

WESTSPHERE ASSET CORPORATION, INC.  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2009

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**WESTSPHERE ASSET CORPORATION, INC.**  
**Consolidated Balance Sheets**  
**March 31, 2009 and 2008**

<b>ASSETS</b>	March 31, 2009 <u>(Unaudited)</u>	December 31, 2008
<b>CURRENT ASSETS</b>		
Cash	\$ 299,222	\$ 87,880
Accounts receivable net of allowance for doubtful accounts of \$154,259 and \$157,640, respectively	252,726	248,893
Accounts receivable – related parties	8,081	5,416
Inventory	195,174	192,962
Prepaid expense and deposit	37,848	56,407
Total current assets	<u>793,051</u>	<u>591,558</u>
Property and equipment, net of depreciation	197,701	223,797
Note receivable	7,084	9,512
Deferred Costs	<u>153,577</u>	<u>146,769</u>
Total assets	<u>\$ 1,151,413</u>	<u>\$ 971,636</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 632,251	\$ 465,784
Current portion of loans	65,226	85,662
Accounts payable, related parties	670,254	485,768
Total current liabilities	<u>1,367,731</u>	<u>1,037,214</u>
Shareholder loans	205,169	205,363
Loans payable, less current portion	184,867	188,918
Total liabilities	<u>1,757,767</u>	<u>1,431,495</u>
Minority interest in subsidiaries	—	—
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Preferred stock – authorized 75,000,000 shares, no par value, 1,417,118 shares issued and outstanding at March 31, 2009 and December 31, 2008	1,400,855	1,400,855
Common stock - authorized 75,000,000 shares, no par value; 591,726 shares issued and outstanding at March 31, 2009 and December 31, 2008	558,824	558,824
Accumulated other comprehensive income	187,826	181,131
Accumulated deficit	<u>(2,753,859)</u>	<u>(2,600,669)</u>
Total stockholders' equity (Deficit)	<u>(606,354)</u>	<u>(459,859)</u>
Total liabilities and stockholders' equity (Deficit)	<u>\$ 1,151,413</u>	<u>\$ 971,636</u>

The accompanying notes are an integral part of these statements.

**WESTSPHERE ASSET CORPORATION, INC.**  
**Consolidated Statements of Operations**  
**For the Three Months Ended March 31,**  
**(Unaudited)**

	2009	2008
Revenue -		
Equipment and supplies	\$ 32,237	\$ 24,994
Residual and interchange income	696,577	943,689
Other	6,605	14,889
Total revenue	735,419	983,572
Cost of sales -		
Equipment and supplies	38,262	27,523
Residual and interchange costs	445,285	553,441
Commissions	2,011	5,341
Other	31,517	38,767
Total cost of sales	517,075	625,072
Gross profit	218,344	358,500
Operating expenses -		
Depreciation and amortization	21,457	27,712
Consulting fees	43,719	43,182
Legal and accounting fees	11,226	206
Salaries and benefits	155,461	236,826
Travel, delivery and vehicle expenses	36,419	30,635
Other	85,323	115,030
Total operating expenses	353,605	453,591
(Loss) from operations	(135,261)	(95,091)
Other income (expense) -		
Interest income	261	951
Interest expense	(18,190)	(23,534)
Net (loss) before income taxes	(153,190)	(117,674)
Provision for income taxes	—	—
Net (loss)	\$ (153,190)	\$ (117,674)
Basic net (loss) per common share	\$ (.26)	\$ (.20)
Weighted number of shares outstanding	591,726	592,785
Other comprehensive income (loss) -		
Net (loss)	\$ (153,190)	\$ (117,674)
Foreign currency translation adjustment	6,695	( 4,367)
Total comprehensive (loss)	\$ (146,495)	\$ (122,041)

The accompanying notes are an integral part of these statements.

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

	<u>Preferred Stock</u>		<u>Common Stock</u>		Foreign Currency Translation Adjustment	Accumulated (Deficit)	Total
	Shares	Amount	Shares	Amount			
Balance, December 31, 2008	1,417,118	\$ 1,400,855	591,726	\$ 558,824	\$ 181,131	\$ (2,600,669)	\$ (459,859)
Net loss for the three months ended March 31, 2009	—	—	—	—	6,695	(153,190)	(146,495)
Balance, March 31, 2009	1,417,118	\$ 1,400,855	591,726	\$ 558,824	\$ 187,826	\$ (2,753,859)	\$ (606,354)

The accompanying notes are an integral part of these statements.

**WESTSPHERE ASSET CORPORATION, INC.**  
**Consolidated Statements of Cash Flows**  
**For the Three Months Ended March 31,**  
**(Unaudited)**

	2009	2008
Cash flows from operating activities:		
Net (loss) from operations	\$ (153,190)	\$ (117,674)
Reconciling adjustments -		
Depreciation and amortization	21,457	27,712
Changes in operating assets and liabilities		
Accounts receivable	(6,498)	14,263
Inventory	(2,212)	1,109
Prepaid expenses and other	18,559	5,065
Accounts payable and accrued liabilities	146,031	(23,523)
Net cash (used for) provided by operations	24,147	(93,048)
Cash flows from investing activities:		
Purchase of equipment	(10,781)	(24,914)
Disposal of equipment	775	24,192
Collections of loans receivable	2,428	3,271
Net cash (used for) provided by investing activities	(7,578)	2,549
Cash flows from financing activities:		
Proceeds from loans	184,486	53,755
Repayments of loans	(4,245)	(47,708)
Net cash provided by financing activities	180,241	6,047
Foreign currency translation adjustment	14,532	10,163
Net change in cash and cash equivalents	211,342	(74,289)
Cash at beginning of period	87,880	211,710
Cash at end of period	\$ 299,222	\$ 137,421
<b>Supplemental schedules:</b>		
Cash paid for interest	\$ 13,958	\$ 17,786
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**  
**March 31, 2009 and 2008**  
**(Unaudited)**

**Note 1 – Basis of Presentation and Nature of Operations**

The accompanying consolidated balance sheet as of December 31, 2008 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, 2008 audited financial statements and the accompanying notes thereto contained in the Annual Report on Form 10-K 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**

EITF No. 03-6-1 – In June 2008, the FASB issued Staff Position No. EITF 03-6-1 (“EITF No. 03-6-1”), *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*. EITF No. 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore, need to be included in the earnings allocation in calculating earnings per share under the two-class method described in Statement of Financial Accounting Standards No. 128, *Earnings per Share*. EITF No. 03-6-1 requires companies to treat unvested share-based payment awards that have non-forfeitable rights to dividend or dividend equivalents as a separate class of securities in calculating earnings per share. EITF No. 03-6-1 is effective for fiscal years beginning after December 15, 2008. The Company is currently assessing the potential effect of EITF No. 03-6-1 on its financial statements.

SFAS No. 162 – In May 2008, the FASB issued Statement of Financial Accounting Standards No. 162 (“SFAS No. 162”), *The Hierarchy of Generally Accepted Accounting*

**WESTSPHERE ASSET CORPORATION, INC.**  
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*Principles.* SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. SFAS No. 162 will become effective 60 days following Securities and Exchange Commission (“SEC”) approval of the Public Company Accounting Oversight Board (“PCAOB”) amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. The Company does not anticipate the adoption of SFAS No. 162 to have a material impact on its financial statements.

FSP No. 142-3 – In April 2008, the FASB issued Staff Position No. 142-3 (“FSP No. 142-3”), *Determination of the Useful Life of Intangible Assets*. FSP No. 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The Company is currently assessing the potential effect of FSP No. 142-3 on its financial statements.

SFAS No. 161 – In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161 (“SFAS No. 161”), *Disclosures about Derivative Instruments and Hedging Activities*. SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133, *Accounting for Derivative Instruments and Hedging*. SFAS No. 161 is effective for fiscal years beginning after November 15, 2008. The Company believes that the adoption of this standard will not have a material impact on its financial statements.

The above pronouncements are not currently expected to have a material effect on the Company’s financial statements.

***Note 3 - Accounts Receivable***

Accounts receivable consist of amounts due from customers. The Company considers accounts more than 180 days old to be past due. The Company uses the allowance method for recognizing bad debts. When an account is deemed uncollectible, it is written off against the allowance.

***Note 4 – 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 5 – Deferred Costs***

**WESTSPHERE ASSET CORPORATION, INC.**  
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In order for Westsphere's subsidiaries to remain competitive in the marketplace, Westsphere, through its subsidiary Westsphere Systems Inc. has successfully gained membership into the Canadian Interac Association as an Acquirer. This will enable the direct processing of ATM, POS and other transactions for its other subsidiaries, Vencash and Trac POS. Westsphere has sourced out an industry leader, ACI Worldwide, and invested in the development and ongoing support required to facilitate the processing of transactions. Westsphere Systems Inc. will process all transactions through its association with ACI thereby eliminating the costs, restrictions, and potential risks of relying on third party processors. Most importantly, the investment in the processor, or switch, will also enable Westsphere's direct entry into new and emerging markets such as card management and processing.

**Note 6 – Related Party**

The following table summarizes the Company's accounts receivable - related party transactions as at March 31, 2009:

<b>Revenue</b>	<b>Amount</b>
Sales of ATM parts and accessories to: Directors' 100% owned company	\$ 5,857
<b>Shareholder loan from:</b>	
49% shareholder's of Personal Financial Solution	2,224
<i>The shareholder loan is payable on demand.</i>	
Total	\$ 8,081

The Company expensed \$19,207 (\$24,000 CDN) during the first quarter of 2009 for consulting and management services to an affiliated company that is controlled by the Company's president.

The following table summarizes the Company's accounts payable - related party transactions as at March 31, 2009:

<b>Payable to:</b>	<b>Amount</b>
A loan advanced from Westsphere's Directors' to support the switch development project	\$124,006

**WESTSPHERE ASSET CORPORATION, INC.**  
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Officers' and Directors' bonuses payable carried forward from year 2002	53,715
Deposits advanced from Westsphere's President to support the switch development project	211,415
A loan advanced from Westsphere's President for working capital.	100,330
A loan advanced from Westsphere's vice President for working capital.	21,208
A deposit from Westsphere's vice president to purchase cash for ATMs.	80,030
A loan advance from Westsphere's vice president bearing interest at 12% per annum, blended monthly payment of interest only for working capital.	79,550
Total	\$670,254

***Note 7 – Subsequent event***

On May 4, 2009 Westsphere's majority controlled subsidiary TRAC was served with a Notice of Intention to Enforce a Security Form 86 (Rule 124) which is basically a notice to place TRAC into insolvency by the trustees of the estate of June Barr of \$165,155 has an interest rate of 18% per annum.

The outstanding claim being initiated by the Barr trustees is for \$357,729 (\$447,000 CDN) which represents compounded interest on principal of \$93,572 (\$116,923 CDN). In addition Westsphere Asset Corporation, Inc. will also be filing a Notice of Intention to Enforce a Security Form 86 (Rule 124) for \$158,716 reflecting simple interest on its loans to TRAC of \$102,235 (\$127,748 CDN).

Currently there are six (6) additional TRAC Shareholders. These Shareholders are non claimants holding loans to TRAC of \$6,002 (\$7,500 CDN). TRAC incapable of meeting its repayment responsibilities is currently insolvent. As a result and in order to ensure continued customer connectivity and support, the TRAC distribution network took over the service and operations of the Point of Sale business directly. Based on the termination of business operations of TRAC the Board of Directors resigned, and TRAC ceased to do business.