

GENESIS LIMITED PARTNERSHIP #7
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

GENESIS LIMITED PARTNERSHIP #7
NOTICE OF NO AUDITOR REVIEW OF FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012

The accompanying unaudited consolidated financial statements of Genesis Limited Partnership #7 (the “Partnership”) have been prepared by and are the sole responsibility of the Partnership’s management. These financial statements have not been independently reviewed or audited.

GENESIS LIMITED PARTNERSHIP #7
CONSOLIDATED BALANCE SHEETS
(In Canadian dollars)
(Unaudited)

		December 31,	
	Notes	2013	2012
Assets			
Cash and cash equivalents		244,778	592
Investment in Genesis Limited Partnership #6		1,708,798	4,006,963
Total assets		1,953,576	4,007,555
Liabilities			
Accounts payable and accrued liabilities		-	3,000
Amounts due to related parties		39,747	313,779
Total liabilities		39,747	316,779
Equity			
General partner		10	10
Limited partners		1,913,819	3,690,766
Total equity		1,913,829	3,690,776
Total liabilities and equity		1,953,576	4,007,555

See accompanying notes to the annual financial statements.

GENESIS LIMITED PARTNERSHIP #7**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)***(In Canadian dollars)**(Unaudited)*

	Notes	Year ended December 31,	
		2013	2012
Revenues			
Gain on investments		-	642,258
Miscellaneous income	3	283,345	-
		283,345	642,258
Expenses			
Loss on investments		511,165	-
General and administrative		6,410	7,241
		517,575	7,241
Earnings (loss) being comprehensive earnings (loss)		(234,230)	635,017

See accompanying notes to the annual financial statements.

GENESIS LIMITED PARTNERSHIP #7
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
For the years ended December 31, 2013 and 2012
(In Canadian dollars)
(Unaudited)

	Net Partners' Contributions	Deficit	Partners' Equity
At December 31, 2011	8,948,886	(4,302,697)	4,646,189
Earnings being comprehensive income for the year	-	635,017	635,017
Distributions to limited partners	-	(1,590,430)	(1,590,430)
At December 31, 2012	8,948,886	(5,258,110)	3,690,776
Loss being comprehensive loss for the year	-	(234,230)	(234,230)
Distributions to limited partners	-	(1,542,717)	(1,542,717)
At December 31, 2013	8,948,886	(7,035,057)	1,913,829

See accompanying notes to the annual financial statements.

GENESIS LIMITED PARTNERSHIP #7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For years ended December 31, 2013 and 2012
(In Canadian dollars)
(Unaudited)

1. ORGANIZATION AND OPERATION OF THE PARTNERSHIP

Genesis Limited Partnership #7 (the "Partnership") is a limited partnership formed under the laws of the Province of Alberta on April 6, 2006 pursuant to the Partnership Act (Alberta). It commenced operations by raising funds through an offering memorandum dated April 10, 2006 for limited partnership units ("Units"). As at December 31, 2013, the Partnership had 1,787 Units outstanding (December 31, 2012 - 1,787 Units).

The Partnership was established to participate in the development of serviced multi-family, commercial and single family lots through an indirect interest in Genesis Limited Partnership #6.

The affairs of the Partnership are managed by the General Partner, GP-GLP7 Inc.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Partnership and its wholly-owned subsidiary, GLP7 Subco Inc. All intra-group transactions and balances are eliminated on consolidation.

3. MISCELLANEOUS INCOME

Pursuant to a sales agreement dated April 6, 2006 with Genesis Limited Partnership #6 ("GLP6"), GLP6 agreed to market 2,000 Units for the Partnership. The Partnership incurred marketing administration fees of \$304,672 which were recorded as an amount due to related parties. It has since been determined that, as 93% of the proceeds raised by the Partnership were used to acquire units in GLP6, resulting in the issuance of 1,787 GLP6 units, GLP6 is responsible for 93% of the marketing administration fees paid, or \$283,345.

Accordingly, the amount due to GLP6 has been reduced by \$283,345 and the Partnership recognized miscellaneous income of \$283,345 for the year ended December 31, 2013 representing a recovery of issuance costs previously expensed.