

Consolidated Financial Statements of

AUDIOTECH HEALTHCARE CORPORATION

Year ended September 30, 2007

AUDITORS' REPORT

To the Shareholders of Audiotech Healthcare Corporation

We have audited the consolidated balance sheets of Audiotech Healthcare Corporation as at September 30, 2007 and 2006 and the consolidated statements of income, deficit, accumulated other comprehensive income, 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 have conducted our audit 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 September 30, 2007 and 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**Vancouver, Canada
January 17, 2008**

**“MacKay LLP”
Chartered Accountants**

AUDIOTECH HEALTHCARE CORPORATION

Consolidated Balance Sheets

September 30, 2007, with comparative figures for 2006

	2007	2006
Assets		
Current assets:		
Cash	\$ 413,106	\$ 393,756
Accounts receivable	395,918	369,062
Inventory	142,104	88,172
Income taxes receivable	23,897	-
Prepaid expenses	9,756	11,844
	984,781	862,834
Property, plant and equipment (note 2)	971,737	827,294
Goodwill	942,775	942,775
Future income taxes (note 6)	-	50,172
	\$ 2,899,293	\$ 2,683,075

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 461,026	\$ 367,437
Unearned revenue	48,292	14,852
Income taxes payable	-	79,488
Current portion of long-term debt (note 3)	104,210	467,033
Current portion of capital lease (note 4)	24,404	18,555
	637,932	947,365
Long-term debt (note 3)	1,182,540	729,768
Obligation under capital lease (note 4)	34,359	12,474
Future income taxes (note 6)	1,300	-
	1,856,131	1,689,607
Shareholders' equity:		
Share capital (note 5)	1,750,340	1,750,340
Contributed surplus (note 5)	193,489	193,489
Accumulated other comprehensive income	(83,900)	(45,657)
Deficit	(816,767)	(904,704)
	1,043,162	993,468
	\$ 2,899,293	\$ 2,683,075

Commitments (note 10)

See accompanying notes to consolidated financial statements.

On behalf of the Board:

_____ Director _____ Director

AUDIOTECH HEALTHCARE CORPORATION

Consolidated Statements of Income

Year ended September 30, 2007, with comparative figures for 2006

	2007	2006
Sales	\$ 4,102,392	\$ 3,552,008
Cost of goods sold (materials and freight)	1,264,482	1,104,919
Gross Margin	2,837,910	2,447,089
Direct clinic costs:		
Selling expenses	378,515	226,923
Rent, utilities and clinic overheads	406,561	336,108
Amortization	125,613	103,618
Salaries and benefits	1,239,697	1,070,294
	2,150,386	1,736,943
	687,524	710,146
Expenses:		
General and administrative	101,046	99,190
Amortization	2,187	3,911
Professional fees	82,698	68,801
Foreign exchange	1,515	1,273
Interest on long-term debt	97,790	98,484
Salaries and benefits	279,162	238,476
	564,398	510,135
Income before other expenses	123,126	200,011
Other expenses:		
Loss on disposal of equipment	7,461	7,362
Amortization of debenture discount	10,630	25,500
	18,091	32,862
Income before income taxes	105,035	167,149
Income taxes (recovery):		
Current (note 6)	(34,374)	79,588
Future (note 6)	51,472	(14,243)
	17,098	65,345
Net income for the year	87,937	101,804
Comprehensive income		
Cumulative translation adjustment	(38,243)	(7,715)
Comprehensive income for the year	\$ 49,694	\$ 94,089
Weighted average number of shares outstanding	13,229,825	13,364,893
Earnings per share (basic)	\$ 0.007	\$ 0.008
Earnings per share (diluted)	\$ 0.007	\$ 0.008

AUDIOTECH HEALTHCARE CORPORATION

Consolidated Statements of Deficit

Year ended September 30, 2007, with comparative figures for 2006

	2007	2006
Deficit, beginning of year	\$ (904,704)	\$ (1,006,508)
Net income for the year	87,937	101,804
Deficit, end of year	\$ (816,767)	\$ (904,704)

AUDIOTECH HEALTHCARE CORPORATION

Consolidated Statements of Accumulated Other Comprehensive Income

Year ended September 30, 2007, with comparative figures for 2006

	2007	2006
Other comprehensive income, beginning of year	\$ (45,657)	\$ (37,942)
Cumulative translation adjustment for the year	(38,243)	(7,715)
Other comprehensive income, end of year	\$ (83,900)	\$ (45,657)

See accompanying notes to consolidated financial statements.

AUDIOTECH HEALTHCARE CORPORATION

Consolidated Statements of Cash Flows

Year ended September 30, 2007, with comparative figures for 2006

	2007	2006
Cash flows from operating activities:		
Net income for the year	\$ 87,937	\$ 101,804
Items not involving cash:		
Amortization of plant and equipment	127,800	107,529
Amortization of debenture discount	10,630	25,500
Future income taxes	51,472	(14,243)
Loss on disposal of equipment	7,461	10,318
	285,300	230,908
Change in non-cash operating working capital:		
Accounts receivable	(44,958)	(61,544)
Inventory	(58,382)	(42,751)
Prepaid expenses	2,088	(7,809)
Accounts payable	107,386	41,529
Income taxes payable	(102,980)	79,588
Unearned revenue	33,441	1,053
	221,895	240,974
Financing:		
Proceeds from long-term debt	1,093,810	65,000
Principal payments on long-term debt	(975,489)	(166,282)
Repayment of obligation under capital lease	(22,267)	(22,129)
	96,054	(123,411)
Investing:		
Purchases of property, plant and equipment	(287,989)	(141,173)
Proceeds from sale of equipment	1,000	-
Reduction of term deposit	-	16,169
	(286,989)	(125,004)
Effect of changes in exchange rates on foreign denominated cash	(11,610)	(1,554)
Increase (decrease) in cash	19,350	(8,995)
Cash, beginning of year	393,756	402,751
Cash, end of year	\$ 413,106	\$ 393,756
Supplemental cash flow information:		
Interest paid	\$ 97,790	\$ 98,484
Non-cash transactions:		
Investing: Purchase of property, plant and equipment	\$ (57,126)	\$ -
Financing: Capital lease obligation	\$ 57,126	\$ -

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements
Year ended September 30, 2007 and 2006

Audiotech Healthcare Corporation (the "Company") is incorporated under the laws of the Province of Alberta. Its primary activity is the provision of hearing related services and sale of hearing related devices through its clinics in British Columbia, Alberta and Idaho.

1. Significant accounting policies:

(a) Basis of presentation:

The consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries Canadian Hearing Care Inc., HearingDepot Inc., Canadian Hearing Network Canada Inc., American Hearing Care Corporation and Audiology and Hearing Aid Services, Inc.

All significant intercompany balances and transactions have been eliminated on consolidation.

(b) Inventory:

Inventory is recorded at the lower of cost, as determined on a specific item basis, and net realizable value.

(c) Property, plant and equipment:

Property, plant and equipment are recorded at cost. Property under capital lease is initially recorded at the present value of minimum lease payments at the inception of the lease. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Building	Declining balance	2%
Audiology equipment	Declining balance	20%
Computer equipment	Declining balance	30% & 45%
Computer software	Declining balance	100%
Leasehold improvements	Straight-line	Term of lease

(d) Goodwill:

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired, less liabilities assumed, based on their fair values. Goodwill is allocated as of the date of the business combination to the Company's reporting units that are expected to benefit from the synergies of the business combination.

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

1. Significant accounting policies (continued):

(d) Goodwill (continued):

Goodwill is not amortized and is tested for impairment annually, or more frequently if events or changes in circumstances indicate the asset might be impaired. The impairment test is carried out in two steps. In the first step, the carrying amount of the unit is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired and the second step of the impairment test is unnecessary. The second step is carried out when the carrying amount of a reporting unit exceeds its fair value, in which case the implied fair value of the unit's goodwill is compared with its carrying amount to measure the impairment loss, if any. The implied fair value of the goodwill is determined in the same manner as the value of goodwill is determined in a business combination described in the preceding paragraph, using the fair value of the reporting unit as if it was the purchase price. When the carrying amount of reporting unit goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the statement of operations.

(e) Revenue recognition:

Revenue from sales of product is recognized when the price is fixed or determinable, collection is reasonably assured and title passes to the customer, net of an estimated allowance for sales returns. Service revenue is recognized at the time service is provided, price is fixed or determinable and collection is reasonably assured. Amounts received in advance for products, which have not yet transferred title are recorded as unearned revenue.

(f) Foreign currency:

The Company's Canadian operating division records foreign currency denominated transactions as follows: monetary assets and liabilities are translated at year-end exchange rates; other assets and liabilities have been translated at the rates prevailing at the date of transaction. Revenue and expense items, except for amortization, are translated at the average rate of exchange for the year. Amortization is converted using the rates prevailing at the dates of acquisition. Gains and losses from foreign currency translation are included in the statements of operations.

The Company's foreign subsidiary is self-sustaining. Accordingly, assets and liabilities of foreign operations are translated to Canadian dollars at the exchange rates in effect at the balance sheet date and revenues and expenses are translated at average rates for the year. Related foreign currency translation adjustments are recorded as a separate component of shareholders' equity as accumulated other comprehensive income.

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

1. Significant accounting policies (continued):

(g) Stock based compensation:

The Company has a stock-based compensation plan as described in note 5(b). The Company values all stock-based compensation granted using the fair value method, as determined using the Black-Scholes option valuation model. Compensation cost is recognized in the statement of operations over the vesting period.

(h) Financial instruments:

Effective October 1, 2006, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861 Financial Instruments – Disclosure and Presentation and Section 3865, Hedges. These new Handbook Sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity instruments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets and liabilities are measured at fair value and changes in fair value are recognized into net income. Available-for-sale financial instruments are measured at their fair value with changes in fair value recorded in other comprehensive income.

As a result of the adoption of these new standards, the Company has classified its cash as held-for-trading, receivables as loans and receivables and its accounts payable and accrued liabilities as other liabilities, which are measured at amortized cost.

As a result of application of Section 3855, the Company's deficit as at October 1, 2006 was not affected.

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

1. Significant accounting policies (continued):

(i) Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for the benefit of losses available to be carried forward. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

(j) Earnings per share:

Basic earnings per share is computed by dividing net earnings by the weighted average shares outstanding during the reporting period. Diluted earnings per share are computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options, if dilutive. The number of additional shares is calculated assuming that outstanding stock options were exercised and the proceeds from such exercise were used to acquire shares of common stock at the average market price during the reporting period.

(k) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates include providing for amortization of property, plant and equipment, allowance for doubtful accounts, inventory obsolescence and goodwill impairment. Actual results could differ from those estimates.

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

2. Property, plant and equipment:

	2007		
	Cost	Accumulated amortization	Net book value
Land	\$ 86,412	\$ -	\$ 86,412
Building	321,095	15,799	305,296
Audiology equipment	1,043,291	703,229	340,062
Computer equipment	94,467	60,407	34,060
Computer software	24,774	11,440	13,334
Leasehold improvements	189,222	61,509	127,713
	1,759,261	852,384	906,877
Audiology equipment under capital lease	84,834	19,974	64,860
	\$ 1,844,095	\$ 872,358	\$ 971,737

	2006		
	Cost	Accumulated amortization	Net book value
Land	\$ 97,087	\$ -	\$ 97,087
Building	360,764	10,751	350,013
Audiology equipment	928,465	687,381	241,084
Computer equipment	83,987	53,425	30,562
Computer software	19,867	4,494	15,373
Leasehold improvements	105,556	56,243	49,313
	1,595,726	812,294	783,432
Audiology equipment under capital lease	75,779	31,917	43,862
	\$ 1,671,505	\$ 844,211	\$ 827,294

Amortization expense of \$127,800 (2006- \$107,529) has been charged to earnings in the current year.

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

3. Long-term debt:

	2007	2006
Convertible debenture, repaid during year.	\$ -	\$ 250,370
Term loan, repaid during year.	-	392,535
Term loan, repayable in monthly installments of \$7,000, plus an annual payment of interest at a rate of 5.5% per annum. Secured by all assets of the Company. Due June 2011.	491,960	-
Term loan (US\$39,853), repayable in quarterly installments of US\$5,000 plus interest at prime plus 2%. Secured by promissory note of the Company subordinated to the security agreement on the previous term loan noted above, and a continuing guarantee. Due 2009.	39,645	66,897
Building Loan (US\$276,282), bearing interest at 8.5% per annum, repayable in monthly installments of US\$3,232 including interest and property taxes. Secured by a first position Deed of Trust on real property and guarantees of the Company. Due April 2010.	274,845	325,028
Promissory notes, repaid during period.	-	96,971
Promissory notes repayable in monthly installments of \$1,450 including interest at 8% per annum. Due June 2009.	88,300	-
Promissory notes, monthly interest payments at 8% per annum. Due October 2011. Unsecured.	50,000	-
Promissory notes, monthly interest payments at 8% per annum. Due August 2011. Unsecured.	65,000	65,000
Promissory notes, monthly interest payments at 8% per annum. Due March 2009. Unsecured.	77,000	-
Promissory notes, monthly interest payments at 8% per annum. Due August 2009. Unsecured.	200,000	-
	1,286,750	1,196,801
Current portion of long-term debt	104,210	467,033
	\$ 1,182,540	\$ 729,768

The convertible debentures were issued in April 2004, at which time the fair value of the Company's obligation to make future payments of principal and interest was equal to the stated value as a market rate of interest was attached to the repayment of the convertible debentures.

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements
Year ended September 30, 2007 and 2006

3. Long-term debt (continued):

The estimated principal repayments required in the next five years, assuming renewals on same or similar terms are as follows:

2008		\$	104,210
2009			446,578
2010			310,428
2011			134,018
2012			122,814
Thereafter			168,702
		\$	1,286,750

4. Obligation under capital lease:

The Company has financed certain equipment purchases by entering into capital leasing arrangements. Capital lease repayments are due as follows:

	2007	2006
2007	\$ -	\$ 20,275
2008	31,620	11,286
2009	23,249	1,881
2010	16,180	-
	71,049	33,442
<u>Less: amount representing interest at various rates</u>	<u>12,286</u>	<u>2,413</u>
	58,763	31,029
Less: current portion	24,404	18,555
	\$ 34,359	\$ 12,474

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

5. Share capital:

(a) Authorized and issued share capital:

Authorized:

Unlimited number of voting common shares without par value

Unlimited number of first preferred shares, ranking in priority to all other classes of shares, issuable in one or more series with designation, rights, privileges, restrictions and conditions determined by the Board of Directors upon issuance

Unlimited number of second preferred shares, ranking in priority to all other classes of shares with exception of the holders of first preferred shares, issuable in one or more series with designation, rights, privileges, restrictions and conditions determined by the Board of Directors upon issuance

Issued:

Voting common shares:

	2007		2006	
	Shares	Amount	Shares	Amount
Balance, beginning of year	13,229,825	\$ 1,750,340	13,654,825	\$ 1,750,340
Cancellation of escrow shares	-	-	(425,000)	-
Balance, end of year	13,229,825	\$ 1,750,340	13,229,825	\$ 1,750,340

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements
Year ended September 30, 2007 and 2006

5. Share capital (continued):

(b) Stock options:

The Company's stock option plan allows the Company to issue incentive share purchase options to a rolling maximum of 10% of the Company's issued and outstanding shares to directors, senior officers, consultants and employees. Upon granting of stock options, the Company will conclude a written Stock Option Agreement with the recipient.

The option price cannot be less than the "discounted market price" provided the option price shall not be less than \$0.10 per share. Discounted Market Price is defined in Policy 1.1 of the TSX Venture Exchange to mean the market price (which is typically the last closing price on the day before option is granted) less a discount which is prescribed based on the Company's share price. The applicable discount is 25% for share prices up \$0.50 per share; 20% for share prices between \$0.51 and \$2.00 per share. The maximum term of any option will be ten years and the Company may terminate an option at any time without notice.

As at September 30, 2007, the Company under the terms of its stock option plan, has 450,000 options outstanding with authority to issue a further 872,982 options based on the presently issued and outstanding share capital.

	2007 Number of options	Weighted average exercise price	2006 Number of options	Weighted average exercise price
Balance, beginning of year	650,000	\$ 0.20	700,000	\$ 0.21
Expired during the year	(200,000)	0.28	(50,000)	0.35
Exercised during the year	-	-	-	-
Balance, end of year	450,000	\$ 0.16	650,000	\$ 0.20

Details of the Company's outstanding options at September 30, 2007 are as follows:

Exercise	Expiry	price	Number
Employee	May 18, 2009	\$ 0.16	450,000

(c) Contributed surplus:

	2007	2006
Balance, beginning and end of year	\$ 193,489	\$ 193,489

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

6. Income taxes:

Income tax expense differs from the amount that would be computed by applying the federal and provincial statutory tax rates of 34.12% (2006 – 34.12%) to earnings before income taxes. The reasons for the differences and related tax effects are as follows:

	2007	2006
Income before income taxes	\$ 105,035	\$ 167,149
Tax at applicable tax rate	\$ 35,838	\$ 57,031
Rate variance on self-sustaining foreign operation	(690)	(3,389)
Non-deductible items	9,164	27,946
Change in valuation allowance	(27,214)	(16,243)
	\$ 17,098	\$ 65,345

The tax effect of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities at September 30, 2007 and 2006 are represented below:

	2007	2006
Future tax assets:		
Non-capital loss carry forwards	\$ 141,000	\$ 148,612
Property, plant and equipment	-	21,670
Future tax liabilities:		
Goodwill deductibility	(125,000)	(120,110)
Property, plant and equipment	(17,300)	-
Less: Valuation allowance	-	-
	\$ (1,300)	\$ 50,172

The Company has available non-capital losses for Income tax purposes, which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses in the amount of \$413,225 expire, as follows:

2008	\$ 121,930
2009	94,705
2010	158,193
2015	416
2026	37,338
2027	643
	<u>\$ 413,225</u>

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

7. Segmented information:

The Company operates a single operating segment, hearing related services and sale of hearing related devices, in Canada and the United States. Geographic segmented information is as follows:

	2007	2006
Revenue:		
Canada	\$ 2,793,104	\$ 2,549,453
United States	1,309,288	1,002,555
	<u>\$ 4,102,392</u>	<u>\$ 3,552,008</u>
Interest expense:		
Canada	\$ 66,275	\$ 61,425
United States	31,515	37,059
	<u>\$ 97,790</u>	<u>\$ 98,484</u>
Amortization expense:		
Canada	\$ 88,850	\$ 65,880
United States	38,950	41,649
	<u>\$ 127,800</u>	<u>\$ 107,529</u>
Earnings (loss) before income taxes:		
Canada	\$ 97,425	\$ 137,730
United States	7,610	29,419
	<u>\$ 105,035</u>	<u>\$ 167,149</u>
Property, plant and equipment:		
Canada	\$ 449,659	\$ 263,688
United States	522,078	563,606
	<u>\$ 971,737</u>	<u>\$ 827,294</u>
Goodwill:		
Canada	\$ 448,661	\$ 448,661
United States	494,114	494,114
	<u>\$ 942,775</u>	<u>\$ 942,775</u>
Total assets:		
Canada	\$ 2,100,486	\$ 1,938,334
United States	798,807	744,741
	<u>\$ 2,899,293</u>	<u>\$ 2,683,075</u>

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

8. Related party transactions:

During the year the Company had the following transactions with related parties:

	2007	2006
MediaWave Communications Corp., a company controlled by a Director of the Company		
Commissions paid	\$ 2,114	\$ 1,853
Internet services	1,440	2,314
Sherwood Real Estate Corp., a company controlled by a Director the Company		
Rent paid	\$ 31,819	\$ 34,005

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

9. Financial instruments:

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these items.

The fair value of the Company's long-term debt approximates its carrying value, as there is a market rate of interest attached to the repayment.

Approximately 62% of the Company's accounts receivable are due from customers in Canada with the remainder due from customers in the United States. The maximum credit risk associated with the Company's financial assets is the carrying value of those assets. The Company's exposure to foreign exchange risk associated with self-sustaining foreign operations is limited to its net investment in those operations.

Certain financial instruments of the Company include amounts translated from foreign currencies into Canadian dollars. Listed below are the relevant instruments and the amount of foreign currencies included in their balances:

	U.S. Dollars
Cash	\$ 92,458
Accounts receivable	149,162
Accounts payable	112,645

U.S. Dollar are translated at \$0.9948 to \$\$1.00 Canadian

AUDIOTECH HEALTHCARE CORPORATION

Notes to Consolidated Financial Statements

Year ended September 30, 2007 and 2006

10. Commitments:

The Company leases premises at various locations throughout British Columbia, Alberta and Idaho. The expected annual minimum lease payments under the terms of these agreements over the next five years is as follows:

2008	\$	289,207
2009		218,602
2010		192,457
2011		148,125
2012		85,171
	\$	933,562
