PARKIT ENTERPRISE INC

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED OCTOBER 31, 2013

EXPRESSED IN CANDIAN DOLLARS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Parkit Enterprise Inc.

We have audited the accompanying consolidated financial statements of Parkit Enterprise Inc., which comprise the consolidated statements of financial position as at October 31, 2013, October 31, 2012 and November 1, 2011 and the consolidated statements of operations, comprehensive loss, cash flows, and changes in equity (deficiency) for the years ended October 31, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Parkit Enterprise Inc. as at October 31, 2013, October 31, 2012 and November 1, 2011 and its financial performance and its cash flows for the years ended October 31, 2013 and 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Parkit Enterprise Inc. to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

February 27, 2014

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

AS AT	October 31, 2013	October 31, 2012 (Note 21)	November 1, 2011 (Note 21)
ASSETS			
Current			
Cash	$ 268,884	$ 41,286	$ 637,517
Restricted cash (Note 14)	1,126,707	1,381,739	789,784
Accounts receivable	13,250	59,300	48,806
Subscriptions receivable	-	-	285,000
Prepaid expenses and deposits (Note 5)	993,752	33,485	29,268
Current assets held for liquidation (Note 8)	-	-	9,529
	2,402,593	1,515,810	1,799,904
Equipment (Note 6)	37,054	-	3,472
Investments (Note 7)	-	-	600,000
Parking lot facility (Note 10)	15,572,100	15,984,691	17,075,920
	$ 18,011,747	$ 17,500,501	$ 19,479,296
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current			
Accounts payable and accrued liabilities (Note 9)	$ 1,634,392	$ 1,872,974	$ 2,293,390
Short-term loans payable (Note 12)	1,956,379	1,394,414	1,464,827
Current liabilities held for liquidation (Note 8)	-	-	37,143
Current portion of loans payable (Note 14)	16,467,173	9,253,400	1,003,859
Convertible debentures (Note 15)	457,568	196,538	616,638
	20,515,512	12,717,326	5,415,857
Loans payable (Note 14)	-	5,862,439	14,060,390
	20,515,512	18,579,765	19,476,247
Equity (Deficiency)			
Share capital (Note 16)	16,725,618	14,997,040	12,741,546
Subscriptions (receivable) received in advance	(25,000)	52,000	-
Equity portion of convertible debentures (Note 15)	39,983	56,925	179,773
Reserves (Note 16)	614,712	706,285	811,306
Accumulated other comprehensive income (loss)	449,787	51,612	(160,219)
Non-controlling interest (Note 10)	1,329,093	1,583,821	1,658,873
Deficit	(21,637,958)	(18,526,947)	(15,228,230)
	(2,503,765)	(1,079,264)	3,049
	$ 18,011,747	$ 17,500,501	$ 19,479,296

Nature of operations and going concern (Note 1)
Commitments (Note 11)
Subsequent events (Note 22)

Approved and authorized by the Board on February 27, 2014:

"Patrick Bonney" Director *"Richard Baxter"* Director

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED OCTOBER 31	2013	2012
REVENUE		
Sales	$ 7,650,513	$ 6,319,020
OPERATING EXPENSES		
Advertising and promotion	271,519	192,226
Automobile and vehicle	779,005	710,351
Credit card processing and bank charges	196,505	155,880
General and administrative	591,808	452,117
Insurance	197,237	199,290
Management fees	857,527	522,749
Professional fees	483,188	382,474
Public relations	37,822	69,663
Rent	420,058	522,037
Repairs and maintenance	286,058	106,473
Salaries and wages	1,523,740	1,320,049
Taxes and licenses	428,993	1,117,949
Travel and entertainment	46,596	62,687
	6,120,056	5,813,945
Net operating income	1,530,457	505,075
OTHER EXPENSE (INCOME)		
Accretion (Note 15)	-	82,309
Depreciation (Note 6,10)	1,144,722	1,131,120
Foreign exchange	38,113	(46,332)
Gain on settlement of debts	(104,102)	(142,107)
GST allowance (Note 11)	108,458	-
Loan interest and finance fees (Note 13)	3,438,196	2,519,553
Loss from equity investment	-	600,000
Share-based payments (Note 16)	-	143,378
Write-off of accounts payable	(112,168)	(207,298)
	4,513,219	4,080,623
Net loss for the year from continuing operations	(2,982,762)	(3,575,548)
Loss from discontinued operations (Note 8)	-	(13,716)
Net loss for the year	(2,982,762)	(3,589,264)
Allocation of (gain) loss to non-controlling interest	(128,249)	124,297
Loss attributable to parent	$ (3,111,011)	$ (3,464,967)
Basic and diluted loss per share: Continuing operations	$ (0.26)	$ (0.54)
Discontinued operations	0.00	(0.00)
	$ (0.26)	$ (0.54)
Weighted average number of common shares outstanding (basic and diluted)	12,013,836	6,476,265

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED OCTOBER 31	2013	2012
Net loss for the year	$ (2,982,762)	$ (3,589,264)
Exchange differences on translating foreign operations	398,175	211,831
Comprehensive loss for the year	(2,584,587)	(3,377,433)
Allocation of (gain) loss to non-controlling interest	(128,249)	124,297
Comprehensive loss attributable to parent	$ (2,712,836)	$ (3,253,136)

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED OCTOBER 31	2013	2012
CASH FROM OPERATING ACTIVITIES		
Loss for the year from continuing operations	$ (3,111,011)	$ (3,464,967)
Items not affecting cash:		
Depreciation	1,144,722	1,131,120
Accretion	-	82,309
Loss from equity investment	-	600,000
Share-based payments	-	143,378
Accrued interest and fees	3,134,113	724,183
Gain on debt settlement	(104,102)	(142,107)
Write-off of accounts payable	(112,168)	(207,298)
GST allowance	108,458	-
Allocation of income (loss) to non-controlling interest	128,249	(124,297)
Changes in non-cash working capital items:		
Accounts receivable	(62,172)	(10,494)
Prepaid expenses and deposits	(954,666)	(4,217)
Accounts payable and accrued liabilities	(29,819)	221,104
Operating activities – discontinued operations	-	(27,614)
Net cash provided by (used in) operating activities	141,604	(1,078,900)
CASH FROM INVESTING ACTIVITIES		
Equipment additions	(10,000)	-
Parking lot facility (additions) deposit refund	(6,877)	108,370
Net cash (used in) provided by investing activities	(16,877)	108,370
CASH FROM FINANCING ACTIVITIES		
Loans, net of repayments	(1,587,644)	974,966
Proceeds on issuance of common shares	1,491,593	-
Share issuance costs	(62,327)	-
Subscriptions receivable	-	285,000
Subscriptions received in advance	-	52,000
Issuance of convertible debenture	300,000	-
Distributions to non-controlling interest	(434,762)	-
Decrease (increase) in restricted cash	255,032	(591,955)
Repayment of short-term loans payable	-	(211,999)
Repayment of loans payable	-	(250,000)
Net cash (used in) provided by financing activities	(38,108)	258,012
Change in cash during the year	86,619	(712,518)
Effect of change in foreign currency on cash	140,979	116,287
Cash, beginning of year	41,286	637,517
Cash, end of year	$ 268,884	$ 41,286

Supplemental disclosure with respect to cash flows (Note 17)

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Share capital								
	Number	**Amount**	**Reserves**	**Deficit**	**Subscription Received in Advance (Receivable)**	**Equity Portion of Convertible Debentures**	**Accumulated Other Comprehensive income (loss)**	**Non-controlling Interest**	**Total**
Balance, October 31, 2011 (Note 21)	6,024,403	$ 12,741,546	$ 811,306	$ (15,228,230)	$ -	$ 179,773	$ (160,219)	$ 1,658,873	$ 3,049
Shares for debt settlement	4,327,793	2,173,345	-	-	-	(122,848)	-	-	2,050,497
Subscriptions received in advance	-	-	-	-	52,000	-	-	-	52,000
Share-based payments	-	-	143,378	-	-	-	-	-	143,378
Reversal of expired stock options	-	82,149	(248,399)	166,250	-	-	-	-	-
Cumulative translation adjustment	-	-	-	-	-	-	211,831	49,245	261,076
Loss for the year	-	-	-	(3,464,967)	-	-	-	(124,297)	(3,589,264)
Balance, October 31, 2012 (Note 21)	10,352,196	14,997,040	706,285	(18,526,947)	52,000	56,925	51,612	1,583,821	(1,079,264)
Private placements	5,164,186	1,568,593	-	-	(77,000)	-	-	-	1,491,593
Shares for settlement of payables	312,918	93,875	-	-	-	-	-	-	93,875
Shares for convertible debenture	122,880	36,864	-	-	-	(16,942)	-	-	19,922
Share issue costs	-	(87,327)	25,000	-	-	-	-	-	(62,327)
Reversal of expired stock options	-	116,573	(116,573)	-	-	-	-	-	-
Distribution to non-controlling interest	-	-	-	-	-	-	-	(434,762)	(434,762)
Cumulative translation adjustment	-	-	-	-	-	-	398,175	51,785	449,960
Loss for the year	-	-	-	(3,111,011)	-	-	-	128,249	(2,982,762)
Balance, October 31, 2013	15,952,180	$ 16,725,618	$ 614,712	$ (21,637,958)	$ (25,000)	$ 39,983	$ 449,787	$ 1,329,093	$ (2,503,765)

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Parkit Enterprise Inc. (the "Company") was incorporated pursuant to the *Business Corporations Act* (British Columbia) on December 6, 2006. The Company's head office, principal address office is 1088 – 999 West Hastings Street, Vancouver, British Columbia, Canada V6C 2W2, it's registered and records office is 2900 – 595 Burrard Street, Vancouver, British Columbia V7X 1J5. The Company, through its subsidiary Greenswitch Capital Ltd. owns 81.2% of the Class A units of Green Park Denver LLC which owns Canopy Airport Parking (Note 10), a 4,200 space parking lot in close proximity to the Denver International Airport.

During the year ended October 31, 2013 the Company completed a 10-1 reverse share split, all related figures have been revised to reflect the reverse share split in these consolidated financial statements.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. At October 31, 2013, the Company had not yet achieved profitable operations, with a deficit of $21,637,958 and working capital deficiency of $18,112,919. Management has renegotiated the interest rate on certain short term loan obligations which have matured and remain unpaid (Note 12). The Company's working capital may not be sufficient to sustain operations over the next twelve months and the Company expects to incur further losses in the development of its business.

While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favorable terms. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its ongoing obligations and repay its liabilities arising from normal business operations when they come due. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

On November 1, 2013 the Company closed a US$16,500,000 refinancing of the Denver Canopy parking facility. The non-recourse, floating rate debt used to complete the recapitalization was provided by Capital Source Bank, a wholly-owned subsidiary of Capital Source Inc. All outstanding amounts owed by the Company on the loans payable (Note 14) have been repaid, and security has been released. Under the terms of the loan agreement interest is to be charged at a rate of LIBOR plus 5.25% with a floor of 5.5%. The maturity date of the loan is November 1, 2017 with an option to extend to November 1, 2018 (Note 22).

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Use of estimates and critical accounting judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgement uncertainty that management has made at the end of the reporting period may result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

Estimates:

a) The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

b) Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty. Expected volatility is derived from a time series of post market prices therefore may not be an accurate representation of future volatility.

Significant judgments:

a) The depreciation of the parking facility requires management to estimate the useful lives of the assets as a cash and cost generating unit. The Company considers both internal and external information in determining the useful lives and depreciation methods, which are reviewed at each reporting date and adjusted as required.

b) Possible impairment of the parking facility requires management's judgements and estimates. Impairment consideration requires management to evaluate, at least annually, for indicators that the carrying value is impaired and may not be recoverable. Management considers both external and internal sources of information in assessing whether there are any indicators that the parking facility may be impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of the parking facility. Internal sources of information the Company considers include the actual and expected economic performance of the assets.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of consolidation (cont'd…)

The consolidated financial statements incorporate the financial statements of the Company and the following subsidiaries:

Name of Subsidiary	Place of Incorporation	Percentage Ownership	Principal Activity	Functional Currency
Greenswitch Capital Ltd.	Canada	100%	Holding	CAD
Greenswitch America Inc.	USA	100%	Holding	CAD
Green Park Denver LLC	USA	81.2% of Class A units (Note 10)	Operator of Canopy Airport Parking	US

The non-controlling interest in the net assets of Green Park Denver LLC is identified separately from the Company's equity therein. The interest of non-controlling shareholders is initially measured at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets. Subsequent to acquisition, non-controlling interests consist of the amount attributed to such interests at initial recognition and the non-controlling interest's share of changes in equity since the date of the acquisition.

Foreign exchange and functional currency

The consolidated financial statements are presented in Canadian dollars. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

The Company uses the Canadian dollar functional currency to record transactions in currencies other than the Canadian dollar at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions.

The results and financial position of an entity whose functional currency is translated into a different presentation currency using the following procedures:

(a) assets and liabilities for each statement of financial position shall be translated at the closing rate at the date of that statement of financial position;
(b) income and expenses for each statement of comprehensive income or separate income statement shall be translated at exchange rates at the dates of the transactions; and
(c) all resulting exchange differences shall be recognized in other comprehensive income.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is recognized using the straight-line method over the following terms:

Office equipment	5 years

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash and restricted cash are classified as FVTPL. Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in profit or loss. At October 31, 2013, or October 31, 2012 the Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, loans payable and convertible debenture are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Parking lot facility

Parking lot facility consists of assets held at the Canopy Airport Parking facility, which as a whole comprises a cash and cost generating unit. These costs are capitalized and depreciated on a straight-line method over the following terms:

Loan closing fees	3 years
Computer and equipment	5 years
Furniture	7 years
Improvements and fixtures	15 years
Building	39 years

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Convertible debentures

For convertible debentures denominated in Canadian dollars, without an embedded derivative component, the value allocated to the debt component, at inception, is recorded as a liability. The remaining component, representing the value ascribed to the holders' option to convert the principal balance into common shares, is classified in shareholders' equity as "equity component of convertible debentures". Over the term of the debt obligation, the debt component is measured at amortized cost using the effective interest method and will be accreted to the face value of the debenture by the recording of accretion expense.

For convertible debentures denominated in United States dollars, the value of the embedded derivative financial liability is determined. The estimated fair value, based on the Black-Scholes model, is adjusted with gains or losses recognized in the statement of operations. The Black-Scholes model is based on significant assumptions such as volatility, dividend yield and expected term.

Borrowing costs

Borrowing costs directly related to the financing of the acquisition, construction or production of qualifying assets are capitalized to the cost of those assets until such time as they are substantially ready for their intended use or sale. Where funds have been borrowed specifically to finance an asset, the amount capitalized is the actual borrowing costs incurred.

Transaction costs that reflect the cost to obtain new debt financing are added to the carrying value of the debt and expensed over the term of the loan using the effective interest rate method. Financing charges that reflect the cost to obtain new equity financing are deducted from shareholders' equity.

Comprehensive income (loss)

The Company has included the cumulative translation adjustment of its self-sustaining foreign subsidiary in items of other comprehensive income (loss) in any period presented.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Revenue recognition

The Company utilizes automated point-of-sale gate systems whereby a parking customer is noted upon entry into the lot. The Company recognizes revenue on parking sales when the customer exits the parking facility thereby the parking time has elapsed, the Company has provided the service and the revenue is earned. Collectability is assured as customers pay upon exit.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital.

Reserves

The reserves recorded in equity on the Company's Statement of Financial Position include the fair values of share-based payments. Upon expiration of stock options the balances in reserves are re-allocated to deficit and warrants issued to agents are re-allocated to share capital.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended October 31, 2013:

• IFRS 9	New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets[iii]
• IFRS 10	New standard to establish principles for the presentation and preparation of consolidated financial statements when an entity controls multiple entities[i]
• IFRS 11	New standard to account for the rights and obligations in accordance with a joint agreement[i]
• IFRS 12	New standard for the disclosure of interests in other entities not within the scope of IFRS 9/IAS 39[i]
• IFRS 13	New standard on the measurement and disclosure of fair value[i]
• IAS 1 (Amendment)	Presentation of other comprehensive income[ii]
• IAS 28 (Amendment)	New standard issued that supersedes IAS 28 (2003) to prescribe the accounting for investments in associates and joint ventures[i]

(i) Effective for annual periods beginning on or after January 1, 2013
(ii) Effective for annual periods beginning on or after July 1, 2012
(iii) Effective date currently not established

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to support its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In the management of capital, the Company includes components of shareholders' equity (deficiency).

To maintain or adjust the capital structure, the Company may issue new shares, issue debt or sell assets to meet financial obligations. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended October 31, 2013.

4. FINANCIAL INSTRUMENTS

The fair value of the Company's accounts receivable, accounts payable and accrued liabilities, loans payable, and convertible debentures approximate carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instruments, cash and restricted cash, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's policy is to deal only with creditworthy counterparties. None of the Company's financial assets are secured by collateral or other credit enhancements. In respect of accounts receivable, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company's receivables consist mainly of input tax credits from the Government of Canada. The Company is currently in dispute with the CRA over its entitlement to goods and services tax refunds. As discussed in Note 11, the Company has provided an allowance against these receivables until this dispute is resolved.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2013, the Company had a cash balance of $268,884 and a restricted cash balance of $1,126,707 to settle current liabilities of $20,515,512. The Company expects to fund these liabilities through existing cash resources, revenue generated from operations, additional debt and equity financings, and from funds raised in the subsequent debt refinancing (Note 22).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

As at October 31, 2013 and, October 31, 2012 the Company did not have any investments in investment-grade short-term deposit certificates or short-term debt issued by the federal government. The Company is not exposed to interest rate risk on its loans with the exception of its long term loan disclosed in Note 14(a), as the interest rates on all other loans are fixed. The Company is exposed to interest rate risk on its long term loan disclosed in Note 14(a), as the loan bears interest at a rate of LIBOR + 4%. A 1% change in LIBOR would affect net loss for the year by approximately $90,000.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and loans payable that are denominated in US Dollars. A 10% fluctuation in the US dollar against the Canadian dollar would affect net loss for the year by approximately $865,000.

c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

5. PREPAID EXPENSES AND DEPOSITS

	October 31, 2013	October 31, 2012
Refinancing deposit	$ 725,000	$ -
Term deposit	20,000	-
Prepaid expenses	69,673	15,239
Operational deposits	179,079	18,246
Total	$ 993,752	$ 33,485

6. EQUIPMENT

	Office equipment
Cost	
Balance, October 31, 2011	$ 7,707
Additions for the year	87
Reverse accumulated depreciation	(7,794)
Balance, October 31, 2012	-
Additions for the year	37,500
Balance, October 31, 2013	$ 37,500
Accumulated depreciation	
Balance, October 31, 2011 and	$ 4,322
Depreciation for the year	3,472
Reverse accumulated depreciation	(7,794)
Balance October 31, 2012	-
Depreciation for the year	446
Balance, October 31, 2013	$ 446
Carrying amounts	
As at October 31, 2012	$ -
As at October 31, 2013	$ 37,054

(Expressed in Canadian Dollars)

7. INVESTMENTS

	CapTherm Systems Inc.
Investment at October 31, 2011	$ 600,000
Proceeds on sale of investment (less selling costs)	(20)
Loss on sale of investment	(449,686)
Impairment	(150,294)
Investment at October 31, 2012 and 2013	$ -

On September 28, 2011, the Company entered into a Subscription Agreement to acquire a 40% interest in CapTherm Systems Inc. ("CapTherm") for the sum of $1,900,000. The Subscription Agreement contemplated that the investment was to be made in two installments: a first tranche of $600,000 on September 28, 2011 (paid); and a final tranche of $1,300,000 payable on November 15, 2011. As of October 31, 2011, the Company had made its first installment of $600,000 and owned 17.4% of CapTherm. During the year ended October 31, 2012, the Company entered into an agreement with CapTherm to terminate the requirement to complete the final tranche of the investment and concurrently offered CapTherm the right to acquire 70% of the shares held by the Company for aggregate proceeds of $10. Further to the agreement, the Company was required to sell an additional 85,461 shares to CapTherm for proceeds of $10 after failing to repurchase 162,367 shares of CapTherm by August 31, 2012. Consequently, the Company has recorded a loss on sale of investment of $449,686 and recorded an impairment of $150,294 on the remainder of the investment for the year ended October 31, 2012.

8. DISCONTINUED OPERATIONS

The Company formerly held subsidiaries which operated in the golf apparel and organic foods industries known as Lela Designs Inc. ("Lela") and Contemporary Organic Products Inc. ("COP"). During the year ended October 31, 2010, the Company determined that future prospects of profitability of Lela and COP were not likely and proceeded to dispose of the business segments and focus on the parking lot business. Accordingly, the results from operations of Lela Designs and COP have been accounted for on a discontinued basis and presented as a single line item in the consolidated statements of operations.

No amounts are included in the consolidated statements of financial position related to Lela and COP. The loss from discontinued operations related to Lela and COP is as follows:

STATEMENT OF COMPREHENSIVE INCOME (LOSS) FROM DISCONTINUED OPERATIONS FOR THE YEAR ENDED OCTOBER 31	2013	2012
Operating expenses	$ -	$ 13,716
Net loss and comprehensive loss from discontinued operations	$ -	$ (13,716)

STATEMENT OF CASHFLOWS FROM DISCONTINUED OPERATIONS		
Operating activities	$ -	$ (27,614)

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2013	October 31, 2012
Accounts payable	$ 780,592	$ 1,004,601
Accruals	506,505	583,080
Property tax	347,295	285,293
Total	$ 1,634,392	$ 1,872,974

10. PARKING LOT FACILITY

Through its wholly owned subsidiary Greenswitch America Inc., the Company holds 81.2% of the Class A units of Green Park Denver LLC ("GP LLC") which owns a 4,200 stall parking facility at the Denver International Airport. GP LLC has the following share structure:

		Number of units	Percentage ownership
Class A	Greenswitch America Inc. (Parkit)	812,004	81.2%
Class A	Rocky Mountain Parking LLC*	100,000	10%
Class A	Other**	87,996	8.8%
Class B	Rocky Mountain Parking LLC*	1,000,000	100%
Total		2,000,000	

* Rocky Mountain Parking LLC is an affiliate of Propark America West LLC.
** Non-related outside investors

Unlike Class A units, Class B units have no rights or obligations to the assets and liabilities of GP LLC. Further, Class A units are entitled to 100% of the distributions until 100% of the original contributed capital is returned. Thereafter, Class A units are entitled to 80% of distributions until 150% of capital is returned; thereafter, 60% of distributions until 200% of capital is returned; and thereafter 50% of all remaining distributions. Entitlement to distributions is summarized in the following table:

Equity Cash Flow Distribution	Class A	Class B	Class A return %	Cumulative Class A return $US	Cumulative Class B return $US
First $US 11.08M	100%	0%	100%	11.08M	-
Next $US 6.92M (up to US$18.00M)	80%	20%	150%	16.62M	1.38M
Next $US 9.23M (up to US$27.24M)	60%	40%	200%	22.16M	5.08M
Excess	50%	50%			

In total $2,058,622 (US$1,967,714) was distributed to the Class A unit holders during the year ended October 31, 2013 therefore the first stage of the waterfall is currently in effect.

(Expressed in Canadian Dollars)

10. PARKING LOT FACILITY (cont'd...)

The major components of the parking lot facility are as follows:

	Building	Computer and equipment	Furniture	Improvements and fixtures	Land	Land Closing Fees	Total
Cost							
Balance, October 31, 2011	$ 3,211,824	$ 226,682	$ 340,005	$ 13,003,206	$ 992,300	$ 307,506	$ 18,081,523
Additions / Refund	-	24,766	-	(133,136)	-	-	(108,370)
Cumulative translation adjustment	26,218	1,744	2,775	106,713	8,100	2,510	148,060
Balance, October 31, 2012	3,238,042	253,192	342,780	12,976,783	1,000,400	310,016	18,121,213
Additions	-	-	-	6,877	-	-	6,877
Cumulative translation adjustment	148,243	5,121	18,720	597,723	45,800	14,193	829,800
Balance, October 31, 2013	3,386,285	258,313	361,500	13,581,383	1,046,200	324,209	18,957,890
Accumulated depreciation							
Balance, October 31, 2011	75,492	40,976	44,900	741,732	-	102,503	1,005,603
Additions	82,993	46,000	49,362	845,996	-	103,297	1,127,648
Cumulative translation adjustment	275	150	163	2,271	-	412	3,271
Balance, October 31, 2012	158,760	87,126	94,425	1,589,999	-	206,212	2,136,522
Additions	84,604	50,339	53,240	850,792	-	105,301	1,144,276
Cumulative translation adjustment	9,884	5,292	5,956	71,164	-	12,696	104,992
Balance, October 31, 2013	$ 253,248	$ 142,757	$ 153,621	$ 2,511,955	-	$ 324,209	$ 3,385,790
As at October 31, 2012	$ 3,079,282	$ 166,066	$ 248,355	$ 11,386,784	$ 1,000,400	$ 103,804	$ 15,984,691
As at October 31, 2013	$ 3,133,037	$ 115,556	$ 207,879	$ 11,069,428	$ 1,046,200	-	$ 15,572,100

11. COMMITMENTS

a) The Company has a ground lease agreement relating to the premises of the Canopy parking facility. With the refinancing of Canopy, management has exercised its option to extend the lease to 2035.

The annual lease expense from 2014 to 2030 will be the greatest of 5% of Net Sales or US$500,000 per annum. From 2030 to 2035, during the first option period, the lease expense will be the greatest of 7% of net sales or US$625,000.

There are three remaining options of five years each, however at the exercise of each option, the landlord has the right to terminate under certain conditions.

b) During fiscal 2013 the Company received re-assessment notices from Canada Revenue Agency ("CRA") denying $108,458 of input tax credit refunds. The Company disagrees with CRA's position and is vigorously defending its claim to these refunds. Due to the uncertainty around CRA decisions as well as the length of time necessary to obtain a resolution of this issue, the Company has taken a full allowance against the receivable.

The CRA has also issued notice to the Company proposing to deny a further $172,000 of GST/HST refunds already received by the Company. The Company strongly disagrees with CRA's proposal and will vigorously defend its right to these refunds. The outcome of this reassessment cannot be determined at this time and no provision has been recorded in these financial statements.

(Expressed in Canadian Dollars)

12. SHORT TERM LOANS PAYABLE

The Company had the following short term loan commitments in place during the years ended October 31, 2013 and 2012. All of the Company's short term loans payable are unsecured and payable at the maturity date:

Loan Reference	Issue Date	Due Date	Interest Rate	Balance, October 31, 2012	Net Principal Additions	Accrued Interest	Balance October 31, 2013
a)	18-Jun-10	31-Dec-14	10%	$ 156,016	$ -	$ (37,216)	$ 118,800
b)	04-Oct-10	30-Nov-11	24%	2,401	-	(2,401)	-
c)	04-Oct-10	30-Nov-11	12%	644,668	-	17,642	662,310
d)	14-Feb-11	31-Dec-14	10%	115,822	-	(20,788)	95,034
e)	22-Jun-11	30-Nov-11	10%	60,192	-	1,603	61,795
f)	23-Jan-12	30-Apr-12	24%	189,069	34,413	42,879	266,361
g)	24-Feb-12	31-Dec-12	15%	27,568	-	3,750	31,318
h)	Various	31-Dec-12	10%	115,460	118,738	20,928	255,126
i)	01-May-12	31-Dec-14	10%	64,537	118,500	10,154	193,191
j)	01-Aug-12	31-Dec-12	15%	18,681	-	2,700	21,381
k)	29-Oct-13	14-Nov- 13	8%	-	250,000	1,063	251,063
				$ 1,394,414	$ 521,651	$ 40,314	$ 1,956,379

a) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 24% and the due date was extended to December 31, 2014. The loan is guaranteed by 33,333 common shares of the Company.
b) Upon maturity the loan holder is entitled to an additional fee of 9,000 common shares and a fee of 4% of the principal balance.
c) Upon maturity the loan holder is entitled to an additional fee of 103,296 common shares and a fee of 4% of the principal balance.
d) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 15% and the due date was extended to December 31, 2014.
e) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 15%.
h) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 15%.
i) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 15% and the due date was extended to December 31, 2014.

13. LOAN INTEREST AND FINANCE FEES

	October 31, 2013	October 31, 2012
Short term loans and convertible debentures interest	$ 73,431	$ 609,141
Wells Fargo loan interest and fees	487,046	618,855
Maxam Capital Corp. non-revolving term credit facility interest and fees	2,877,719	1,291,557
Total	$ 3,438,196	$ 2,519,553

On November 1, 2013 the Company closed a US$16,500,000 refinancing of the Denver Canopy parking facility. All outstanding amounts owed by the Company on the loans payable (Note 14) have been repaid, and security has been released. Under the terms of the loan agreement interest is to be charged at a rate of LIBOR plus 5.25% with a floor of 5.5%, the current interest rate. The maturity date of the loan is November 1, 2017 with an option to extend to November 1, 2018 (Note 22).

(Expressed in Canadian Dollars)

14. LOANS PAYABLE

	October 31, 2013	October 31, 2012
Total loans payable	$ 16,467,173	$ 15,115,839
Current portion due within one year	(16,467,173)	(9,253,400)
Net long term portion	$ -	$ 5,862,439

The Company had the following long term loan commitments in place during the year ended October 31, 2013:

a) On August 6, 2010, the Company guaranteed a loan executed by GP LLC and Wells Fargo Bank ("Wells Fargo") whereby GP LLC agrees to borrow the maximum principal sum of US$8,500,000. The balance of the loan advanced as of October 31, 2013, is $8,892,700 (US$8,500,000). The loan is secured by all assets of GP LLC.

NOTE: The loan matured on October 1, 2013. Subsequent to year end on November 1, 2013 the Company completed a US$16,500,000 refinancing and repaid the loan in full (Note 22).

The loan shall bear interest at a rate per annum of 4% above the variable 30-day LIBOR market rate. Based on the date of execution, all-in fixed interest rate costs was approximately 6%.

The loan is subject to certain financial conditions after the loan modifications:

I. For the twelve month period commencing on January 1, 2012, and ending on December 31, 2012, minimum cumulative Net Operating Income in an amount not less than US$1,000,000.

II. Beginning January 1, 2011, the borrower and guarantor shall maintain aggregate liquidity in an amount not less than US$900,000.

III. Commencing on the later date of (a) January 1, 2013, or (b) the commencement of the eighth quarter following the commencement of operations, the Debt Service Coverage Ratio shall be 3:1.

Per the conditions of the loan, GP LLC holds $1,126,707 (US$1,076,951) (2012 - $1,381,739 (US$1,419,860)) in an interest bearing demand deposit account with Wells Fargo in compliance with covenants regarding liquidity and debt service coverage.

b) On January 18, 2011, the Company entered into a non-revolving term credit facility in the amount of $7,000,000 (as of October 31, 2013 - $5,750,000). Interest and fees on the credit facility are as follows:

- 12% per annum, payable in cash at the end of each month,
- 4% per annum, payable in kind, such interest to accrue and compound monthly in arrears.
- A royalty in an amount equal to 2% of actual gross revenues of Green Park, calculated on the anniversary of the closing date of the credit facility until the maturity date, and 1% of actual gross revenue of Green Park thereafter. At October 31, 2013, the Company had accrued $153,010 of such royalties which is included in loan payable
- A commitment fee of $200,000 paid from the advance of the credit facility.

At October 31, 2013 the Company had accrued $1,824,473 (October 31, 2012 - $244,859) of interest, fees, and other charges which are included in loans payable.

14. LOANS PAYABLE (cont'd…)

b) (cont'd…)

Repayment terms include the mandatory repayment of the outstanding principal amount of the credit facility (1) by successive quarterly principal payments of $250,000 commencing on the 15th day of the first month following the anniversary of the closing of the credit facility; and (2) the remaining principal amount and all other obligations in connection with the credit facility on January 18, 2016. During the year ended October 31, 2012, the Company arranged for deferral of payment of two principal payment amounts which have been extended for inclusion on debt repayment on maturity of the loan.

The credit facility is secured by the Company's shares in Greenswitch America, Inc., Class A units in GP LLC (which includes the parking lot facility), and certain residential property of two former directors.

The loan is subject to the following financial covenants:

I. For the twelve month period commencing on January 1, 2012, and ending on December 31, 2012, minimum cumulative Net Operating Income (actual gross revenues less actual expenses of Green Park) must be at or above US$1,000,000.

II. Commencing on March 31, 2012 and calculated quarterly thereafter until the maturity date, certain Debt Service Coverage Ratios must be maintained:

The Company had not met the required Debt Service Coverage Ratios as of October 31 2013, therefore these financial conditions are considered to be in breach. The lender made a decision to accelerate this loan in January 2013 and sought immediate repayment as well as a $2,100,000 pre-payment fee.

On October 25, 2013 the Company received a favourable ruling from the BC Court of Appeal in determination of the $2,100,000 pre-payment fee that was sought by the lender, but refuted by the Company. The Court allowed the Company's appeal, thereby removing any obligation to pay the fee.

NOTE: Subsequent to year-end, on November 1, 2013, this loan was repaid in full and all security removed (Note 22).

(Expressed in Canadian Dollars)

15. CONVERTIBLE DEBENTURES

a) On June 22, 2010, the Company borrowed $475,000 in the form of convertible debentures, bearing interest at 15% per annum, paid semi-annually, and due on June 22, 2012. The debt is convertible at the option of the holder into common shares at a price of $3.50 per common share. There is a forced conversion should the Company's common shares trade at $7.50 per common share for a period of ten consecutive trading days. During the year ended October 31, 2013 the remaining balance of $62,092 was converted to 122,880 common shares at a reduced price of $0.30. The Company recognized a gain on settlement of debt of $41,518 related to this settlement. As at October 31, 2013 the balance of this convertible debenture plus accrued interest was $Nil (2012 - $60,852).

b) On August 3, 2010, the Company borrowed $120,000 from an unrelated third party in the form of convertible debentures, bearing interest at 15% per annum, paid semi-annually, and due on August 3, 2012. The debt is convertible at the option of the holder into common shares at a conversion price of $3.50 per common share. There is a forced conversion should the Company's common shares trade at $7.50 per common share for a period of ten consecutive trading days. As at October 31, 2013 the balance of this convertible debenture plus accrued interest was $104,089 ($2012 - 78,902).

c) On August 13, 2010, the Company borrowed $83,000 from unrelated third parties in the form of convertible debentures, bearing interest at 15% per annum, paid semi-annually, and due on August 13, 2012. The debt is convertible at the option of the holder into common shares at a conversion price of $3.50 per common share. There is a forced conversion should the Company's common shares trade at $7.50 per common share for a period of ten consecutive trading days. As at October 31, 2013 the balance of this convertible debenture plus accrued interest was $53,479 (2012 – 56,784).

d) On October 30, 2013 the Company borrowed $300,000 in the form of convertible debentures, bearing interest at 8% and due on April 30, 2014. The debt is convertible at the option of the holder into units at a price of $0.40 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share for a period of six months from the date of issuance at a price of $0.40 per common share.

The debt component of the convertible debentures is calculated at the present value of the debt and required interest payments discounted at a rate approximating the interest rate that would have been applicable to non-convertible debt at the time the debentures were issued. The following is a summary of the convertible debenture activity:

Convertible debentures as at October 31, 2011	$	616,638
Accrued interest		98,652
Interest paid		(16,125)
Conversion to common shares		(584,936)
Accretion of debt component		82,309
Convertible debentures as at October 31, 2012		196,538
Additions		300,000
Settlement in common shares		(36,864)
Gain on conversion		(24,576)
Accrued interest		22,470
Convertible debentures as at October 31, 2013	$	457,568

16. SHARE CAPITAL AND RESERVES

a) Authorized: Unlimited common shares, without par value

b) Issued: As at October 31, 2013, 15,952,180 common shares were issued and outstanding.

During the year ended October 31, 2013 the Company completed a 10-1 reverse share split, all related figures have been revised to reflect the reverse share split in the consolidated financial statements.

Transactions for the year ended October 31, 2013:

i. The Company completed a private placement of 1,110,186 units at a price of $0.50 per unit for gross proceeds of $555,093. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $1.00 for a period of two years following the closing date. Of the proceeds $52,000 was received in the prior year.

ii. The Company completed a private placement of 4,054,000 units at a price of $0.25 per unit for gross proceeds of $1,013,500. Each unit consists of one common share and on half of one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.40 for a period of two years following the closing date. In relation to the offering the Company issued 121,600 warrants to agents. The value of the warrants was recorded as a share issue cost of $25,000. The value was obtained using the Black-Scholes valuation model with the following assumptions: volatility of 126%, discount rate of 1.5%, expected life of 2 years, and dividend yield of 0%. A total of $25,000 of the proceeds were not received at year end and have been recorded as subscriptions receivable. The amount was collected in full subsequent to year end.

iii. The Company issued shares for debt whereby $156,459 of accounts payable, and $61,440 of convertible debentures were converted to 435,798 common shares. Total share capital $93,875 was recorded in relation to the settlement of debt and $36,864 in relation to the settlement of convertible debentures. The company recognized a gain on settlement of debt of $104,102 in relation to the transaction.

Transactions for the year ended October 31, 2012:

i. The Company issued shares for debt whereby $414,963 of accounts payable, $1,192,705 of short-term loans and $584,936 of convertible debentures were converted to 4,327,792 common shares. The Company recognized a gain on debt settlement of $142,107 in connection with the settlements.

c) Stock Options

Under the Company's stock option plan, the Company may grant options for up to 10% of the issued and outstanding common shares to directors, employees and consultants at an exercise price to be determined by the board of directors provided that the exercise price is not less than the price permitted by the TSX Venture Exchange. Option shares are subject to vesting requirements as determined by the Company's Board of Directors, and the life of the options granted is as determined by the Company's Board of Directors, to a maximum of 10 years. The fair value of stock options vested during the year ended October 31, 2013 was calculated at $Nil (2012 - $143,378), with a weighted average fair value per option of $Nil (2012 - $0.50).

(Expressed in Canadian Dollars)

16. SHARE CAPITAL AND RESERVES (cont'd…)

c) Stock Options (cont'd…)

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model under the following weighted average assumptions:

	October 31, 2013	October 31, 2012
Risk-free interest rate	N/A	1.33%
Expected life of options	N/A	5 years
Annualized volatility	N/A	99%
Dividend yield	N/A	0%
Forfeiture rate	N/A	0%

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance as at October 31, 2011	323,500	$ 4.10
Options issued	417,500	1.00
Options expired and forfeited	(120,000)	(4.00)
Balance as at October 31, 2012	621,000	2.03
Options issued	-	-
Options expired and forfeited	-	-
Balance as at October 31, 2013	621,000	$ 2.03

At October 31, 2013, stock options were outstanding enabling holders to acquire shares as follows:

Number of Options	Exercise Price	Number of Options Currently Exercisable	Expiry Date
66,500	$ 5.00	66,500	January 12, 2014*
15,000	5.00	15,000	September 21, 2014
35,000	5.00	35,000	October 22, 2014
15,000	5.00	15,000	October 28, 2014
2,000	5.00	2,000	December 23, 2014
50,000	2.50	50,000	April 28, 2016
20,000	2.50	20,000	June 20, 2016
417,500	1.00	417,500	July 27, 2017
621,000		621,000	

*expired unexercised subsequent to year end.

16. SHARE CAPITAL AND RESERVES (cont'd…)

(Expressed in Canadian Dollars)

d) Warrants

	Number of Warrants	Exercise Price
Balance as at October 31, 2011	1,478,681	$ 3.30
Expired	(492,110)	3.50
Balance as at October 31, 2012	986,571	3.20
Granted	3,258,786	0.60
Expired	(986,571)	3.16
Balance as at October 31, 2013	3,258,786	$ 0.60

At October 31, 2013, share purchase warrants were outstanding enabling holders to acquire shares as follows:

Number of Warrants	Exercise Price	Expiry Date
1,110,186	$ 1.00	December 8, 2014
2,148,600 *	0.40	September 24, 2015
3,258,786		

*Includes 121,600 agent warrants

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	October 31, 2013	October 31, 2012
Cash paid for interest	$ 1,524,440	$ 560,392
Cash paid for taxes	$ -	$ -

Significant non-cash transactions during the year ended October 31, 2013 include:

a) Accrued $27,500 through accounts payable and accrued liabilities on the acquisition of equipment.
b) Recorded $25,000 as the value for agent warrants issued.
c) Issued shares for debt whereby $156,459 of accounts payable, and $61,440 of convertible debentures were converted to 435,798 common shares. $130,739 was recorded as share capital and $87,160 was recognized as a gain on settlement of debt.

Significant non-cash transactions during the year ended October 31, 2012 include:

a) Issued shares for debt whereby $414,963 of accounts payable, $1,192,705 of short-term loans and $584,936 of convertible debentures were converted to 4,327,793 common shares.

(Expressed in Canadian Dollars)

18. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	October 31, 2013	October 31, 2012
Loss for the year before income tax	$ (2,982,762)	$ (3,589,264)
Expected income tax recovery	$ (763,000)	$ (906,000)
Changes in statutory, foreign tax, foreign exchange rates and other	132,000	(127,000)
Permanent differences	215,000	115,000
Share issuance costs	(16,000)	-
Change in unrecognized deductible temporary differences	432,000	918,000
Total	$ -	$ -

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

Significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	October 31, 2013	October 31, 2012	Expiry Dates
Share issuance costs	$ 1,078,000	$ 1,879,000	2032 – 2036
Non-capital losses	14,406,000	11,859,000	2026 – 2032
Allowable capital losses	759,000	759,000	No expiry
Property and equipment	8,000	(60,000)	No expiry

Tax attributes are subject to review, and potential adjustment, by tax authorities.

19. SEGMENTED INFORMATION

The Company has one reportable segment. The Company operates in the parking facilities sector through its wholly owned subsidiary Green Park Denver LLC. This reportable segment was determined based on the nature of the services provided. Reportable segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company earned 100% of its revenues in the United States through its subsidiary Green Park Denver LLC. Details of identifiable assets by geographic location are as follows:

	Revenues	Parking Lot Facility	Office Equipment
October 31, 2013			
Canada	$ -	$ -	$ 37,054
United States	$ 7,650,513	$ 15,572,100	$ -
October 31, 2012			
Canada	$ -	$ -	$ -
United States	$ 6,319,020	$15,984,691	$ -

(Expressed in Canadian Dollars)

20. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

During the year ended October 31, 2013 the Company entered into the following related party transactions:

Name	Relationship	Consulting	Bonus	Professional	Office, admin, rent	Share based payments	Total
Richard Baxter	CEO, director	$120,000	$ -	$ -	$ -	$ -	$120,000
Patrick Bonney	CFO, director	54,000	25,000	-	-	-	79,000
John LaGourgue	COO, director	80,000	-	-	-	-	80,000
Robert Emri	Director	-	-	-	-	-	-
Pace Goldman	Director	-	-	-	-	-	-
Shoni Bernard	Secretary	-	-	12,000	-	-	12,000
Mark Devereux	Former director	-	-	-	-	-	-
Brad Scharfe	Former CEO, Former director	5,000	-	-	-	-	5,000
Bryan Slusarchuk	Former CEO, Former director	-	-	-	-	-	-
Rob Geisthardt	Former CFO, former director	-	-	-	-	-	-
Skanderbeg Capital Partners Inc.	Related company to former officers and directors*	-	-	-	57,502	-	57,502
Total		$259,000	$25,000	$12,000	$57,502	-	$353,502

During the year ended October 31, 2012 the Company entered the following related party transactions:

Name	Relationship	Consulting	Bonus	Professional	Office, admin, rent	Share based payments**	Total
Brad Scharfe	CEO, director	$47,000	$ -	$ -	$ -	$11,613	$58,613
Rob Geisthardt	CFO	6,007	-	-	-	10,558	16,565
John LaGourgue	COO, director	20,000	-	-	-	10,558	30,558
Edward Wright	Director	7,350	-	-	-	-	7,350
Mark Devereux	Former director,	72,900	-	-	-	-	72,900
Bryan Slusarchuk	Former CEO, director	30,000	-	-	-	10,558	40,558
Skanderbeg Capital Partners Inc.	Related company officers and directors*	-	-	-	55,448	-	55,448
Total		$183,257	$ -	$ -	$55,448	$43,287	$281,992

20. RELATED PARTY TRANSACTIONS (cont'd…)

(Expressed in Canadian Dollars)

* Skanderbeg Capital partners is a private company partially owned by Brad Scharfe and Bryan Slusarcuk and provides management and professional services to public companies.

** 417,500 stock options were issued to related parties during the year ended October 31, 2012

The following balances were owing to related parties:

Name	Service	October 31, 2013	October 31, 2012
Richard Baxter	Expense reimbursement	$ 21,084	$ -
Patrick Bonney	Expense reimbursement	764	-
John LaGourgue	Expense reimbursement	6,453	22,400
Shoni Bernard	Professional fees	2,753	-
Mark Devereux	Consulting, expense reimbursement	42,253	42,253
Brad Scharfe	Consulting, expense reimbursement	33,000	106,941
Brad Scharfe	Short term loans, accrued interest	316,921	175,159
Bryan Slusarchuk	Consulting, expense reimbursement	14,000	14,000
Skanderbeg Capital Partners Inc.	Office, administration, rent	26,631	69,605
Total		$ 463,859	$ 430,958

The following amounts were borrowed from related parties in the form of short term loans from related party to allow the Company to maintain debt covenants and for working capital purposes:

		Principal balance and accrued interest		Interest expense	
Name	Note reference	2013	2012	2013	2012
Brad Scharfe	Note 12e, 12h	$ 316,921	$ 175,759	$ 27,265	$ 8,662

Other transactions with related parties were as follows:

a) During fiscal 2013 the Company negotiated the write down of $94,548 in accounts payable to $Nil owing to Brad Scharfe for no consideration. The amount was recorded as a gain in the statement of operations.

b) During fiscal 2013 the Company issued 312,918 common shares at a value of $156,459 to settle accounts payable to Skanderbeg Capital Partners Inc.

c) During fiscal 2012 the Company completed a shares for debt settlement whereby $1,193,705 of short-term loans, $386,618 in accounts payable and $574,125 in convertible debentures were converted to 4,308,896 shares. Of the total $816,028 of short-term loans and $19,332 in accounts payable owed to companies controlled by directors were converted to 1,670,720 shares.

(Expressed in Canadian Dollars)

21. CHANGE IN ACCOUNTING POLICY

During the year ended October 31, 2013 the Company retroactively changed its accounting policy for share-based payments. The Company concluded that the reversal of reserves to deficit upon the expiration of stock options and provides for a more relevant and reliable presentation of the Company's reserves. Similarly, the company will reverse reserves to share capital for expired agent options which were originally recorded as share issue costs. Prior to the year ended October 31, 2012, the Company had allowed the value of expired options and warrants to accumulate in reserves indefinitely.

The following table shows the impact of the change in accounting policy on the statement of financial position as at October 31, 2011:

	As previously reported	Adjustments	Revised presentation
Equity (Deficiency)			
Share capital	$ 12,688,922	$ 52,624	$ 12,741,546
Equity portion of convertible debentures	179,773	-	179,773
Reserves	3,476,924	(2,665,618)	811,306
Accumulated other comprehensive loss	(160,219)	-	(160,219)
Non-controlling interest	1,658,873	-	1,658,873
Deficit	(17,841,224)	2,612,994	(15,228,230)
	$ 3,049	$ -	$ 3,049

The following table shows the impact of the change in accounting policy on the statement of financial position as at October 31, 2012:

	As previously reported	Adjustments	Revised presentation
Equity (Deficiency)			
Share capital	$ 14,862,267	$ 134,773	$ 14,997,040
Subscriptions received in advance	52,000	-	52,000
Equity portion of convertible debentures	56,925	-	56,925
Reserves	3,620,302	(2,914,017)	706,285
Accumulated other comprehensive income	51,612	-	51,612
Non-controlling interest	1,583,821	-	1,583,821
Deficit	(21,306,191)	2,779,244	(18,526,947)
	$ (1,079,264)	$ -	$ (1,079,264)

22. SUBSEQUENT EVENTS

a) On November 1, 2013 the Company closed a US$16,500,000 refinancing of the Denver Canopy parking facility. The non-recourse, floating rate debt used to complete the recapitalization was provided by Capital Source Bank, a wholly-owned subsidiary of Capital Source Inc. All outstanding amounts owed by the Company on the loans payable (Note 14) have been repaid, and the security has been released. Under the terms of the loan agreement interest is to be charged at a rate of LIBOR plus 5.25% with a floor of 5.5%. The maturity date of the loan is November 1, 2017 with an option to extend to November 1, 2018.

b) On December 9, 2013 the Company announced a private placement of up to $3,000,000 convertible debentures to establish a parking acquisition fund and finance Company infrastructure growth. The convertible debentures will bear interest at the rate of 8% per annum, payable quarterly, and will mature two years from the date of issuance (the "Maturity Date"). The convertible debentures will be convertible on or before the Maturity Date, at the option of the holder, into common shares of the Company at a conversion rate of $0.50 per share.

22. SUBSEQUENT EVENTS (cont'd…)

c) On January 14, 2014 the Company received proceeds of $190,000 from a promissory note bearing interest at 8% per annum maturing on April 29, 2014.