

**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 Q3 FINANCIAL STATEMENTS

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

	June 30 2014 \$	September 30 2013 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 10)	192,156	81,072
Marketable securities (note 6)	-	35,424
Accounts receivable	792,597	540,837
Inventory	532	8,747
Prepaid expenses	11,503	22,653
Total current assets	996,788	688,733
<b>Non-current</b>		
Property and equipment (note 4)	61,097	52,063
Total assets	1,057,885	740,796
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	648,618	718,851
Deferred revenue	92,487	96,886
Deferred rent – current portion	6,078	6,078
	747,183	821,815
<b>Non-current</b>		
Loans payable (note 7)	373,613	395,000
Deferred rent	40,196	44,674
Total liabilities	1,160,992	1,261,489
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 8)	4,279,555	4,278,655
Deficit	(4,382,662)	(4,799,348)
Total shareholders' equity	(103,107)	(520,693)
Total liabilities and shareholders' equity	1,057,885	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)**

	9 months ended June 30		3 months ended June 30	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Revenue</b>				
Managed information services	3,062,697	3,044,469	980,314	926,387
Equipment and software sales	1,411,664	1,552,751	456,303	542,862
Other income	86,562	13,399	23,746	3,001
<b>Gross revenue</b>	<b>4,560,923</b>	<b>4,610,619</b>	<b>1,460,363</b>	<b>1,472,250</b>
Direct salaries and benefits	2,149,984	2,460,771	730,392	817,347
Cost of goods sold	1,089,748	1,039,666	340,606	337,225
<b>Gross profit</b>	<b>1,321,191</b>	<b>1,110,182</b>	<b>389,365</b>	<b>317,678</b>
<b>Other (income) expenses</b>				
General and administrative	697,006	670,568	220,345	221,415
Sales and marketing	255,096	317,933	87,191	100,352
Research and development	20,240	45,540	-	15,180
Depreciation of property and equipment	12,000	12,000	4,000	4,000
Stock-based compensation (note 8(b))	900	7,410	-	750
Loss on marketable securities (note 6)	1,466	8,051	-	(1,610)
Gain on sale of software product (note 5)	(107,000)	-	-	-
<b>Income from operations</b>	<b>441,483</b>	<b>48,680</b>	<b>77,829</b>	<b>(22,409)</b>
Finance expense	24,797	20,534	10,307	7,144
<b>Net income and comprehensive income</b>	<b>416,686</b>	<b>28,146</b>	<b>67,522</b>	<b>(29,553)</b>
<b>Net income per share</b>				
Basic and diluted	0.01	0.00	0.00	0.00
<b>Weighted average shares outstanding</b>				
Basic and diluted	48,421,510	48,026,257	48,421,510	48,206,235

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)*

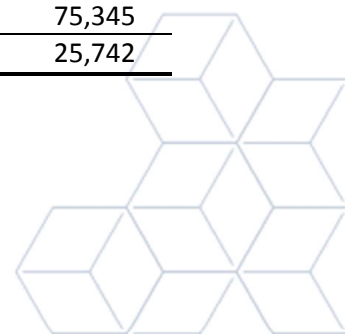
	<b>9 months ended June 30</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Common Shares</b>		
Balance, beginning of period	<b>4,278,655</b>	4,269,462
Employee share purchase plan (note 8(b))	<b>900</b>	7,410
<b>Balance, end of period</b>	<b>4,279,555</b>	4,276,872
<b>Deficit</b>		
Balance, beginning of period	<b>(4,799,348)</b>	(4,654,298)
Net income for the period	<b>416,686</b>	28,146
<b>Balance, end of period</b>	<b>(4,382,662)</b>	(4,626,152)

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

	<b>9 months ended June 30</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows related to the following activities</b>		
<b>Operating</b>		
Net income	<b>416,686</b>	28,146
Adjustments for:		
Depreciation of property and equipment (note 4)	<b>12,000</b>	12,000
Stock-based compensation expense (note 8(b))	<b>900</b>	7,410
Deferred rent	<b>(4,479)</b>	(4,479)
Loss/unrealized loss on marketable securities (note 6)	<b>1,466</b>	8,051
Gain on sale of software product (note 5)	<b>(107,000)</b>	-
	<b>319,573</b>	51,128
Changes in non-cash working capital (note 10)	<b>(307,027)</b>	(105,423)
	<b>12,546</b>	(54,295)
<b>Financing</b>		
(Decrease) increase in loans	<b>(21,387)</b>	15,000
<b>Investing</b>		
Capital expenditures	<b>(21,033)</b>	(10,308)
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>119,925</b>	(10,308)
Increase in cash	<b>111,084</b>	(49,603)
Cash, beginning of period	<b>81,072</b>	75,345
<b>Net change and cash, end of period</b>	<b>192,156</b>	25,742

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

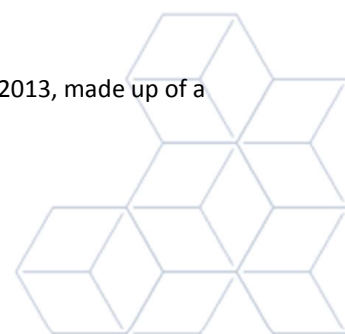
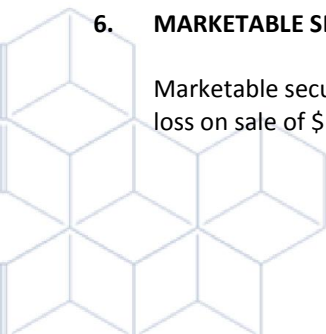
	Computers \$	Office Equipment \$	Total \$
<b><u>Cost</u></b>			
September 30, 2013	558,042	108,397	666,439
Additions	21,034	-	21,034
<b>June 30, 2014</b>	<b>579,076</b>	<b>108,397</b>	<b>687,473</b>
<b><u>Accumulated depreciation</u></b>			
September 30, 2013	518,894	95,482	614,376
Depreciation	9,000	3,000	12,000
Disposals	-	-	-
<b>June 30, 2014</b>	<b>527,894</b>	<b>98,482</b>	<b>626,376</b>
<b><u>Net book value</u></b>			
September 30, 2013	39,148	12,915	52,063
<b>June 30, 2014</b>	<b>51,182</b>	<b>9,915</b>	<b>61,097</b>

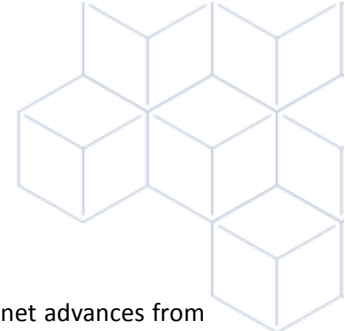
### 5. SALE OF DEALERSHIP SOFTWARE

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 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 June 30, 2014 in the amount of \$373,613 (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 June 30, 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 \$28,613 of the outstanding balance.

## 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, June 30, 2014	<b>48,421,510</b>	<b>4,279,555</b>

### b) *Employee share purchase plan*

During the 9 months ended June 30, 2014, the Corporation recorded \$900 (2013 - \$7,410) of stock-based compensation expense under the employee share purchase plan. 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 June 30, 2014 and September 30, 2013 were entirely comprised of cash on deposit.

Changes in non-cash working capital:

	<b>9 months ended June 30</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Accounts receivable	<b>(251,760)</b>	(103,191)
Inventory	<b>8,215</b>	(29,814)
Prepaid expenses	<b>11,150</b>	1,847
Accounts payable and accrued liabilities	<b>(70,233)</b>	(17,361)
Deferred revenue	<b>(4,399)</b>	43,096
Total	<b>(307,027)</b>	(105,423)
Cash interest paid	<b>24,797</b>	20,534

