Automated Benefits Corp.

Consolidated Financial Statements
December 31, 2005 and 2004

PricewaterhouseCoopers LLP
Chartered Accountants
Suite 1501, TD Tower
10088 – 102 Avenue
Edmonton, Alberta
Canada T5J 3N5
Telephone +1 (780) 441 6700
Facsimile +1 (780) 441 6776

April 26, 2006

Auditors' Report

To the Shareholders of
Automated Benefits Corp.

We have audited the consolidated balance sheets of **Automated Benefits Corp.** as at December 31, 2005 and 2004 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 December 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants

Edmonton, Canada

Automated Benefits Corp.

Consolidated Balance Sheets

As at December 31, 2005 and 2004

	2005 $	2004 $
Assets		
Current assets		
Cash	996,668	1,303,297
Accounts receivable	580,244	463,322
Inventory	41,341	16,433
Supplies and prepaid expenses	71,925	35,209
	1,690,178	1,818,261
Equipment (note 4)	264,238	144,835
Software development costs (note 5)	198,945	339,377
	2,153,361	2,302,473
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	931,277	544,111
Commitments (note 7)		
Shareholders' Equity		
Share capital (note 9)	10,289,698	6,112,744
Contributed surplus (note 9)	845,087	166,596
Deficit	(9,912,701)	(4,520,978)
	1,222,084	1,758,362
	2,153,361	2,302,473

Approved by the Board of Directors

(Signed) "James R. Swayze" ______________________ Director

(Signed) "Alan Ryder" ______________________ Director

Automated Benefits Corp.

Consolidated Statements of Operations and Deficit

For the years ended December 31, 2005 and 2004

	2005 $	2004 $
Revenue	1,643,567	1,237,333
Cost of sales	975,365	719,656
Net revenue	668,202	517,677
Expenses		
General and administration	3,184,239	1,169,718
Product maintenance and development	1,063,186	650,188
Sales and marketing	911,176	279,660
Stock-based compensation	687,820	166,596
Amortization	213,504	339,719
	6,059,925	2,605,881
Net loss for the year	(5,391,723)	(2,088,204)
Deficit – Beginning of year	(4,520,978)	(2,432,774)
Deficit – End of year	(9,912,701)	(4,520,978)
	$	$
Basic and diluted loss per common share (note 10)	(0.10)	(0.06)
	#	#
Weighted average number of common shares (note 10)	55,547,805	32,395,853

Automated Benefits Corp.

Consolidated Statements of Cash Flows

For the years anded December 31, 2005 and 2004

	2005 $	2004 $
Cash provided by (used in)		
Operating activities		
Net loss for the year	(5,391,723)	(2,088,204)
Items not affecting cash		
Stock-based compensation	687,820	166,596
Amortization	213,504	339,719
	(4,490,399)	(1,581,889)
Net change in non-cash working capital items (note 12)	208,620	(178,018)
	(4,281,779)	(1,759,907)
Investing activities		
Purchase of equipment	(192,475)	(129,395)
Cash acquired on acquisition	-	91,696
	(192,475)	(37,699)
Financing activities		
Issuance of shares	4,167,625	3,294,447
Advances from shareholder	-	34,961
Repayments to shareholder and related parties	-	(251,214)
	4,167,625	3,078,194
(Decrease) increase in cash	(306,629)	1,280,588
Cash – Beginning of year	1,303,297	22,709
Cash – End of year	996,668	1,303,297
Supplementary information		
Interest paid	21,775	5,900
Interest received	36,554	9,560
Income taxes paid	-	-

1 Basis of presentation

The Company was incorporated under the Alberta Business and Corporations Act on July 15, 1999 and commenced operations on January 1, 2000. The Company develops and markets software designed to reduce the costs of administration of claims in both the employee benefits and property and casualty insurance markets.

These consolidated financial statements include the accounts of Automated Benefits Corp. and its wholly owned subsidiaries Automated Benefits Inc. and Symbility Solutions Inc. Intercompany transactions and balances have been eliminated upon consolidation.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

a) Changes in accounting policies

Effective January 1, 2005, the Company adopted the new Canadian Institute of Chartered Accountants guideline with respect to the consolidation of variable interest entities ("VIE"). This guideline required the Company to identify VIEs in which it has an interest, determine if it is the primary beneficiary and if so, to consolidate the VIE. The adoption of this guideline had no effect on the Company's financial statements.

b) Cash

Cash consists of cash and term deposits with original maturities of less than three months.

c) Inventory

Inventory, which consists of computer hardware for resale, is recorded at the lower of cost or net realizable value.

d) Revenue recognition

i) Monthly licensing sales

Revenue from the sale of licensing codes needed to continue to operate the software are recognized when the licensing code is provided and collection is reasonably assured.

ii) Service revenue

Revenue from the sale of help desk services is recognized as services are provided and when collection is reasonably assured.

iii) Insurance and commissions revenue

Revenue from insurance and commissions is recognized when the policy has been written and collection is reasonably assured.

iv) Software

Revenue from the sale of software packages is recognized when the customer is provided with the licensing code to access the software and collection is reasonably assured.

v) Hardware

Revenue from the sale of computer hardware is recognized when the goods are shipped and collection is reasonably assured.

vi) Annual fees

Revenue from annual fees charged to customers for software upgrades is recognized evenly over the period to which the fee relates provided collection is reasonably assured.

vii) Sign up fees

Revenue from the non-refundable, one-time sign up fee for new customers is recognized when the customer has signed the contract and collection is reasonably assured.

e) Equipment

Equipment is recorded at original cost. Amortization is provided for on a straight-line basis at the following annual rates:

Furniture and fixtures	20%
Computer equipment	30%
Computer software	30%
Leasehold improvements	Term of the lease

f) Software development costs

The Company incurs costs on activities which relate to the maintenance and development of new and existing software products. Software development costs are expensed as they are incurred unless they meet specific criteria related to technical, market and financial feasibility. Capitalized software development costs are being amortized on a straight-line basis over three years which is the estimated useful life of the technology.

g) Impairment of long-lived assets

The Company performs a recoverability evaluation when events or circumstances indicate that the carrying value of the Company's long-lived assets, which include equipment and software development costs, may be impaired. If the evaluation indicates that the carrying amount of the asset is not recoverable from the undiscounted cash flows to be received from that asset over its estimated useful life, an impairment loss is then calculated as the difference between the carrying value of the asset and its fair value. Any impairment loss is included in income for the year.

h) Income taxes

The asset and liability method is used for determining income taxes. Under this method, future tax assets and liabilities are recognized for the estimated tax recoverable or payable that would arise if assets and liabilities were recovered and settled at the financial statement carrying amounts. Future tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. Changes to these rates are recognized in income in the period in which they occur. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

i) Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. The treasury stock method is used for the calculation of diluted loss per common share under which deemed proceeds on the exercise of options and warrants are considered to be used to re-acquire common shares at an average share price.

j) Stock-based compensation and other stock-based payments

Stock-based transactions are accounted for in accordance with the fair value method of accounting for stock-based compensation and result in compensation expense and contributed surplus. The amount of compensation is measured at the date the option is granted. The expense is recognized in income over the vesting period of the option. Any consideration paid on exercise of stock options is credited to share capital.

3 Business acquisition and related private placements

In 2004, the Company completed the acquisition of Symbility Solutions Inc. ("Symbility").

Pursuant to the terms of the Share Purchase Agreement, the Company purchased all of the issued and outstanding common shares of Symbility (the "Symbility Shares") and all of the issued and outstanding Series B preferred shares of Symbility (the "Symbility Class B Shares"). As consideration, the shareholders of Symbility received common shares of the Company and Preferred Shares, Series A of the Company on the following basis:

a) The holders of Symbility Shares received one common share of the Company with a deemed value of $0.055 per share for each Symbility Share owned for an aggregate of 9,545,454 common shares.

b) The holders of Symbility Class B Shares received one preferred share of the Company for each Symbility Class B Share owned for an aggregate of 8,000,000 preferred shares.

Upon completion of the transaction, Symbility became a wholly owned subsidiary of the Company. The transaction was accounted for as a purchase. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition.

	$
Cash	91,696
Other current assets	50,204
Property and equipment	35,617
Software development costs	421,296
	598,813
Current liabilities	73,733
Net assets acquired	525,080

4 Equipment

			2005
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**
Furniture and fixtures	117,304	37,902	79,402
Computer equipment	265,927	124,555	141,372
Computer software	45,274	22,272	23,002
Leasehold improvements	22,005	1,543	20,462
	450,510	186,272	264,238

			2004
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**
Furniture and fixtures	52,131	21,777	30,354
Computer equipment	176,261	75,659	100,602
Computer software	29,643	15,764	13,879
	258,035	113,200	144,835

5 Software development costs

			2005
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**
Software development costs	1,568,753	1,369,808	198,945

At December 31, 2005, development costs of $1,147,457 (2004 – $1,147,457) have been fully amortized. Amortization of $140,432 (2004 – $315,106) was recorded in the year.

			2004
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**
Software development costs	1,568,753	1,229,376	339,377

Significant estimates have been made by management in assessing the net recoverable value of these intangible assets. Actual results could differ from those estimates making it reasonably possible that a material change in these estimates could occur in the near term.

6 Related party balances and transactions

In connection with the acquisition of Symbility (note 3), the Company entered into a consulting agreement dated May 31, 2004 with a private company controlled by a director and former officer of the Company, pursuant to which the consultant was entitled to receive a consulting fee of $10,000 per month for a term of 12 months ending May 31, 2005. In 2005, the consultant received $50,000 (2004 – $70,000) pursuant to this agreement.

The Company entered into a consulting agreement, dated May 31, 2004, with a private company controlled by a director, pursuant to which the consultant is entitled to receive a consulting fee of $7,500 per month for a term of 24 months. In 2005 the consultant was also reimbursed for costs of $76,000 relating to the private placement described in note 9. In 2004, the consultant was reimbursed for costs of $66,000 relating to the acquisition described in note 3.

The Company has entered into a consulting agreement, with the spouse of a director and officer of the Company, pursuant to which the consultant received approximately $19,406 (2004 – $13,304) for research and development consulting during the year.

During the year, the Company paid $43,225 (2004 – $148,500) to a law firm in which a former director and officer of the Company, is a partner. The consideration was for legal services in the ordinary course of business.

The above transactions were recorded at the exchange value as established and agreed to by the Company and the related party.

At December 31, 2005, $24,075 (2004 – $16,050) was owing to related parties and $nil (2004 – $nil) was receivable from related parties.

7 Commitments

a) Lease payments

Lease payments required with respect to operating leases for building and equipment through their expiry dates, are as follows:

	$
2006	150,107
2007	65,692
2008	36,499

The above lease payments for 2006 and 2007 are net of a building sublease of $24,794 for each year.

b) Letter of credit

On April 6, 2005, the Company issued a letter of credit in the amount of $250,000 in favour of one of its major suppliers. The letter of credit expires March 31, 2006. The Company has pledged term deposits in the amount of $250,000 as collateral on this letter of credit.

8 Income taxes

The income tax provision differs from the amount computed by applying the statutory rates to pre-tax income as a result of the following:

	2005 **$**	**2004** **$**
Combined federal and provincial corporate tax rates	34.9%	33.9%
Expected provision for income taxes	(1,862,300)	(707,900)
Change in taxes resulting from		
Substantively enacted rates	(53,700)	5,100
Non-deductible and other items	190,200	61,600
Valuation allowance	1,725,800	641,200
	-	-

The components of net future income tax assets and liabilities are as follows:

	2005 **$**	**2004** **$**
Future income tax assets		
Equipment	457,000	419,000
Share issue costs	120,000	127,000
Scientific research and experimental development	43,000	39,000
Non-capital losses	2,999,000	1,354,000
Valuation allowance	(3,550,000)	(1,824,000)
Future income tax liability – software development costs	(69,000)	(115,000)
Net future tax assets	-	-

The Company and its subsidiary have approximately $8,586,000 of non-capital losses for income tax purposes, subject to confirmation by taxation authorities, from current and prior years that can be used to reduce future year's net income for tax purposes.

Non-capital loss **$**	**Expiry date**
3,000	2006
802,000	2007
528,000	2008
317,000	2009
143,000	2010
149,000	2013
2,050,000	2014
4,594,000	2015
8,586,000	

9 Share capital

Authorized

Unlimited number of common shares
Unlimited number of preferred shares

Issued

	Common shares		Warrants		Total
	#	**$**	**#**	**$**	**$**
Balance – December 31, 2003	13,387,737	2,293,217	-	-	2,293,217
Private placement	4,545,454	250,000	-	-	250,000
Issued to acquire Symbility (note 3)	9,545,454	525,000	-	-	525,000
Private placements	16,000,000	1,518,174	12,250,006	1,561,826	3,080,000
Finder's fee shares	1,400,000	77,000	-	-	77,000
Bonus shares	1,000,000	55,000	-	-	55,000
Share options exercised	287,000	50,100	-	-	50,100
Warrants exercised	746,250	305,465	(746,250)	(91,790)	213,675
Share issue costs	-	(431,328)	-	-	(431,328)
Balance – December 31, 2004	46,911,895	4,642,628	11,503,756	1,470,036	6,112,664
February 9, 2005 – Private placement	5,000,000	2,227,174	2,500,000	322,826	2,550,000
Share options exercised	377,663	67,362	-	-	67,362
Warrants exercised	5,324,085	2,386,692	(5,324,085)	(721,713)	1,664,979
Share issue costs	-	(105,387)	-	-	(105,387)
Balance – December 31, 2005	57,613,643	9,218,469	8,679,671	1,071,149	10,289,618
Preferred Series A					
May 31, 2004 – Issued to acquire Symbility (note 3)	8,000,000				80
Balance – December 31, 2005					10,289,698

Each preferred Series A share is non-voting and is convertible to common shares of the Company for each $0.50 of revenue based on sale of products or services of, or any commissions, license fees or royalties (excluding license fees or royalties in respect of the m.Claim wireless mobile technology) received by Symbility during the five-year period commencing May 31, 2004. Any preferred Series A shares that have not been converted into common shares within a period of one hundred twenty (120) days from the fifth anniversary of closing of the acquisition of Symbility will be cancelled. At December 31, 2005, approximately 391,000 preferred Series A shares are convertible to common shares of the Company (2004 – nil).

Shares held in Escrow

Pursuant to various Escrow Agreements 10,356,940 of the issued and outstanding common shares of the Company are subject to escrow requirements. These common shares may be released from escrow periodically.

Share issuances

a) On February 9, 2005, the Company completed the closing of a private placement financing of 5,000,000 units of Automated Benefits Corp. at a price of $0.51 per unit for gross proceeds of $2,550,000. Each unit consists of one (1) common share of the Company and one-half share purchase warrant, with each whole warrant exercisable at a price of $0.64 per common share until August 8, 2006.

b) On April 5, 2004, the Company completed a private placement of 4,545,454 common shares at a price of $0.055 per share for proceeds of $250,000.

c) Concurrent with the closing of the acquisition of Symbility, the Company completed a non-brokered private placement of 9,000,000 units of the Company (“Units”) at a price of $0.15 per Unit for proceeds of $1,350,000. Each Unit consisted of one common share and three-quarters of one share purchase warrant, with each whole share purchase warrant exercisable at a price of $0.22 per share until January 31, 2006.

d) On May 31, 2004, the Company also completed a non-brokered private placement of 5,000,000 units at a price of $0.25 per unit for proceeds of $1,250,000. Each unit consisted of one common share and three-quarters of one share purchase warrant, with each whole share purchase warrant exercisable at a price of $0.40 per share until January 31, 2006. In conjunction with this placement, an aggregate finder’s fee of $77,000 was paid by the issuance of an additional 1,400,000 common shares.

e) 1,000,000 shares were issued to James R. Swayze representing a signing bonus of $55,000 when he became CEO of the Company.

f) On October 8, 2004, the Company completed a private placement of 1,000,000 units at $0.20 per unit for gross proceeds of $200,000 to the Company. Each unit consists of one common share of the Company and three-quarters of one share purchase warrant, with each whole warrant exercisable at a price of $0.30 per common share until May 30, 2006.

g) On December 8, 2004, the Company completed a private placement of 1,000,000 units at $0.28 per unit for gross proceeds of $280,000 to the Company. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant exercisable at a price of $0.40 per common share until May 30, 2006.

Stock option plan

The Company has a stock option plan (the "Plan"), which provides that the Board of Directors of the Company (the "Board") may from time to time, in its discretion, grant to directors, senior officers, employees, management company employees and consultants the option to purchase common shares. The number of common shares reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding common shares on a non-diluted basis at anytime. In addition, the number of common shares reserved for issuance to any one person in any 12-month period shall not exceed 5% of the issued and outstanding common shares. There are additional restrictions on the number of options that may be granted to insiders. The exercise price shall be determined by the Board, but shall not be lower than the lowest price permitted by the TSX Venture Exchange. Options are exercisable and vest over a period as determined by the Board.

a) On February 10, 2005, the Company granted options to a director and employees of the Company to acquire 530,000 common shares of the Company at an exercise price of $0.75 per common share. The options vest at the rate of 1/3 immediately and 1/3 on each of the 12 and 24 months from the date of the grant.

b) On June 24, 2005, the Company granted options to directors and a consultant of the Company to acquire 200,000 common shares of the Company at an exercise price of $0.62 per common share. The options vest at the rate of 1/5 immediately and 1/5 on each anniversary date from the grant date for 4 years.

c) On September 12, 2005, the Company granted options to employees of the Company to acquire 80,000 common shares of the Company at an exercise price of $0.51 per common share. The options vest at the rate of 1/3 immediately and 1/3 on each of the 12 and 24 months from the date of the grant.

d) On September 22, 2005, the Company granted options to directors, employees and consultants of the Company to acquire 390,000 common shares of the Company at an exercise price of $0.51 per common share. Of these, 165,000 vest at the rate of 1/3 immediately and 1/3 on each of the 12 and 24 months from the date of the grant. The remaining 225,000 options vest over various terms based on achievement of specified sales targets by the employees and consultants.

e) On December 21, 2005, the Company granted options to employees and consultants of the Company to acquire 205,000 common shares of the Company at an exercise price of $0.38 per common share. Of these, 55,000 vest at the rate of 1/3 immediately and 1/3 on each 12 and 24 months from the date of the grant. The remaining 150,000 options vest over various terms based on achievement of specified sales targets by consultants.

f) On May 31, 2004, the Company granted options to directors and employees of the Company to acquire 2,893,932 common shares of the Company. The options vest at the rate of 1/3 on each of the 12, 24 and 36 months from the date of the grant.

g) On August 27, 2004, the Company granted options to directors and an employee of the Company to acquire 250,000 common shares of the Company. The options vest at the rate of 1/3 on each of the 12, 24 and 36 months from the date of the grant.

h) On December 8, 2004, the Company granted options to a consultant and the secretary of the Company to acquire 425,000 common shares of the Company. The options vest at the rate of 1/3 on each of the 12, 24 and 36 months from the date of the grant.

The above transactions resulted in compensation expense of $687,820 (2004 – $166,596) with a corresponding credit to contributed surplus. The Company used the Black-Scholes option pricing model to estimate the fair value of the options granted based on the following weighted average assumptions:

	2005 **$**	**2004** **$**
Risk free interest rate	3.27%	3.5%
Expected life	3.3 years	3 years
Annualized volatility	118%	164%
Expected dividends	$nil	$nil

The following table summarizes activity related to share options for the years ended December 31, 2005 and 2004:

	2005		2004	
	Share options outstanding #	**Exercise price $**	**Share options outstanding #**	**Exercise price $**
Balance – Beginning of year	3,889,932	0.21	678,000	0.16
Granted May 31, 2004	-	-	2,893,932	0.20
Granted September 9, 2004	-	-	250,000	0.27
Granted December 15, 2004	-	-	425,000	0.40
Granted February 10, 2005	530,000	0.75	-	-
Granted June 24, 2005	425,000	0.62	-	-
Granted September 12, 2005	80,000	0.51	-	-
Granted September 22, 2005	390,000	0.51	-	0.17
Granted December 21, 2005	205,000	0.38	-	-
Exercised	(377,663)	0.14	(287,000)	-
Cancelled	-	-	(70,000)	0.20
Forfeited	(50,000)	0.20	-	-
Balance – End of year	5,092,269	0.35	3,889,932	0.21

The following table summarizes information about the Company's share options outstanding as at December 31, 2005:

Share options outstanding #	**Exercise price $**	**Weighted average remaining contractual life in years**	**Number exercisable #**
50,000	0.10	1.0	50,000
2,603,934	0.20	3.4	854,644
133,335	0.20	3.7	33,335
250,000	0.27	3.7	83,333
425,000	0.40	4.0	141,667
530,000	0.75	4.1	176,667
425,000	0.62	4.5	77,500
470,000	0.51	4.7	136,667
205,000	0.38	5.0	43,333
5,092,269			1,597,146

The weighted average fair value of options granted during the year was $0.57 per stock option (2004 – $0.23 per stock option).

Warrants

The following table summarizes activity related to share warrants for the year ended December 31, 2005:

	Number of shares outstanding #	**Weighted average exercise price $**
Balance – Beginning of year	11,503,756	0.30
Granted February 10, 2005 – Private placement	2,500,000	0.64
Exercised	(5,324,085)	0.31
Balance – End of year	8,679,671	0.38

The following table summarizes information about the Company's share warrants outstanding as at December 31, 2005:

Number of shares outstanding #	**Exercise price $**	**Weighted average remaining contractual life in years**	**Number exercisable #**
3,699,838	0.22	0.1	3,699,838
1,729,833	0.40	0.1	1,729,833
750,000	0.30	0.4	750,000
2,500,000	0.64	0.6	2,500,000
8,679,671			8,679,671

Subsequent to December 31, 2005, approximately 5,312,000 warrants were exercised (note 15).

Contributed surplus

	2005 $	**2004 $**
Balance – Beginning of year	166,596	-
Compensation expense	687,820	166,596
Exercise of stock options	(9,329)	-
Balance – End of year	845,087	166,596

10 Loss per share

	2005 $	2004 $
Loss attributable to common shareholders (numerator)	5,391,723	2,088,204
	#	#
Weighted average number of common shares outstanding (denominator)	55,547,805	32,395,853
	$	$
Basic and diluted loss per share	(0.10)	(0.06)

The effect of potentially dilutive share options and warrants were not included in the calculation of diluted loss per share in 2005 and 2004 as the result would be anti-dilutive.

11 Segmented information

The Company has two reportable segments, which offer different products and services: the Group insurance software division and the property and casualty software division. The accounting policies of the segments are consistent with those described in note 2. Revenues are generated from external customers in Canada and all assets are located in Canada. In fiscal 2005 and fiscal 2004, no single customer accounted for 10% or more of the Company's revenue.

2005	Group Insurance Software $	Property and Casualty Software $	Head Office $	Total $
Revenue	1,448,132	195,435	-	1,643,567
Cost of sales	921,411	53,954	-	975,365
Gross margin	526,721	141,481	-	668,202
Expenses	1,668,823	2,796,424	1,594,678	6,059,925
Segment loss	(1,142,102)	(2,654,943)	(1,594,678)	(5,391,723)
Identifiable assets	1,701,640	449,121	2,600	2,153,361

2004	**Group Insurance Software** $	**Property and Casualty Software** $	**Head Office** $	**Total** $
Revenue	1,175,768	61,565	-	1,237,333
Cost of sales	665,267	54,389	-	719,656
Gross margin	510,501	7,176	-	517,677
Expenses	1,319,678	640,587	645,616	2,605,881
Segment loss	(809,177)	(633,411)	(645,616)	(2,088,204)
Identifiable assets	1,747,963	551,789	2,721	2,302,473

12 Net change in non-cash working capital items

	2005 $	**2004** $
Accounts receivable	(116,922)	(372,937)
Inventory	(24,908)	-
Supplies and prepaid expenses	(36,716)	(25,738)
Accounts payable	387,166	220,657
	208,620	(178,018)

13 Financial instruments

The Company’s financial instruments consist of accounts receivable, accounts payable and accrued liabilities.

Fair values

The carrying value of accounts receivable, accounts payable and accrued liabilities approximate fair value due to the immediate or short-term maturity of these financial instruments.

Credit risk

The Company is exposed to credit risk in the event of non-performance by customers, but does not anticipate such non-performance. The Company monitors the credit risk of customers on a regular basis. The maximum credit risk is the carrying value of the accounts receivable.

Interest rate risk

The Company is exposed to interest rate risk arising from fluctuations in interest rates on its cash, as defined in note 2. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

Currency risk

The Company operates primarily within Canada and, therefore, is not exposed to significant foreign currency risk. The Company has not entered into foreign exchange derivative contracts.

14 Comparative figures

Certain comparative figures have been reclassified to conform with the current year presentation.

15 Subsequent events

a) Exercise of warrants

Subsequent to December 31, 2005, approximately 5,312,000 warrants were exercised for proceeds of approximately $1,467,000.

b) Private Placement

On April 12, 2006, the Company announced that it had engaged Canaccord Capital Corporation and Northern Securities Inc. to act as agents in connection with a Private Placement of 16,666,667 Units of the Company at a price of $0.30 per Unit for gross proceeds of $5,000,000, with an option to increase the size of the Private Placement by up to an additional 10,000,000 Units. Each Unit will consist of one common share of the Company and one-half of one warrant with each whole warrant entitling the holder thereof to purchase one common share of the Company at a price of $0.35 per share for a period of twenty-four months from the date of closing provided that, in the event that any time following eighteen months from the closing price of $0.75 or greater, the holder is required to exercise the warrants within thirty days, failing which the warrants will expire.