)	0.20
Expired	(1,198,602)	0.20
Balance, October 31, 2005	6,939,314	\$ 0.20
Exercised	(6,672,945)	0.20
Expired	(266,369)	0.20
Balance, October 31, 2006	—	\$ —

11. Stock Options

The Company has a stock option plan (the "Plan") whereby it may grant up to 6,843,299 options to its directors, officers and employees. The terms and conditions of options granted under the Plan are determined solely by the Board of Directors. Options are generally granted with a term of five years and vest over eighteen months, with exercise prices equal to the fair value of the shares on the date of grant. During the year ended October 31, 2006, 150,000 options were granted under the Plan. The weighted average remaining contractual life of options outstanding as of October 31, 2006 was 2.80 years (2005 – 3.7 years).

The fair value of each option is estimated as at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions: dividend yield 0%, expected volatility 117%, risk-free interest rate 3.9% and expected average option term of five years.

The following table summarizes the continuity of the Company's stock options:

	Number of shares	Weighted average exercise price
Outstanding, October 31, 2004	2,048,900	0.20
Granted	2,373,000	0.20
Forfeited	(11,000)	0.20
Outstanding, October 31, 2005	4,410,900	\$ 0.20
Granted	150,000	0.33
Exercised	(587,900)	0.20
Outstanding, October 31, 2006	3,973,000	\$ 0.20

12. Related Party Transactions

The Company paid rent of \$46,462 (2005-\$50,753) to a company in which a director has a minority equity interest. On November 1, 2006, the Company signed a three year lease which expires October 31, 2009. In addition to minimum lease payments of \$3,772 per month, the facility lease requires payment of a proportionate share of taxes and strata fees. This transaction was in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as a transaction with unrelated parties.

VendTek Systems Inc.

Notes to Consolidated Financial Statements
October 31, 2006 and 2005

12. Related Party Transactions (continued)

Minimum annual facility lease payments are as follows for the years ending October 31:

2007	\$	67,975
2008		67,975
2009		67,975
		<hr/>
	\$	203,925

13. Segmented Information

The Company operates in one industry and two geographic segments, being Canada and Asia. The accounting policies of the segments are the same as those described in Note 2.

	<u>Canada</u>		<u>Asia</u>		<u>Total</u>
	<u>Now</u>	<u>VendTek</u>		<u>VendTek</u>	
	<u>Prepay</u>	<u>Systems/</u>	<u>Total</u>	<u>Technologies</u>	
	<u>Corp.</u>	<u>VendTek</u>		<u>/VendTek</u>	
	<u>\$</u>	<u>Industries</u>	<u>\$</u>	<u>Asia Pacific</u>	<u>\$</u>
2006					
Revenue	57,624,042	355,776	57,979,818	38,260	58,018,078
Amortization	100,959	66,248	167,207	7,951	175,158
Segment operating earnings (loss)	616,150	232,321	848,471	(132,900)	715,571
Segment assets	3,506,761	782,675	4,289,436	95,540	4,384,976
2005					
Revenue	38,286,034	41,446	38,327,480	26,555	38,354,035
Amortization	70,091	61,370	131,461	-	131,461
Segment operating earnings (loss)	344,422	(551,818)	(207,396)	(158,105)	(365,501)
Segment assets	2,126,336	282,341	2,408,677	48,114	2,456,791

14. Subsequent Events

On November 1, 2006, the Company granted management 2,400,000 options in three tranches: one-third exercisable at \$0.45 per share, one-third exercisable at \$0.60 per share, and one-third exercisable at \$0.75 per share, for a period of five (5) years expiring in November, 2011. These options vest as to 1/7 on the date of grant and an additional 1/7 on each of these days which is 3,6,9,12,16 and 18 months following the date of the grant. The aggregate fair value of these options was approximately \$737,000.

On November 10, 2006, the Company closed a private placement of 1,428,578 common shares at a price of \$0.35 per share for gross proceeds of \$500,002. The Company paid \$10,000 as a finder's fee in connection with the financing. The shares are subject to a hold period expiring March 2, 2007.