



Smart Employee Benefits Inc.

**Unaudited Condensed Interim Consolidated Financial Statements
May 31, 2014**

The accompanying unaudited condensed interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of unaudited condensed interim consolidated financial statements by an entity's auditor.

To the Shareholders of Smart Employee Benefits Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the financial statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditor.

MNP LLP, an independent firm of Chartered Accountants, was appointed by the shareholders to audit the annual consolidated financial statements and report directly to them.

MNP LLP has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of unaudited condensed interim consolidated financial statements by an entity's auditor.

July 24, 2014

John McKimm

Chief Executive Officer

Robert Prentice

Chief Financial Officer

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Smart Employee Benefits Inc.
Unaudited Interim Consolidated Statement of Financial Position

	<i>May 31, 2014</i> <i>(unaudited)</i>	<i>November 30,</i> <i>2013</i>
Cash and cash equivalents	\$ 1,737,535	\$ 257,608
Short term investments	202,302	-
Accounts receivable	3,618,117	2,551,968
Inventory	108,862	-
Prepays and deposits	664,472	82,188
Total Current Assets	6,331,288	2,891,764
Advances to Inforica Inc.	-	749,892
Equipment (Note 5)	653,356	472,343
Software (Note 6)	2,821,971	1,740,584
Intellectual property (Note 4)	250,000	-
Customer relationships (Note 7)	1,026,964	1,094,167
Trade names (Note 8)	961,000	704,800
Goodwill (Note 4)	1,612,190	1,147,793
Total Assets	\$ 13,656,769	\$ 8,801,343
Bank loan (Note 9)	\$ 878,193	\$ 846,819
Accounts payable and accrued liabilities (Note 19)	2,912,639	1,896,195
Deferred revenue (Note 10)	729,671	356,289
Current portion of leases payable (Note 11)	67,152	96,659
Current portion of equipment loans (Note 12)	43,375	73,708
Government remittances and current taxes payable	765,655	20,186
Due to shareholders (Note 14)	5,100	5,100
Total Current Liabilities	5,401,785	3,294,956
Leases payable (Note 11)	14,038	36,546
Royalty liability (Note 4)	248,613	-
Convertible debt (Note 13)	4,151,397	2,628,045
Deferred income taxes	571,214	571,214
Total Long Term Liabilities	4,985,262	3,235,805
Minority interest in Inforica	(279,077)	-
Inforica preferred shares	350,000	-
Share capital (Note 15)	10,454,437	7,878,625
Share Issue costs (Note 15)	(504,580)	(504,580)
Contributed surplus (Note 13 and 15)	930,546	724,486
Warrants (Note 15)	2,699,971	2,552,739
Options (Note 15)	586,477	311,397
Deficit	(10,968,052)	(8,692,085)
Total Shareholders' Equity	3,198,799	2,270,582
Total Liabilities and Shareholders' Equity	\$ 13,656,769	\$ 8,801,343

Going concern (Note 2), Related party transactions (Note 18), Commitments (Note 20)

Approved on behalf of the Board:

John McKimm

Director

Walter Simone

Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Smart Employee Benefits Inc.
Unaudited Interim Consolidated Statement of Shareholders' Equity

	Share Capital		Warrants		Options		Contributed Surplus	Issue Costs	Deficit	Total Equity
	Number	\$	Number	\$	Number	\$				
Balances November 30, 2013	62,658,000	7,878,625	19,086,611	2,552,739	2,352,250	311,397	724,486	(504,580)	(8,692,085)	2,270,582
Convertible debt financing Feb	-	-	320,000	147,232	-	-	211,960	-	-	359,192
Conversion of debt to equity Feb	888,887	400,000	-	-	-	-	(156,945)	-	-	243,055
Options issued	-	-	-	-	940,000	-	-	-	-	-
Options exercised	13,500	4,725	-	-	(13,500)	-	-	-	-	4,725
Warrants exercised	676,222	254,800	(676,222)	-	-	-	-	-	-	254,800
Net loss for the period	-	-	-	-	-	-	-	-	(1,092,950)	(1,092,950)
Balances February 28, 2014	64,236,609	8,538,150	18,730,389	2,699,971	3,278,750	311,397	779,501	(504,580)	(9,785,035)	2,039,404
Warrants exercised	4,216,000	1,368,850	(4,216,000)	-	-	-	-	-	-	1,368,850
Warrants expired	-	-	(879,000)	-	-	-	-	-	-	-
Options exercised	71,250	22,438	-	-	(71,250)	-	-	-	-	22,438
Options issued	-	-	-	-	230,000	-	-	-	-	-
Share-based compensation cost	-	-	-	-	-	275,080	-	-	-	275,080
Acquisition of Antian	-	-	-	-	-	-	151,045	-	-	151,045
Acquisition of Adeeva	1,027,418	525,000	-	-	-	-	-	-	-	525,000
Net loss for the period	-	-	-	-	-	-	-	-	(1,183,017)	(1,183,017)
Balances May 31, 2014	69,551,277	10,454,438	13,635,389	2,699,971	3,437,500	586,477	930,546	(504,580)	(10,968,052)	3,198,800

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Smart Employee Benefits Inc.
 Unaudited Interim Consolidated Statement of Comprehensive Loss

	<i>Mar 1, 2014 to May 31, 2014 (unaudited)</i>	<i>Mar 1, 2013 to May 31, 2013 (unaudited)</i>	<i>Dec 1, 2013 to May 31, 2014 (unaudited)</i>	<i>Dec 1, 2012 to May 31, 2013 (unaudited)</i>
Revenue (Note 18)	\$ 5,754,539	\$ 3,299,472	\$ 10,011,829	\$ 3,642,613
Cost of revenues				
Compensation	3,826,131	2,243,992	7,182,178	2,413,879
Other	615,140	378,198	676,247	464,590
	4,441,271	2,622,190	7,858,425	2,878,469
Gross Margin	1,313,268	677,282	2,153,404	764,144
Expenses				
Salaries and other compensation costs (Note 18)	1,108,346	936,508	1,952,923	1,438,749
Professional fees	128,182	178,288	303,777	324,408
Office and general	509,484	262,771	974,021	400,016
Loss before the following items	(432,744)	(700,285)	(1,077,317)	(1,399,029)
Share-based compensation	275,080	335,091	275,080	371,741
Interest	161,739	35,030	266,818	116,007
Amortization (Note 6, 7 and 8)	194,378	150,999	391,462	190,454
Depreciation of equipment (Note 5)	28,231	16,200	53,459	24,449
Accretion of interest (Notes 13)	122,960	43,870	213,391	59,504
Loss before minority interest in Inforica	(1,215,132)	(1,281,475)	(2,277,527)	(2,161,184)
Minority interest in Inforica	(32,115)	-	(1,560)	-
Net loss and comprehensive loss	\$ (1,183,017)	\$ (1,281,475)	\$ (2,275,967)	\$ (2,161,184)
Weighted average number of shares outstanding for the period (basic) (Note 15)	66,743,155	60,941,763	64,965,886	58,530,652
Loss from operations per common share (basic)	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.04)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Smart Employee Benefits Inc.
Unaudited Interim Consolidated Statement of Cash Flows

	<i>Mar 1, 2014 to May 31, 2014 (unaudited)</i>	<i>Mar 1, 2013 to May 31, 2013 (unaudited)</i>	<i>Dec 1, 2013 to May 31, 2014 (unaudited)</i>	<i>Dec 1, 2012 to May 31, 2013 (unaudited)</i>
Net loss for the period	\$ (1,183,017)	\$ (1,281,475)	\$ (2,275,967)	\$ (2,161,184)
Add items not involving cash:				
Amortization	194,378	150,999	391,462	190,454
Depreciation of equipment	28,231	16,200	53,459	24,449
Accretion of interest	122,960	43,870	213,391	59,504
Share-based compensation	275,080	335,091	275,080	371,741
Non-cash working capital (Note 19)	389,192	362,730	(341,583)	397,786
Total adjustments	1,009,841	908,890	591,809	1,043,934
Cash used in operating activities	(173,176)	(372,585)	(1,684,158)	(1,117,250)
Cash flows from investing activities				
Advances to acquisition target	-	(425,000)	-	(485,000)
Purchase of software	-	-	-	(160,000)
Purchase of equipment	(81,826)	(80,819)	(108,451)	(83,605)
Net cash on investment in Inforica	-	-	29,064	-
Net cash on acquisition of Adeeva	6,209	-	6,209	-
Net cash on acquisition of Antian	98,458	-	98,458	-
Cash flows (used in) from investing activities	22,841	(505,819)	25,280	(728,605)
Cash flows from financing activities				
Proceeds from equity financings	-	-	-	1,106,000
Net cash from acquisition of Logitek	-	-	-	90,628
Net cash from acquisition of Somos	-	(119,504)	-	(119,504)
Proceeds from exercised warrants	1,368,850	60,000	1,623,650	60,000
Proceeds from exercised options	22,438	-	27,163	-
(Repayment) proceeds from convertible debt financings	(17,547)	965,000	1,734,262	1,489,000
Shareholder loans	(155,437)	-	(163,923)	-
Net change in capital leases	(24,913)	10,237	(52,014)	7,505
Net change in equipment loans	(13,208)	(30,125)	(30,333)	(41,903)
Funds held in trust	-	742,421	-	-
Cash provided by financing activities	1,180,183	1,628,029	3,138,805	2,591,726
Net increase (decrease) in cash and cash equivalents	1,029,848	749,625	1,479,927	745,871
Cash and cash equivalents, beginning of period	707,687	131,435	257,608	135,189
Cash and cash equivalents, end of period	\$ 1,737,535	\$ 881,060	\$ 1,737,535	\$ 881,060

Supplemental Information:

\$125,919 in interest was paid in cash during the three months ending May 31, 2014.

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Smart Employee Benefits Inc.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

May 31, 2014

1. Nature of Operations

Smart Employee Benefits Inc. (the "Company" or "SEB") is a technology company providing software-enabled services in the areas of healthcare transaction processing, software solutions and professional services for corporate and government clients.

These financial statements are the unaudited condensed interim consolidated financial statements of Smart Employee Benefits Inc. and its active subsidiary companies, all incorporated in Canada:

- Logitek Technology Ltd.,
- SOMOS Consulting Group Ltd.,
- Smart Employee Solutions Inc.,
- SES Benefits Canada Corporation,
- SEB Insurance and Financial Services Inc. (formerly SES Financial Corporation),
- Inforica Inc.,
- APS – Antian Professional Services Inc., and
- Adeeva Nutritionals (Canada) Inc.

The Company's head office address is 5500 Explorer Drive, Mississauga, L4W 5C7 and its registered and records office address is Suite 300, 2355 Skymark Avenue, Mississauga, Ontario, L4W 4Y6.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on July 24, 2014.

2. Going Concern

These consolidated financial statements have been prepared on a going concern basis which presumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations.

The Company has incurred a significant operating loss during the periods of the unaudited condensed interim consolidated financial statements and negative cash flows from operations for the periods. There is no assurance that the Company will be able to generate net income or positive cash flows from operations in the foreseeable future. Based on these events and conditions there are material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

To remain a going concern, the Company will require additional capital to enable it to further develop its software and achieve other business objectives. It cannot be determined at this time whether these objectives will be realized. These unaudited condensed interim consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern.

Smart Employee Benefits Inc.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

May 31, 2014

3. Basis of Presentation

Statement of Compliance

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements for the year ended November 30, 2013. The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period. Furthermore the information on accounting standards effective in future periods and not yet adopted remains unchanged from that disclosed in the annual financial statements.

4. Acquisitions

(a) Adeeva Nutritionals Canada Inc.

On March 14, 2014 SEB acquired Adeeva Nutritionals Canada Inc. (“Adeeva”) and the Wellness assets and business of Dr. James Meschino Health and Wellness.

SEB issued \$525,000 of SEB shares at a price of \$0.51 per share to acquire all of the debt and issued and outstanding shares of Adeeva, resulting in the issuance of 1,027,418 No fractional shares were issued to holders of the debt and shares of Adeeva sold to SEB. In addition, the holders of the debt acquired by Adeeva have been issued a royalty agreement whereby they can earn, in the aggregate, up to \$1,000,000 (based on the future revenues of Adeeva). The SEB shares issued pursuant to this transaction are subject to contractual escrow releases of one third per annum over 36 months. The price of the SEB shares was determined by the weighted average trading price for the ten trading days prior to closing.

Smart Employee Benefits Inc.

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The cost of the acquisition to SEB is determined as follows:

Shares issued	\$ 525,000
Present value of liability for royalty	248,613
Total	\$ 773,613

The cost to SEB is allocated to assets acquired as follows:

Net liabilities	\$(103,267)
Brand	340,000
Intellectual property	250,000
Goodwill	286,880
Total	\$ 773,613

Net liabilities of Adeeva on acquisition were as follows:

Assets	
Cash	\$ 6,209
Receivables	75,191
Prepays	4,098
Inventory	115,341
Fixed assets	41,843
Trademarks	16,620
Total assets	\$ 259,302
Liabilities	
Accounts payable and accruals	\$ 337,569
Due to SEB	25,000
Total liabilities	\$ 362,569
Net Liabilities	\$(103,267)

(b) Antian Professional Services Inc.

On March 18, 2014 SEB acquired APS - Antian Professional Services Inc. (“Antian”). The transaction terms are cash of \$357,701 and a Vendor Take Back Promissory Note (“VTB”) in the principal amount of \$324,482 paying interest at an annualized rate of 3% with quarterly principal repayments over a 5-year period. The VTB is convertible into SEB shares at any time at a value of \$0.75 per SEB share during the term of the VTB.

Smart Employee Benefits Inc.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

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The cost of the acquisition to SEB is determined as follows:

Cash	\$ 357,701
Convertible note	324,482
Total	\$ 682,183

The cost to SEB is allocated to assets acquired as follows:

Net assets	\$ 619,086
Customer relationships	63,097
Total	\$ 682,183

Net assets of Antian on acquisition were as follows:

Assets	
Cash	\$ 456,159
Receivables	282,725
Fixed assets	4,677
Total assets	\$ 743,561
Liabilities	
Accounts payable and accruals	\$ 124,475
Total liabilities	\$ 124,475
Net Assets	\$ 619,086

(c) Goodwill

The balance of Goodwill arises from the following acquisitions:

Logitek Technology Ltd.	\$ 878,818
Somos Consulting Group	268,975
Balance November 30, 2013	1,147,793
Inforica Inc.	177,517
Adeeva Nutritionals (Canada) Inc.	286,880
Total	\$ 1,612,190

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5. Equipment

	Nov 30, 2013	Acquire Inforca	Additions	Feb 28, 2014	Acquire Antian	Acquire Adeeva	Additions	May 28, 2014
Cost								
Furniture and office equipment	388,683	-	17,500	406,183	52,635	27,744	13,195	499,757
Computer hardware	1,122,164	86,039	9,125	1,217,328	-	157,285	68,631	1,443,244
Computer hardware under lease	415,621	-	-	415,621	-	-	-	415,621
Total	1,926,469	86,039	26,625	2,039,133	52,635	185,029	81,826	2,358,622
Accumulated depreciation								
Furniture and office equipment	261,206	-	4,801	266,007	47,958	13,185	4,407	331,557
Computer hardware	986,473	6,539	12,900	1,005,912	-	130,000	16,297	1,152,209
Computer hardware under lease	206,446	-	7,527	213,973	-	-	7,527	221,500
Total	1,454,125	6,539	25,228	1,485,892	47,958	143,185	28,231	1,705,266
Net balance								
Furniture and office equipment	127,477	-	12,699	140,176	4,677	14,559	8,788	168,200
Computer hardware	135,691	79,500	(3,775)	211,416	-	27,285	52,334	291,035
Computer hardware under lease	209,175	-	(7,527)	201,648	-	-	(7,527)	194,121
Total	472,343	79,500	1,397	553,240	4,677	41,844	53,595	653,356

Smart Employee Benefits Inc.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

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6. Software

	Cost					
	Nov 30, 2013	Invest in Inforica	Adds	Feb 28, 2014	Adds	May 31, 2014
HCS licence (1)	500,000	-	-	500,000	-	500,000
HCS admin system (2)	200,000	-	-	200,000	50,000	250,000
Logitek (3)	1,267,000	-	-	1,267,000	-	1,267,000
Inforica (4)	-	1,211,457	-	1,211,457	-	1,211,457
Total	1,967,000	1,211,457	-	3,178,457	50,000	3,228,457

	Accumulated Amortization					
	Nov 30, 2013	Invest in Inforica	Expense	Feb 28, 2014	Expense	May 31, 2014
HCS licence (1)	120,833	-	12,500	133,333	12,500	145,833
HCS admin system (2)	-	-	-	-	-	-
Logitek (3)	105,583	-	31,675	137,258	31,675	168,933
Inforica (4)	-	-	45,859	45,859	45,859	91,718
Total	226,416	-	90,034	316,450	90,034	406,484

	Net Balance					
	Nov 30, 2013	Invest in Inforica	Adds/ Expense	Feb 28, 2014	Adds/ Expense	May 31, 2014
HCS licence (1)	379,167	-	(12,500)	366,667	(12,500)	354,167
HCS admin system (2)	200,000	-	-	200,000	50,000	250,000
Logitek (3)	1,161,417	-	(31,675)	1,129,742	(31,675)	1,098,067
Inforica (4)	-	1,211,457	(45,859)	1,165,598	(45,859)	1,119,739
Total	1,740,584	1,211,457	(90,034)	2,862,007	(40,034)	2,821,973

- 1) A licence of software which provides the adjudication of health benefit claims (“Adjudication Software”). The Licence provides (a) a perpetual, irrevocable, transferable and exclusive right and license to use the Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right and world-wide license to use the Adjudication Software outside Canada. It is being amortized over 10 years on a straight-line basis.
- 2) The Company has engaged software development companies to develop computer software to be used by the Company to generate revenue. The Company will begin amortizing the software when it is ready to be used by the Company to generate revenue.
- 3) Qlogitek has developed a number of proprietary pieces of software, particularly in the management of customer’s supply-chain in the retail field. The internet-based software is used extensively and repeatedly by a number of well-known large retailers to manage

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their product supply arrangements, incorporating suppliers in 170 countries. The software is being amortized over 10 years on a straight-line basis.

- 4) Inforica has developed proprietary software, particularly in the field of energy management. It's use is being expanded to include significant Middle East business.

7. Customer relationships

	Cost		Accumulated Amortization			Net Balance		
	Balance Feb 28, 2014	Acquire Antian	Balance May 31, 2014	Balance Feb 28, 2014	Expense	Balance May 31, 2014	May 31, 2014	Nov 30, 2013
QLogitek	803,000	-	803,000	173,983	40,150	214,133	588,867	669,167
SOMOS	500,000	-	500,000	100,000	25,000	125,000	375,000	425,000
Antian	-	63,097	63,097	-	-	-	63,097	-
Total	1,303,000	63,097	1,366,097	273,983	65,150	339,133	1,026,964	1,094,167

8. Trade names

	Cost		Accumulated Amortization			Net Balance		
	Balance Feb 28, 2014	Acquire Antian and Adeeva	Balance May 31, 2014	Balance Feb 28, 2014	Expense	Balance May 31, 2014	May 31, 2014	Nov 30, 2013
QLogitek	450,000	-	450,000	97,500	22,500	120,000	330,000	375,000
SOMOS	388,000	-	388,000	77,600	19,400	97,000	291,000	329,800
Adeeva	-	340,000	340,000	-	-	-	340,000	-
Total	838,000	340,000	1,178,000	175,100	41,900	217,000	961,000	704,800

9. Bank loan

On May 13, 2013, the Company entered into credit facility arrangements (the "Facility") with a leading Canadian Chartered Bank, including a revolving credit facility of \$1,000,000, plus additional ancillary related facilities of approximately \$200,000. The Facility was provided to wholly-owned subsidiaries Somos Consulting Group Ltd. and Logitek Technology Ltd. and was guaranteed by SEB. The facility accrues interest at bank prime +1.875% and is payable monthly in arrears.

10. Deferred revenue

The bulk of this amount arises from Logitek Technology Ltd. receiving advance payments from clients for software development work to be done and for licencing revenues. The amounts are amortized as revenue in accordance with the Company's revenue recognition policy.

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11 Equipment leases

The Company has obligations under capital leases for computer hardware, with various maturity dates and monthly payments:

Maturity	Monthly Payment	May 31, 2014	Nov 30, 2013
2014 May	1,800	-	11,731
2014 Aug	633	1,899	5,697
2014 Jul	494	1,676	2,619
2015 May	3,136	34,499	53,317
2015 Aug	1,106	11,883	17,195
2015 Sep	1,010	11,547	16,399
2016 Oct	789	19,686	26,247
		81,190	133,205
Current portion of leases payable		67,152	96,659
Long term portion of leases payable		14,038	36,546

12. Equipment loans

The Company finances computer equipment from time to time using equipment loans secured by the specific pieces of equipment financed by the loans. As the loans are due on demand, the full balance owing has been classified as current.

Lender	Int Rate	Monthly Payment	Maturity	May 31, 2014	Nov 30, 2013
Bank of Montreal	BMO Prime + 1.75%	\$3,917	Apr, 2014	\$ -	\$ 19,583
Bank of Montreal	BMO Prime + 1.75%	\$750	May, 2015	9,000	13,500
Business Dev	BDC floating base				
Bank of Canada	rate + 1%	\$1,042	Feb, 2017	34,375	40,625
				43,375	73,708
Current portion of loans				43,375	73,708
Long term portion of loans				\$ -	\$ -

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13. Convertible debt

	Liability at Fair Value				
	Face Value	Equity Component	Warrants	Debt Issue Costs	Fair Value
Financing Dec 27, 2012	554,000	(56,516)	(16,224)	(54,392)	426,868
Acq Logitek, Feb 6, 2013	651,858	(303,437)	-	-	348,421
Acq SOMOS, Mar 5, 2013	-	-	-	-	-
Financing May 13, 2013	1,025,000	(143,656)	(75,850)	(87,630)	717,864
Financing Aug 30, 2013	725,000	(98,330)	(59,198)	(24,307)	543,165
Financing Sep 6, 2013	250,000	(34,531)	(14,875)	(8,540)	192,054
Financing Feb 14, 2014	2,000,000	(211,960)	(147,232)	(248,191)	1,392,617
Acq Antian Mar 18, 2014 ⁽¹⁾	306,935	(151,045)	-	-	155,890
Totals	5,512,793	(999,475)	(313,379)	(423,060)	3,776,879

	Accreted Interest			Per Balance Sheet		
	Bal Feb 28/14	Accretion in period	Bal May 31/14	Nov 30/13	Feb 28/14	May 31/14
Financing Dec 27, 2012	71,806	16,773	88,579	481,901	498,674	515,447
Acq Logitek, Feb 6, 2013	52,541	12,940	65,481	388,022	400,962	413,902
Acq SOMOS, Mar 5, 2013	-	-	-	235,211	-	-
Financing May 13, 2013	73,953	24,169	98,122	767,648	791,817	815,986
Financing Aug 30, 2013	31,167	15,738	46,905	558,594	574,332	590,070
Financing Sep 6, 2013	9,689	5,074	14,763	196,669	201,743	206,817
Financing Feb 14, 2014	7,895	48,266	56,161	-	1,400,512	1,448,778
Acq Antian Mar 18, 2014 ⁽¹⁾	-	4,509	4,509	-	-	160,399
Totals	247,051	127,469	374,520	2,628,045	3,868,040	4,151,399

- (1) Part of the purchase price of Antian Professional Services on March 18, 2014 was a convertible Note in the amount of \$324,482 paying interest at 3% per annum with a term of 5 years. Payments of principal are made quarterly. The note is convertible at any time to SEB common shares during the term at a rate of \$0.75 per share.

14. Due to Shareholders

The funds were advanced by individuals who were founding shareholders of subsidiaries of the Company; the advances have no set terms of repayment and do not bear interest.

15. Share Capital

(a) Authorized

Unlimited number of common shares

(b) Common shares issued and outstanding

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	Number of shares	Amount \$
Balance November 30, 2013	62,658,000	7,878,625
Exercise of warrants	676,222	254,800
Exercise of options	13,500	4,725
Conversion of debt	888,887	400,000
Balance February 28, 2014	64,236,609	8,538,150
Exercise of warrants	4,216,000	1,368,850
Exercise of options	71,250	22,438
Acquisition of Adeeva Nutritionals	1,027,418	525,000
Balance May 31, 2014	69,551,277	10,454,438

(c) Share purchase warrants

Exercise Price	Expiry	Number of Warrants Outstanding					
		Feb 28, 2014 Outstanding	Activity During Period			May 31, 2014 Outstanding	Exercisable
\$ 0.50	May 13, 2014	1,025,000	-	-	1,025,000	-	-
\$ 0.50	May 13, 2014	725,000	-	629,000	96,000	-	-
\$ 0.50	May 13, 2014	250,000	-	250,000	-	-	-
\$ 0.30	May 31, 2014	1,280,000	-	-	1,280,000	-	-
\$ 0.30	May 31, 2014	1,695,000	-	-	1,695,000	-	-
\$ 0.30	July 11, 2014	319,166	-	-	120,000	199,166	199,166
\$ 0.45	Dec 27, 2014	78,555	-	-	-	78,555	78,555
\$ 0.35	Feb 27, 2015	286,000	-	-	-	286,000	286,000
(1) \$0.55 to July 11, 2014 \$0.65 to July 11, 2015	Jul 11, 2015	6,491,667	-	-	-	6,491,667	6,491,667
\$ 0.35	Aug 30, 2015	100,000	-	-	-	100,000	100,000
\$ 0.40	Nov 14, 2015	75,000	-	-	-	75,000	75,000
\$0.55 to Feb 6, 2015 \$0.65 to Feb 6, 2016 \$0.75 to Aug 6, 2016	Aug 6, 2016	1,000,000	-	-	-	1,000,000	-
\$0.50 to Nov 14, 2014 \$0.55 to Nov 14, 2015 \$0.65 to Nov 14, 2016	Nov 14, 2016	1,250,000	-	-	-	1,250,000	1,250,000
\$ 0.50	Feb 12, 2017	320,000	-	-	-	320,000	320,000
\$0.55 to Feb 27, 2015 \$0.65 to Feb 27, 2016 \$0.75 to Feb 27, 2017	Feb 27, 2017	3,160,000	-	-	-	3,160,000	3,160,000
\$0.55 to Mar 1, 2015 \$0.65 to Mar 1, 2016 \$0.70 to Mar 1, 2017 \$0.75 to Mar 1, 2018	Mar 1, 2018	675,000	-	-	-	675,000	675,000
		18,730,388	-	879,000	4,216,000	13,635,388	12,635,388
Weighted avg exercise price per share		\$ 0.54	N/A	\$ 0.50	\$ 0.35	\$ 0.61	\$ 0.60

1) Of the balance of 6,491,667 warrants exercisable at May 31, 2014 a balance of 1,674,167 are escrowed, to be released from escrow per the terms of the TSX-V Tier 2 escrow rules.

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(d) Share purchase options

The SEB stock option plan (the “Plan”) is administered by the Board of Directors of the Company which establishes the exercise prices, vesting conditions and expiry date of the options. The number of common shares reserved for issuance under the Plan at May 31, 2014 is 6,955,127. At May 31, 2014, the Company had 3,437,500 options issued and outstanding under the terms of the Plan.

Exercise Price	Expiry	Number of Options Outstanding					
		Feb 28, 2014 Outstanding	Activity During Period			May 31, 2014	
			Issued	Expired	Exercised	Outstanding	Exercisable
\$ 0.34	May 31, 2014	50,000	-	-	(50,000)	-	50,000
\$ 0.33	Nov 2, 2014	50,000	-	-	-	50,000	50,000
\$ 0.35	Jul 24, 2015	50,000	-	-	-	50,000	50,000
\$ 0.33	Aug 16, 2015	400,000	-	-	-	400,000	320,000
\$ 0.34	Sep 13, 2015	200,000	-	-	-	200,000	160,000
\$ 0.40	Nov 23, 2015	240,000	-	-	-	240,000	240,000
\$ 0.60	Feb 7, 2016	400,000	-	-	-	400,000	200,000
\$ 0.35	Mar 15, 2016	300,000	-	-	-	300,000	300,000
\$ 0.20	Apr 5, 2016	87,000	-	-	-	87,000	87,000
\$ 0.35	Apr 23, 2016	1,101,750	-	-	(21,250)	1,080,500	555,000
\$ 0.35	Apr 23, 2016	100,000	-	-	-	100,000	60,000
\$ 0.50	Feb 7, 2017	300,000	-	-	-	300,000	-
\$ 0.58	Mar 20, 2017	-	55,000	-	-	55,000	-
\$ 0.58	Mar 20, 2017	-	175,000	-	-	175,000	-
		3,278,750	230,000	-	(71,250)	3,437,500	2,072,000
Weighted avg exercise price		\$ 0.39	\$ 0.58	N/A	\$ 0.34	\$ 0.40	\$ 0.37

(e) Loss per Share

The weighted average number of common shares outstanding for the three months ending May 31, 2014 was 66,743,155 (64,965,886 for the three months ending May 31, 2013). The weighted average number of common shares outstanding for the six months ending May 31, 2014 was 60,941,763 (58,530,652 for the six months ending May 31, 2013).

The dilutive effect of options and warrants outstanding was not included as it would serve to reduce the loss per share reported.

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16. Financial Instruments

Fair Values

The Company's financial instruments consist of cash, funds in trust, accounts receivable, accounts payable and accrued liabilities, convertible debt, equipment leases and loans, and amounts due to shareholders. The convertible debt has been discounted to its fair value. The fair values of the remaining financial instruments approximate their carrying values due to the short-term nature of these financial instruments.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations such as accounts payable out of cash.

The Company is not exposed to any material foreign exchange or price risk.

17. Capital Management

The Company's capital consists of share capital, contributed surplus, options and warrants in the amount of \$18,547,748 at May 31, 2014 (\$14,095,292 at November 30, 2013). The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company is not subject to any externally imposed capital requirements. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

18. Related Party Transactions

Bevertec CST Inc.

Bevertec is a related party to the Company by virtue of holding approximately 13% of the common shares of the Company. A Director of the Company is also an officer and director

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of Bevertec. Revenue of \$44,246 was recorded by the Company in the period March 1, 2014 to May 31, 2014 from transactions with Bevertec (\$53,109 in the three months ending May 31, 2013).

Other

Two shareholders of the Company, one acting in the capacity of President, Chief Executive Officer and Chief Information Officer and the other acting as Chief Financial Officer, Chief Operating Officer and Corporate Secretary, were paid management fees during the period March 1, 2014 to May 31, 2014 totalling \$ 106,500 (\$106,500 during the period March 1, 2013 to May 31, 2013). The President, Chief Executive Officer and Chief Information Officer is also a director of the Company.

19. Net Change in Non-cash Working Capital items

	<i>Mar 1, 2014 to May 31, 2014</i>	<i>Mar 1, 2013 to May 31, 2013</i>	<i>Dec 1, 2013 to May 31, 2014</i>	<i>Dec 1, 2012 to May 31, 2013</i>
Accounts receivable	\$ (56,946)	\$ (79,958)	\$ (341,970)	\$ 10,252
Inventory	6,479	-	6,479	-
Prepaid and deposits	(580,863)	(85,147)	(563,960)	(114,520)
Bank loan	155,357	266,680	(187,792)	320,768
Accounts payable and accrued liabilities	365,994	(115,271)	351,689	(115,272)
Deferred revenue	486,176	441,085	373,382	386,609
Government obligations	12,995	(64,659)	20,589	(90,051)
Total	\$ 389,192	\$ 362,730	\$ (341,583)	\$ 397,786

20. Commitments

Commitments at May 31, 2014 consist of the following:

	Convertible loans	Equipment leases	Premise leases	Equipment loans	Total
Fiscal 2014	15,200	36,931	279,348	10,750	342,229
Fiscal 2015	615,963	37,696	641,117	17,000	1,311,776
Fiscal 2016	4,063,865	6,562	714,362	12,500	4,797,289
Fiscal 2017	65,824	-	772,958	3,125	841,907
Fiscal 2018	719,702	-	802,256	-	1,521,958
Fiscal 2019	32,239	-	361,455	-	393,694
Total	\$ 5,512,793	\$ 81,190	\$ 3,571,495	\$ 43,375	\$ 9,208,853

21. Segment Disclosures

The Company organizes its reporting structure into three reportable segments. The reportable segments have been adjusted for significant business acquisitions and different revenue streams. For management purposes, the Company is organized into divisions based

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on their products and services provided. Management monitors the operating results of each division separately for the purpose of making decisions about resource allocation and performance assessment.

The Company has two reportable operating segments as follows:

- Health Care division provides software, solutions, services and products focused on managing group benefit and wellness solutions and healthcare claims processing environments for corporate and government clients.
- Technology division provides solutions in the areas of supply change management, integration and energy, as well as training and resource provisioning and supports the Health Care division.

The Corporate division does not represent an operating segment and is included for informational purposes only. Corporate division expenses consist of public company costs, as well as salaries, share-based compensation, interest and finance costs and office and administrative costs relating to corporate employees.

	Health Care	Technology	Corporate	Total
Balance Sheet				
Current assets	\$ 406,867	\$ 4,443,278	\$ 1,481,142	\$ 6,331,287
Current liabilities	(310,877)	(4,886,609)	(204,298)	(5,401,784)
Equipment	68,013	585,543	-	653,556
Acquired software	600,167	2,221,806	-	2,821,973
Customer relationships	-	1,026,964	-	1,026,964
Trade names	-	961,000	-	961,000
Goodwill	286,880	1,325,310	-	1,612,190
Income Statement				
Revenues	\$ 551,142	\$ 5,203,396	\$ -	\$ 5,754,538
Cost of revenues	(314,925)	(4,126,346)	-	(4,441,271)
Operating costs	(504,319)	(924,673)	(317,020)	(1,746,012)
Operating income (loss)	(268,102)	152,377	(317,020)	(432,745)
Interest	(15,935)	(15,340)	(130,464)	(161,739)
Share-based compensation	-	-	(275,080)	(275,080)
Amortization	(12,500)	(138,725)	-	(151,225)
Depreciation	(3,295)	(68,089)	-	(71,384)
Accretion of interest	-	-	(122,960)	(122,960)
Minority interest	-	32,115	-	32,115
Loss for the period	\$ (299,832)	\$ (37,662)	\$ (845,524)	\$ (1,183,018)

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22. Reclassification

Certain amounts in comparative financial statements have been reclassified to conform to current presentation.

23. Subsequent events

Acquisition of Stroma Service Consulting Inc.

On June 11, 2014 the Company acquired 100% of Stroma Service Consulting Inc. (“Stroma”), a company providing consulting services to various clients including the Government of Ontario for \$650,000 in cash; \$250,000 in promissory notes paying interest at an annualized rate of 3% with annual principal repayments over a 3 year period and convertible into shares of SEB at \$0.50, \$0.60 and \$0.70 per common share of SEB in years one, two and three, respectively; and the issuance of 1,125,000 shares of SEB. In connection with the transaction, 700,000 SEB share purchase warrants were granted to Mark Sherry, who will continue in his role as President of Stroma, and 300,000 warrants, in the aggregate, were granted to other employees of Stroma. The warrants have a four year term and are exercisable at \$0.50, \$0.55, \$0.60 and \$0.70 per common share of SEB in years one, two, three and four of the term, respectively