GENESIS INCOME PROPERTIES INC

UNAUDITED FINANCIAL STATEMENTS

October 31, 2014

(in Canadian dollars)

Genesis Income Properties Inc.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS
AT October 31, 2014

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements; the statements must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor. The company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

Management has prepared the information and representations in this interim report. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the interim financial statements.

The company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

Allan M Goulding

Chief Financial Officer

December 2, 2014

GENESIS INCOME PROPERTIES INC

STATEMENT OF FINANCIAL POSITION

(in Canadian dollars)	*Note*	Oct 31, 2014	July 31, 2014
		$	$
Assets			
Current Assets			
Cash		97,341	151,327
Deposit and accounts receivable	4	16,631	32,950
		113,972	184,277
Investment		290,000	40,000
		403,972	224,277
Liabilities			
Current Liabilities			
Accounts payable		758	3,570
		758	3,570
Shareholders' Equity			
Share capital	3	544,003	149,003
Obligation to issue shares	3	-	145,000
Accumulated deficit		(140,788)	(73,296)
		403,214	220,707
		403,972	224,277

Subsequent events (Note 9)

These financial statements are approved by the Board and authorized for issue on December 2, 2014.
The accompanying notes are an integral part of these interim financial statements

Signed: V. Wadwhani *Director*

Signed: A.M. Goulding *Director*

GENESIS INCOME PROPERTIES INC

STATEMENT OF COMPREHENSIVE LOSS

(in Canadian dollars)	*Note*	Quarter ended October 31, 2014	Six Months Ended October 31, 2014
		$	$
Income		61	61
Interest received			
Expenses			
Accounting, audit and legal		-	1,092
Management and Consulting fees	4	22,500	69,950
Office and sundry		1,249	2,184
Travel expense		-	3,909
Listing expenses		43,804	47,604
		67,553	124,379
Net and comprehensive loss		**(67,492)**	**(124,678)**
Loss per share – basic and diluted		$0.005	$0.012
Weighted average number of common shares outstanding		13,712,000	10,582,000

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

GENESIS INCOME PROPERTIES INC

STATEMENT OF CHANGES IN EQUITY

(In Canadian dollars)	**Note**	**Number of Common Shares**	**Share Capital**	**Obligation to Issue Shares**	**Accumulated Deficit**	**Total Shareholders' Equity**
			$	$	$	$
Common shares issued for cash	3	11 050 300	149 003	-	-	149 003
Subscriptions received	3			145,000	-	145,000
Net loss		-	-	-	(73,296)	(73,296)
Balance, July 31, 2014		**11 050 300**	**149 003**	**145,000**	**(73,296)**	**220,707**
Common shares issued for asset purchase	**3**	5 000 000	250 000			250000
Common shares issued for cash	3	2 900 000	145 000	(145,000)	-	-
Net Loss					(67,492)	(67,492)
Balance, October 31, 2014		**18 950 300**	**544 003**	**-**	**(140,788)**	**403,214**

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

GENESIS INCOME PROPERTIES INC

STATEMENT OF CASHFLOWS

(in Canadian dollars)	For the 3 months to 31 October 2014
	$
Cash flows from (used in):	
Operating activities	
Net loss	(67,492)
Changes in working capital items:	
Accounts receivable and payable	13,508
Net cash flows used in operations	(53,986)
Investing activities	
Acquisition of business	(250,000)
Net cash flows used in investing activities	(250,000)
Financing activities	
Issuance of share capital	395,000
Share subscriptions at 31 July 2014 utilised	(145,000)
Net cash from financing activities	250,000
Decrease in cash	53,986
Cash, beginning	151,327
Cash, ending	97,341

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

1. REPORTING ENTITY AND THE NATURE OF BUSINESS

Genesis Income Properties Inc (the “Company”) was incorporated on April 7, 2014 under the Business Corporations Act of British Columbia. The Company’s registered office is located at 1025 West Keith Road, North Vancouver, BC Canada.

The Company is a private company established for the purpose of investing in income-producing residential properties, initially in the United States of America. The Company has not commenced commercial operations as it is intended that, for the purposes of raising the required capital it will pursue an amalgamation with Forbairt Limited, a Company listed on the Canadian Securities Exchange, with the intention of obtaining a listing on the Canadian Securities Exchange. Until the completion of that transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing suitable acquisitions of properties and related commercial enterprises.

On April 14, 2014, the Company entered into an agreement with Gencap Genesis Capital Partners Inc. (“Gencap”) to acquire the property acquisition business then conducted by Gencap and its related entity, Metro Detroit Income Properties Limited Partnership (“MDIP”). That business was established specifically for the purpose of identifying and acquiring undervalued, high quality income producing properties specifically located in Detroit, Michigan, USA. The agreement provides for the transfer to the Company of the assets of Gencap and MDIP in exchange for a $40,000 payment to Gencap and the issue of 5 million shares at a value of 5 cents each to the owners and promoters of Gencap. The transaction was concluded on 30 September 2014

The Company is a start-up company and has no source of income. As a result, its ability to conduct operations is based on its current cash position and its ability to raise funds, primarily from equity sources, and there can be no assurance that the Company will be able to do so. The planned amalgamation with Forbairt Limited requires that all costs of the plan of arrangement and amalgamation be paid by the Company and therefore all working capital and operational costs for the amalgamated company are being provided by the Company.

The success of the Company is dependent on certain factors that may be beyond management's control such as political, currency and liquidity risk. If the company is unable to fund its investments or otherwise fails to invest in active properties, its business, financial condition or results of operations could be materially affected.

The Company has incurred operating costs since incorporation, has no revenue generating business, and has an accumulated deficit totaling $140,788. These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to acquire and realize assets and discharge liabilities in the normal course of operations. The ability of the Company to continue as a going concern is dependent upon the Company raising sufficient equity financing, issuing debt or securing related party advances to complete the identification and acquisition of suitable properties in accordance with its business plan. These uncertainties raise significant doubt about the Company’s ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
These financial statements have been prepared in accordance with principles of International Financial Reporting Standards ("IFRS"). These principles are based on IFRS as issued by the International Accounting Standards Boards ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC") as adopted by Canada.

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Significant accounting judgments, estimates and assumptions
The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting periods. Significant judgments include going concern assessments.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates. Areas requiring a significant degree of estimation relate to the measurements and recoverability of deferred tax assets, and other equity-based payments.

Basis of presentation

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable. The financial statements are presented in Canadian dollars.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted number of common shares outstanding during the period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months of the reporting period.
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets or liabilities.

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent accounting pronouncements issued but not yet effective or adopted

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The proposed effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018.

The Company has not early adopted this revised standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. SHARE CAPITAL

a) Authorized:
Unlimited common shares without par value.

b) Share issuances:
On incorporation on April 7, 2014 the Company issued 300 common shares at a price of 1 cent each to the founding shareholders of the Company.

c) On May 21,2014 the Company issued 4.8 million common shares at a subscription price of one half of a cent each

d) On June 4th the company issued 6.25 million common shares at a subscription price of 2 cents each

e) On September 30th, 2014 the company issued 2.9 million common shares at a subscription price of 5 cents each

f) On September 30th, 2014 the company issued 5 million common shares at a price of 5 cents each for the vend in of the business of Gencap Genesis Capital Partners

4. RELATED PARTY TRANSACTIONS

Included in accounts receivable at October 31, 2014 is $12,511 advanced to 4 directors of the Company. The loans bear interest at 6% per annum and are repayable on demand

During the three month period ended October 31, 2014 the Company paid a total of $15,000 in consulting fees to four directors for administrative, management, office, accounting, marketing and sundry services.

5. INCOME TAXES

As at October 31, 2014, the Company had incurred tax losses of $140,788 which are available for reduction of future Canadian taxable income. The non-capital loss will expire if not utilised against future taxable income within 20 years.

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	From incorporation on April 7, 2014 to October 31, 2014
	$
Net loss	140,788
Statutory tax rate	26%
Expected income tax recovery at the statutory tax rate	(36,604)
Temporary differences not recognized	36,604
Income tax recovery	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	October 31, 2014
Non-capital loss carry-forwards	$ 140, 788

6. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks, most notably as follows:

i) Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its bank account. The Company's cash account is held with a major bank in Canada which is a high credit quality financial institution as determined by rating agencies. Accordingly, management assesses this risk as minimal.

ii) Interest Rate Risk
The Company's current exposure to interest rate risk relates to its ability to earn interest income on bank balances. The fair value of the Company's bank account is not significantly affected by changes in short term interest rates.

iii) Currency Risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

7. CAPITAL MANAGEMENT

In the management of capital, the Company includes the components of shareholders' equity as well as working capital. The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support its activities including the sourcing and completion of a Qualifying Transaction, if and when a suitable acquisition is identified.

The Company is currently dependent on equity financing to fund its business investigation activities. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable for the current state of the markets and activities of the Company. The Company is not subject to any externally imposed capital requirements.

8. SUBSEQUENT EVENTS

There were no significant subsequent events of a financial nature.

On December 23, 2014 the company received provisional approval of its application to be listed on the Canadian Securities Exchange under a proposed amalgamation agreement with Forbairt Development Acquisition Corp, a reporting company incorporated in British Columbia.