

NOTICE TO READER

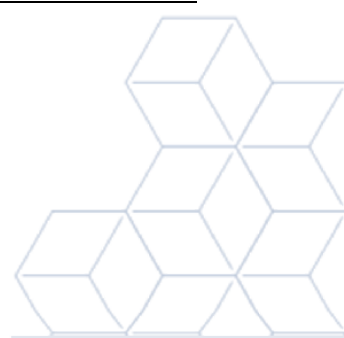
The unaudited interim financial statements and related management discussion and analysis were prepared by management and approved by the board of directors. They have not been reviewed by Glenbriar's external auditors.

2014 Q2 FINANCIAL STATEMENTS

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

	March 31 2014 \$	September 30 2013 \$
ASSETS		
Current		
Cash and cash equivalents (note 10)	213,859	81,072
Marketable securities (note 6)	-	35,424
Accounts receivable	888,627	540,837
Inventory	1,619	8,747
Prepaid expenses	22,653	22,653
Total current assets	1,126,758	688,733
Non-current		
Property and equipment (note 4)	57,443	52,063
Total assets	1,184,201	740,796
LIABILITIES		
Current		
Accounts payable and accrued liabilities	846,170	718,851
Deferred revenue	75,824	96,886
Deferred rent – current portion	6,078	6,078
	928,072	821,815
Non-current		
Loans payable (note 7)	385,070	395,000
Deferred rent	41,688	44,674
Total liabilities	1,354,830	1,261,489
SHAREHOLDERS' EQUITY		
Share capital (note 8)	4,279,555	4,278,655
Deficit	(4,450,184)	(4,799,348)
Total shareholders' equity	(170,629)	(520,693)
Total liabilities and shareholders' equity	1,184,201	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)

	6 months ended March 31		3 months ended March 31	
	2014	2013	2014	2013
	\$	\$	\$	\$
Revenue				
Managed information services	2,082,383	2,118,082	1,063,248	1,056,533
Equipment and software sales	955,361	1,009,888	635,115	579,918
Other income	62,816	10,398	58,466	8,379
Gross revenue	3,100,560	3,138,368	1,756,829	1,644,830
Direct salaries and benefits	1,419,592	1,643,424	746,580	866,748
Cost of goods sold	749,142	702,440	511,315	406,955
Gross profit	931,826	792,504	498,934	371,127
Other (income) expenses				
General and administrative	476,661	449,152	280,026	233,883
Sales and marketing	167,905	217,582	84,688	100,814
Research and development	20,240	30,360	5,060	15,180
Depreciation of property and equipment	8,000	8,000	4,000	4,000
Stock-based compensation (note 8(b))	900	6,660	-	2,925
Loss on marketable securities (note 6)	1,466	9,661	-	3,220
Gain on sale of software product (note 5)	(107,000)	-	-	-
Income from operations	363,654	71,089	125,160	11,105
Finance expense	14,490	13,390	8,078	7,862
Net income and comprehensive income	349,164	57,699	117,082	3,243
Net income per share				
Basic and diluted	0.01	0.00	0.00	0.00
Weighted average shares outstanding				
Basic and diluted	48,421,510	47,934,603	48,421,510	48,055,843

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

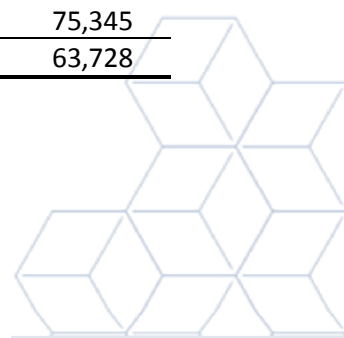
	6 months ended March 31	
	2014	2013
	\$	\$
Common Shares		
Balance, beginning of period	4,278,655	4,269,462
Employee share purchase plan (note 8(b))	900	6,660
Balance, end of period	4,279,555	4,276,122
Deficit		
Balance, beginning of period	(4,799,348)	(4,654,298)
Net income for the period	349,164	57,699
Balance, end of period	(4,450,185)	(4,596,599)

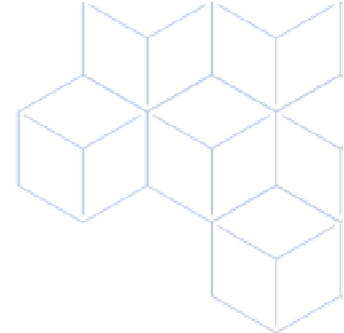
Interim Statements of Cash Flows
(Expressed in Canadian Dollars) (unaudited)

	6 months ended Dec 31	
	2014	2013
	\$	\$
Cash flows related to the following activities		
Operating		
Net income	349,164	57,699
Adjustments for:		
Depreciation of property and equipment (note 4)	8,000	8,000
Stock-based compensation expense (note 8(b))	900	6,660
Deferred rent	(2,986)	(2,986)
Loss/unrealized loss on marketable securities (note 6)	1,466	9,662
Gain on sale of software product (note 5)	(107,000)	-
	249,544	79,035
Changes in non-cash working capital (note 10)	(234,405)	(88,274)
	15,139	(9,239)
Financing		
Repayment of loan	(9,930)	-
Investing		
Capital expenditures	(13,980)	(2,378)
Proceeds on sale of marketable securities (note 6)	33,958	-
Proceeds on sale of software product (note 5)	107,000	-
	127,578	(2,378)
Increase in cash	132,787	(11,617)
Cash, beginning of period	81,072	75,345
Net change and cash, end of period	213,859	63,728

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

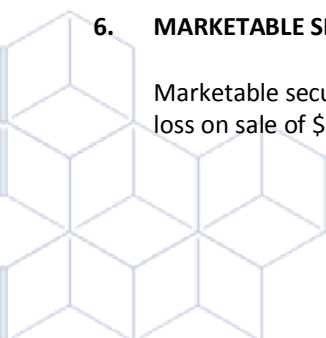
	Computers \$	Office Equipment \$	Total \$
<u>Cost</u>			
September 30, 2013	558,042	108,397	666,439
Additions	13,380	-	13,380
March 31, 2014	571,472	108,397	679,819
<u>Accumulated depreciation</u>			
September 30, 2013	518,894	95,482	614,376
Depreciation	6,000	2,000	8,000
Disposals	-	-	-
March 31, 2014	524,894	97,482	622,376
<u>Net book value</u>			
September 30, 2013	39,148	12,915	52,063
March 31, 2014	46,528	10,915	57,443

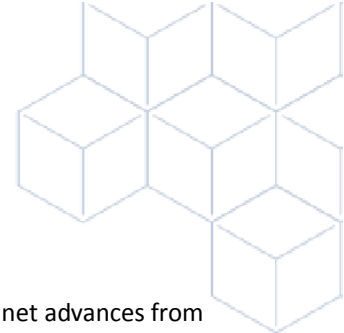
5. SALE OF DEALERSHIP SOFTWARE

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 quarter 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 March 31, 2014 in the amount of \$385,070 (September 30, 2013 - \$395,000) consist of net advances from directors and a former employee of the Corporation secured by a general security agreement which bear interest at 6 per cent per annum. The advances are repayable 12 months after the directors and former employee provide written request for payment. As at March 31, 2014, the officers had not requested payment, and consequently, the advances have been classified as non-current liabilities. Management has been exercising its discretion to commence repayment of the portion owed by the former employee, which currently represents \$40,070 of the outstanding balance.

8. SHARE CAPITAL

a) *Common shares issued and outstanding*

	Number of shares	Amount \$
Balance, September 30, 2013	48,331,510	4,278,655
Employee share purchase plan	90,000	900
Balance, March 31, 2014	48,421,510	4,279,555

b) *Employee share purchase plan*

During the 6 months ended March 31, 2014, the Corporation recorded \$900 (2013 - \$6,660) of stock-based compensation expense. This plan was wound up effective December 31, 2013.

9. RELATED PARTY TRANSACTIONS

General and administrative expense includes remuneration of the key management personnel, which includes directors and officers of the Corporation. See note 7 above.

10. SUPPLEMENTARY CASH FLOW INFORMATION

Cash and cash equivalents at March 31, 2014 and September 30, 2013 were entirely comprised of cash on deposit.

Changes in non-cash working capital:

	6 months ended March 31	
	2014	2013
	\$	\$
Accounts receivable	(347,791)	(118,615)
Inventory	7,128	(714)
Prepaid expenses	-	3,917
Accounts payable and accrued liabilities	127,320	7,318
Deferred revenue	(21,062)	19,820
Total	(234,405)	(88,274)
Cash interest paid	14,490	13,390

