

WESTSPHERE ASSET CORPORATION, INC.
CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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WESTSPHERE ASSET CORPORATION, INC.
Consolidated Balance Sheets

ASSETS	September 30, 2008 <u>(Unaudited)</u>	December 31, 2007 <u>(Note 1)</u>
CURRENT ASSETS		
Cash	\$ 207,553	\$ 211,710
Accounts receivable net of allowance for doubtful accounts of \$82,521 and \$75,976, respectively	394,307	483,934
Accounts receivable – related parties	18,977	39,656
Inventory	260,450	264,027
Prepaid expense and deposit	77,272	62,839
Total current assets	<u>958,559</u>	<u>1,062,166</u>
Property and equipment, net of depreciation	289,296	377,986
Note receivable	14,248	11,502
Intellectual property	90,056	39,228
Deferred tax benefits	<u>52,839</u>	<u>55,866</u>
Total assets	<u>\$ 1,404,998</u>	<u>\$ 1,546,748</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 506,406	\$ 504,886
Current portion of loans	126,962	113,034
Accounts payable, related parties	492,209	178,350
Current loan payable, related parties	—	—
Total current liabilities	<u>1,125,577</u>	<u>796,270</u>
Shareholder loans	257,972	264,310
Loans payable, less current portion	<u>222,492</u>	<u>324,633</u>
Total liabilities	<u>1,606,041</u>	<u>1,385,213</u>
STOCKHOLDERS' DEFICIT (EQUITY)		
Preferred stock – authorized 75,000,000 shares, no par value, 1,416,143 shares issued and outstanding at September 30, 2008 and December 31, 2007	1,400,719	1,400,719
Common stock - authorized 75,000,000 shares, no par value; 592,785 shares issued and outstanding at September 30, 2008 and 592,785 at December 31, 2007	558,960	558,960
Accumulated other comprehensive income	149,716	151,657
Accumulated deficit	<u>(2,310,433)</u>	<u>(1,949,801)</u>
Less: Treasury stock (84 shares)	<u>(201,048)</u>	<u>161,535</u>
Total stockholders' equity	<u>(201,043)</u>	<u>—</u>
Total liabilities and stockholders' equity	<u>\$ 1,404,998</u>	<u>1,546,748</u>

The accompanying notes are an integral part of these statements

WESTSPHERE ASSET CORPORATION, INC.
Consolidated Statements of Operations
For the Nine Months Ended September 30,
(Unaudited)

	2008	2007
Revenue -		
Equipment and supplies	\$ 79,282	\$ 254,887
Residual and interchange income	2,892,422	3,036,044
Other	50,629	55,613
Total revenue	3,022,333	3,346,544
Cost of sales -		
Equipment and supplies	98,597	198,803
Residual and interchange costs	1,757,129	1,782,887
Commissions	8,310	1,906
Other	99,204	103,310
Total cost of sales	1,963,240	2,086,906
Gross profit	1,059,093	1,259,638
Operating expenses -		
Depreciation and amortization	79,978	97,194
Consulting fees	127,902	130,783
Legal and accounting fees	13,705	106,776
Salaries and benefits	650,934	595,649
Travel, delivery and vehicle expenses	96,939	121,346
Currency exchange	—	(15,704)
Other	371,969	336,554
Total operating expenses	1,341,427	1,372,598
(-Loss-) from operations	(282,334)	(112,960)
Other income (expense) -		
Interest income	2,136	9,819
Interest expense	(80,434)	(37,826)
Net (-loss-) before income taxes	(360,632)	(140,967)
Provision for income taxes	—	—
Net (-loss-)	\$ (360,632)	\$ (140,967)
Basic and diluted net (-loss-) per common share	\$ (.61)	\$ (.24)
Weighted average number of shares outstanding	592,701	592,785
Other comprehensive income (loss) -		
Net (-loss-)	\$ (360,632)	\$ (140,967)
Foreign currency translation adjustment	(1,941)	56,170
Total comprehensive (-loss-)	\$ (362,573)	\$ (84,797)

The accompanying notes are an integral part of these statements

WESTSPHERE ASSET CORPORATION, INC.
Consolidated Statements of Operations
For the Three Months Ended September 30,
(Unaudited)

	2008	2007
Revenue -		
Equipment and supplies	\$ 21,712	\$ 76,033
Residual and interchange income	966,122	1,089,951
Other	15,387	17,718
Total revenue	1,003,221	1,183,702
Cost of sales -		
Equipment and supplies	30,555	55,700
Residual and interchange costs	598,568	626,990
Commissions	—	1,720
Other	28,038	40,141
Total cost of sales	657,161	724,551
Gross profit	346,060	459,151
Operating expenses -		
Depreciation and amortization	27,150	31,703
Consulting fees	41,754	44,920
Legal and accounting fees	9,892	8,650
Salaries and benefits	196,173	224,055
Travel, delivery and vehicle expenses	42,428	41,743
Currency exchange	—	(8,190)
Other	126,153	126,414
Total operating expenses	443,550	469,295
(-Loss-) from operations	(97,490)	(10,144)
Other income (expense) -		
Interest income	513	1,284
Interest expense	(24,780)	(14,883)
Net (-loss-) before income taxes	(121,757)	(23,743)
Provision for income taxes	—	—
Net (-loss-)	\$ (121,757)	\$ (23,743)
Basic and diluted net (-loss-) per common share	\$ (.21)	\$ (.04)
Weighted average number of shares outstanding	592,701	592,785
Other comprehensive income (loss) -		
Net (-loss-)	\$ (121,757)	\$ (23,743)
Foreign currency translation adjustment	1,869	24,721
Total comprehensive (-loss-)	\$ (119,888)	\$ 978

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WESTSPHERE ASSET CORPORATION, INC.
Consolidated Statements of Changes in Stockholders' (Deficit) Equity
(Unaudited)

	<u>Preferred Stock</u>		<u>Common Stock</u>		Foreign Currency Translation Adjustment	Accumulated (Deficit)	Total
	Shares	Amount	Shares	Amount			
Balance, December 31, 2007	1,416,143	\$ 1,400,719	592,785	\$ 558,960	\$ 151,657	\$ (1,949,801)	\$ 161,535
Net loss	—	—	—	—	(1,941)	(360,632)	(362,573)
	1,416,143	\$ 1,400,719	592,785	\$ 558,960	\$ 149,716	\$ (2,310,433)	\$ (201,038)
Treasury stock	—	—	(84)	(5)	—	—	(5)
Balance, September 30, 2008	1,416,143	\$ 1,400,719	592,701	\$ 558,955	\$ 149,716	\$ (2,310,433)	\$ (201,043)

The accompanying notes are an integral part of these statements

WESTSPHERE ASSET CORPORATION, INC.
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30,
(Unaudited)

	2008	2007
Cash flows from operating activities:		
Net (loss) from operations	\$ (360,632)	\$ (140,967)
Reconciling adjustments -		
Depreciation and amortization	79,978	97,194
Other non-cash transactions	—	48,033
Changes in operating assets and liabilities		
Accounts receivable	110,306	(75,448)
Inventory	3,577	(10,167)
Prepaid expenses and other	(14,433)	1,389
Accounts payable and accrued liabilities	15,448	(41,612)
Net cash provided by (used in) operations	(165,756)	(121,578)
Cash flows from investing activities:		
Purchase of equipment	(96,506)	(220,656)
Disposal of equipment	33,321	53,856
Collections of loans receivable	(2,746)	68,267
Treasury stock	(5)	—
Net cash (used in) investing activities	(65,936)	(98,533)
Cash flows from financing activities:		
Exercise of options	—	7,017
Proceeds from loans	313,859	113,276
Repayments of loans	(108,479)	(15,733)
Net cash (used in) financing activities	205,380	104,560
Foreign currency translation adjustment	22,155	63,526
Net change in cash and cash equivalents	(4,157)	(52,025)
Cash at beginning of period	211,710	413,398
Cash at end of period	\$ 207,553	\$ 361,373
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 19,723	\$ 23,911
Cash paid for income taxes	\$ —	\$ —

The accompanying notes are an integral part of these statements

WESTSPHERE ASSET CORPORATION, INC.
Notes to the Consolidated Financial Statements
September 30, 2008 and 2007
(Unaudited)

Note 1 – Basis of Presentation and Nature of Operations

The accompanying consolidated balance sheet as of December 31, 2007 has been derived from audited financial statements and the accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and the interim reporting requirements of Regulation S-X. The accompanying consolidated financial statements included herein have been prepared by Westsphere Asset Corporation, Inc. (the “Company”) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission for reporting on Form 10-Q. In management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. Certain information and footnote disclosure normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations, and Westsphere Asset Corporation, Inc. believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the December 31, 2007 audited financial statements and the accompanying notes thereto contained in the Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. While management believes the procedures followed in preparing these financial statements are reasonable, the accuracy of the amounts are in some respects dependent upon the facts that will exist, and procedures that will be accomplished by Westsphere Asset Corporation, Inc. later in the year. The results of operations for the interim periods are not necessarily indicative of the results of operations for the full year. In management’s opinion all adjustments necessary for a fair presentation of the Company’s financial statements are reflected in the interim periods included.

The Company’s primary business is the sale and operation of cash vending (ATM) and point of sale (POS) machines in Canada.

There is no provision for dividends for the quarter to which this quarterly report relates.

Note 2 – Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159"). SFAS No. 159 permits entities to choose to measure, on an item-by-item basis, specified financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected are required to be reported in earnings at each reporting date. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007, the provisions of which are required to be applied prospectively. The Company believes that SFAS 159 should not have a material impact on the consolidated financial position or results of operations.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "Business Combinations" ("SFAS No. 141R"). SFAS No. 141R will change the accounting for business combinations. Under SFAS No. 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. SFAS No. 141R will change the accounting

WESTSPHERE ASSET CORPORATION, INC.
Notes to the Consolidated Financial Statements
September 30, 2008 and 2007
(Unaudited)

treatment and disclosure for certain specific items in a business combination. SFAS No. 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Accordingly, any business combinations the Company engages in will be recorded and disclosed following existing GAAP until January 1, 2009. The Company expects SFAS No. 141R will have an impact on accounting for business combinations once adopted but the effect is dependent upon acquisitions at that time. The Company is still assessing the impact of this pronouncement.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements--An Amendment of ARB No. 51, or SFAS No. 160" ("SFAS No. 160"). SFAS No. 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008. The Company believes that SFAS 160 should not have a material impact on the consolidated financial position or results of operations.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS No. 161"). SFAS 161 requires companies with derivative instruments to disclose information that should enable financial-statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under FASB Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities" and how derivative instruments and related hedged items affect a company's financial position, financial performance and cash flows. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The adoption of this statement is not expected to have a material effect on the Company's future financial position or results of operations.

Note 3 – Inventory

Inventory consists primarily of cash vending and POS machines, which are valued at the lesser of cost (on a first-in, first-out method) or net realizable value.

Note 4 – Related Party

The following table summarizes the Company's accounts receivable - related party transactions as at September 30, 2008:

Revenue	Amount
Sales of ATM to: Director's 100% owned company	\$ 9,461
Sales of ATM parts and accessories to: Directors' 100% owned company	6,840

WESTSPHERE ASSET CORPORATION, INC.
Notes to the Consolidated Financial Statements
September 30, 2008 and 2007
(Unaudited)

Shareholder loan from:	
49% shareholder's of Personal Financial Solution	2,677
<i>The shareholder loan is payable on demand.</i>	
Total	\$18,977

The following table summarizes the Company's accounts payable - related party transactions as at September 30, 2008:

Payable to:	Amount
A loan advanced from Company's subsidiary Vencash President for working capital.	\$ 1,933
Officers' and Directors' bonuses payable carried forward from year 2002	64,646
Deposits advanced from Westsphere's President to support the switch development project	225,789
A loan advanced from Westsphere's President for working capital.	77,807
A loan advance from Westsphere's officer and director.	2,214
A deposit from Westsphere's vice president to purchase cash for ATMs.	77,053
A loan advance from Westsphere's vice president bearing interest at 12% per annum, blended monthly payment of interest only for working capital.	42,767
Total	\$492,209

Note 5 – Share Capital

On September 30, 2008 Westsphere redeems 84 shares @ \$0.05 per share. The cost of such shares is equal to their stated value. This redemption of shares is reflected in the accompanying consolidated balance sheet as treasury stock.