

**NOTICE TO READER**

The unaudited interim financial statements and related management discussion and analysis were prepared by management and approved by the board of directors. They have not been reviewed by Glenbriar's external auditors.

## 2014 Q1 FINANCIAL STATEMENTS

**GLENBRIAR TECHNOLOGIES INC.**  
**Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars) (unaudited)**

	December 31 2013 \$	September 30 2013 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 10)	181,181	81,072
Marketable securities (note 6)	-	35,424
Accounts receivable	825,038	540,837
Inventory	5,728	8,747
Prepaid expenses	41,865	22,653
Total current assets	<b>1,053,812</b>	688,733
<b>Non-current</b>		
Property and equipment (note 4)	50,725	52,063
Total assets	<b>1,104,537</b>	740,796
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	856,258	718,851
Deferred revenue	91,732	96,886
Deferred rent – current portion	6,078	6,078
	<b>954,068</b>	821,815
<b>Non-current</b>		
Loans payable (note 7)	395,000	395,000
Deferred rent	43,181	44,674
Total liabilities	<b>1,392,249</b>	1,261,489
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 8)	4,279,555	4,278,655
Deficit	(4,567,266)	(4,799,348)
Total shareholders' equity	<b>(287,711)</b>	(520,693)
Total liabilities and shareholders' equity	<b>1,104,538</b>	740,796

The accompanying notes are an integral part of these financial statements



**GLENBRIAR TECHNOLOGIES INC.**  
**Interim Statements of Income and Comprehensive Income**  
**(Expressed in Canadian Dollars) (unaudited)**

	<b>3 months ended Dec 31</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Managed information services	<b>1,019,135</b>	1,061,549
Equipment and software sales	<b>320,246</b>	429,970
Other income	<b>4,350</b>	2,019
<b>Gross revenue</b>	<b>1,343,731</b>	1,493,538
Direct salaries and benefits	<b>673,012</b>	776,675
Cost of goods sold	<b>237,827</b>	295,485
<b>Gross profit</b>	<b>432,892</b>	421,378
<b>Other (income) expenses</b>		
General and administrative	<b>196,635</b>	215,269
Sales and marketing	<b>83,218</b>	116,768
Research and development	<b>15,180</b>	15,180
Depreciation of property and equipment (note 4)	<b>4,000</b>	4,000
Stock-based compensation (note 8(b))	<b>900</b>	3,735
Loss/unrealized loss on sale of marketable securities (note 6)	<b>1,466</b>	6,441
Gain on sale of software product (note 5)	<b>(107,000)</b>	-
<b>Income from operations</b>	<b>238,493</b>	59,984
Finance expense	<b>6,411</b>	5,528
<b>Net income and comprehensive income</b>	<b>232,082</b>	54,456
<b>Net income per share</b>		
Basic and diluted	<b>0.00</b>	0.00
<b>Weighted average shares outstanding</b>		
Basic and diluted	<b>48,421,510</b>	47,512,290

The accompanying notes are an integral part of these financial statements





**GLENBRIAR TECHNOLOGIES INC.**  
**Interim Statements of Changes in Equity**  
**(Expressed in Canadian Dollars) (unaudited)**

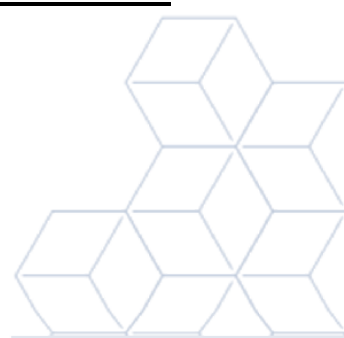
	<b>3 months ended Dec 31</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Common Shares</b>		
Balance, beginning of period	<b>4,278,655</b>	4,269,462
Employee share purchase plan (note 8(b))	<b>900</b>	3,735
<b>Balance, end of period</b>	<b>4,279,555</b>	4,273,197
<b>Deficit</b>		
Balance, beginning of period	<b>(4,799,348)</b>	(4,654,298)
Net income for the period	<b>232,082</b>	54,456
<b>Balance, end of period</b>	<b>(4,567,266)</b>	(4,599,842)

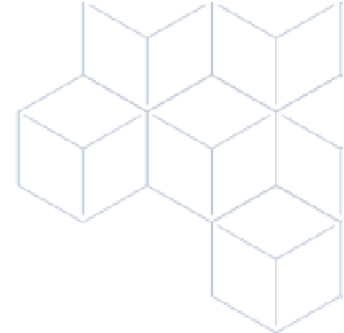
**Interim Statements of Cash Flows**  
**(Expressed in Canadian Dollars) (unaudited)**

	<b>3 months ended Dec 31</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows related to the following activities</b>		
<b>Operating</b>		
Net income	<b>232,082</b>	54,456
Adjustments for:		
Depreciation of property and equipment (note 4)	<b>4,000</b>	4,000
Stock-based compensation expense (note 8(b))	<b>900</b>	3,735
Deferred rent	<b>(1,493)</b>	(1,493)
Loss/unrealized loss on marketable securities (note 6)	<b>1,466</b>	6,441
Gain on sale of software product (note 5)	<b>(107,000)</b>	-
	<b>129,955</b>	67,139
Changes in non-cash working capital (note 10)	<b>(168,142)</b>	(89,540)
	<b>(38,187)</b>	(22,401)
<b>Investing</b>		
Capital expenditures	<b>(2,662)</b>	1
Proceeds on sale of marketable securities (note 6)	<b>33,958</b>	-
Proceeds on sale of software product (note 5)	<b>107,000</b>	-
	<b>138,926</b>	1
Increase in cash	<b>100,109</b>	(22,400)
Cash, beginning of period	<b>81,072</b>	75,345
<b>Net change and cash, end of period</b>	<b>181,181</b>	52,945

Supplementary cash flow information (note 10)

The accompanying notes are an integral part of these financial statements





## Notes to Interim Financial Statements

### 1. BASIS OF PRESENTATION

These interim financial statements for Glenbriar Technologies Inc. (“Corporation”) have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2013 Annual Report.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of interim financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires the Corporation’s management to exercise judgment in applying the Corporation’s accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3. The Corporation applies the same accounting policies and methods of computation in its interim financial statements as in its 2013 annual financial statements. None of the new standards, interpretations or amendments, effective for the first time from October 1, 2013, have had a material effect on the financial statements.

### 3. USE OF ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the 2013 annual financial statements.

### 4. PROPERTY AND EQUIPMENT

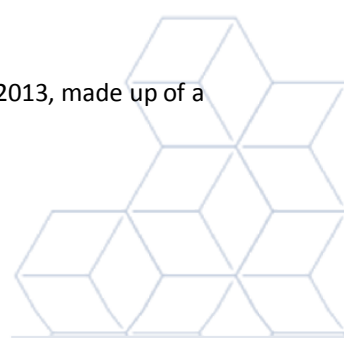
	Computers \$	Office Equipment \$	Total \$
<b><u>Cost</u></b>			
September 30, 2013	558,835	108,397	666,439
Additions	2,662	-	2,662
<b>December 31, 2013</b>	<b>560,704</b>	<b>108,397</b>	<b>669,101</b>
<b><u>Accumulated depreciation</u></b>			
September 30, 2013	518,894	95,482	614,376
Depreciation	3,000	1,000	4,000
Disposals	-	-	-
<b>December 31, 2013</b>	<b>521,894</b>	<b>96,482</b>	<b>618,376</b>
<b><u>Net book value</u></b>			
September 30, 2013	39,148	12,915	52,063
<b>December 31, 2013</b>	<b>38,810</b>	<b>11,915</b>	<b>50,725</b>

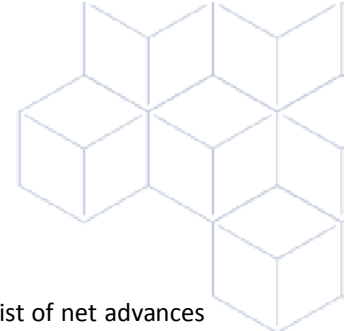
### 5. SALE OF DEALERSHIP SOFTWARE

Effective December 31, 2013, the Corporation sold its interest in the Peartree Dealership product for net proceeds of \$107,000. As this asset had a carrying cost of \$nil, the entire proceeds are shown as a gain on sale.

### 6. MARKETABLE SECURITIES

Marketable securities were disposed of for proceeds of \$34,524 during the period ended December 31, 2013, made up of a loss on sale of \$1,466 and net proceeds of \$33,958.





## 7. LOANS PAYABLE

Loans payable at December 31, 2013 in the amount of \$395,000 (September 30, 2013 - \$395,000) consist of net advances from officers of the Corporation secured by a general security agreement which bear interest at the rate of interest charged from time to time by the Bank of Montreal to its personal line of credit customers. The advances are repayable 12 months after the officers provide written request for payment. As at December 31, 2013, the officers had not requested payment, and consequently, the advances have been classified as non-current liabilities.

## 8. SHARE CAPITAL

### a) *Common shares issued and outstanding*

	Number of shares	Amount \$
Balance, September 30, 2013	48,331,510	<b>4,278,655</b>
Employee share purchase plan	90,000	<b>900</b>
Balance, December 31, 2013	<b>48,421,510</b>	<b>4,279,555</b>

### b) *Employee share purchase plan*

During the 3 months ended December 31, 2013, the Corporation recorded \$900 (2013 - \$3,375) of stock-based compensation expense.

## 9. RELATED PARTY TRANSACTIONS

General and administrative expense includes remuneration of the key management personnel, which includes directors and officers of the Corporation.

## 10. SUPPLEMENTARY CASH FLOW INFORMATION

Cash and cash equivalents at December 31 and September 30, 2013 were entirely comprised of cash on deposit.

Changes in non-cash working capital:

	<b>3 months ended Dec 31</b>	
	<b>2013</b>	2012
	\$	\$
Accounts receivable	<b>(284,202)</b>	(111,367)
Inventory	<b>3,019</b>	(651)
Prepaid expenses	<b>(19,212)</b>	-
Accounts payable and accrued liabilities	<b>137,407</b>	(18,437)
Deferred revenue	<b>(5,154)</b>	40,915
Total	<b>(168,142)</b>	(89,540)
Cash interest paid	<b>6,411</b>	5,528

