

ONEMOVE TECHNOLOGIES INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING
JUNE 30, 2008



Creators of econveyance™

AUDITORS' REPORT

To the Shareholders of
OneMove Technologies Inc.

We have audited the consolidated balance sheets of OneMove Technologies Inc. as at June 30, 2008 and 2007 and the consolidated statements of operations and 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 June 30, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Accountants

October 13, 2008





ONEMOVE TECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEETS

**June 30,
2008**

**June 30,
2007**

ASSETS

Current

Cash and cash equivalents	\$	193,850	\$	3,704,971
Receivables		37,051		38,153
Government assistance receivable		-		98,474
Prepaid expenses		18,751		46,929

249,652 3,888,527

Equipment (Note 4) 337,414 247,400

Intangible asset (Note 6) - 10,800

Deposits 290,740 131,979

Assets held for sale (Note 3) - 1,194,526

\$ 877,806 \$ 5,473,232

LIABILITIES AND SHAREHOLDERS' EQUITY

Current

Accounts payable and accrued liabilities	\$	94,493	\$	208,729
Deferred revenue		30,000		-
Current portion of capital lease obligations		94,263		33,528

218,756 242,257

Capital lease obligations (Note 8) 118,151 72,882

Liabilities related to assets held for sale (Note 3) - 1,439,173

336,907 1,754,312

Shareholders' equity

Capital stock (Note 10)		16,678,894		18,550,451
Contributed surplus (Note 10)		3,281,600		1,607,344
Share subscriptions received (Note 17)		107,100		-
Deficit		(19,526,695)		(16,438,875)

540,899 3,718,920

\$ 877,806 \$ 5,473,232

Nature and continuance of operations (Note 1)

Contingencies and commitments (Note 11)

Subsequent events (Note 17)

"Martin Johnson" Director "Tejinder Grewal" Director

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



ONEMOVE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

YEAR ENDED
 JUNE 30

	2008	2007
REVENUES	\$ 1,637,558	\$ 960,434
EXPENSES		
Advertising	10,654	13,202
Amortization of deferred development costs	-	188,837
Amortization of equipment	118,704	75,144
Amortization of intangible asset	10,800	10,800
Commissions and fees	400,645	240,420
Compensatory shares (Note 10)	27,820	-
Consulting fees	56,649	77,640
Insurance	48,618	41,068
Interest and bank charges	6,825	35,385
Interest on convertible loans	-	67,103
Interest on loans	41,190	400,274
Investor relations and filing fees	163,718	133,693
Office and general	142,309	84,756
Professional fees	142,537	102,371
Rent and utilities	119,723	94,087
Stock-based compensation (Note 10)	82,869	322,911
Salaries and wages	1,578,603	988,870
Telephone	46,176	75,589
Travel	217,915	381,387
	3,215,755	3,333,537
Loss before other items	(1,578,197)	(2,373,103)
OTHER ITEMS		
Other income	61,110	43,278
Interest on preferred shares (Note 10)	-	(12,000)
Foreign exchange gain (loss)	(385,384)	(253,939)
Gain on disposal of OneMove UK (Note 3)	531,955	-
	207,681	(222,661)
Loss and comprehensive loss from continuing operations	(1,370,516)	(2,595,764)
Non-controlling interest	-	69,493
Loss and comprehensive loss from discontinued operations (Note 3)	(1,717,304)	(3,671,919)
Loss and comprehensive loss for the period	(3,087,820)	(6,198,190)
Deficit, beginning of period	(16,438,875)	(8,230,384)
Related party adjustment (Note 3)	-	(2,010,301)
Deficit, end of period	\$ (19,526,695)	\$ (16,438,875)
Net loss per common share		
Basic and diluted:		
Loss from continuing operations	\$ (0.02)	\$ (0.12)
Net loss	\$ (0.06)	\$ (0.28)
Weighted average number of common shares		
Basic	49,744,659	21,947,226
Fully diluted	49,744,659	21,947,226

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

The



ONEMOVE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOW

Year Ending
 June 30,

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from continuing operations for the period	\$ (1,370,516)	\$ (2,526,274)
Items not affecting cash:		
Amortization of deferred development costs	-	188,837
Amortization of equipment	118,704	75,144
Amortization of intangible asset	10,800	10,800
Stock-based compensation	82,869	322,911
Accrued interest on convertible loans	-	67,103
Non-controlling interest	-	(69,493)
Interest on preferred shares	-	12,000
Interest on loans	-	210,076
Shares for services	-	86,250
Compensatory shares	27,820	-
Gain on discontinued operations	(531,955)	-
Changes in non-cash working capital	-	-
(Increase) decrease in receivables	1,102	(6,454)
Decrease in government assistance receivable	98,474	359,310
(Increase) decrease in prepaid expenses and deposits	28,178	(43,082)
Decrease in accounts payable	(99,239)	(49,103)
Increase in deferred revenue	30,000	-
Net cash used in operating activities	(1,603,763)	(1,361,975)
CASH FLOWS FROM FINANCING ACTIVITIES		
Convertible loan proceeds	-	424,650
Loan proceeds	-	2,741,824
Capital lease repayments	(56,708)	(12,832)
Proceeds from issuance of shares	-	10,173,710
Share issuance costs	(6,055)	(1,214,720)
Loan repayments	-	(2,792,624)
Long term deposits	(158,762)	(21,687)
Share subscriptions received	107,100	-
Net cash provided by (used in) financing activities	(114,425)	9,298,321
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(46,006)	(72,917)
Bank indebtedness extinguished on disposal of OM UK	176,405	-
Long term deposits	-	(110,292)
Cash received on recapitalization (Note 3)	-	211,829
Net cash provided by investing activities	130,399	28,620
Cashflows from continuing operations	(1,587,789)	7,964,966
Cashflows from discontinued operations (Note 3)	(2,096,258)	(4,089,749)
Change in cash and cash equivalent during the year	(3,684,047)	3,875,217
Cash and cash equivalents, beginning of year	3,877,897	2,680
Cash and cash equivalents, end of year	\$ 193,850	\$ 3,877,897 *
Cash paid during the year for interest	\$ 48,015	\$ 81,480
Cash paid during the year for income taxes	\$ -	\$ -

Supplemental disclosure (Note 15)

* Includes \$172,927 of cash and cash equivalents related to discontinued operations

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

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

1. NATURE AND CONTINUANCE OF OPERATIONS

OneMove Technologies Inc. (the "Company" or "OneMove Tech") was incorporated under the Business Corporations Act (B.C.) on July 18, 2005. The Company completed an initial public offering and commenced trading on the TSX Venture Exchange (the "Exchange") on February 9, 2006.

During the 2007 fiscal year, the Company completed the Exchange's requisite qualifying transaction with OneMove Online Systems Inc. ("OneMove Online").

During the current fiscal year, the Company sold all of its interest in OneMove Ltd. ("OneMove UK") (Note 3).

OneMove Tech is engaged in the development and marketing of internet-based software applications and services related to the transfer of real estate in Canada.

The Company incurred a loss from continuing operations of \$1,370,516 during the fiscal year ended June 30, 2008 and has a deficit of \$19,526,695 as at June 30, 2008. These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will realize the carrying value of its assets and satisfy its obligations as they become due in the normal course of operations. The continuing operations of the Company are dependant upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation and presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and include the accounts of the Company and its wholly-owned subsidiary OneMove Online incorporated in British Columbia. OneMove UK is included as loss and comprehensive loss from discontinued operations. All significant intercompany transactions and balances have been eliminated upon consolidation.

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid short-term investments with maturity dates of less than 90 days.

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 amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Areas which involve a significant amount of judgment and employ estimates and assumptions include the determination of the carrying value of assets such as development costs, the useful life and applicable amortization policies for equipment, development costs and intangible assets, the recognition of stock based compensation, valuation of compensatory escrowed shares, recoverability of loans receivable, valuation allowances applied against future tax assets and the assessment of potential commitments and contingencies. Actual results could differ from these estimates.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements
For the year ended June 30, 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and development costs

Research costs are expensed as incurred. Development costs may be capitalized when the technology and financial feasibility of a project is established. These costs are subsequently amortized using the straight-line method over the related product's estimated economic life, typically three years.

Investments

Investments in shares of associated companies, over which the Company has significant influence, are accounted for by the equity method, whereby the investment is initially recorded at cost and adjusted to recognize the Company's share of earnings or loss in the investment. Other long-term investments are carried at cost.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided for annually using the following rates and methods:

Computer equipment	30%	declining balance
Application software	3	years straight-line
Computer software	100%	declining balance
Furniture and fixtures	20%	declining balance
Web site development	3	years straight-line

Web site development costs incurred in the preliminary project stage are expensed as incurred. The Company capitalized certain costs incurred in the developing or obtaining of internal use software used in its web sites.

Intangible asset

Intangible asset is comprised of a customer list recorded at cost and is being amortized over its estimated useful life of five years.

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. When the carrying value exceeds such cash flows, an impairment charge is recognized for the excess.

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

The Company had a foreign subsidiary which was an integrated foreign operation and was translated into Canadian dollars using the temporal method. Monetary items were translated at the exchange rate in effect at the balance sheet date; non-monetary items were translated at historical exchange rates. Income and expense items were translated at rates approximating those in effect at the time of the transaction. Translation gains and losses were reflected as an income statement item.

Revenue recognition

The Company recognizes revenue from transaction based fees for the use of its software. The Company also receives revenue from providing internet and software based services to facilitate the process of purchasing, selling, insurance and financing real estate in Canada. Transaction and service fees are recognized when the transaction is complete or the service has been provided and collection is reasonably assured.

In addition, the Company earns revenues from product integration services and revenue is recognized as services are rendered and pre defined milestones are achieved on the percentage of completion method. Deferred revenue represents cash received from customers in advance as deposits for work to be completed in excess of revenue recognized on uncompleted contracts.

Government assistance

Government assistance is either recorded as a recovery of the related expense or a reduction of the costs of the applicable assets as determined by the terms and conditions under which the assistance is provided to the Company. Government assistance is recorded when there is a reasonable assurance that it will be realized. The funding received by the Company has repayment terms based upon a percentage of revenue earned from a specified date (Note 11). At that date, the liability for repayment will be recorded, based upon a percentage of revenue.

Stock-based compensation

The Company recognized compensation costs for the granting of stock options, agent's options, warrants and direct awards of stock using the fair value method as determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's stock, the expected lives of the awards of stock-based compensation, the fair value of the Company's stock and the risk-free interest rate. The estimated fair value of stock-based compensation are charged to expense as awards vest, with offsetting amounts recognized as contributed surplus.

The Company has performance escrow shares which may be released from escrow, upon achieving certain revenue goals. Some of these escrow shares are attributable to employees, directors and officers which are considered compensatory in nature and will be recorded at fair valued when they are released from escrow.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants, convertible notes, and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. Shares subject to escrow restrictions whereby the shares can be cancelled if certain performance criteria are not met have been excluded from the weighted average number of shares outstanding since they are considered contingently returnable.

Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of the existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Accounting policy changes

Effective July 1, 2007, the Company adopted new accounting standards related to comprehensive income and financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). The accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

a) *Comprehensive income*

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with the new standard, the Company now reports comprehensive income (loss). The components of this new category may include unrealized gains and losses on financial assets classified as available-for-sale, exchange gains and losses arising from the translation of financial statements of a self-sustaining foreign operation and the effective portion of the change in fair value of hedging instruments.

b) *Financial instruments*

In accordance with these standards, the Company now classifies all financial instruments as either held-for-trading, available for sale, held-to-maturity, loans and receivables or other liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net income. Financial assets held-to-maturity, loans and receivables, and financial liabilities other than those held-for-trading, are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Upon adoption of these new standards, the Company classified its cash and cash equivalents as held-for-trading, which are measured at fair value. Receivables are classified as loans receivables and accounts payable and accrued liabilities and capital lease obligations are classified as other liabilities. Adoption of these new standards did not have a material effect on the Company's financial statements.

Changes in Accounting Policies

Effective July 1, 2008, the Company will be required to adopt the following new accounting standards issued by CICA.

a) Capital disclosures

In December 2006, the CICA issued Handbook Section 1535, Capital Disclosures. Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

b) *Financial instruments – disclosures and presentation*

In December 2006, the CICA issued two new accounting standards: Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing disclosure requirements, and carrying forward, unchanged, existing presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

c) *Goodwill and intangible assets*

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets, replacing Handbook Sections 3062, Goodwill and Other Intangible Assets and 3450, Research and Development Costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes.

The new section establishes standards for the recognition, measurement, presentation and disclosure of intangible assets. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062.

d) *Assessing going concern*

The Accounting Standards Board ("AcSB") amended CICA handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern.

The Company is currently in the process of evaluating the potential impact of these new standards on the consolidated financial statements.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements
For the year ended June 30, 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) *International financial reporting standards*

In addition to the above accounting pronouncements the AcSB in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five-year transition period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. RECAPITALIZATION, ACQUISITION AND DISPOSAL

Reverse takeover by OneMove Online System Inc. ("OneMove Online")

During the year ended June 30, 2007, the Company acquired all of the issued and outstanding common share capital of OneMove Online in exchange for 11,149,272 common shares of the Company.

As a result, the former shareholders of OneMove Online acquired control of the combined entities and, accordingly, the transaction has been accounted for as a recapitalization through a reverse takeover. Legally, the Company is the parent of OneMove Online. However, as a result of the share exchange, control of the combined entities passed to the former shareholders of OneMove Online. This share exchange is effectively a recapitalization of OneMove Online with the net assets of the Company.

The assets and liabilities of the Company have been recorded at their fair values as follows:

Cash	\$ 211,829
Receivables	2,666
Prepays and deferrals	45,222
Advances to OneMove Online	225,000
Accounts payable and accrued liabilities	(11,776)
	<hr/>
	\$ 472,941

Accordingly, the net assets of OneMove Online are included in the consolidated balance sheet with the net assets of the Company recorded at fair value at the date of recapitalization. Furthermore, the consolidated statements of operations and deficit and cash flows include the accounts of OneMove Online as well as the accounts of the Company from the date of recapitalization being October 19, 2006.

Acquisition of One Move Limited ("OneMove UK")

In July 2005, OneMove Online entered into a share purchase agreement with OneMove UK to acquire in stages a 50% interest in OneMove UK by purchasing 600 treasury shares of OneMove UK for consideration of £200,000 (\$418,015) and a cash bonus payment of £50,000 (\$105,720) to the existing shareholder of OneMove UK. OneMove Online recorded an equity loss of \$496,169 which, when applied against the original cost of the investment of \$523,735 reduced the carrying value of the investment to \$27,566 prior to the acquisition of control described below.

Under an addendum to the share purchase agreement, OneMove Online acquired on March 31, 2006 an additional 982 treasury shares of OneMove UK representing an additional 22.5% interest for \$1,725,694. At March 31, 2006, OneMove Online had paid \$111,295 with \$1,614,399 still owing and payable in installments to OneMove UK through November 2006.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

3. RECAPITALIZATION, ACQUISITION AND DISPOSAL (CONTINUED)

The acquisition of OneMove UK has been accounted for using the purchase method and accordingly, these consolidated financial statements include the results of operations of OneMove UK from the date of acquisition on March 31, 2006. At the date of acquisition, the parties were related and as a result the excess purchase price paid over the net assets acquired is recorded as a related party charge against deficit.

The total purchase price of \$1,753,260 was allocated as follows:

Subscriptions receivable	\$	1,614,399
Receivables		109,696
Prepaid expenses		17,404
Equipment		153,505
Bank overdraft		(60,274)
Loans payable		(345,999)
Accounts payable and accrued liabilities		(539,192)
Non-controlling interest		(261,123)
Excess of purchase price over net assets required		1,064,844
	\$	1,753,260

In May 2007, the Company acquired the remaining 27.5% of OneMove UK from an individual who is a director of the Company by issuing 5,584,169 common shares at a value of \$2,010,301. The net liabilities assumed relating to the acquisition of the remaining 27.5% was \$214,626.

At the date of acquisition, the parties were related and the purchase price has been recorded as a related party charge against deficit. As part of the acquisition, the Company also agreed to issue an additional 4,042,085 common shares to the former shareholder of OneMove UK contingent upon certain performance targets, which were not met.

In March 2008, the Company sold its wholly owned subsidiary OneMove UK to a director of the Company who initially owned OneMove UK in exchange for the 5,584,169 common shares of the Company which were issued as consideration for the original purchase of OneMove UK. Upon completion of transaction, the common shares of the Company were returned to treasury and cancelled (Note 10). In addition, in exchange for the intercompany debt, the Company received a debenture for \$2,526,059, being 50% of the intercompany advances. The loan is not considered to be collectible and therefore has a fair value of \$nil.

The related assets and liabilities of the UK operations have been reported as assets held for sale and liabilities related to assets held for sale in separate captions in the consolidated balance sheet as of June 30, 2007 and the related results of operations have been presented as discontinued operations in the consolidated statements of operations and deficit.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

3. RECAPITALIZATION ACQUISITION AND DISPOSAL (CONTINUED)

The assets held for sale and the related liabilities were as follows as at June 30, 2007:

Assets	
Cash and cash equivalents	\$ 172,926
Receivables	229,233
Prepaid expenses	29,081
Equipment	595,831
Deposits	167,455
	\$ 1,194,526
Liabilities	
Accounts payable and accrued liabilities	\$ 669,099
Deferred revenue	22,867
Loans payable	747,207
	\$ 1,439,173

The results of discontinued operations for the respective periods are as follows:

	Twelve months ended June 30,	
	2008	2007
Revenue	\$ 256,253	\$ 211,092
Amortization	176,772	228,292
Selling, general and administrative	1,796,785	3,654,719
Loss from discontinued UK operations	(1,717,304)	(3,671,919)

The gain the on sale of discontinued operations is comprised of:

Proceeds	
Treasury stock	\$446,734
Current assets	485,363
Equipment	460,990
Current liabilities	(615,352)
Loans payable	(416,222)
	(85,221)
Gain on sale of discontinued operations	\$531,955

Cashflows from discontinued operations is as follows:

	2008	2007
Operating	\$(1,750,338)	\$(3,561,343)
Financing	(303,989)	(346,458)
Investing	(41,931)	(181,948)
	\$(2,096,258)	\$(4,089,749)

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

4. EQUIPMENT

	June 30, 2008			June 30, 2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$562,379	\$ 236,775	\$ 325,604	\$ 377,282	\$ 136,894	\$ 240,388
Application software	54,000	54,000	-	54,000	54,000	-
Computer software	61,107	49,297	11,810	37,486	30,474	7,012
	\$677,486	\$ 340,072	\$ 337,414	\$ 468,768	\$ 221,368	\$ 247,400

5. DEFERRED DEVELOPMENT COSTS

During fiscal 2007, deferred development costs of \$755,344 were fully amortized with a charge to operations of \$188,837.

6. INTANGIBLE ASSET

	June 30, 2008	June 30, 2007
Customer list	\$ 54,000	\$ 54,000
Accumulated amortization	(54,000)	(43,200)
	\$ -	\$ 10,800

7. LOAN PAYABLE

During the year ended June 30, 2007, the Company received \$2,405,000 of short term "bridge" loan financing which was repaid from the proceeds of the Company's public offerings (Note 10 (e)). In relation to this loan, the Company:

- recorded \$36,615 of interest which was paid in cash
- issued 259,375 warrants to purchase common shares of the Company at a price of \$0.55 which expire on October 18, 2008
- issued 12,500 agents options to purchase common shares of the Company at a price of \$0.50 which expire May 14, 2009
- issued 125,000 shares at a value of \$43,125 to an independent company
- issued 125,000 shares at a value of \$43,125 to a director of the Company in consideration for a guarantee of \$500,000 of the loan
- issued 372,500 loan bonus shares to certain lenders at a value of \$149,000.

The fair value of the compensatory warrants issued was \$61,076, which along with the value of the shares issued above, has been recorded as additional interest expense. The fair value of the agents options were insignificant.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

8. CAPITAL LEASE OBLIGATIONS

The Company leases computer hardware under financing arrangements classified as capital leases. The gross amount of computer hardware assets and related accumulated amortization recorded under capital leases and included in equipment were as follows:

	June 30, 2008	June 30, 2007
Computer equipment	\$ 281,954	\$ 119,242
Accumulated amortization	(72,700)	(17,886)
	<u>\$ 209,254</u>	<u>\$ 101,356</u>

Amortization expenses incurred during the period with respect to the above assets under capital lease totalled \$54,814 (2007 - \$17,886).

The following is a schedule of the future minimum lease payments under the capital leases:

Year ending:	June 30, 2008	June 30, 2007
2008	\$ -	\$ 55,111
2009	133,890	55,111
2010	109,670	32,935
2011	25,985	-
Total future annual lease payments	\$ 269,545	\$ 143,157
Less amount representing interest	(57,131)	(36,747)
Present value of capital lease obligations	212,414	106,410
Less current portion	(94,263)	(33,528)
	<u>\$ 118,151</u>	<u>\$ 72,882</u>

With respect to the above, interest incurred during the period and included in interest expense amounted to \$41,182 (2007 - \$12,035).

9. COVERTIBLE LOANS

During the year ended June 30, 2007, the Company issued \$424,650 (2006 - \$1,672,749) convertible loans and recorded accrued interest of \$67,103 (2006 - \$42,038). Included in the loans issued is \$400,800 issued to various directors and officers of the Company, their immediate family and to a company controlled by a director of the Company. The loans accrued interest at 1% per month and upon the recapitalization of OneMove Online (Note 3), the unpaid principal and accrued interest totalling \$2,206,540 was converted into 4,903,443 units of the Company at the rate of \$0.45 per unit. Each unit consisted of one share and one warrant of the Company exercisable for two years from issuance at a price of \$0.75 per share.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

10. CAPITAL STOCK**Authorized** – Unlimited number of common shares without par value**Issued and Outstanding**

	Number of Common Shares	Amount
Balance as at June 30, 2006	11,149,272	\$ 4,780,220
OneMove online shares at recapitalization (Note 3)	(11,149,272)	-
Shares of the Company at time of recapitalization	3,613,001	-
Issue of shares upon recapitalization (Note 3)	11,149,272	472,941
Issue of shares on the conversion of convertible loans (Note 9)	4,903,443	2,206,540
Issue of shares upon public offerings	26,040,890	10,100,310
Issue of shares for finders fees and corporate finance fees	325,000	178,750
Issue of shares for redemption of preferred shares	603,336	332,000
Issue of shares upon exercise of options	355,000	71,000
Issue of shares upon exercise of agents options	8,000	2,400
Issue of shares upon acquisition of OneMove UK (Note 3)	5,584,169	2,010,301
Issue of shares as loan bonus on bridge loans	372,500	149,000
Issue of shares for interest	250,000	86,250
Share issue costs incurred on recapitalization	-	(205,581)
Share issue costs on public offerings	-	(1,633,680)
Balance as at June 30, 2007	53,204,611	18,550,451
Issue of shares upon conversion of debt	264,500	144,800
Cancellation of shares upon sale of OneMove UK (Note 3)	(5,584,169)	(2,010,301)
Share issue costs	-	(6,055)
Balance as at June 30, 2008	47,884,942	\$ 16,678,895

a) Issuance of shares for debt

In July 2007, the company issued 264,500 common shares to settle \$144,800 of accounts payable and loans payable.

b) Cancellation of treasury shares

Pursuant to the sale of OneMove UK (Note 3), the Company received 5,584,169 of its own common shares with a fair value of \$446,734 that were originally issued at a fair value of \$2,010,301. The Company recorded a decrease of share capital of \$2,010,301 and an increase in contributed surplus of \$1,563,567 in connection with the cancellation of these shares.

c) Acquisition of OneMove Online

In October 2006, the Company completed a share exchange agreement to acquire the outstanding common shares of OneMove Online in exchange for 11,149,272 common shares of the Company (Note 3). A finder's fee of 100,000 common shares of the Company valued at \$55,000 was also paid.

ONEMOVE TECHNOLOGIES INC.*Notes to Consolidated Financial Statements**For the year ended June 30, 2008***10. CAPITAL STOCK (CONTINUED)****d) Conversion of OneMove Online Debt**

As part of the OneMove Online acquisition, \$2,206,540 of OneMove Online convertible loans were cancelled and the note holders were issued 4,903,443 units of the Company at a price of \$0.45 per unit for the aggregate principal and accrued unpaid interest outstanding. Each unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to acquire one share at a price of \$0.75 for two years from the date of issuance of the units.

e) Public Offerings

In October 2006, the Company completed a prospectus offering issuing 3,818,890 common shares at a price of \$0.55 per share for gross proceeds of \$2,100,390. The financing agent received a 7% cash commission of \$147,027 and other costs of \$270,393 were incurred in respect of the public offering.

The Company also issued 225,000 common shares valued at \$123,750 as a corporate finance fee and 381,889 agent's options valued at \$89,976; each option entitles the holder to acquire one common share of the Company at a price of \$0.55 for two years.

In May 2007, the Company completed a secondary public offering by way of a brokered private placement issuing 22,222,000 common shares at a price of \$0.36 per share for gross proceeds of \$7,999,920. The financing agent received a 7% cash commission of \$559,994 and other costs of \$201,138. The Company also issued 1,555,540 agent's options valued at \$241,401; each option entitles the holder to acquire one common share of the Company at a price of \$0.36 for two years.

f) Preferred shares

	Number of preferred shares	Amount
Balance as at June 30, 2006	200,000	\$ 200,000
Redemption of preferred shares	(200,000)	(200,000)
Balance as at June 30, 2007	-	\$ -

In February 2007, the Company redeemed 200,000 preferred shares of OneMove Online, plus cumulated accrued dividends to December 31, 2006. The redemption amount was satisfied by delivering 603,336 common shares of the Company valued at \$332,000.

The preferred shares gave its holders the right to require OneMove Online to redeem the shares at their option and, as such, were previously recorded as a financial liability and the accrued dividends were recorded as interest. The holders of the preferred shares were entitled to receive a 12% per annum cumulative dividend.

g) Shares Held in Escrow

As at June 30, 2008, a total of 2,753,267 common shares of the Company were subject to an escrow agreement under which the shares may not be transferred, assigned, or otherwise dealt with without the consent of the Exchange. The escrowed shares are subject to time-based release criteria over a three year period from the closing of the reverse takeover.

In addition, 3,490,612 shares are subject to a voluntary escrow agreement to be released if the Company achieves certain revenue targets by June 30, 2008. These shares will be cancelled if the performance conditions are not met. Based on the revenue for fiscal 2008, 2,652,865 shares are to be released from escrow and 837,747 shares are to be cancelled, subject to the approval of the escrow shareholders. Of the shares to be released, 428,466 are considered compensatory in nature. Since the 428,466 shares have effectively been earned and eligible for release at June 30, 2008, the fair value of these shares of \$27,820 has been recorded as compensation expense.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

10. CAPITAL STOCK (CONTINUED)**h) Contributed Surplus**

	Amount
Balance as at June 30, 2006	\$ 891,980
Value of agents options issued on public offering	331,377
Stock-based compensation	322,911
Value of warrants issued on loan financing (Note 7)	61,076
Balance as at June 30, 2007	1,607,344
Stock-based compensation	82,869
Cancellation of shares upon sale of OneMove UK (Note 3)	1,563,567
Compensatory escrow shares	27,820
Balance as at June 30, 2008	\$ 3,281,600

i) Stock Options

The Company has a Stock Option Plan ("the Plan") whereby the aggregate number of shares issuable under the Plan may not exceed 10% of the issued and outstanding share capital. Under the Plan, the exercise price of each option will not be less than the market price of the Company's stock at the date of the grant. Options granted will have a term not to exceed 5 years with vesting provisions determined by the board of directors of the Company.

As at June 30, 2008, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
1,320,000 *	\$0.55	July 31, 2008
225,000	\$0.55	October 14, 2008
150,000	\$0.55	January 31, 2009
331,000	\$0.55	December 1, 2009
1,600,000	\$0.10	February 21, 2011
3,626,000		

* Expired unexercised

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements
For the year ended June 30, 2008

10. CAPITAL STOCK (CONTINUED)

Stock option transactions are summarized as follows:

	Options outstanding	Weighted average exercise price
Balance as at June 30, 2006	2,625,000	\$0.50
Cancelled prior to recapitalization	(60,000)	\$0.50
Exchanged upon recapitalization	2,565,000	\$0.50
Exchanged upon recapitalization	(2,565,000)	\$0.55
Options of the Company upon recapitalization	355,000	\$0.20
Granted during the year	664,000	\$0.55
Exercised during the year	(355,000)	\$0.20
Cancelled during the year	(60,000)	\$0.55
<hr/>		
Balance as at June 30, 2007	3,169,000	\$0.55
Granted during the period	1,600,000	\$0.10
Cancelled during the period	(1,143,000)	\$0.55
<hr/>		
Balance as at June 30, 2008	3,626,000	\$0.35
<hr/>		
Currently exercisable	2,506,000	\$0.46

Pursuant to the recapitalization (Note 3), all outstanding 2,565,000 options of OneMove Online were exchanged for options to purchase shares on the same terms and conditions as to number of shares that may be purchased upon exercise, the term of exercise and the vesting schedule, but the exercise price of the options increased to \$0.55 per share, being the same price as the concurrent prospectus offering.

The weighted average fair value of stock options granted was \$0.05 (2007 - \$0.16) per option. The Company uses the Black-Scholes option pricing model to determine the fair value of options granted. During the current fiscal year, the Company granted 1,600,000 (2007 - 664,000) options to directors, employees and consultants with a fair value of \$81,325 (2007 - \$103,802), which is being recognized over the vesting periods of the options. Total stock-based compensation recognized during the year ended June 30, 2008 was \$82,869 (2007 - \$322,911).

The following weighted average assumptions were used for the Black-Scholes valuation of options vested during the period:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Expected dividend yield	0%	0%
Expected price volatility	75%	75%
Risk free interest rate	4.13%	4.25%
Expected life	3 years	3 years

j) Agent's Options

As at June 30, 2008, the following agent's options were outstanding and exercisable:

Number of Agent's Options	Exercise Price	Expiry Date
381,889	\$0.55	October 18, 2008
1,555,540	\$0.36	May 3, 2009
12,500	\$0.50	May 14, 2009
1,949,929		

Agent's option transactions are summarized as follows:

	Agent's Options outstanding	Weighted average exercise price
Balance as at June 30, 2006		
Agent's options of the Company upon recapitalization	106,300	\$0.30
Issued during the year	1,949,929	\$0.40
Exercised during the year	(8,000)	\$0.30
Balance as at June 30, 2007	2,048,229	\$0.39
Expired during the period	(98,300)	\$0.30
Balance as at June 30, 2008	1,949,929	\$0.40

In October 2006 the Company issued 381,889 and 1,555,540 agent's options pursuant to its public offerings of its common shares. These options have an aggregate value of \$331,377 which has been recorded as share issue costs.

In addition, in May 2007, the Company issued 12,500 agent's options in relation to securing interim loan financings for the Company. The fair value of these options was insignificant.

The following weighted average assumptions were used for the Black-Scholes valuation of Agent's options issued during the year ended June 30, 2007:

Expected dividend yield	0%
Expected price volatility	75%
Risk free interest rate	4.47%
Expected life	2 years

k) Warrants

As at June 30, 2008, the following warrants were outstanding and exercisable:

Number of Warrants	Exercise Price	Expiry Date
4,903,443	\$0.75	October 18, 2008
259,375	\$0.55	October 18, 2008
5,162,818		

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements
For the year ended June 30, 2008

10. CAPITAL STOCK (CONTINUED)

Warrant transactions are summarized as follows:

	Warrants outstanding	Weighted average exercise price
Balance as at June 30, 2006	-	-
Issued during the year	5,162,818	\$0.74
Balance as at June 30, 2007 and 2008	5,162,818	\$0.74

During the year ended June 30, 2007 the Company issued 259,375 compensatory warrants pursuant to loan agreements. These warrants have a value of \$61,076 which was recorded as interest expense.

The following weighted average assumptions were used for the Black-Scholes valuation of compensatory warrants issued during the year ended June 30, 2007:

Expected dividend yield	0%
Expected price volatility	75%
Risk free interest rate	4.10%
Expected life	2 years

11. CONTINGENCIES AND COMMITMENTS**Government Assistance**

During the fiscal year ended June 30, 2008, the Company recognized assistance of \$51,526 (2007 - \$313,283) from the National Research Council of Canada's Industrial Research Assistance Program ("IRAP"). Repayment of these contributions commences in October 2008 at a rate of 6.25% of gross revenues and is payable quarterly until July 2012. If at any time within this repayment period, the repayments equal or exceed 150% of the IRAP assistance received, the Company will cease to have any further obligation to make repayments. The repayment will effectively be treated as a royalty expense against revenues.

If by July 1, 2012, the amount unpaid is less than the assistance received in total, the Company will continue to make repayments until the earlier of full repayment or ten years after the start of the repayment period, being October 2008. The liability and related expense are recorded when the corresponding revenue is recognized.

Total assistance received under IRAP to date is \$455,201.

During the current fiscal year, the Company recorded total government assistance, including IRAP, of \$51,526 (2007-\$385,702) which has been recorded as a reduction of wages and benefits.

Commitments

The Company has entered into various premises and equipment operating leases with minimum lease payments as follows:

2009	\$ 113,400
2010	113,400
2011	113,400
2012	97,600
2013	<u>13,950</u>
	<u>\$ 451,750</u>

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

11. CONTINGENCIES AND COMMITMENTS (CONTINUED)

Contingencies

The Company provided a guarantee towards a bank loan of approximately \$143,200 held by OneMove UK (Note 3). The Company has pledged as security against the guarantee deposits of approximately \$145,300. Pursuant to the share exchange agreement and the disposition of OneMove UK, (Note 3), the former director and current owner of OneMove UK has until March 2009 to remove the Company as guarantor.

12. FINANCIAL INSTRUMENTS

a) *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. The Company does not have a foreign currency hedge in place to mitigate this risk.

b) *Credit risk*

Financial instruments subjecting the Company to concentrations of credit risk consist primarily of cash and cash equivalents and deposits. The Company maintains its cash with high quality financial institutions. Cash balance often exceeds federally insured limited.

c) *Fair values*

The Company's financial instruments consist of cash and cash equivalents, receivables, deposits, accounts payable and accrued liabilities and capital lease obligations. The fair value of these financial instruments approximates their carrying values.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes follows:

	2008	2007
<u>Loss before income taxes</u>	<u>\$ (3,087,820)</u>	<u>\$ (6,198,190)</u>
Expected income tax (recovery)	\$ (1,054,161)	\$ (1,172,923)
Non-deductible expenses	815,690	427,495
Other	(280,839)	(162,105)
Unrecognized benefits of non-capital and operating loss	<u>519,310</u>	<u>907,533</u>
<u>Actual income taxes</u>	<u>\$ -</u>	<u>\$ -</u>

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements
For the year ended June 30, 2008

13. INCOME TAXES (Continued)

The significant components of the Company's future income tax assets are as follows:

	2008	2007
Future income tax assets		
Equipment	\$ 266,613	\$ 285,304
Non-capital and operating loss carry forwards	1,891,445	2,087,439
Share issue costs	351,736	112,725
Scientific research and development expenditures	751,718	456,444
Capital losses	<u>656,963</u>	<u>384,575</u>
	3,918,475	3,326,487
Less valuation allowance	<u>(3,918,475)</u>	<u>(3,326,487)</u>
Net future income tax assets	<u>\$ -</u>	<u>\$ -</u>

The Company has not recorded the potential future income tax benefits for approximately \$7,270,000 of non-capital losses in Canada which expire through to 2028. Future tax benefits which may arise as a result of these losses and other tax assets have been offset by a valuation allowance and have not been recognized in these financial statements.

14. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2008, the Company entered into transactions with related parties not disclosed elsewhere in these financial statements as follows:

- a) Paid or accrued salaries and wages of \$ 517,341 to the officers, former officers and directors of the Company.
- b) Received 5,584,169 common shares at a value of \$446,734 from a director of the Company relating to the sale of OneMove UK (Note 3), which resulted in a gain of \$531,955.

During the year ended June 30, 2007, the Company entered into transactions with related parties not disclosed elsewhere in these financial statements as follows:

- a) Paid or accrued consulting fees of \$12,000 to directors and officers of the Company.
- b) Paid or accrued salaries and wages of \$706,661 to officers and directors of the Company.
- c) Issued 954,384 shares with a value of \$429,473 to directors and officers of the Company and their immediate family and a company controlled by a director in relation to the conversion of loans to shares of the Company (Note 9). \$28,673 of the exchange was in relation to the accrued interest on the debt of which \$14,481 was expensed in the 2007 fiscal year.
- d) Repaid a \$100,000 loan that was provided by a director of the Company in the 2006 fiscal year.
- e) Received and repaid a total of \$630,000 in loans provided by directors of the Company, for which 35,000 common shares and 125,000 bonus warrants were given with a fair value of \$43,434 that was recorded as interest.
- f) Issued 125,000 common shares to a director of the Company at a value of \$43,125 for services rendered.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

14. RELATED PARTY TRANSACTIONS (CONTINUED)

g) Issued 5,584,169 common shares at a value of \$2,010,301 for the purchase of the remaining 27.5% of OneMove UK from a director of the Company (Note 3).

h) Paid interest expense of \$5,968 to directors of the Company.

Included in accounts payable and accrued liabilities is \$Nil (2007 - \$83,263) due to directors and officers of the Company. Included in receivables is advances of \$27,044 (2007 - \$nil) paid to directors.

These transactions were in the normal course of operations and were measured at the exchange amount which represented the amount of consideration established and agreed to by the related parties.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Cash and cash equivalents consist entirely of cash on deposit.

The significant non-cash investing and financing transactions for the year ended June 30, 2008 are as follows:

a) The issuance of 28,500 common shares to settle an account payable and 236,000 common shares to settle a debt payment at an aggregate value of \$144,800 to two independent companies.

b) The acquisition of \$162,712 of computer equipment through a capital lease.

c) The receipt and cancellation of 5,584,169 common shares of a value of \$446,734 from the sale of OneMove UK (Note 3).

The significant non-cash investing and financing transactions for the year ended June 30, 2007 were:

a) The issuance of 4,903,443 common shares at a value of \$2,206,540 for the conversion debt and accrued interest.

b) The purchase of the net assets of OneMove Online in relation to the recapitalization of the Company (Note 3).

c) The issuance of 1,937,429 agent's options at a value of \$331,377 to agents involved with the two public offerings of the Company's common shares.

d) The financing of web site development costs of \$493,608 financed by loans payable.

e) The issuance of 603,336 common shares at a value of \$332,000 for the redemption of preferred shares and accrued dividends.

f) The issuance of 5,584,169 common shares at a value of \$2,010,301 for the purchase of the remaining 27.5% of OneMove UK.

g) The issuance of 372,500 common shares at a value of \$149,000 as a loan bonus.

h) The issuance of 250,000 common shares at a value of \$86,250 towards interest expense.

i) The issuance of 325,000 common shares valued at \$178,750 as share issue costs.

ONEMOVE TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2008

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (CONTINUED)

- j) The allocation of \$114,414 from deferred financing costs to share issue costs.
- k) The acquisition of \$119,242 of equipment through a capital lease.
- l) The acquisition of \$78,584 of equipment financed by a loan.
- m) The issuance of 259,375 warrants at a value of \$61,076 recorded as interest expense.

16. SEGMENT INFORMATION

The Company has one operating and geographic segment being internet-based software applications and services related to the transfer of real estate in Canada.

17. SUBSEQUENT EVENTS

The following subsequent events occurred after June 30, 2008:

- a) On September 4, 2008, the Company completed a non-brokered private placement where the Company issued 9,421,690 units at a price of \$0.06 per unit, for total proceeds of \$565,301 of which \$107,100 was received at year end. Each unit consisted of one common share and one common share purchase warrant, exercisable at a price of \$0.10 per share for a period of two years.
- b) The Company retained the services of a financial marketing and corporate communications firm to provide certain investor relations services. The engagement will commence September 5, 2008, for a term of four months, subject to TSX Venture Exchange approval. The communications firms will receive a fee of \$8,500 per month for the first two months of the contract plus expenses, and will be granted 300,000 incentive stock options exercisable at \$0.10 per share.
- c) On August 28, 2008, the Company granted a total of 1,750,000 options to directors and officers of the Company. Each option is exercisable to acquire one common share at a price of \$0.10. The options granted have been approved by the Board of Directors and are subject to expire on August 25, 2010, and subject to regulatory approvals.