HANDS ON WORLDWIDE, INC.

Financial Statements
For the Years Ended
August 31, 2008 and 2007
with
Independent Auditors' Report

HANDS ON WORLDWIDE, INC.

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INDEPENDENT AUDITORS' REPORT

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, 2008, and the related statements of activities and changes in net assets, of functional expenses, and of cash flows for the year then ended. 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. The financial statements of the Organization as of August 31, 2007 were audited by other auditors, whose report dated September 28, 2007, expressed an unqualified opinion on those statements.

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, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Chiampou Travis Besaw & Kershner LLP

April 15, 2009

HANDS ON WORLDWIDE, INC.

STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2008 AND 2007

	2008	2007
ASSETS		
Cash and cash equivalents	$ 206,316	$ 159,380
Equipment, net of accumulated depreciation of $7,264 and $932, respectively	14,804	14,979
	$ 221,120	$ 174,359
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 5,112	$ 11,984
NET ASSETS:		
Unrestricted net assets	216,008	162,375
	$ 221,120	$ 174,359

See notes to financial statements.

HANDS ON WORLDWIDE, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED AUGUST 31, 2008 AND 2007

	2008	2007
UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT:		
Contributions	$ 502,947	$ 308,939
EXPENSES:		
Program expenses	411,749	221,321
Administrative expenses	37,565	18,527
TOTAL EXPENSES	449,314	239,848
CHANGE IN UNRESTRICTED NET ASSETS	53,633	69,091
UNRESTRICTED NET ASSETS, beginning of year	162,375	93,284
UNRESTRICTED NET ASSETS, end of year	$ 216,008	$ 162,375

See notes to financial statements.

HANDS ON WORLDWIDE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2008 AND 2007

	2008			2007		
	Program	Administrative	Total	Program	Administrative	Total
Disaster relief supplies and expenses	$ 160,831	$ -	$ 160,831	$ 48,310	$ -	$ 48,310
Salary expense	115,879	17,578	133,457	88,083	-	88,083
Travel	59,493	-	59,493	71,537	-	71,537
Stipends/professional fees	21,400	-	21,400	-	4,300	4,300
Printing	13,605	-	13,605	1,656	-	1,656
Office expense	-	12,155	12,155	-	8,988	8,988
Publicity	12,142	-	12,142	-	-	-
Payroll taxes	8,865	1,345	10,210	6,738	-	6,738
Depreciation	6,332	-	6,332	932	-	932
Insurance	4,196	1,851	6,047	1,187	2,400	3,587
Outside services	-	3,927	3,927	-	1,325	1,325
Website expense	3,675	-	3,675	2,491	-	2,491
Telephone	3,216	-	3,216	387	-	387
Bank and credit card fees	2,115	-	2,115	-	753	753
Other expenses	-	709	709	-	761	761
	$ 411,749	$ 37,565	$ 449,314	$ 221,321	$ 18,527	$ 239,848

See notes to financial statements.

HANDS ON WORLDWIDE, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in unrestricted net assets	$ 53,633	$ 69,091
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation expense	6,332	932
Miscellaneous receivable	-	2,000
Contribution receivable	-	29,520
Accounts payable and accrued expenses	(6,872)	(43,195)
Net cash provided by operating activities	53,093	58,348
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	(6,157)	(15,911)
NET CHANGE IN CASH AND CASH EQUIVALENTS	46,936	42,437
CASH AND CASH EQUIVALENTS:		
Beginning of year	159,380	116,943
End of year	$ 206,316	$ 159,380

See notes to financial statements.

HANDS ON WORLDWIDE, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2008 AND 2007

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Hands on Worldwide, Inc. (the "Organization") is a non-profit corporation incorporated in the Commonwealth of Massachusetts, whose mission is 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 accounts of the Organization are prepared on the accrual basis of accounting. The Organization's financial statements are presented in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*.

SFAS No. 117 requires classification of net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It requires that the amount for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – be displayed in the statements of activities and changes in net assets. Management has determined that all of the Organization's net assets are currently unrestricted, as defined by SFAS No. 117.

Cash and Cash Equivalents – Cash and cash equivalents represent demand deposits with financial institutions. For the purpose of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months of less when purchased to be cash equivalents.

Property and Equipment – Property and equipment is stated at cost at the date of acquisition or, if donated, at the approximate fair value at the date of the donation. Depreciation is provided by using the straight line method over the estimated useful lives of the related assets (5-7 years) for financial statement purposes. Maintenance and repairs are charged to operations as incurred; significant renewals and betterments that exceed $1,000 and materially extend the life of the assets are capitalized.

Income Taxes – The Organization 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).

Contributions – The Organization accounts for contributions under Statement of Financial Accounting Standards 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 and/or nature of any donor imposed restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. As of August 31, 2008, the Organization did not have any restricted contributions.

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services – The Organization partners with other organizations that provide building materials or funds for supplies. The Organization utilizes their own volunteers and project managers. Partners on past projects have included: the Salvation Army, Caritas, Oxfam, UNICEF, Save the Children UK, Scandinavian Children's Mission, and the US Interagency Assessment Team, as well as local non-governmental organizations in the various countries of operation. The Organization receives a substantial amount of services donated by volunteers. The volunteers on deployment for the Organization are unpaid, and are responsible for their own transportation expenses. No amounts have been reflected in the financial statements for these services, since no objective basis is available to measure their value.

Advertising – Advertising costs are expensed in the period in which advertising takes place. Advertising expense for the years ended August 31, 2008 and 2007 were $12,142 and $0, respectively.

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

Reclassifications **–** Certain reclassifications have been made to the August 31, 2007 financial statements in order to conform with the current year presentation.

2. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains its cash balances with a bank, which is insured by the Federal Deposit Insurance Corporation up to $250,000. The Organization's management believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents.

One donor provided the Organization with a donation of $100,000 for the year ended August 31, 2008.

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