



## 2014 Q3 Report

For the 9 months ended June 30, 2014

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### To Our Shareholders

#### Operating Results

Net income increased to \$416,686 for the 9 months ended June 30, 2014 from \$28,146 in 2013 on relatively flat revenue. Sale of the Peartree Dealership software in 2014 Q1 accounted for \$107,000 of the increase.

#### Working Capital

Working capital improved by \$382,000 during the 9 months to a \$249,000 surplus as of June 30, 2014. This reflects continued reorganization efforts aimed at establishing a new platform to deal with changes to the IT industry over the past 18 months, which are expected to open up new opportunities.

#### Year to date events

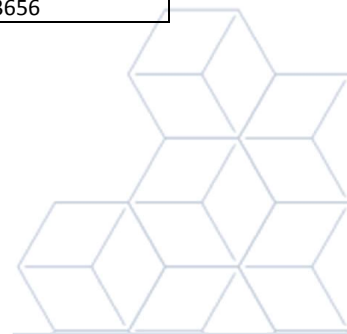
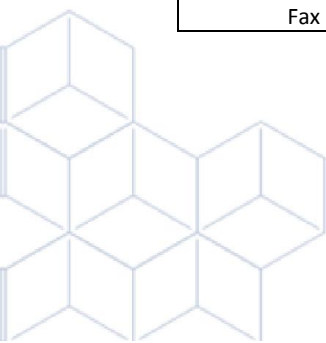
Glenbriar has undergone the following key changes in the last 9 months:

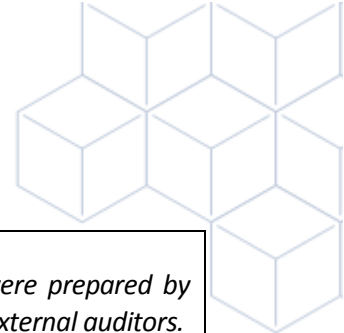
1. Acquisition of an exclusive Canadian licence with a world class cyber-security firm based in the United Kingdom.
2. Entering into a Letter of Intent to acquire an IT services provider in BC with complementary skills and market focus.
3. Design of a new state-of-the-art Cloud infrastructure.
4. Sale of Peartree Dealership product.
5. Replacement of CFO and other key personnel.

See the MD&A for details regarding the above changes.

*Robert Matheson, President & CEO*

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#### **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.*

## **MANAGEMENT DISCUSSION AND ANALYSIS**

This information is given as of July 22, 2014 under NI Form 51-102F1. As of the date of this report, there are 48,421,510 Glenbriar voting common shares issued and outstanding. There is no other class or series of shares issued, and no warrants or options or other rights to acquire additional common shares outstanding.

### **Description of Business**

**Glenbriar Technologies Inc.** (CSE: GTI) is a leading provider of business technology solutions for successful enterprises in manufacturing, distribution, retail, energy, health, education, dealership, professional services and real estate. From its offices in Calgary, Vancouver and Waterloo, Glenbriar's staff of IT professionals and software developers design, manage and support solutions that include IT Services, Cloud Services, Portals & Collaboration, Unified Communications and Software Services.

Glenbriar's 2014 Annual Meeting was held in Calgary on April 3, 2014. All resolutions were passed as recommended by management.

Glenbriar presented as an exhibitor at the inaugural Calgary Investor Forum held by TakeStock! AB on June 18, 2014 in Calgary.

Brian Tijman stepped down as CFO during the quarter ended December 31, 2013. As one of the three original founders of Glenbriar, Mr. Tijman is the largest shareholder and will remain a director. Mr. Tijman has held the role of CFO continuously since 1995, and is planning to pursue his other private investments.

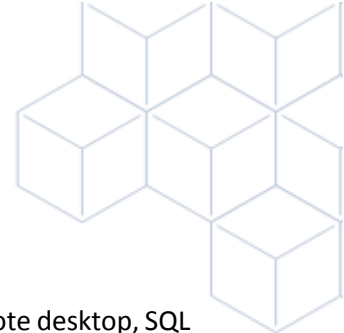
Sherri Saunders of Glenbriar's Waterloo office has taken on the role of Acting CFO until further notice. Ms. Saunders has extensive experience in accounting and financial management.

Glenbriar sold its Peartree Dealership product effective December 31, 2013 for total proceeds of \$107,000 to Blue Skies Business Solutions Inc. of Waterloo. Blue Skies is wholly owned by Roy Clarke of Waterloo, who was the principal architect of the software product. This product represented less than 4% of Glenbriar's total revenue, and was determined to no longer represent a strategic asset by the board of directors. The terms of the agreement provide for a seamless transition for users, and allow for more product development going forward than if Glenbriar had retained the product. Glenbriar retained its information technology consulting relationships with Peartree Dealership clients who used those services.

Glenbriar is still seeking additional funds for strategic acquisitions and reduction of long term obligations.

### **Products**

Glenbriar provides full service technology solutions to commercial and nonprofit enterprises: IT Services, Cloud Services, Portals and Collaboration, Cyber Security, Unified Communications and Software Services. Glenbriar has created, acquired, or licensed the appropriate human and intellectual property (IP) resources necessary to deliver the optimal integrated IT solution suite for its clients.



## **Cloud Services**

Glenbriar has been providing hosting services since 2000, including web, e-mail, file server, remote desktop, SQL Server, applications and spam filtering. Business technology is moving from in house infrastructure to the Cloud, using public, private or hybrid models. Glenbriar works with its clients to optimize their Cloud strategy to fit their business growth, needs and outcomes. Glenbriar listens and learns the client's business needs and growth plans to ensure the right mix of Cloud, on premise and hybrid solutions that fulfills their objectives.

Glenbriar is in the process of redesigning and redeploying its hosting infrastructure to meet the growing and expanding needs of its Cloud offerings, including hosted SharePoint and, in conjunction with another Microsoft partner, hosted Microsoft Dynamics. Glenbriar's new data centre hosting infrastructure will be located in Alberta. By ensuring that the data never leaves Canada, new hosting opportunities arise in industries that are sensitive to the location and storage of their data and intellectual property, such as health care, financial services, technology innovation and natural resources.

Glenbriar's new Cloud infrastructure plans to deploy the latest generation converged Cloud platform specifically designed for Cloud hosting environments, which delivers substantially reduced data centre complexity and management and process automation to ensure fast, repeatable provisioning of hosted offerings to new and existing clients. This system will allow Glenbriar to publish and deliver its Cloud offerings online. The new infrastructure is designed to be very scalable and manageable.

## **Portals & Collaboration**

Glenbriar's Portals and Collaboration solutions deliver high levels of functionality to organizations through ease of access, empowered site owners, extensive alerts on any changes that occur, and easy location of documents through the use of custom columns, metadata and views that can be configured to any device, including smart phones, tablets and PCs. This improves organizational efficiency, cuts training and maintenance costs, and facilitates group working, information sharing and electronic document organization.

Glenbriar has implemented and is currently developing comprehensive SharePoint solutions for clients in energy regulation, energy and health care. Microsoft's SharePoint is the world's leading web-based business collaboration platform. SharePoint is changing the way that businesses operate, reducing lost productivity and escalating costs that result from organizations not having the technological capacity or staffing resources to efficiently and cost-effectively streamline their business processes.

Glenbriar completed the design and implementation of a contract management system (CMS) for the Independent Electricity System Operator (IESO) in the second quarter. IESO oversees the safe, sustainable and reliable operation of Ontario's power system, and manages Ontario's wholesale electricity market to balance the supply and demand for electricity and set the Hourly Ontario Energy Price. The CMS manages IESO's website content and files using Microsoft's public cloud offering SharePoint Online Public Site Template as a web platform. IESO's CMS solution manages the online public web presence of IESO's corporate website, provides an easy to use online interface for editing page content and page layouts, and handles comprehensive audit controls and workflows for document postings through role based access controls.

Glenbriar has developed a Health and Safety Management system with a reporting module for the oil and gas industry that includes these modules: a) standard and ad hoc reporting; b) asset management system with audit functionality and workflow process; c) document repository with version control and shared collaboration. These modules can be installed separately or together as an on premise solution, a hosted solution or with SharePoint Online. All the modules are mobile centric, are available for remote users, can be encrypted and offer



single sign on for Active Directory users. Enhanced security is provided using with RBAC (Roles Based Access Control). This product has been installed at one client, and is being rolled out at additional locations. Glenbriar is reviewing alternatives to make it available as a multi-tenant application in a private cloud.

## **Security**

In June 2014, Glenbriar entered into an exclusive Canadian licence with Deep-Secure Ltd., a world-class cyber security firm headquartered in the United Kingdom. The licence will allow Glenbriar to market and distribute Deep Secure products across Canada, either on a stand-alone basis, or incorporated within Glenbriar's existing products and services.

The acquisition of this licence fits into Glenbriar's broader strategic vision of repositioning its product and service offerings to better meet growing client demand for enhanced cyber-security.

The principal focus of Deep-Secure is the securing of information sharing activities among computer networks, applications and the people who operate them. From the secure handling of supply chain documentation to the protection of process controls managing critical infrastructure, Deep-Secure provides high assurance solutions that are now being used across a wide range of industries, as well as by criminal justice, defence and intelligence agencies.

## **Unified Communications**

Glenbriar completed the installation of an IP communications installation for a securities firm in May 2013. This reflects an increase in the number of enterprises that are seeking to replace their end of life and outdated Nortel equipment with what Gartner rates as the leading unified communications solution, ShoreTel. There is growing interest in Glenbriar's enhanced WiFi solutions, which extend the functionality, security and strength of signal in difficult to reach areas.

## **Managed Services**

Glenbriar commenced a number of IT audits for new and potential clients in the third quarter. New projects are in the design phase for rolling out over the next 2 quarters. Cloud deployments, mobility functionality, managed services and print services will continue to grow in enterprise environments, and bring with them the need for increased emphasis on security. Glenbriar is actively seeking upgraded technologies to meet these new requirements.

In June 2014, Glenbriar entered into a Letter of Intent to acquire all the outstanding shares of Innovation Networks Inc., an IT solutions provider headquartered in Richmond, British Columbia. Innovation Networks offers a wide range of Cloud based, specialized managed services, and related IT solutions to the business sector, from offices in Greater Vancouver, Montreal and Toronto.

The Letter of Intent sets out the basis for a share exchange between the two companies, which would result in Innovation Networks becoming a wholly owned subsidiary of Glenbriar.

Glenbriar and Innovation Networks believe that the transaction will provide a number of significant benefits to the shareholders of both companies including:

- increased scale and market presence in fast growing Cloud based services;
- a wider breadth of offerings, especially in cyber security and Cloud products;



- a broader national presence, and the extension of Glenbriar services into Quebec; and
- new national marketing and sales talent available through Innovation Networks.

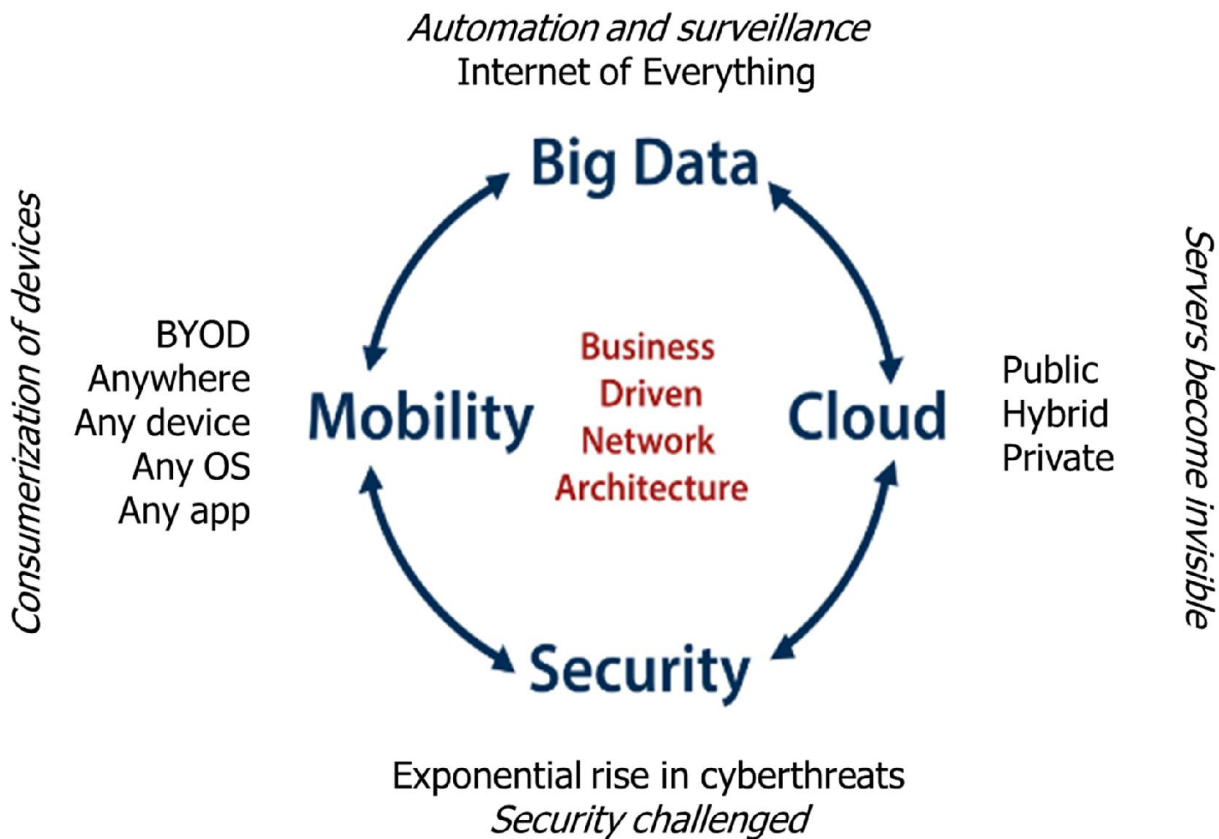
**Software Services**

Glenbriar’s MMS is currently being updated to incorporate industry mandated EDI changes, and the Plant Products module has been extended to incorporate additional functionality resulting from a client’s corporate acquisition. A number of MMS clients are implementing server upgrades to provide enhanced performance and functionality.

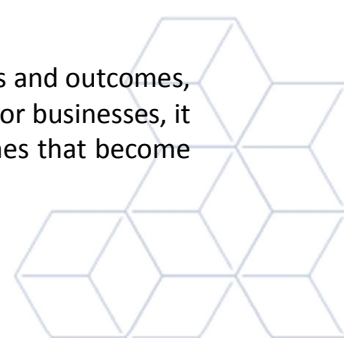
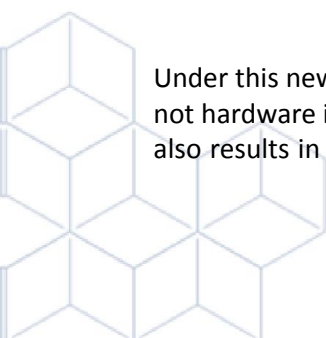
Glenbriar continues to develop its multivalue application database consulting and production line control products for manufacturers.

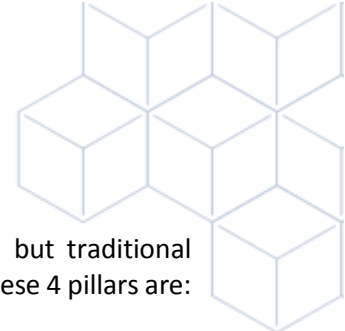
**Industry Trends**

Business technology is in a period of structural change in response to how enterprises, employees and customers use new technologies and communications. The traditional on-premises client-server model is giving way to a new paradigm, as shown below:



Under this new model, business technology architecture is designed around business processes and outcomes, not hardware infrastructure. While this new architecture provides exciting new opportunities for businesses, it also results in a major shift in the skill sets required to design and deliver the positive outcomes that become





available. Business technology providers and their clients are able to focus on outcomes, but traditional technical skill sets are rapidly becoming dated and less relevant under this new architecture. These 4 pillars are:

- a) **Big Data** represents the rapid expansion of the number of devices connected to the Internet and providing explosive growth in both the amount and type of data that can be collected, analyzed, and used to drive new sources of revenue and efficiency for businesses.
- b) **The Cloud** represents the movement of processing capacity away from desktops to centralized servers, which can be housed in public, private or hybrid environments. Servers move away from being on-premises and become invisible to consumers and businesses.
- c) **Mobility** represents the shift in end user devices to smartphones, tablets, notebooks and other devices accessing the Cloud on a wide variety of operating systems from virtually anywhere. This pillar incorporates the trends of consumerization of data consumption and BYOD (bring your own device).
- d) **Security** reflects the need for enhanced security requirements resulting from device and data proliferation and accessibility inherent in Mobility, Big Data and the Cloud, which has driven an exponential increase in cybercrime, with the consequent loss of privacy, theft and misuse of identity and intellectual property.

All of these have to be made to work together in new ways in order to improve functionality and security. Glenbriar pursues solutions that leverage new business architecture.

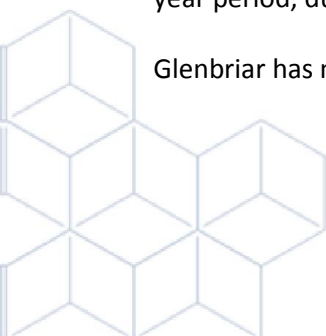
## Financial Review

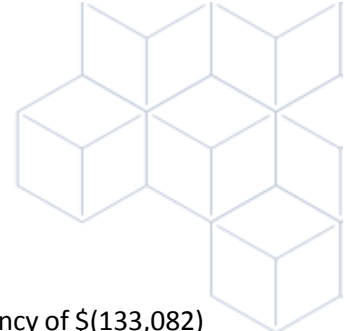
### Selected Financial Information

Selected Quarterly Financial Information (\$)	Quarter ended							
	2014		2013				2012	
	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Revenue	1,460,363	1,756,829	1,343,731	1,395,535	1,472,250	1,644,830	1,493,538	1,538,236
Income from continuing operations	77,829	125,160	238,493	(150,688)	(22,409)	11,105	59,984	(124,703)
-per share (basic and diluted)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	67,522	117,082	232,082	(173,196)	(29,553)	3,243	54,456	(146,096)
-per share (basic and diluted)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Revenue decreased 1% for the quarter ended June 30, 2014 from the prior year period, made up of a 6% increase in services and a 16% decrease in equipment and software sales. These changes reflect the loss of revenue from the sale of the Dealership software product in the first quarter of fiscal 2014. Glenbriar expects the longer term trend will be toward decreased equipment and software sales as the market shifts from on-premises to hosted and cloud based computing. Income from operations increased to \$77,829 from a loss of \$(22,409) for the prior year period, due to improved margins.

Glenbriar has not paid dividends and has no current intention of doing so.





## Liquidity and Capital Resources

As of June 30, 2014, Glenbriar had working capital of \$249,605, up substantially from the deficiency of \$(133,082) at September 30, 2013. Marketable securities were disposed of during the first quarter of fiscal 2014, resulting in proceeds of \$35,424. See note 6 of Notes to Financial Statements. Glenbriar also sold its interest in the Peartree Dealership product for net proceeds of \$107,000 in the first quarter of 2014. As this asset had a carrying cost of \$nil, the entire proceeds are shown as a gain on sale. See note 5 of Notes to Financial Statements. Inventory changes reflect normal business fluctuations. Inventory is considered relatively liquid. Deferred revenue was down 5% to \$92,487 due to normal business fluctuations and reduced revenue from the sale of Peartree Dealership.

Deferred rent reflects rent free allowances on the Calgary office lease. This amount is amortized over the term of the lease.

Glenbriar continues to implement measures to improve its capital resources. The only remaining loan payable as of June 30, 2014 was \$373,613 payable to Glenbriar's management and a shareholder. This is a \$21,387 reduction from December 31, 2013. See note 7 of Notes to Financial Statements. Glenbriar has no off-balance sheet arrangements.

Glenbriar may be required to seek additional equity or debt financing, reduce its operations or to limit its growth in order to maintain liquidity. In addition, Glenbriar does not have adequate surplus capital on hand to pursue its research and development activities at an optimal rate, to establish and implement a robust marketing and sales program, and to make strategic acquisitions. Accordingly, Glenbriar may reasonably be expected to issue additional equity or take on more debt in order to obtain the additional resources which it believes are necessary to enable it to seek to achieve the growth rates which are sought by investors and shareholders. If additional equity is issued, existing shareholders may experience dilution of their shareholdings. If additional debt is taken on, the business could be put at greater risk of not being able to survive downturns in business cycles, the loss of major accounts, or other negative events. Glenbriar will continue to take steps to improve its working capital position, which may include injection of capital, loans or renegotiation of credit facilities, but there is no assurance that these efforts will be successful.

Research and development expenditures were reduced to \$nil in the third quarter of fiscal 2014, and will remain \$nil hereafter, due to the sale of the Peartree Dealership product in the first quarter. Additional funds will still be required to rollout new products and services, revamp marketing and sales, and make strategic acquisitions.

Glenbriar's long term financial commitments for a delivery vehicle and office leases were as follows as of June 30, 2014:

	\$
2014	68,787
2015	260,070
2016	204,107
2017	189,240
2018	191,302
Subsequent years	637,673
Total	<u>1,551,179</u>





## Results from Operations

Net income increased to \$416,686 from \$28,146 for the 9 months ended June 30, 2014 from the similar 2013 period, despite a 1% decrease in revenue. This reflects improved margins on both services and equipment revenue, and the \$107,000 gain on sale of the Peartree Dealership product in the first quarter of fiscal 2014. See note 5 of Notes to Financial Statements.

Managed services revenue includes all professional services and consulting revenue. Direct salaries and benefits include the salaries of those employees who directly earn managed services revenue. Margins on managed services are based on a comparison of managed services revenue to direct salaries and benefits. Salaries for administrative and support staff are included in general and administrative expenses, while salaries for sales and marketing staff are included in sales and marketing expense.

Equipment and software revenue includes all revenue from the sale of those items, and cost of goods sold is made up of the cost of equipment and software sales. Both accounts include shipping, but exclude any allocation of salaries or overhead. Margins on equipment and software sales are based on a comparison of equipment and software revenue to cost of goods sold.

**Revenue.** Revenue decreased 1% for the 9 months ended June 30, 2014 from the prior year period, made up of a 1% increase in services and a 9% decrease in equipment and software sales. These changes reflect the sale of the Peartree Dealership product in the first quarter of 2014, and the market transition to cloud technologies and hosted environments, which result in less desktop services and equipment purchases, but increased margin as services transform from desktop into network services and business process consulting and development.

**Expense.** Margins on managed services increased to 30% for the 9 months ended June 30, 2014 from 19% in the prior year period, reflecting the effects of reorganizing the service delivery model in that area to respond to market changes described above. Margins decreased to 23% from 33% on equipment and software sales over the same periods, reflecting a lower proportion of proprietary software activity, which carried higher margins but contributed to additional overhead. General and administrative expense remained flat at 15% of sales in the first quarter of 2014 from 15% in the similar 2013 period, and sales and marketing expenses decreased to 6% from 7% of sales in the same periods of 2014 over 2013. These changes reflect the initial stages of reorganization of the sales and marketing function to respond to the market changes described above.

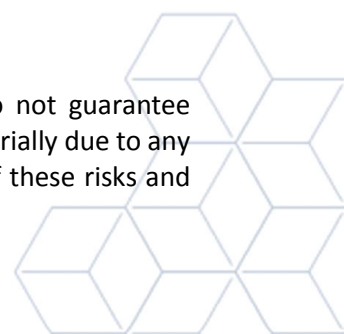
**Accounts receivable.** The balance for June 30, 2014 reflects 42 days of sales, which is up from 37 days of sales for the year end fiscal 2013, and from the prior year period of 52 days. Glenbriar management is focused on reducing this number in the last part of fiscal 2014.

**Accounts payable and accrued liabilities.** The decrease in this account to \$648,618 at June 30, 2014 from \$718,851 at the end of fiscal 2013 reflects improved liquidity made possible through higher margins.

**Deferred revenue.** The balance of \$92,487 as of June 30, 2014 mainly reflects periodic software maintenance and services, which are brought into revenue monthly as services are performed. See note 5 of Notes to Financial Statements. This is a noncash item.

## Forward Looking Statements

This MD&A may contain forward-looking statements. These forward-looking statements do not guarantee future events or performance and should not be relied upon. Actual outcomes may differ materially due to any number of factors and uncertainties, many of which are beyond Glenbriar's control. Some of these risks and







uncertainties may be described in Glenbriar's corporate filings (posted at [www.sedar.com](http://www.sedar.com)). Glenbriar has no intention or obligation to update or revise any forward looking statements due to new information or events, except as required by securities legislation.

### **Risk Factors**

Glenbriar is in the information technology business, which is a rapidly changing and competitive environment. Glenbriar must stay abreast of several new technologies and be ready to quickly and effectively deploy them for its customers. These changes have a major effect on the way many of Glenbriar's clients conduct their business. The pace of change keeps quickening, and Glenbriar and its clients must adapt promptly, but carefully, to choose the right technologies and strategies to optimize their business technology processes and infrastructure. The consumerization of end user devices, increased mobility, and changing workplaces will continue to place a heavy burden on businesses to remain secure and to keep their data safe but accessible. Glenbriar will have to continue to reliably identify, evaluate, optimize and support these new technologies for its clients in order to remain successful in the coming periods.

### **Critical Accounting Estimates**

IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting periods presented. Significant estimates include the assessment of recoverability of carrying values of Glenbriar's accounts receivable, software and other capital assets. Actual results will differ from the estimates.

### **Related Party Transactions**

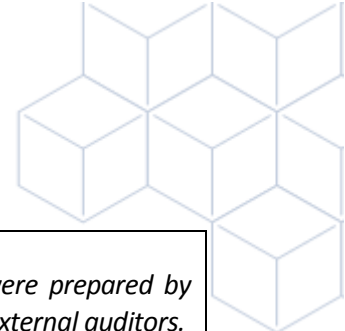
Loans payable were \$373,613 as of June 30, 2014, a reduction of \$21,387 from September 30, 2013. See note 7 of Notes to Financial Statements.

Glenbriar wound up its Employee Share Purchase Plan effective December 31, 2013. See note 8(b) of Notes to Financial Statements.

### **Additional Information**

Additional information about Glenbriar is available from Glenbriar's website at [www.glenbriar.com](http://www.glenbriar.com), the CSE website at [www.thecse.com](http://www.thecse.com), the Sedar website at [www.sedar.com](http://www.sedar.com), or by request from Glenbriar's head office at 1100, 736 – 8 Ave SW, Calgary, AB T2P 1H4 (Phone 403-233-7300 x117).





**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)*

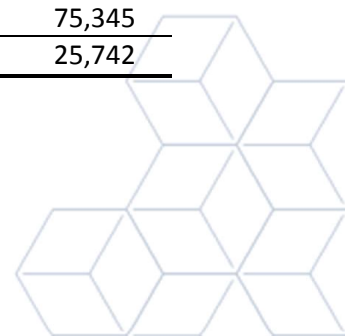
	<b>9 months ended June 30</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Common Shares</b>		
Balance, beginning of period	4,278,655	4,269,462
Employee share purchase plan (note 8(b))	900	7,410
<b>Balance, end of period</b>	<b>4,279,555</b>	<b>4,276,872</b>
<b>Deficit</b>		
Balance, beginning of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

**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	416,686	28,146
Adjustments for:		
Depreciation of property and equipment (note 4)	12,000	12,000
Stock-based compensation expense (note 8(b))	900	7,410
Deferred rent	(4,479)	(4,479)
Loss/unrealized loss on marketable securities (note 6)	1,466	8,051
Gain on sale of software product (note 5)	(107,000)	-
	<b>319,573</b>	51,128
Changes in non-cash working capital (note 10)	(307,027)	(105,423)
	<b>12,546</b>	(54,295)
<b>Financing</b>		
(Decrease) increase in loans	(21,387)	15,000
<b>Investing</b>		
Capital expenditures	(21,033)	(10,308)
Proceeds on sale of marketable securities (note 6)	33,958	-
Proceeds on sale of software product (note 5)	107,000	-
	<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>	<b>25,742</b>

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

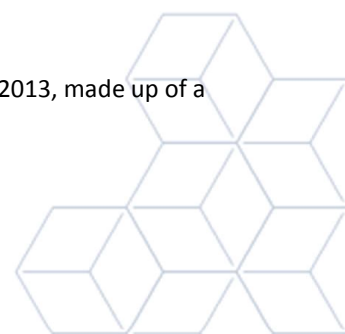
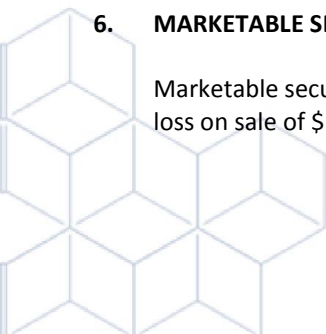
	Computers \$	Office Equipment \$	Total \$
<b><u>Cost</u></b>			
September 30, 2013	558,042	108,397	666,439
Additions	21,034	-	21,034
<b>June 30, 2014</b>	<b>579,076</b>	<b>108,397</b>	<b>687,473</b>
<b><u>Accumulated depreciation</u></b>			
September 30, 2013	518,894	95,482	614,376
Depreciation	9,000	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>

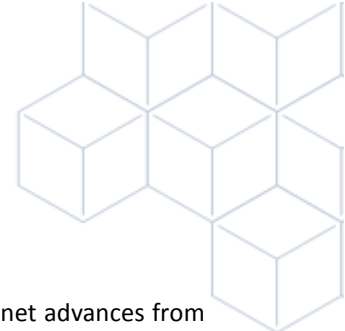
### 5. SALE OF DEALERSHIP SOFTWARE

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.

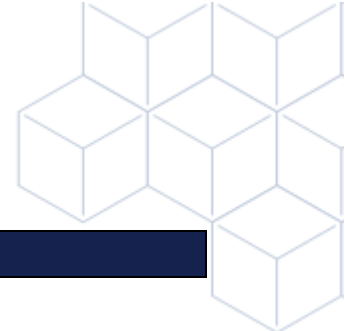
## 10. SUPPLEMENTARY CASH FLOW INFORMATION

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





**CSE SUPPLEMENTARY INFORMATION**

CSE ISSUER	TRADING SYMBOL	NUMBER OF OUTSTANDING SECURITIES	DATE
Glenbriar Technologies Inc.	GTI	48,421,510	July 22, 2014

**1. Related party transactions**

See “Related Party Transactions” in Management Discussion and Analysis and note 9 of Notes to Financial Statements.

**2. Securities issued and options granted during the period**

See note 8 of Notes to the Interim Financial Statements for the 9 months ending June 30, 2014 for details regarding share issuances. No options were issued, granted or expired during the period, and none are outstanding.

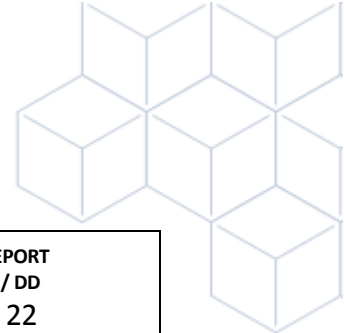
**3. Securities as of end of period**

	Number of Shares	Amount \$
Authorized		
Unlimited number of common shares		
Unlimited number of preferred shares of one or more series		
Issued		
Common shares	48,421,510	<b>4,279,555</b>

**4. Officers and directors as of the date of this report**

<u>Name</u>	<u>Position</u>
Robert D. Matheson	Chairman, President & CEO
Sherri Saunders	Controller & Acting CFO
Glenn F. H. Matheson	Vice-President, Unified Communications & Director
Christine Padaric	Vice-President, Human Resources & Software Services
Warren Berg	Vice-President, Information Technology
Craig Henderson	Director
James H. Ross	Director
Brian Tijman	Director





<b>ISSUER DETAILS</b>		
NAME OF ISSUER Glenbriar Technologies Inc.	FOR QUARTER ENDED 2014 06 30	DATE OF REPORT YY / MM / DD 14 07 22
ISSUER ADDRESS 1100, 736 – 8 Ave SW		
CITY/PROVINCE/POSTAL CODE Calgary AB T2P 1H4	ISSUER FAX NO. (403) 234-7310	ISSUER PHONE NO. (403) 233-7300 x117
CONTACT NAME Robert D. Matheson	CONTACT POSITION President	CONTACT PHONE NO. (403) 450-7410
CONTACT E-MAIL ADDRESS <a href="mailto:inquiries@glenbriar.com">inquiries@glenbriar.com</a>	WEB SITE ADDRESS glenbriar.com	
<b>CERTIFICATE OF COMPLIANCE</b>		
<i>The undersigned hereby certifies that:</i>		
1. <i>The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.</i>		
2. <i>As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.</i>		
3. <i>The undersigned hereby certifies to CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).</i>		
4. <i>All of the information in this Form 5 Quarterly Listing Statement is true.</i>		
PRESIDENT'S SIGNATURE "Robert Matheson"	PRINT FULL NAME Robert D. Matheson	DATE OF REPORT YY / MM / DD 14 07 22

