

HANDS ON WORLDWIDE, INC.
Carlisle, Massachusetts

FINANCIAL STATEMENTS

For The Period From September 6, 2005 Through August 31, 2006

ROBERT M. HURST, CPA, PC
CERTIFIED PUBLIC ACCOUNTANTS
WELLESLEY, MASSACHUSETTS

HANDS ON WORLDWIDE, INC.
Carlisle, Massachusetts

FINANCIAL STATEMENTS

For The Period From September 6, 2005 Through August 31, 2006

HANDS ON WORLDWIDE, INC.

Table of Contents

	Page
Independent Auditor's Report on Financial Statements	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

ROBERT M. HURST, CPA, P.C.
Certified Public Accountants
65 William Street
Wellesley, MA 02481

ROBERT M. HURST, CPA

CHERYL O'GRADY, CPA

TELEPHONE: 781 305-2700

FACSIMILE: 781 305-2070

E-mail: rmhpc@aol.com

Independent Auditor's Report on Financial Statements

To the Board of Directors of
Hands on Worldwide, Inc.
Carlisle, Massachusetts

We have audited the accompanying statement of financial position of Hands on Worldwide, Inc. (a non-profit organization) as of August 31, 2006, and the related statements of activities, functional expenses, and cash flows for the period from September 6, 2005 through August 31, 2006. These financial statements are the responsibility of the Organization's 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hands on Worldwide, Inc. as of August 31, 2006, and the changes in its net assets and its cash flows for the period from September 6, 2005 through August 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

Wellesley, Massachusetts

November 15, 2006

HANDS ON WORLDWIDE, INC.
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2006

ASSETS

Current Assets	
Cash	\$ 116,943
Miscellaneous receivable	2,000
Contribution receivable	<u>29,520</u>
Total Current Assets	<u>148,463</u>
TOTAL ASSETS	\$ <u>148,463</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 48,929
Accrued expense	<u>6,250</u>
Total Current Liabilities	<u>55,179</u>
Net Assets	
Unrestricted	<u>93,284</u>
Total Net Assets	<u>93,284</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>148,463</u>

See accompanying notes to financial statements.

HANDS ON WORLDWIDE, INC.

STATEMENT OF ACTIVITIES

FOR THE PERIOD FROM SEPTEMBER 6, 2005 THROUGH AUGUST 31, 2006

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Contributions	\$ 647,736	\$ _____	\$ 647,736
Total Revenue and Other Support	<u>647,736</u>	<u>-</u>	<u>647,736</u>
Expenses			
Program expense	525,664		525,664
Administrative expense	<u>28,788</u>	<u>_____</u>	<u>28,788</u>
Total Expenses	<u>554,452</u>	<u>-</u>	<u>554,452</u>
Change in Net Assets	93,284		93,284
Net Assets – beginning of period	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets – end of period	\$ <u>93,284</u>	\$ <u>-</u>	\$ <u>93,284</u>

See accompanying notes to financial statements.

HANDS ON WORLDWIDE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE PERIOD FROM SEPTEMBER 6, 2005 THROUGH AUGUST 31, 2006

	Program	Administrative	Total
Disaster relief supplies & expenses	\$ 183,021	\$	\$ 183,021
Payroll and payroll taxes	62,938		62,938
Volunteer food & services	54,507		54,507
Auto expense	49,031	864	49,895
Travel	33,476	3,376	36,852
T-shirt expense	35,613		35,613
Direct disaster relief expense	31,869		31,869
Utilities	17,522		17,522
Printing	15,367		15,367
Office expense	4,151	7,570	11,721
Telephone	9,916		9,916
Repairs & maintenance	8,026		8,026
Insurance		7,402	7,402
Professional fees		6,250	6,250
Website expense	6,126		6,126
Rent	5,677		5,677
Charitable contribution	4,450		4,450
Bank & credit card fees	3,974	263	4,237
Outside services		2,563	2,563
Filing fee		500	500
	_____	_____	_____
Total Functional Expenses	\$ 525,664	\$ 28,788	\$ 554,452

See accompanying notes to financial statements.

HANDS ON WORLDWIDE, INC.
STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM SEPTEMBER 6, 2005 THROUGH AUGUST 31, 2006

Cash Flows Provided By (Used In) Operating Activities

Change in Net Assets	\$ 93,284
Adjustments to Reconcile Change in Net Assets to Cash Provided By (Used In) Operating Activities (Increase) Decrease In Operating Assets	
Miscellaneous receivable	(2,000)
Contribution receivable	(29,520)
Increase (Decrease) In Operating Liabilities	
Accounts payable	48,929
Accrued expense	<u>6,250</u>
Net Cash Provided By Operating Activities	<u>4,411</u>
Net Increase In Cash and Cash Equivalents	116,943
Cash and Cash Equivalents - beginning of period	<u>-</u>
Cash and Cash Equivalents - end of period	<u>\$ 116,943</u>

See accompanying notes to financial statements.

HANDS ON WORLDWIDE, INC.
STATEMENT OF CASH FLOWS – SUPPLEMENTAL INFORMATION
FOR THE PERIOD FROM SEPTEMBER 6, 2005 THROUGH AUGUST 31, 2006

Accounting Policies Notes

For the purpose of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Acquisitions of Property and Equipment

There were no non-cash payments for property and equipment for the period from September 6, 2005 through August 31, 2006.

Interest Expense

The Organization paid no interest for the period from September 6, 2005 through August 31, 2006.

HANDS ON WORLDWIDE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006

(A) Summary of Significant Accounting Policies

Nature of Organization

Hands on Worldwide, Inc. is a non-profit corporation incorporated in the Commonwealth of Massachusetts on September 6, 2005. Hands on Worldwide, Inc. was organized to provide aid and relief efforts for victims of natural disasters such as floods, hurricanes, disaster recovery and other humanitarian projects around the world.

Basis of Accounting

The financial statements of Hands on Worldwide, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under (SFAS) No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consists principally of cash. The Organization maintains its cash balances at Bank of America and Hancock Bank which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At August 31, 2006 the Organization had uninsured cash in the amount of \$16,973.

HANDS ON WORLDWIDE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2006

(A) Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment exceeding \$1,000 are capitalized and stated at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that exceed \$1,000 and materially extend the life of the assets are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets for financial statement and tax purposes. Estimated lives vary by asset category.

Income Taxes

Hands on Worldwide, Inc. qualifies as an organization exempt from income tax as provided under Section 501(C)(3) of the Internal Revenue Code, and therefore, has no provision for income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(2).

(B) Contributions

Under SFAS No. 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.