

HANDS ON WORLDWIDE, INC.
Carlisle, Massachusetts

FINANCIAL STATEMENTS

For The Year Ended August 31, 2007

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

HANDS ON WORLDWIDE, INC.
Carlisle, Massachusetts

FINANCIAL STATEMENTS

For The Year Ended August 31, 2007

HANDS ON WORLDWIDE, INC.

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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, 2007, and the related statements of activities, functional expenses, and cash flows for the year ended August 31, 2007. 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, 2007, and the changes in its net assets and its cash flows for the year ended August 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

Robert M. Hurst CPA, P.C.

Wellesley, Massachusetts

September 28, 2007

HANDS ON WORLDWIDE, INC.
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2007

ASSETS

Current Assets	
Cash	<u>\$ 159,380</u>
Total Current Assets	<u>159,380</u>
Property and Equipment	
Machinery and equipment	15,911
Less accumulated depreciation	<u>(932)</u>
Total Property and Equipment	<u>14,979</u>
 TOTAL ASSETS	 <u>\$ 174,359</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 3,514
Accrued net payroll	4,170
Accrued expense	<u>4,300</u>
Total Current Liabilities	<u>11,984</u>
Net Assets	
Unrestricted	<u>162,375</u>
Total Net Assets	<u>162,375</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 174,359</u>

See accompanying notes to financial statements.

HANDS ON WORLDWIDE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Other Support			
Contributions	\$ <u>308,939</u>	\$ _____	\$ <u>308,939</u>
Total Revenue and Other Support	<u>308,939</u>	<u>-</u>	<u>308,939</u>
Expenses			
Program expense	221,321		221,321
Administrative expense	<u>18,527</u>	_____	<u>18,527</u>
Total Expenses	<u>239,848</u>	<u>-</u>	<u>239,848</u>
Change in Net Assets	69,091		69,091
Net Assets – beginning of period	<u>93,284</u>	_____	<u>93,284</u>
Net Assets – end of period	<u>\$ 162,375</u>	<u>\$ -</u>	<u>\$ 162,375</u>

See accompanying notes to financial statements.

HANDS ON WORLDWIDE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2007

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Salary expense	\$ 88,083	\$	\$ 88,083
Travel	71,537		71,537
Disaster relief supplies and expenses	48,310		48,310
Office expense		8,988	8,988
Payroll taxes	6,738		6,738
Professional fees		4,300	4,300
Insurance	1,187	2,400	3,587
Website expense	2,491		2,491
Printing	1,656		1,656
Outside services		1,325	1,325
Depreciation	932		932
Bank and credit card fees		753	753
Payroll processing fee		481	481
Telephone	387		387
Filing fee	<u> </u>	<u>280</u>	<u>280</u>
 Total Functional Expenses	 <u>\$ 221,321</u>	 <u>\$ 18,527</u>	 <u>\$ 239,848</u>

See accompanying notes to financial statements.

HANDS ON WORLDWIDE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2007

Cash Flows Provided By (Used In) Operating Activities	
Change in Net Assets	\$ 69,091
Adjustments to Reconcile Change in Net Assets to Cash Provided By (Used In) Operating Activities	
Depreciation	932
(Increase) Decrease In Operating Assets	
Miscellaneous receivable	2,000
Contributions receivable	29,520
Increase (Decrease) In Operating Liabilities	
Accounts payable	(45,415)
Accrued net payroll	4,170
Accrued expense	<u>(1,950)</u>
Net Cash Provided By Operating Activities	<u>58,348</u>
Cash Flows Provided By (Used In) Investing Activities	
Purchase of machinery and equipment	<u>(15,911)</u>
Net Cash Used in Investing Activities	<u>(15,911)</u>
Net Increase In Cash and Cash Equivalents	42,437
Cash and Cash Equivalents - beginning of period	<u>116,943</u>
Cash and Cash Equivalents - end of period	<u>\$ 159,380</u>

See accompanying notes to financial statements.

HANDS ON WORLDWIDE, INC.
STATEMENT OF CASH FLOWS – SUPPLEMENTAL INFORMATION
AUGUST 31, 2007

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 year ended August 31, 2007.

Interest Expense

The Organization paid no interest for the year ended August 31, 2007.

HANDS ON WORLDWIDE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2007

(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 which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At August 31, 2007 the Organization had uninsured cash in the amount of \$59,380.

HANDS ON WORLDWIDE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2007

(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.

Accumulated depreciation consists of the following at August 31, 2007:

Description

Machinery and equipment	\$ <u>932</u>
Total	\$ <u>932</u>

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. As of August 31, 2007, the Organization did not have any restricted contributions.