UNITUS LABS AND SUBSIDIARIES

Consolidated Financial Statements

For the Year Ended December 31, 2011

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CLARK NUBER

10900 NE 4th Street
Suite 1700
Bellevue WA 98004
tel 425 454 4919
fax 425 454 4620
800 504 8747
clarknuber.com

Certified Public
Accountants
and Consultants

Independent Auditors' Report

Board of Directors
Unitus Labs
Seattle, Washington

We have audited the accompanying consolidated statement of financial position of Unitus Labs, Unitus Investment Management, Unitus Advisors Private Limited and Unitus Seed Fund (collectively "Unitus") as of December 31, 2011, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of Unitus' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As more fully described in Note 1, Unitus has two additional subsidiary organizations which are not included in these financial statements. In our opinion, the two additional subsidiaries should be consolidated with Unitus to conform to accounting principles generally accepted in the United States of America. If this consolidation had been done, assets would be increased by $10,069,832 at December 31, 2011; revenues would be decreased by $163,890 and expenses would be increased by $150,432, resulting in an additional $314,322 deficit of revenue over expenses for the year ended December 31, 2011.

In our opinion, except for the effects of not consolidating the additional two subsidiaries described in the previous paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Unitus as of December 31, 2011, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Certified Public
Accountants
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Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Clark Nuber P. S.

Certified Public Accountants
June 12, 2012

UNITUS LABS AND SUBSIDIARIES

Consolidated Statement of Financial Position
December 31, 2011

Assets	
Cash and cash equivalents	$ 2,905,262
Restricted cash	189,907
Accounts receivable	27,610
Note receivable (Note 4)	165,000
Prepaid expenses	115,144
Total Current Assets	**3,402,923**
Property and equipment	2,837
Investments (Note 5)	2,768,707
Total Assets	**$ 6,174,467**
Liabilities and Net Assets	
Accounts payable	$ 59,920
Accrued expenses	100,390
Accrued lease obligations (Note 8)	214,134
Refundable advances (Note 6)	900,000
Total Current Liabilities	**1,274,444**
Accrued lease obligations, noncurrent (Note 8)	68,953
Total Liabilities	**1,343,397**
Commitments and Contingencies (Notes 8 and 10)	
Net Assets:	
Unrestricted	4,831,070
Total Net Assets	**4,831,070**
Total Liabilities and Net Assets	**$ 6,174,467**

See accompanying notes.

UNITUS LABS AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2011

	Unrestricted	*Temporarily Restricted*	*Total*
Support and Revenue:			
Contributions and grants	$ 24,210	$ -	$ 24,210
Investment return (Note 5)	(69,048)		(69,048)
Other earned income (Note 2)	454,356		454,356
	409,518		409,518
Net assets released from restriction for purpose	245,082	(245,082)	
Total Support and Revenue	**654,600**	**(245,082)**	**409,518**
Expenses:			
Program services	807,393		807,393
Supporting services-			
Management and general	1,484,170		1,484,170
Total supporting services	1,484,170		1,484,170
Total Expenses	**2,291,563**		**2,291,563**
Change in Net Assets	**(1,636,963)**	**(245,082)**	**(1,882,045)**
Net Assets:			
Beginning of year	6,468,033	245,082	6,713,115
End of Year	**$ 4,831,070**	**$ -**	**$ 4,831,070**

See accompanying notes.

UNITUS LABS AND SUBSIDIARIES

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2011

Cash Flows from Operating Activities:	
Change in net assets	$ (1,882,045)
Adjustments to reconcile change in net assets	
to net cash used in operating activities-	
Noncash items included in change in net assets:	
Depreciation	2,470
Realized and unrealized losses on investments, net	92,509
Loss on disposal of fixed assets	14,335
Changes in assets and liabilities:	
Restricted cash	74,392
Accounts receivable	756
Note receivable	(165,000)
Prepaid expenses	(88,276)
Accounts payable	51,028
Accrued expenses	(218,328)
Accrued lease obligations	(254,576)
Refundable advances	(750,000)
Guarantees	(28,656)
Net Cash Used in Operating Activities	**(3,151,391)**
Cash Flows from Investing Activities:	
Unitus Equity Fund return of capital	1,312
Proceeds from investments	50,000
Purchase of investments	(347,500)
Capital contribution to Unitus Equity Fund	(10,678)
Net Cash Used in Investing Activities	**(306,866)**
Net Change in Cash and Cash Equivalents	**(3,458,257)**
Cash and cash equivalents, beginning of year	6,363,519
Cash and Cash Equivalents, End of Year	**$ 2,905,262**

See accompanying notes.

Note 1 - Description of the Organization and Operations

Principles of Consolidation - The consolidated financial statements of Unitus Labs and Subsidiaries include the accounts of Unitus Labs, Unitus Investment Management (UIM), Unitus Advisors Private Limited (UAPL) and Unitus Seed Fund (USF), and are collectively referred to as "Unitus." All inter-company transactions have been eliminated.

Unitus is an international humanitarian public charity which focuses on reducing global poverty through economic self-empowerment. From 2001 to 2010, Unitus focused on accelerating access to microfinance in developing countries including India, Southeast Asia, East Africa, Mexico and South America. In July 2010, Unitus announced that it had completed its goals for microfinance and therefore would not be taking on any new microfinance projects. In 2011, Unitus, Inc. was re-named Unitus Labs.

In December 2004, Unitus formed a private nonprofit corporation, MFI Investments. In October 2005, the name of MFI Investments was changed to Unitus Investment Management (UIM). UIM is organized as a supporting organization as described in the Internal Revenue Service (IRS) Code Sections 501(c)(3) and 509(a)(3). UIM is wholly controlled by Unitus Labs.

In 2006, UIM organized The Unitus Equity Fund, L.P. (UEF), a Cayman Islands exempted limited partnership and is its General Partner. Mauritius Unitus Corporation (MUC), a Republic of Mauritius corporation, is a wholly owned subsidiary of Unitus Equity Fund. MUC was formed in order to engage in investment opportunities in India.

UEF's primary objective is to further charitable purposes by investing in micro finance institutions (MFIs) that provide loans or other financial services to individuals who are financially impoverished as a result of low income and lack of financial resources. The secondary purpose of UEF is to provide capital appreciation by investing in MFIs located throughout the developing world.

UEF's General Partner (UIM) has a 1% capital interest, while the Limited Partners of UEF have a 99% interest. The Limited Partners are not personally liable for any obligations of UEF and have no obligation to make contributions to UEF in excess of their respective capital commitments. The General Partner has complete and exclusive discretion in the management and control of the affairs and business of UEF and its investments.

Under current accounting principles generally accepted in the United States (GAAP), UEF and MUC would be required to be consolidated with UIM in order to be presented in conformity with GAAP due to the control that UIM exercises over UEF. Management believes, however, that including UEF and MUC may be confusing to readers of the financial statements since UIM has only a 1% capital interest. Thus, management has elected to not include the financial results of UEF and MUC in these financial statements.

In March 2007, Unitus purchased 100% ownership of Unitus Advisors Private Limited (UAPL), a for-profit corporation located in Bangalore, India (Note 3).

On December 9, 2011, UIM formed as a wholly-owned subsidiary, Unitus Seed Fund (USF). USF was setup to manage the social enterprise seed investing project of Unitus. USF will make investments in early stage, private companies often based in foreign countries, which have high potential for poverty impact.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - The accompanying consolidated financial statements of Unitus have been prepared on the accrual basis of accounting in accordance with GAAP, except for the consolidation of two additional entities as discussed in Note 1.

Basis of Presentation - Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets that are not subject to donor-imposed stipulations are reported as unrestricted net assets. Net assets subject to donor-imposed stipulations that may or will be met either by actions of Unitus or the passage of time are reported as temporarily restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Earned Income - Other earned income on the consolidated statement of activities and change in net assets consists of revenue recognized upon expirations of guarantee liabilities (Note 10), management fee income earned under the agreement with UEF (Note 7) and other miscellaneous earned revenues.

Use of Estimates - In preparing Unitus' financial statements, management is required to make estimates and assumptions that affect the amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Unitus considers all highly liquid investments with original maturities of three months or less to be cash equivalents, except for those included in Unitus' investment portfolio. Restricted cash consists of funds held in escrow for an equity method investment that occurred subsequent to December 31, 2011, as well as cash restricted for the payment of management fees.

Concentration of Credit Risk - Unitus invests its cash and cash equivalents with financial institutions in which the balance at each institution usually exceeds federally insured deposit limits.

Receivables - Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

Note 2 - Continued

Property and Equipment - Property and equipment is recorded at cost, if purchased and at estimated fair value at the date of contribution, if donated. Equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which generally ranges from three to five years. Unitus capitalizes expenditures greater than $1,000 that materially increase the asset lives. The cost of ordinary maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the consolidated statement of activities and changes in net assets. The balance at December 31, 2011, consisted of furniture and equipment with a total cost of $10,806 and accumulated depreciation of $7,969.

Contributions - Unrestricted contributions are recorded as contributions when an unconditional promise to give has been made. Unconditional pledges receivable are recognized at the estimated present value of future cash flows using a risk-adjusted discount rate. Conditional contributions are recognized as revenue when management assesses the likelihood of not meeting the condition is remote. Cash received from conditional contributions is recorded as refundable advances until conditions are met. There were no outstanding pledges receivable or conditional contributions as of December 31, 2011.

Functional Expenses - The costs of providing programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Unitus records expenses either directly to respective programs or allocates expenses based on direct salary costs or other appropriate activity for each program.

Federal Income Tax - The IRS has determined that Unitus Labs is exempt from federal income taxes under Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code (IRC). UIM is exempt from federal income taxes under Sections 501(c)(3) and 509(a)(3) of the IRC. UAPL is a for-profit corporation, subject to taxation in India. UIG is a for-profit limited liability company, subject to taxation in the United States. USF is exempt from federal income tax under Sections 501(c)(3) of the IRC.

Unitus files income tax returns with the U.S. and various other governments. Unitus is subject to income tax examinations for the current year and certain prior years based on the applicable laws and regulations.

Subsequent Events - The management of Unitus has evaluated subsequent events through June 12, 2012, the date on which the consolidated financial statements were available to be issued.

Note 3 - Foreign Operations

Unitus owns 100% of the shares of UAPL, a for-profit corporation based in Bangalore, India. UAPL was established in 2005 to be the operating partner of Unitus in Bangalore. The functional currency of UAPL is the local currency. The financial statements of UAPL have been translated into U.S. dollars. All statement of financial position accounts have been translated using the exchange rate at December 31, 2011. Statement of activities amounts have been translated using the average exchange rate for the year. Foreign currency translation adjustment resulted in a loss of $33,320 and has been reported in the consolidated statement of activities and changes in net assets.

Note 3 - Continued

Operations outside the United States are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

Note 4 - Note Receivable

Unitus entered into a note receivable agreement with Unitus Impact Partners (UIP), an organization started by a former board member of Unitus. Under this agreement, UIM has the option to provide short-term bridge loans to UIP in order to facilitate timely close of investments in early stage businesses which have significant potential to benefit those living at the base of the economic pyramid. The cumulative draws are not to exceed $500,000. Each draw is required to be repaid 180 days from the date UIP received the draw and the agreement will expire on July 31, 2012, with an option to renew for one year. Interest on any outstanding draw shall accrue monthly at the Prime rate plus 2% (5.25% at December 31, 2011). Draws totaled $165,000 as of December 31, 2011.

Note 5 - Investments

Investments consisted of the following at December 31, 2011:

The Unitus Equity Fund, L.P. - The Unitus Equity Fund, L.P. was organized by UIM with the primary and secondary objectives to further charitable purposes by investing in microfinance institutions and to provide capital appreciation to investors, respectively. UIM is the general partner in UEF, owning a 20% carried interest that was accounted for using the equity method.

UIP Visage, LLC (UV) - During 2011, UV was formed as a special purpose vehicle entity for the purpose of investing in Visage Holdings and Finance Private Ltd (VHF). VHF is an India based financial start-up company which seeks to provide micro loans to small businesses in India. UIM invested in UV for a 100% Class A interest. The Carried Member has complete and exclusive discretion in the management and control of the affairs and business of UV and its investments, therefore, UIM accounts for UV under the equity method of accounting.

Investment return for the year ended December 31, 2011, is as follows:

Dividends and interest	$	23,461
Realized and unrealized gains and losses, net		(92,509)
Total Return on Investments	**$**	**(69,048)**

Note 6 - Refundable Advances

In 2008, Unitus was awarded a $9,000,000 multi-year grant with conditions from a foundation. The full amount of the grant was received in 2008 and a portion of it was recognized as grant revenue upon receipt. The unspent portion of the grant totaling $900,000 as of December 31, 2011, is reported as refundable advances in the consolidated statement of financial position, and will be refunded to the grantor as a result of Unitus' decision to not take on new microfinance projects. As of December 31, 2011, the refundable advance is being held as collateral on the Mimo standby letter of credit (Note 10) and was refunded to the foundation subsequent to December 31, 2011.

Note 7 - Related Party Transactions

UEF and UIM - UEF and UIM executed a management agreement on March 15, 2006. Per the management agreement, UIM provides UEF with management, administrative and operating services as outlined in the Limited Partnership agreement. The management fee is accrued at an annual rate equal to 2.5% of aggregate capital commitments from the initial closing (March 15, 2006) until the expiration of the commitment period. After that point, the management fee is equal to 2% of capital contributions. For the year ended December 31, 2011, UIM recognized $373,387 of management fee income from UEF, which accounted for 72% of total support and revenue. In addition, at December 31, 2011, UIM has a net capital investment of $2,481,207 in UEF (Notes 1 and 4).

Fast Forward Consulting Services, LLC (FFCS) - FFCS is a consulting company owned by a member of the Board of Directors of Unitus. During the year ended December 31, 2011, fees paid to FFCS totaled $114,700 and are included as professional fees on the consolidated statement of functional expenses.

Note 8 - Leases

Unitus has entered into lease agreements with third parties for office space and office equipment. In connection with Unitus' decision to not take on new microfinance projects during 2010, Unitus elected to close the corporate office and sublet the space. In accordance with GAAP, Unitus accrued the estimated lease liability on the cease-use date based on the remaining lease term, adjusted for the effects of any prepaid or deferred items recognized under the lease, and reduced by estimated sublease rentals that could be reasonably obtained for the property.

Unitus has an agreement to sublease substantially all its office space for the remaining lease term. Minimum lease payment to be received is $14,961 per month, with certain incentives provided to the subtenant.

Future minimum lease payments under all noncancelable leases, net of sublease income are as follows:

For the Year Ending December 31,	
2012	$ 224,814
2013	74,293
Total	**$ 299,107**

Rental expense for the year ended December 31, 2011, totaled $43,205.

Note 9 - Retirement Plan

Unitus has a 403(b) retirement plan for the exclusive benefit of its employees. Under the plan, Unitus will match up to 3% of the compensation of eligible employees and an additional 3% to those employees who have made salary reduction contributions to the plan. Participants may elect to make additional contributions in excess of the 3% within the limitations set forth in the plan. Unitus' expense for the year ended December 31, 2011, was $3,367.

Note 10 - Commitments and Contingencies

OPIC - During 2010, Unitus entered into an eight year framework agreement with the Overseas Private Investment Corporation (OPIC) and Citibank to create a $15 million revolving loan and credit facility targeting early stage MFIs. Unitus is responsible for due diligence, selection of recipients including credit evaluation, and providing some capital. The default risk is shared between Unitus (33%) and OPIC (67%), and Unitus has first loss provision of $1.5 million. As of December 31, 2011, the only borrowing outstanding on the revolving loan and credit facility is the Mimo standby letter of credit discussed below. Due to Unitus making the decision to not take on new microfinance projects, the agreement with OPIC was canceled subsequent to December 31, 2011.

Mimo - In 2010, Unitus and OPIC entered into an agreement with Mimoza Enterprises Finance Pvt. Ltd. (Mimo) to issue a standby letter of credit through February 2012 guaranteeing borrowings up to $1,666,500. The credit facility guarantees the amount borrowed from an Indian bank and is issued under the framework agreement with OPIC, as described above. In exchange for the guarantee, Unitus and OPIC receive an annual fee. In 2011, Mimo repaid its loan and all guarantee obligations and Unitus recognized $31,713 of other earned income due to the expiration of the guarantee liability. The standby letter of credit was closed in January 2012.

SUPPLEMENTARY INFORMATION

UNITUS LABS AND SUBSIDIARIES

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2011

	Program Services	*Management and General*	*Total*
Salaries, payroll taxes, and benefits	$ 46,575	$ 68,793	$ 115,368
Professional fees	413,915	1,223,630	1,637,545
Partner grants and support	275,568		275,568
Travel	25,418	28,982	54,400
Occupancy	2,566	49,190	51,756
Telephone	1,745	4,240	5,985
Other	40,613	107,858	148,471
	806,400	1,482,693	2,289,093
Depreciation	993	1,477	2,470
Total Expenses	**$ 807,393**	**$ 1,484,170**	**$ 2,291,563**

See independent auditors' report.