

ONEMOVE TECHNOLOGIES INC.
(formerly Interlude Capital Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2007



AUDITORS' REPORT

To the Shareholders of
OneMove Technologies Inc.
(formerly Interlude Capital Corp.)

We have audited the consolidated balance sheets of OneMove Technologies Inc. (formerly Interlude Capital Corp.) as at June 30, 2007 and 2006 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, 2007 and 2006 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 17, 2007

A Member of *SC INTERNATIONAL*



ONEMOVE TECHNOLOGIES INC.

(formerly Interlude Capital Corp.)

CONSOLIDATED BALANCE SHEETS

AS AT JUNE 30

	2007	2006
ASSETS		
Current		
Cash and cash equivalents	\$ 3,877,897	\$ 2,680
Receivables	267,386	155,703
Government assistance receivable	98,474	457,784
Prepaid expenses and deposits	76,010	38,336
	4,319,767	654,503
Equipment (Note 4)	843,231	268,601
Deferred development costs (Note 5)	-	188,837
Intangible asset (Note 6)	10,800	21,600
Long term deposits	299,434	-
Deferred financing costs	-	182,521
	\$ 5,473,232	\$ 1,316,062
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	\$ 877,828	\$ 1,155,088
Deferred income	22,867	-
Current portion of loans payable	434,555	308,804
Current portion of capital lease obligations	33,528	-
Dividends payable (Note 10)	-	120,000
Preferred shares (Note 10)	-	200,000
	1,368,778	1,783,892
Loans payable (Note 7)	312,652	306,074
Capital lease obligations (Note 8)	72,882	-
Non-controlling interest	-	69,493
	1,754,312	2,159,459
Shareholders' equity (deficiency)		
Capital stock (Note 10)	18,550,451	4,780,220
Convertible loans (Note 9)	-	1,714,787
Contributed surplus (Note 10)	1,607,344	891,980
Deficit	(16,438,875)	(8,230,384)
	3,718,920	(843,397)
	\$ 5,473,232	\$ 1,316,062
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.****(formerly Interlude Capital Corp.)**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED JUNE 30

	2007	2006
REVENUES	\$ 1,203,944	\$ 425,353
EXPENSES		
Advertising	734,428	240,168
Amortization of deferred development costs	188,837	251,781
Amortization of equipment	340,036	80,160
Amortization of intangible asset	10,800	10,800
Commissions and fees	335,153	113,185
Consulting fees	77,640	146,224
Insurance	53,981	12,446
Interest and bank charges	58,090	24,346
Interest on convertible loans	67,103	42,038
Interest on loans	430,226	76,130
Investor relations and filing fees	133,693	-
Office and general	305,394	209,574
Professional fees	384,604	267,678
Rent and utilities	272,966	115,840
Shares issued for services	-	26,250
Stock based compensation (Note 10)	322,911	380,613
Salaries and wages	2,543,888	739,177
Telephone	383,349	111,331
Travel	587,738	232,735
Web site planning and design	143,390	-
	7,374,227	3,080,476
Loss before other items	(6,170,283)	(2,655,123)
OTHER ITEMS		
Other income	42,550	280
Interest on preferred shares (Note 10)	(12,000)	(24,000)
Foreign exchange gain (loss)	(96,317)	6,553
Loss on disposal of equipment	(31,633)	-
Loss from write off of investment in Easy Convey (Note 3)	-	(1,240,565)
Loss from equity interest	-	(496,169)
	(97,400)	(1,753,901)
Loss before non-controlling interest	(6,267,683)	(4,409,024)
Non-controlling interest	69,493	191,630
Loss for the year	(6,198,190)	(4,217,394)
Deficit, beginning of year	(8,230,384)	(2,948,146)
Related party adjustment (Note 3)	(2,010,301)	(1,064,844)
Deficit, end of year	\$ (16,438,875)	\$ (8,230,384)
Net loss per common share		
Basic	\$ (0.28)	\$ (0.38)
Fully diluted	\$ (0.28)	\$ (0.38)
Weighted average number of common shares		
Basic	21,947,226	11,149,272
Fully diluted	21,947,226	11,149,272

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

ONEMOVE TECHNOLOGIES INC.**(formerly Interlude Capital Corp.)**

CONSOLIDATED STATEMENTS OF CASH FLOW

YEAR ENDED JUNE 30



	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (6,198,190)	\$ (4,217,394)
Items not affecting cash:		
Amortization of deferred development costs	188,837	251,781
Amortization of equipment	340,036	80,160
Amortization of intangible asset	10,800	10,800
Shares issued for services	-	26,250
Interest on preferred shares	12,000	24,000
Stock-based compensation	322,911	380,613
Accrued interest on convertible loans	67,103	42,038
Non-controlling interest	(69,493)	(191,630)
Loss from equity investment	-	496,169
Interest on loans (Note 7)	296,327	-
Loss on disposal of equipment	31,633	-
Loss on write-off of investment	-	1,240,565
Unrealized foreign exchange	14,940	-
Changes in non-cash working capital		
(Increase) decrease in receivables	-109,017	(21,913)
(Increase) decrease in government assistance receivable	359,310	(457,784)
Increase in prepaid expenses	-37,674	(1,905)
Increase (decrease) in accounts payable	-175,707	470,176
Increase in deferred revenue	22,867	-
Net cash used in operating activities	(4,923,317)	(1,868,074)
CASH FLOWS FROM FINANCING ACTIVITIES		
Convertible loan proceeds	424,650	1,336,149
Loan proceeds	2,838,022	668,879
Loan repayments	(3,080,442)	-
Issuance of shares for cash	10,173,709	1,453,649
Share issuance costs	(1,214,720)	(121,654)
Capital lease payments	(12,832)	-
Long term deposits	(189,142)	-
Subscriptions receivable	-	96,593
Deferred financing fees	-	(69,192)
Net cash provided by financing activities	8,939,245	3,364,424
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(254,865)	(81,405)
Bank indebtedness acquired on acquisition of OneMove UK	-	(60,274)
Long term deposits	(110,292)	-
Cash received on recapitalization (Note 3)	211,829	-
Investment in subsidiaries	-	(1,390,478)
Net cash used in investing activities	(153,328)	(1,532,157)
Effect of foreign exchange on cash and equivalents	12,617	-
Change in cash and cash equivalents during the year	3,875,217	(35,807)
Cash and cash equivalents, beginning of year	2,680	38,487
Cash and cash equivalents, end of year	\$ 3,877,897	\$ 2,680
Cash paid during the year for interest	\$ 81,480	\$ 9,979
Cash paid during the year for income taxes	\$ -	\$ -
Supplemental disclosure with respect to cash flows (Note 15)		

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

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 as Interlude Capital Corp ("Interlude"). Interlude was classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Listings Policy 2.4. The Company completed an initial public offering and commenced trading on the Exchange on February 9, 2006.

During the current fiscal year, the Company completed the Exchange's requisite qualifying transaction with OneMove Online Systems Inc. ("OneMove Online") (Note 3).

Formerly known as RemoteLaw Online Systems Corp., OneMove Online is engaged in the development and marketing of internet-based software applications and services related to the transfer of real estate in Canada and the United Kingdom.

The Company incurred an operating loss of \$6,198,190 during the year ended June 30, 2007 and has a deficit of \$16,438,875 as at June 30, 2007. 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 and include the accounts of the Company and its wholly-owned subsidiaries: OneMove Online incorporated in British Columbia and One Move Limited ("OneMove UK") incorporated in the United Kingdom. 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 and the assessment of potential commitments and contingencies. Actual results could differ from these estimates.

ONEMOVE TECHNOLOGIES INC. (formerly Interlude Capital Corp.)

Notes to Consolidated Financial Statements

June 30, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Research and development costs

Research costs are expenses 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, being 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.

Foreign currency translation

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 and selling real estate in Canada and the United Kingdom. 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 collects annual membership fees from real estate agents in the U.K. for participation within its network of services. These membership fees are collected in advance and are deferred and recognized as revenue as earned on a monthly basis throughout the 12 month period.

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. Certain funding received by the Company has repayment terms that are conditional upon future revenues (Note 11). The liability for repayment is recorded when repayment is considered likely.

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.

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 contingently returnable.

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.

ONEMOVE TECHNOLOGIES INC. (formerly Interlude Capital Corp.)

Notes to Consolidated Financial Statements

June 30, 2007

3. RECAPITALIZATION, ACQUISITIONS AND INVESTMENTS

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

During the current fiscal year, 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 type of share exchange involving a non-operating public company 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)
	\$	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.

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.

ONEMOVE TECHNOLOGIES INC. (formerly Interlude Capital Corp.)

Notes to Consolidated Financial Statements

June 30, 2007

3. RECAPITALIZATION, ACQUISITIONS AND INVESTMENTS (cont'd)*Acquisition of One Move Limited ("OneMove UK") (cont'd)*

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 2,792,085 common shares to the former shareholder of OneMove UK contingent upon OneMove UK achieving certain break-even targets.

Furthermore, an additional 1,250,000 common shares will be issued to the former shareholder contingent upon OneMove UK reaching certain revenue targets as set by the board of directors of the Company.

Investment in Easy Convey Limited ("Easy Convey")

In October 2005, OneMove Online entered into an agreement with Easy Convey Limited ("Easy Convey") and its shareholder whereby OneMove Online would acquire, in stages, up to 49% of Easy Convey. OneMove Online made cash payments of \$552,033 and issued 970,233 shares at a value of \$485,117 towards this investment. The parties to the agreement then decided to terminate the agreement and on April 6, 2006 entered into a formal rescission agreement releasing all parties from their original obligations. Under the rescission agreement, OneMove Online returned its shares of Easy Convey, forfeited its cash investments and agreed to pay a \$203,000 (£100,000) break fee. The 970,233 shares issued by OneMove Online were returned to treasury and cancelled.

ONEMOVE TECHNOLOGIES INC. (formerly Interlude Capital Corp.)

Notes to Consolidated Financial Statements

June 30, 2007

4. EQUIPMENT

	2007			2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$433,360	\$154,141	\$279,219	\$227,226	\$77,670	\$149,556
Application software	198,870	162,6	36,217	188,046	10	78,193
					9,853	
Computer software	37,486	30	7,012	23,462	20,138	3,324
Furniture and fixtures	167,542	22	145,283	9,657	3,776	5,881
Website development	562,226	186,7	375,500	36,836	5,189	31,647
	\$ 1,399,484	\$ 556,253	\$ 843,231	\$ 485,227	\$ 216,626	\$ 268,601

5. DEFERRED DEVELOPMENT COSTS

	2007	2006
Opening balance	\$ 755,344	\$ 755,344
Accumulated amortization	(755,344)	(566,507)
Ending balance	\$ -	\$ 188,837

6. INTANGIBLE ASSET

	2007	2006
Customer list	\$ 54,000	\$ 54,000
Accumulated amortization	(43,200)	(32,400)
	\$ 10,800	\$ 21,600

ONEMOVE TECHNOLOGIES INC. (formerly Interlude Capital Corp.)

Notes to Consolidated Financial Statements

June 30, 2007

7. LOANS PAYABLE

	2007	2006
Loan payable to National Westminster Bank Plc in U.K. pounds sterling (2007 - £87,500, 2006 - £97,500), bearing interest at its base rate plus 3.5% per annum, monthly payments of approximately \$1,800 maturing on February 28, 2016. The loan is secured by a charge over the assets of OneMove UK.	\$ 185,674	\$ 198,314
Loan payable to HSBC Bank Plc. in U.K. pounds sterling (2007 - £64,013, 2006 - £69,094), bearing interest at its base rate plus 3.5% per annum, blended monthly payments of approximately \$1,952 maturing on April 29, 2014. This loan is secured by a charge over the assets of OneMove UK and a personal guarantee of a director.	135,836	140,538
Loan payable to a director in Canadian dollars. The loan bore fixed interest of \$10,000 and was unsecured.	-	100,226
In connection with the recapitalization transaction (Note 3), the Company had loaned \$225,000 (2006 - \$50,000) to OneMove Online. The loan was extinguished with the completion of the recapitalization (Note 3).	-	50,000
Receivables factoring agreement of up to \$195,000, due on demand upon receipt of certain government research and development tax credits. Advances under this facility were subject to factoring fees of \$1 per day for every \$1,000 advanced which was equivalent to an annual interest rate of approximately 36.5%. The facility was secured by general security agreement over the assets of OneMove Online and personal guarantees of directors of OneMove Online.	-	125,800
Loan payable to Lombard Technical Services Limited in U.K. pounds sterling (£21,611), unsecured and bearing interest at 10.5% per annum, blended monthly payments of \$2,100 maturing on July 2009. The loan was used to finance the purchase of certain equipment.	45,860	-
Loan payable in U.K. pounds sterling (£179,000) to a private corporation relating to web site development, unsecured and bearing no interest, monthly payments of approximately \$21,000 (£10,000) per month ending June 2008. Terms of the loan include a payment of £59,000 by way of an issuance of common stock of the Company which was made subsequent to year end (Note 17).	379,838	-
	747,208	614,878
Current portion	(434,555)	(308,804)
	\$ 312,653	\$ 306,074

Based on the current bank base rates and exchange rates, principal payments on the loans payable are as follows:

June 30, 2008	\$ 434,555
2009	58,140
2010	35,359
2011	36,687
2012	38,181
2013 and thereafter	144,286
	\$ 747,208

ONEMOVE TECHNOLOGIES INC. (formerly Interlude Capital Corp.)

Notes to Consolidated Financial Statements

June 30, 2007

7. LOANS PAYABLE (cont'd)

The Company has a bank overdraft facility of approximately \$42,400 (£20,000) with HSBC Bank Plc bearing interest at the bank's base rate plus 5%. This facility is secured by a personal guarantee of a director.

During the current fiscal year, 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 relations to these loans, the Company:

- a. recorded \$36,615 of interest which was paid in cash
- b. issued 259,375 warrants to purchase common shares of the Company at a price of \$0.55 which expire on October 18, 2008
- c. issued 12,500 agents options to purchase common shares of the Company at a price of \$0.50 which expire May 14, 2009
- d. issued 125,000 shares at a value of \$43,125 to an independent company
- e. 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
- f. 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 was insignificant.

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:

	2007	2006
Computer equipment	\$ 119,242	\$ -
Accumulated amortization	(17,886)	-
	<u>\$ 101,356</u>	<u>\$ -</u>

Amortization expenses incurred during the year with respect to the above assets under capital lease totalled \$17,886 (2006 - \$nil).

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

	2007	2006
Year ending June 30:		
2008	\$ 55,111	\$ -
2009	55,111	-
2010	32,935	-
Total future annual lease payments	\$ 143,157	\$ -
Less amount representing interest	(36,747)	-
Present value of capital lease obligations	106,410	-
Less current portion	(33,528)	-
	<u>\$ 72,882</u>	<u>\$ -</u>

With respect to the above, interest incurred during the year and included in interest expense amounted to \$12,035 (2006 - \$nil).

ONEMOVE TECHNOLOGIES INC. (formerly Interlude Capital Corp.)

Notes to Consolidated Financial Statements

June 30, 2007

9. CONVERTIBLE 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 totaling \$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.

10. CAPITAL STOCK

In accordance with reverse takeover accounting principles, OneMove Online, the legal subsidiary, is deemed to have acquired control of the net assets of the legal parent, the Company (see Note 3). Accordingly, the number of issued shares reflects the structure of the Company, while the opening value of the issued share capital reflects the position of OneMove Online.

a) Authorized – Unlimited number of common shares without par value.

b) Issued and Outstanding

	Number of Common Shares	Amount
Balance as at June 30, 2005	7,989,480	\$ 3,321,975
Private placements issued for cash	2,907,292	1,453,649
Share issuance costs	-	(121,654)
Shares issued for services	52,500	26,250
Shares issued to settle loans payable	200,000	100,000
Shares issued towards investment in Easy Convey (Note 3)	970,233	485,117
Cancellation of shares issued to Easy Convey	(970,233)	(485,117)
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

On May 8, 2006, OneMove Online subdivided its issued share capital whereby every one issued common share was split into three common shares. All references to share, per share amounts and options have been retroactively restated to give effect to the share split.

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10. CAPITAL STOCK (cont'd)**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.

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, 2005 and 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.

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10. CAPITAL STOCK (cont'd)**g) Shares Held in Escrow**

As at June 30, 2007, a total of 12,026,833 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, 3,491,424 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. Of these, 616,662 shares are considered compensatory in nature and will be fair valued when they are released from escrow.

h) Contributed Surplus

	Amount
Balance as at June 30, 2005	\$ 26,250
Cancellation of shares issued to Easy Convey (Note 3)	485,117
Stock-based compensation	380,613
Balance as at June 30, 2006	\$ 891,980
Value of agents options issued on public offerings	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

i) Stock Options

OneMove Online adopted the 2005 Stock Option Plan (the "2005 Plan") whereby it could grant stock options to directors, officers, employees and consultants enabling them to acquire up to 20% of the issued common shares of the Company. Under the 2005 Plan, the exercise price could not be less than the last price per common share sold for cash (other than as the exercise of stock options) immediately before the date of grant.

With the recapitalization (Note 3), the Company adopted the 2006 Stock Option Plan (the "2006 Plan") whereby the aggregate number of shares issuable under the 2006 Plan and previously granted options under the 2005 Plan may not exceed 5,000,000 shares. Under the 2006 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, 2007, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
1,815,000	\$0.55	July 31, 2008
225,000	\$0.55	October 14, 2008
165,000	\$0.55	January 31, 2009
315,000	\$0.55	April 23, 2009
472,000	\$0.55	December 1, 2009
177,000	\$0.55	December 18, 2009

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10. CAPITAL STOCK (cont'd)**i) Stock options (cont'd)**

Stock option transactions are summarized as follows:

	Options outstanding	Weighted average exercise price
Balance as at June 30, 2005	-	-
Granted during the year	2,625,000	\$0.50
Exercised during the year	-	-
Cancelled during the year	-	-
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
Balance as at June 30, 2007	3,169,000	\$0.55
Currently exercisable	2,672,350	\$0.55

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 \$0.16 (2006 - \$0.26) 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 664,000 (2006 - 2,625,000) options to directors, employees and consultants with a fair value of \$103,802 (2006 - \$659,289), which is being recognized over the vesting periods of the options. Total stock-based compensation recognized during the year ended June 30, 2007 was \$322,911 (2006 - \$380,613).

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

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Expected dividend yield	0%	0%
Expected price volatility	75%	75%
Risk free interest rate	4.25%	3.96%
Expected life	3 years	2.56 years

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10. CAPITAL STOCK (cont'd)**j) Agent's Options**

As at June 30, 2007, the following agent's options were outstanding and exercisable:

Number of Agent's Options	Exercise Price	Expiry Date
98,300	\$0.30	February 9, 2008
381,889	\$0.55	October 18, 2008
1,555,540	\$0.36	May 3, 2009
12,500	\$0.50	May 14, 2009

Agent option transactions are summarized as follows:

	Agent's Options outstanding	Weighted average exercise price
Balance as at June 2005 and 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

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, 2007, 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

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10. CAPITAL STOCK (cont'd)**k) Warrants (cont'd)**

Warrant transactions are summarized as follows:

	Warrants outstanding	Weighted average exercise price
Balance as at June 30, 2005 and 2006	-	-
Issued during the year	5,162,818	\$0.74
Balance as at June 30, 2007	5,162,818	\$0.74

The Company issued 259,375 compensatory warrants pursuant to loan agreements. These warrants have a value of \$61,076 which has been 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 current fiscal year, the Company recognized assistance of \$313,283 (2006 - \$90,392) from the National Research Council of Canada's Industrial Research Assistance Program ("IRAP"). Repayment of these contributions commences October 1, 2008 for a maximum of ten years and is payable quarterly based on 6.25% of gross revenues of the Company. The repayments will cease once the total amount repaid to IRAP equals 150% of the total contributions received by the Company. The government assistance is repayable, after September 2008, in whole or in part, depending on future revenues after that date. No liabilities have been recorded as at June 30, 2007 since the conditions of repayment have not been met.

During the fiscal year, the Company has recorded total government assistance, including the IRAP program, of \$ 385,702 (2006 - \$512,985) as a reduction of wages and benefits.

Commitments

By way of a signing bonus pursuant to a compensation agreement, the Company has committed to issuing an executive and director of the Company 250,000 common shares and allotting 1,500,000 options to purchase common shares of the Company. The issuance of shares requires regulatory approval and the Company has yet to grant the options.

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

Fiscal 2008	\$ 271,897
2009	278,599
2010	249,504
2011	230,846
2012	<u>138,097</u>
	<u>\$ 1,168,943</u>

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12. FINANCIAL INSTRUMENTS*a) Fair values*

Carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their fair values due to their short-term maturity. The fair values of capital lease obligations and loan payable are estimated to approximate their carrying value based on borrowing rates currently available to the Company.

b) 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.

c) 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. Cash balance often exceeds federally insured limited.

13. SEGMENTED INFORMATION

The Company's operations fall into one dominant industry segment, internet-based software applications and services relating to the transfer of real estate. The Company manages its operations, and accordingly determines its operating segments, on a geographical basis. The performance of geographic operating segments is monitored based on periodic operational results. Inter-segment transactions have been eliminated.

The following is a breakdown by reporting segment:

	Canada	UK	Total 2007	Canada	UK	Total 2006
Revenues	\$ 960,434	\$ 243,510	\$ 1,203,944	\$ 410,148	\$ 15,205	\$ 425,353
Interest revenues	43,278	(728)	42,550	280	-	280
Interest expenses	467,377	29,952	497,329	111,417	6,751	118,168
Amortization	274,781	264,892	539,673	326,494	16,450	342,944
Other items	(140,742)	125,261	(15,481)	(2,141,347)	6,553	(2,134,794)
Segment losses	(2,513,643)	(3,671,915)	(6,185,558)	(3,711,564)	(697,662)	(4,409,226)
Segment assets	4,278,706	1,194,526	5,473,232	1,034,394	281,668	1,316,062
Segment capital assets	258,200	595,831	854,031	340,619	138,419	479,038

Other than certain web site development costs financed by loans payable in the U.K., all significant non-cash items occurred within the Canadian segment.

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14. RELATED PARTY TRANSACTIONS

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 (2006 - \$146,608) to directors and officers of the Company.
- b) Paid or accrued salaries and wages of \$706,661 (2006 - \$291,192) 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 (see 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 current year (2006 - \$14,192).
- d) Repaid a \$100,000 loan that was provided by a director of the Company in the prior 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 (2006 - 30,000) common shares to a director of the Company at a value of \$43,125 (2006 - \$15,000) for services rendered.
- 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 (2006 - \$46,600) to directors of the Company.
- i) Issued 100,000 common shares in fiscal 2006 at a value of \$50,000 to settle a loan from a director of the Company.

Included in accounts payable and accrued liabilities is \$83,263 (2006 - \$44,244) due to directors and officers of the Company. The amounts were unsecured and interest bearing.

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

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.

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15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (cont'd)

- 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.
- 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.

The significant non-cash transactions for the year ended June 30, 2006 were:

- a) The exchange of a \$300,000 loans plus accrued interest of \$36,600 for a convertible loan of \$336,600.
- b) The issuance of 970,233 common shares at a value of \$485,117 as part of the investment in Easy Convey.
- c) The issuance of 200,000 common shares at a value of \$100,000 as settlement of loans payable of \$100,000.
- d) The issuance of 52,500 common shares at a value of \$26,250 for services rendered.
- e) The acquisition of the net assets of OneMove UK (Note 3) for partial consideration consisting of \$1,614,399 subscription payable.
- f) The accrual of \$113,329 in deferred financing fees.
- g) The cancellation of 970,233 common shares at a value of \$485,117 pursuant to the write-off of an investment in Easy Convey.

Cash and cash equivalents at June 30, 2007 and 2006 consist entirely of cash on deposits.

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16. INCOME TAXES

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

	2007	2006
Loss before income taxes	\$ (6,198,190)	\$ (4,217,394)
Expected income tax (recovery)	\$ (1,172,923)	\$ (1,484,779)
Non-deductible expenses	427,495	850,543
Other	(162,105)	(50,424)
Unrecognized benefits of non-capital and operating loss	907,533	684,660
Actual income taxes	\$ -	\$ -

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

	2007	2006
Future income tax assets		
Equipment	\$ 285,304	\$ 215,190
Non-capital and operating loss carryforwards	2,087,439	1,493,880
Share issue costs	112,725	63,248
Scientific research and development expenditures	456,444	272,322
Capital losses	384,575	384,575
	3,326,487	2,429,215
Less valuation allowance	(3,326,487)	(2,429,215)
Net future income tax assets	\$ -	\$ -

The Company has not recorded the potential future income tax benefits for approximately \$5,200,000 of non-capital losses in Canada which expire through to 2026. The Company has operating losses of approximately \$4,500,000 in the United Kingdom. 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.

17. SUBSEQUENT EVENTS

Subsequent to June 30, 2007, the Company issued 28,500 common shares to settle an account payable and 236,000 common shares to settle a debt payment at an aggregate value of \$158,867 to two independent companies.