COMPREHENSIVE HEALTHCARE SOLUTIONS INC
Form 10KSB
June 22, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-KSB

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended February 28, 2007

Commission File Number: 003-08955

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**58-0962699**
(State of other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

45 Ludlow Street, Suite 602
Yonkers, New York 10705
(Address of principal executive offices) (Zip Code)

(914) 375-7591
(Registrant’s telephone number, including area code)

(Former Address, since last report)

Securities registered pursuant to Section 12(g) of the Act: Common Stock,
$.10 par value

Name of each exchange on which registered. NASD OTC Bulletin Board

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. |X| YES |_|

NO

The aggregate market value of the outstanding Common Stock of the registrant held by non-affiliates of the registrant as of June 22, 2007, based on the average bid and asked price of the Common Stock on the NASD OTC Bulletin Board on said date was $1,112,535.

As of June 22, 2007, the Registrant had outstanding 17,577,109 shares of common stock.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC.

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ITEM 1. BUSINESS

The Company

Directly, and indirectly through our subsidiaries, Accutone Inc. and Interstate Hearing Aid Service Inc., until January 3, 2007, we were in the business of audiological services. Both subsidiaries had changed the focus of their marketing to include, not only the individual, self-pay patients, but health care entities and organizations which could serve as patient referral sources for us. The hearing aid industry is competitively changing at a rapid pace and marketing of these services and competing with organizations with stronger capital availability was becoming more difficult. As a result management decided to divest these two subsidiaries as of January 3, 2007.

To position ourselves to take advantage of this market, on March 1, 2004 pursuant to a Stock Purchase Agreement, we acquired one hundred percent (100%) of the issued and outstanding shares of common stock of Comprehensive Network Solutions, Inc. (CNS) based in Austin, Texas from the CNS shareholders in consideration for the issuance of a total of 275,000 restricted shares of our common stock to the CNS shareholders. Pursuant to the Agreement, CNS became our wholly owned subsidiary. Based on this acquisition, we changed our name to Comprehensive Healthcare Solutions, Inc. to better reflect the fact that we operate in several medical venues. This acquisition management believed would allow the company to take full advantage of the opportunity to become a major player providing access to discounted health care provider networks and services. The Company was unsuccessful in generating material revenues this portion of the business due to various factors including a lack of sufficient working capital.

On December 5, 2006, the Company entered into an agreement with Comprehensive Associates, LLC ("Associates") whereby certain assets of the Company were transferred to Associates. These assets include, but are not limited to, all of the Company's right, title, and interest, in, to, and under a Marketing Affiliation Agreement with Alliance Heathcard, Inc. As consideration for the assignment of assets, Associates agreed to cancel a $27,400 loan issued June 16, 2006, and the Company's obligation to reimburse Associates for legal fees related to that loan in the maximum amount of $20,188.75. In further consideration for the Transfer, Associates extended the repayment period for the $235,000 loan issued August 19, 2005 until April 5, 2007. Associates continues to work with the Company on a revised working arrangement.

On January 3, 2007, the Company entered into an agreement to convey the Company's interest in Accutone, Inc. ("Accutone"), to Larry A. Brand ("Brand") in consideration for the cancellation of a $218,500 loan issued by Brand on June 6, 2006 and accrued interest on the loan. Accutone is a Pennsylvania corporation in the business of selling hearing aid products. The Company owns all of the issued and outstanding shares of stock of Accutone. Accutone has been minimally profitable in its operations within the last five years, its balance sheet does not reflect a positive liquidation value, and the shares of stock of Accutone have no realizable value for the Corporation, as there is no viable market for its stock in light of its history. Brand has been active in the business of hearing aid manufacturing and marketing and was a participant in the creation of Accutone, and desired to take ownership of the business.

On January 3, 2007, Accutone entered into an agreement with John Treglia and pursuant to that agreement, Mr. Treglia agreed to take title to the stock of Interstate Hearing Aid, Inc. ("Interstate"), Accutone's wholly-owned subsidiary, from Accutone upon the conveyance of the Accutone stock from Brand. Interstate is a Pennsylvania corporation, which is insolvent, and which owes, among other obligations, in excess of $250,000 including various federal and state withholding taxes..

To date we have not been able to raise additional funds through either debt or equity offerings. Without this additional capital we were unable to pursue our plan of operations and we no longer believe that we will be able to raise the necessary funds to continue to pursue our business operations. Since we have not been able to raise funds, have entered into the above transactions and we have ceased the pursuit of our business plan and are actively seeking out

and investigating possible business opportunities with the intent to acquire or merge with one or more business ventures.

ITEM 2. PROPERTIES

Corporate Headquarters

Our corporate headquarters is located in Suite 602, The Ludlow Street Medical Building, located at 45 Ludlow Street, Yonkers, New York. This office consists of 650 square feet which was planned to accommodate additional sales and administrative personnel hired by us pursuant to the acquisition of Comprehensive Network Solutions, Inc. We have occupied these premises pursuant to a five year lease with Diamond Properties, Inc. which expired in February 2006. We are currently leasing on a month-to-month basis. Management is contemplating movement of these offices to further limit utilization of capital.

ITEM 3. LEGAL PROCEEDINGS

We are unaware of any pending or threatened legal proceedings to which we are a party or of which any of our assets is the subject. No director, officer, or affiliate, or any associate of any of them, is a party to or has a material interest in any proceeding adverse to us.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

On September 7, 2006, the Company received written consents in lieu of a meeting of Stockholders from holders of 9,028,518 shares representing approximately 56% of the 16,055,470 shares of the total issued and outstanding shares of voting stock of the Company approving the Amended Articles of Incorporation of the Company pursuant to which the maximum number of shares of stock that the Company shall be authorized to have outstanding at any time shall be increased to (i) one hundred fifty million (150,000,000) shares of common stock at par value of $0.01. At such time, the amendment has not been filed with the State of Delaware since the Company has been unable have its Definitive 14c information statement approved by the SEC and mailed to its shareholders.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

We are currently traded in the over-the-counter market and quoted on the OTC Electronic Bulletin Board maintained by the National Association of Securities Dealers, Inc. (the "OTC Bulletin Board") under the symbol "CMHS". The OTC market quotations reflect inter-dealer prices without retail markup, markdown, or other fees or commissions, and may not necessarily represent actual transactions.

Period	Bid Prices Common Stock Low	Bid Prices Common Stock High
Fiscal Year Ended February 28, 2006		
May 31, 2005	$ 0.45	$ 1.16
August 31, 2005	0.28	0.65
November 30, 2005	0.29	0.79
February 28, 2006	$ 0.20	$ 0.49
Fiscal Year Ended February 28, 2007		

May 31, 2006	$	0.08	$	0.27
August 31, 2006		0.05		0.15
November 30, 2006		0.035		0.15
February 28, 2007	$	0.03	$	0.31

We have never paid any cash dividends on our common stock, and have no present intention of doing so in the foreseeable future.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of significant factors which have affected our financial position and operations during the fiscal years ended February 28, 2007 and February 28, 2006. This discussion also includes events which occurred subsequent to the end of the fiscal year ended February 28, 2007, and contains both historical and forward- looking statements. When used in this discussion, the words "expect(s)", "feel(s)", "believe(s)", "will" "may", "anticipate(s)" "intend(s)" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors". Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Readers are also urged to carefully review and consider the various disclosures elsewhere in this Report which discuss factors which affect the Company's business, including the discussion at the end of this Management's Discussion and Analysis. This discussion should be read in conjunction with the Company's Consolidated Financial Statements, respective notes and Selected Consolidated Financial Data included elsewhere in this Report.

The Company

Directly, and indirectly through our subsidiaries, Accutone Inc. and Interstate Hearing Aid Service Inc., until January 3, 2007 we were in the business of audiological services. Both subsidiaries had changed the focus of their marketing to include, not only the individual, self-pay patients, but health care entities and organizations which could serve as patient referral sources for us. The hearing aid industry is competitively changing at a rapid pace and marketing of these services and competing with organizations with stronger capital availability was becoming more difficult. As a result management decided to divest these two subsidiaries as of January 3, 2007.

A major portion of our net sales were generated by fees earned by the provision of audiological testing in our offices as well as a minor amount provided on site in Nursing Homes, Assisted Living Facilities, Senior Care Facilities and Adult Day Care Centers as well as the sales and distribution of hearing aids generated in each of these venues. A majority of our audiological service revenue has represented reimbursement from Medicare, Medicaid and third party payers. Generally, reimbursement from these parties can take as long as 60 to 120 days. In addition to the revenue generated from our audiological services, management believed that revenues would increase in future periods as a result of increased distribution and marketing of our medical discount cards as set forth herein.

To position ourselves to take advantage of this market, on March 1, 2004 pursuant to a Stock Purchase Agreement, we acquired one hundred percent (100%) of the issued and outstanding shares of common stock of Comprehensive Network Solutions, Inc. (CNS) based in Austin, Texas from the CNS shareholders in consideration for the issuance of a total of 275,000 restricted shares of our common stock to the CNS shareholders. Pursuant to the Agreement, CNS became our wholly owned subsidiary. Based on this acquisition, we changed our name to Comprehensive Healthcare Solutions, Inc. to better reflect the fact that we operate in several medical venues. This acquisition management believed would allow the company to take full advantage of the opportunity to become a major player providing access to discounted health care provider networks and services. The Company was unsuccessful in pursuing this business due to various factors including a lack of sufficient working capital.

On December 5, 2006, the Company entered into an agreement with Comprehensive Associates, LLC "Associates") whereby certain assets of the Company were transferred to Associates. These assets include, but are not limited to, all of the Company's right, title, and interest, in, to, and under a Marketing Affiliation Agreement with Alliance Heathcard, Inc. As consideration for the assignment of assets, Associates agreed to cancel a $27,400 loan issued June 16, 2006, and the Company's obligation to reimburse Associates for legal fees related to that loan in the maximum

amount of $20,188.75. In further consideration for the Transfer, Associates extended the repayment period for the $235,000 loan issued August 19, 2005 until April 5, 2007. Associates continues to work with the Company on a revised working arrangement.

On January 3, 2007, the Company entered into an agreement to convey the Company's interest in Accutone, Inc. ("Accutone"), to Larry A. Brand ("Brand") in consideration for the cancellation of a $218,500 loan issued by Brand on June 6, 2006 and accrued interest on the loan. Accutone is a Pennsylvania corporation in the business of selling hearing aid products. The Company owns all of the issued and outstanding shares of stock of Accutone. Accutone has been minimally profitable in its operations within the last five years, its balance sheet does not reflect a positive liquidation value, and the shares of stock of Accutone have no realizable value for the Corporation, as there is no viable market for its stock in light of its history. Brand has been active in the business of hearing aid manufacturing and marketing and was a participant in the creation of Accutone, and desired to take ownership of the business.

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On January 3, 2007, Accutone entered into an agreement with John Treglia. Pursuant to that agreement, Mr. Treglia agreed to take title to the stock of Interstate Hearing Aid, Inc. ("Interstate"), Accutone's wholly-owned subsidiary, from Accutone upon the conveyance of the Accutone stock from Brand. Interstate is a Pennsylvania corporation, which is insolvent, and which owes, among other obligations, in excess of $250,000 in federal and state withholding taxes for the years 2001 through 2006.

To date we have not been able to raise additional funds through either debt or equity offerings. Without this additional cash we have been unable to pursue our plan of operations and we no longer believe that we will be able to raise the necessary funds to continue to pursue our business operations. Since we have not been able to raise funds, have entered into the above transaction and we have ceased the pursuit of our business plan and are actively seek out and investigating possible business opportunities with the intent to acquire or merge with one or more business ventures.

Critical Accounting Policies and Estimates

Our discussion of our financial condition and results of operations is an analysis of the consolidated financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), consistently applied. Although our significant accounting policies are described in Note 1 of the notes to consolidated financial statement, the following discussion is intended to describe those accounting policies and estimates most critical to the preparation of our consolidated financial statements. The preparation of these consolidated financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates. We base our estimates on historical experience and on various other factors that we believe to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

We believe the following critical accounting policy affect the more significant judgments and estimates used in the preparation of our consolidated financial statements:

- We have issued convertible debentures with embedded derivatives and warrants, which estimates and opinions that may change the nature of the accounting treatment based on FAS 133, EITF 98-5 and EITF 00-19 among others.

Results of Operations

TWELVE MONTHS ENDED FEBRUARY 28, 2007 COMPARED TO TWELVE MONTHS ENDED FEBRUARY 28, 2006

Pursuant to Statement of Financial Accounting Standards No. 144, *"Accounting for the Impairment or Disposal of Long-Lived Assets"* (SFAS No. 144), the Company's consolidated financial statements have been reclassified for all periods presented to reflect the operations, assets and liabilities of the discontinued operations. The net income (loss) from discontinued operations has been classified in the accompanying consolidated statements of operations as "Discontinued operations, net of tax." Summarized results of discontinued operations for the period from March 1, 2006 through January 3, 2007 (the disposition date), and for the year ended February 28, 2006:

	2007	2006
Op Operating revenue	$ 390,798	$ 464,490

In Loss from discontinued operations	$ (37,411)	$ (50,812)
G Loss on sale of discontinued operations, net of tax	272,703	(265,313)
	$ 235,292	$ (316,125)

Sales for the fiscal year ended 2007 and 2006 were $108,120 and $57,366, respectively. This increase is primarily a result of an increase in net sales were generated by fees earned by the provision of audiological testing in our offices.

Cost of sales was $62,231 for fiscal 2007 as compared to $73,263 for fiscal 2006.

Operating expenses:

Selling, general and administrative costs were $173,364 and $483,832 for fiscal 2007 and 2006, respectively, a decrease of $310,448. This decrease is attributable to decreases in marketing and promotional expenses, office expenses and salaries.

Professional fees were $236,567 and $1,510,982 for fiscal 2007 and 2006, respectively, a decrease of $1,274,415. This decrease is primarily attributable to a reduction in non-cash expenses for issuing warrants in connection to consulting agreements and a general reduction in professional fees attributable to shortages in cash flows.

Other income (expenses):

Interest expense was $252,950 and $186,172 for fiscal years 2007 and 2006, respectively. Interest expense is primarily comprised of non-cash amortization of debt discount.

Change in derivative liability was a positive amount of $1,096,806 for fiscal 2007 as compared to a negative amount of $725,233 for fiscal 2006. This increase is due to a decrease in the fair value of the derivative, resulting from a reduction in the Company's market price per common share

Liquidity and Capital Resources

We incurred significant operating losses in recent years which resulted in severe cash flow problems that negatively impacted our ability to conduct our business as structured and ultimately caused us to become and remain insolvent. Current liabilities exceed our current assets, and as such, there was no assurance that the company would be able to continue to conduct business without further financing. This prompted the management's decision to divest the Company of various operations. On January 3, 2007, we conveyed our interest in Accutone, Inc. (Accutone), a 100% wholly owned subsidiary, to a third party in consideration for the cancellation of a $218,500 loan issued by the third party on June 6, 2005 and accrued interest on the loan. In addition on January 3, 2007, Accutone entered into an agreement with John Treglia, our Chief Executive officer, to take title to the stock of Interstate Hearing Aid, Inc. (Interstate), a wholly owned subsidiary of Accutone, Inc. Interstate, is insolvent, and owes among other obligations, in excess of $350,000, primarily for federal and state withholding taxes.

On December 5, 2006, we entered into an agreement with Comprehensive Associates, LLC (Associates) whereby certain assets of the Company were transferred to Associates. These assets include, but are not limited to, all of the Company's right, title, and interest, in, to, and under a Marketing Affiliation Agreement with Alliance Heathcard, Inc. Based upon same, at this time, Associates is operating the medical discount card business which the Company had been operating in the past. As consideration for the assignment of assets, Associates agrees to cancel a $27,400 loan issued June 16, 2006, and the Company's obligation to reimburse Associates for legal fees related to that loan in the maximum amount of $20,188.75. In addition, Associates has agreed to cancel other portion of penalties, interest and fees to have the total consideration equal $75,000 as well as assuming any liabilities which were generated as a part of the Marketing Affiliation Agreement. In further consideration for the transfer, Associates has extended the repayment period for the $235,000 loan issued August 19, 2005 until May 5, 2007. Although this agreement has been executed by the parties, all conditions have not been met at this time since Alliance Healthcard, Inc. has not consented to the assignment. At such time as Alliance consents to the assignment, this transaction will be consummated.

Pursuant to Statement of Financial Accounting Standards No. 144, *"Accounting for the Impairment or Disposal of Long-Lived Assets"* ("SFAS 144"), the consolidated financial statements have been reclassified for all periods presented to reflect the operations, assets and liabilities of Accutone and Interstate as discontinued operations.

As of February 28, 2007, our liquidity and capital resources included cash and cash equivalents of $4,205 compared to $9,414 a year earlier representing a decrease of $5,209.

Cash used in operating activities totaled $138,304 in fiscal 2007 compared to $702,036 in fiscal 2006.

Cash provided by investing activities totaled $4,500 in fiscal 2007 related to the sale of a fixed asset as compared to cash used in investing activities of $1,550 related to capital expenditures in the prior year.

Net cash provided by financing activities in fiscal 2007 totaled $128,595 mainly from proceeds received from convertible debentures and loans from a related party. The cash provided by financing activities was $720,867 for fiscal 2006 mainly from proceeds from convertible debentures.

We have total liabilities of approximately $1.0 million and assets of $9,443. Without new financing, we will be forced to liquidate the remaining business. Management is currently working diligently on identifying and contracting with certain business entities that it believes will add value and profitability to the company.

Off-Balance Sheet Transactions

We have not guaranteed any other person's or company's debt. We have not entered into any currency or interest options, swaps or future contracts, nor do we have any off balance sheet debts or transactions.

Related Party Transactions

Our CEO, Mr. John Treglia, has arranged for and will continue to arrange for loans to the Company in order to ensure the Company can continue with its limited operations.

New Accounting Standards

In September 2006, the Securities and Exchange Commission (SEC) released SAB No.108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" (SAB 108). SAB 108 provides interpretive guidance on the SEC's views on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. The Company adopted SAB 108 during the fourth quarter of 2007. The adoption did not have a material impact on the Company's financial position, cash flows, or results of operations.

In February 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159) which permits entities to choose to measure many financial instruments and certain other items at fair value that are currently required to be measured at fair value. SFAS 159 will be effective for the Company on March 1, 2008. The Company is currently evaluating the impact of adopting SFAS 159 on its financial position, cash flows and results of operations.

ITEM 7. FINANCIAL STATEMENTS

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2007

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the board of directors and shareholders of
COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES

We have audited the accompanying balance sheet of Comprehensive Healthcare Solutions, Inc. and Subsidiaries (f/k/a Nantucket Industries, Inc. and Subsidiaries) as of February 28, 2007 and the related statements of operations, changes in shareholders' deficiency, and cash flows for the years ended February 28, 2007 and 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Comprehensive Healthcare Solutions, Inc. and Subsidiaries (f/k/a Nantucket Industries, Inc. and Subsidiaries) as of February 28, 2007 and the results of its operations and its cash flows for the years then ended 2007 and 2006 in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements referred to above have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company needs to seek new sources or methods of financing or revenue to pursue its business strategy, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans as to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Jewett, Schwartz, Wolfe & Associates

Hollywood, Florida
June 21, 2007

2514 HOLLYWOOD BOULEVARD, SUITE 508 HOLLYWOOD, FLORIDA 33020 TELEPHONE (954) 922-5885 FAX (954) 922-5957
MEMBER – AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
PRIVATE COMPANIES PRACTICE SECTION OF THE AICPA REGISTERED WITH THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD OF THE SEC

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
February 28, 2007

ASSETS

Current assets:		
Cash and cash equivalents	$	4,205
Total current assets		4,205
Property and equipment, net		5,238
Total assets	$	9,443

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts payable and accrued expenses	$	232,415
Loan payable		10,000
Due to related party		137,412
Convertible debentures, short term portion		402,745
Derivative liabilities		206,835
Total current liabilities		989,407
Convertible debentures, long term		19,873
Commitments and contingencies		-
Stockholders' deficit:		
Preferred stock, no par value; 5,000 shares		
authorized and zero shares issued and outstanding		-
Common stock, $.10 par value; 50,000,000 shares		
authorized; 17,077,109 shares issued and outstanding		1,707,711
Additional paid-in capital		2,167,127
Accumulated deficit		(4,874,675)
Total stockholders' deficit		(999,837)
Total liabilities and stockholders' deficit	$	9,443

The accompanying notes are an integral part of these consolidated financial statements.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	YEARS ENDED FEBRUARY 28,	
	2007	2006
Net sales	$ 108,120	$ 57,366
Cost of sales	62,231	73,263
Gross profit	45,889	(15,897)
Selling, general and administrative expenses	173,364	483,832
Professional fees	236,567	1,510,982
Impairment of assets	-	525,000
Depreciation and amortization	5,834	27,047
Loss from operations	(369,876)	(2,562,758)
Other income (expenses):		
Gain (loss) on derivative liabilities	1,096,806	(725,233)
Interest expense, net	(252,950)	(186,172)
Total other income (expense)	843,856	(911,405)
Income (loss) before provision for income taxes	473,980	(3,474,163)
Provision for income taxes	-	-
Net income (loss) from continuing operations	473,980	(3,474,163)
Discontinued operations, net of tax	235,292	(316,125)
Net income (loss)	$ 709,272	$ (3,790,288)
Basic and diluted income (loss) per common share:		
Continuing operations	$ 0.03	$ (0.24)
Discontinued operations	0.01	(0.02)
Total basic and diluted net income (loss) per share	$ 0.04	$ (0.26)
Weighted average common shares outstanding, basic and diluted	16,559,842	14,489,338

The accompanying notes are an integral part of these consolidated financial statements.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

	Common stock ($0.10 par value)		Additional	Deferred Stock-Based	Accumulated	
	Shares	Amount	paid-in capital	Consulting	Deficit	Total
Balance at February 28, 2005	13,303,959	$ 1,330,395	$ 1,546,965	$ (421,540)	$ (1,793,659)	$ 662,161
Issuance of shares	100,000	10,000	15,000	-	-	25,000
Previously recorded subscription receivable	-	-	(25,000)	-	-	(25,000)
Shares issued for services	1,841,639	184,165	634,133	-	-	818,298
Shares issued for executive compensation	120,000	12,000	44,400	-	-	56,400
Expense of deferred – stock based consulting	-	-	-	421,540	-	421,540
Net loss	-	-	-	-	(3,790,288)	(3,790,288)
Balance at February 28, 2006	15,365,598	1,536,560	2,215,498	-	(5,583,947)	(1,831,889)
Shares issued for services	658,925	65,893	(11,000)	-	-	54,893
Shares issued for executive compensation	1,052,586	105,258	(37,371)	-	-	67,887
Net income	-	-	-	-	709,272	709,272
Balance at February 28, 2007	17,077,109	$ 1,707,711	$ 2,167,127	$ -	$ (4,874,675)	$ (999,837)

The accompanying notes are an integral part of these consolidated financial statements.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED FEBRUARY 28,	
	2007	2006
Cash Flows From Operating Activities		
Net income (loss)	$ 709,272	$ (3,790,288)
Adjustments to reconcile net income (loss) to net cash used		
in operating activities:		
(Gain) loss from discontinued operations	(272,703)	316,125
Provision for doubtful accounts	-	(25,000)
Depreciation and amortization	5,834	39,382
Stock based compensation recorded as liability	-	19,683
Impairment of assets	-	525,000
Loss on disposal of asset	3,435	-
(Gain) loss on derivative liabilities	(1,096,806)	725,233
Amortization of debt discount	211,016	144,819
Expense for shares issued for services rendered	122,780	1,296,238
Changes in current assets and liabilities:		
Accounts receivable	5,854	25,413
Other current assets	-	11,067
Accounts payable and accrued expenses	127,312	72,847
Discontinued operations, net	45,702	(87,555)
Net cash used in operating activities	(138,304)	(727,036)
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	-	(1,550)
Proceeds from sale of fixed asset	4,500	-
Net cash used in investing activities	4,500	(1,550)
Cash Flows From Financing Activities		
Issuance of common stock	-	25,000
Proceed (repayment) of loans	10,000	(9,459)
Proceeds from convertible debentures	75,000	630,000
Proceeds from loans from related party	51,886	75,326
Discontinued operations, net	(8,291)	-
Net cash provided by financing activities	128,595	720,867
Net decrease in cash and cash equivalents	(5,209)	(7,719)
Cash and cash equivalents, beginning of year	9,414	17,133
Cash and cash equivalents, end of year	$ 4,205	$ 9,414
Supplemental Disclosure of Cash Flow Information:	-	
Cash paid during the year for:		
Interest	$ -	$ 2,052
Taxes	$ -	$ -
Non-cash Investing and Financing Activities:		
Common stock issued for acquisition of business	$ -	$ -
Derivative liabilities recorded	$ -	$ 259,531
Common stock issued for services rendered	$ 122,780	$ 874,700

The accompanying notes are an integral part of these consolidated financial statements.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1- ORGANIZATION

The Company
Comprehensive Healthcare Solutions, Inc. and its wholly owned subsidiaries (Company) was in the business of selling and distributing medical care discount cards, hearing aids and providing audiological services. On January 3, 2007, the Company conveyed its interest in Accutone, Inc., a wholly owned subsidiary, to Larry A. Brand. On January 3, 2007 Accutone entered into an agreement with John Treglia, the Company's Chief Executive Officer to take title to the stock of Interstate Hearing Aid, Inc., a wholly owned subsidiary of Accutone. See note 9.

NOTE 2 – GOING CONCERN

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which contemplate continuation of the Company as a going concern. However, the Company has year end losses from operations and had minimal revenues from operations in 2007. Further, the Company has inadequate working capital to maintain or develop its operations, and is dependent upon funds from private investors and the support of certain stockholders.

These factors raise substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of these uncertainties. In this regard, Management is proposing to raise any necessary additional funds through loans and additional sales of its common stock. There is no assurance that the Company will be successful in raising additional capital.

NOTE 3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation
The consolidated financial statements include the accounts of Comprehensive Healthcare Solutions, Inc. and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Cash and Cash Equivalents
Cash and cash equivalents include cash, time deposits and highly liquid debt instruments with an original maturity of three months or less.

Accounts Receivable
The Company performs periodic credit evaluations of its customers and maintains an allowance for potential credit losses based on historical experience and other information available to management. As of February 28, 2007 there was no balance in the allowance for doubtful accounts.

Property and Equipment
Property, fixtures, and equipment are stated at cost less accumulated depreciation and amortization. Depreciation of furniture, fixtures, and equipment is calculated using the straight-line method over the estimated useful life of the asset generally ranging from three to seven years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the related lease term, commencing the month after the asset is placed in service.

Goodwill and Other Intangible Assets

In accordance with SFAS 142, the Company no longer amortizes goodwill and certain other intangible assets over their useful lives. Instead, goodwill and other intangible assets are tested for impairment annually. The impairment test consists of two steps. In the first step, the Company determines the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. If the fair value of the reporting unit is greater than its carrying value, the test is completed and intangible assets assigned to the reporting unit is not impaired. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired, and the Company must perform the second step of the impairment test. In the second step, the Company must compare the implied fair value of the reporting unit's intangible assets, determined by allocating the reporting unit's fair value to all of its assets (recognized and unrecognized) and liabilities in a manner similar to a purchase price allocation in accordance with SFAS No.141, to its carrying amount.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Goodwill and Other Intangible Assets - Continued

The Company will recognize an intangible assets impairment charge if the carrying amount of the intangible assets assigned to the reporting unit is greater than the implied fair value of the intangible assets. In fiscal 2006, the Company recognized $525,000 of impairment loss. In 2006, the Company discontinued services to nursing homes under its Park Avenue Agreement. The Company determined that the expected future cash flow would not be achieved, due to deteriorating margins as a result of the reduction in Medicare and Medicaid reimbursement rates for the services provided. No impairment loss was recorded in fiscal year 2007.

Fair Value of Financial Instruments
Based on borrowing rates currently available to the Company for debt with similar terms and maturities, the fair value of the company's long-term debt approximate the carrying value.

Income Taxes
The Company accounts for income taxes according to Statement of Financial Accounting Standard No. 109 "Accounting for Income Taxes" which requires an asset and liability approach to financial accounting for income taxes. Deferred income tax assets and liabilities are computed annually for the difference between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change during the period in deferred tax assets and liabilities.

Impairment of Long-Lived Assets
In accordance with SFAS 144, long-lived assets, such as property, plant, and equipment, and purchased intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill and other intangible assets are tested for impairment annually. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Revenue Recognition
In accordance with Emerging Issues Task Force ("EITF") 00-21, we have determined that certain of our contractual arrangements contain multiple deliverables which represent separate units of accounting, specifically, the initial hearing screening and the subsequent delivery of the hearing aid and any follow up services necessary. Revenue related to initial screening services is recognized upon delivery of the screening services as there is no further obligation to provide subsequent service, objective and reliable evidence of the fair value of these services exists and the delivery of these services have value to the customer on a stand-alone basis. Revenue is recognized on the delivery of hearing aids in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards ("SFAS") No. 48: *Revenue Recognition When Right of Return Exists* when delivery of the product has occurred and follow up service is completed assuming that collectibility is reasonably assured. If collection is doubtful, no revenue is recognized until such receivables are collected. Generally, customers have a 45 day period in which to either return the product or request follow up service; we therefore recognize revenue for products delivered only upon expiration of the 45 day return period.

Sales return policy

The Company provides to all patients purchasing hearing aids a specific return period, a minimum of 45 days, if the patient is dissatisfied with the product. The Company does not provide an allowance in accrued expenses for returns since actual returns for this fiscal year were less than 2%. All the manufacturers that supply the Company accept returns back for full credit within these return periods.

Advertising Costs

Costs for newspaper and other media advertising are expensed as incurred and were $5,500 and $24,146 for the years ended February 28, 2007 and 2006 respectively.

Segment Information

In 1997, the Financial Accounting Standards Board issued SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information. The method of determining what information to report is based on the way that management organizes the operating segments within the Company for making operational decisions and assessments of financial performance. The Company operates under one reportable retail segment. Accordingly, segment information is not applicable.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Comprehensive Income
Comprehensive income approximates net income for all periods presented.

Earnings (Loss) Per Common Share
Basic earning (loss) per share is computed by dividing net income (loss) by the weighted average number of shares outstanding during the period. Diluted earning per share is computed assuming the exercise of stock options, warrants and convertible debentures, if any, under the treasury stock method and the related income tax effects if not anti-dilutive. For loss periods, common share equivalents are excluded from the calculation, as their effect would be anti-dilutive.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Accounting for Convertible Debentures, Warrants and Derivative Instruments

Statement of Financial Accounting Standard (“SFAS”) No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended, requires all derivatives to be recorded on the balance sheet at fair value. These derivatives, including embedded derivatives in the Company’s structured borrowings, are separately valued and accounted for on the Company’s balance sheet. Fair values for exchange-traded securities and derivatives are based on quoted market prices. Where market prices are not readily available, fair values are determined using market based pricing models incorporating readily observable market data and requiring judgment and estimates.

The pricing model the Company uses for determining fair values of the Company’s derivatives is the Black Scholes Pricing Model. Valuations derived from this model are subject to ongoing internal and external verification and review. The model uses market-sourced inputs such as interest rates, exchange rates and option volatilities. Selection of these inputs involves management’s judgment and may impact net income.

In particular, the Company uses volatility rates for a time period similar to the length of the underlying convertible instrument based upon the closing stock price of the Company’s common. However, we do not use stock price information prior to February 2002 when the Company emerged from bankruptcy. The Company determined that share prices prior to this period do not reflect the ongoing business valuation of the Company’s current operations. The Company uses a risk-free interest rate, which is the U. S. Treasury bill rate, for a security with a maturity that approximates the estimated expected life of our derivative or security. The Company uses the closing market price of the Company’s common stock on the date of issuance of a derivative or at the end of a quarter when a derivative is valued at fair value. The volatility factor used in Black Scholes has a significant effect on the resulting valuation of the derivative liabilities on the Company’s balance sheet. The initial volatility for the calculation of the embedded and freestanding derivatives ranged from 115% to 190%, this volatility-rate will likely change in the future. The Company’s stock price will also change in the future. To the extent that the Company’s stock price increases or decreases, the Company’s derivative liabilities will also increase or decrease, absent any change in volatility rates.

In September 2000, the Emerging Issues Task Force issued EITF 00-19, “Accounting for Derivative Financial Instruments Indexed to and Potentially Settled in, a Company’s Own Stock,” (“EITF 00-19”) which requires freestanding contracts that are settled in a company’s own stock, including common stock warrants, to be designated as an equity instrument, asset or a liability. Under the provisions of EITF 00-19, a contract designated as an asset or a liability must be carried at fair value on a company’s balance sheet, with any changes in fair value recorded in the company’s results of operations. A contract designated as an equity instrument must be included within equity, and no fair value adjustments are required from period to period. In accordance with EITF 00-19, all of the Company’s warrants to purchase common stock are accounted for as liabilities. The fair value of these warrants and conversion options is shown on the Company’s balance sheet and the unrealized changes in the values of these derivatives are shown in the Company’s consolidated statement of operations as “Loss on derivative liabilities.”

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounting for Convertible Debentures, Warrants and Derivative Instruments - Continued

The Company has penalty provisions in the registration agreements for its debentures and warrants that require it to make certain payments in the event of failure to maintain, for certain prescribed periods, an effective registration statement for the common stock securities underlying the debentures and the associated warrants and failure to maintain the listing of our common stock for quotation on the Nasdaq National Market, the Nasdaq SmallCap Market, the New York Stock Exchange or the American Stock Exchange after being so listed or included for quotation, or if the common stock ceases to be traded on the Over-the-Counter Bulletin Board (the "OTCBB") or any equivalent replacement exchange on the OTC Bulletin Board, NASDAQ National Market, NASDAQ SmallCap or New York Stock Exchange. The EITF, which has not been adopted, considers alternative treatments including whether or not the registration right itself is a separate derivative liability, or if it is a derivative considered as a combined unit with the conversion feature of a convertible instrument. If the unit is considered separate, the EITF discusses possible alternative treatments including the possibility that the combined unit is a derivative liability only if the maximum liquidated damages exceed the difference between the fair value of registered and unregistered shares. In September 2005, the FASB staff reported that the EITF postponed further deliberations on Issue No. 05-04 The Effect of a Liquidated Damages Clause on a Freestanding Financial Instrument Subject to Issue No. 00-19 ("EITF 05-04") pending the FASB reaching a conclusion as to whether a registration rights agreement meets the definition of a derivative instrument.

The Company considers the liquidated damages provision in its various security instruments to be combined with its registration rights and conversion derivatives, and does not account for the provision as a separate liability. The Company records any registration delay payments as an expense in the period when incurred. If the FASB were to adopt an alternative view, the Company could be required to account for the registration delay payments as a separate derivative. Accordingly, the Company would need to record the fair value of the estimated payments, although no authoritative methodology currently exists for evaluating such computation.

Recent Accounting Pronouncements

In September 2006, the Securities and Exchange Commission (SEC) released SAB No.108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" (SAB 108). SAB 108 provides interpretive guidance on the SEC's views on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. The Company adopted SAB 108 during the fourth quarter of 2007. The adoption did not have a material impact on the Company's financial position, cash flows, or results of operations.

In February 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159) which permits entities to choose to measure many financial instruments and certain other items at fair value that are currently required to be measured at fair value. SFAS 159 will be effective for the Company on March 1, 2008. The Company is currently evaluating the impact of adopting SFAS 159 on its financial position, cash flows and results of operations.

Reclassification

Certain prior year amounts have been reclassified in order to conform to the current year's presentation.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - PROPERTY AND EQUIPMENT:

Property and equipment as of February 28, 2007, is as follows:

Machinery and equipment	$	14,015
Less accumulated depreciation		(8,777)
	$	5,238

NOTE 5 - CONVERTIBLE DEBENTURES AND WARRANTS

During fiscal 2007 and 2006, the Company sold convertible debentures and issued warrants to various entities. The debt and accrued interest is convertible to shares.

Debentures Issue date	Amount	Interest rate	Interest payable	Right to convert	Due date	Conversion price	Number of shares
08/01/05	$ 10,000	6%	quarterly	5/31/2006	06/01/10	$ 0.50	20,000
08/01/05	$ 10,000	6%	quarterly	5/31/2007	06/01/10	$ 0.75	13,333
08/01/05	$ 10,000	6%	quarterly	5/31/2008	06/01/10	$ 0.75	13,333
08/01/05	$ 10,000	6%	quarterly	5/31/2009	06/01/10	$ 1.00	10,000
08/01/05	$ 10,000	6%	quarterly	5/31/2010	06/01/10	$ 1.00	10,000
08/19/05	$ 200,000	6%	Maturity	08/19/05	12/31/06	$ 0.25	800,000
08/19/05	$ 35,000	6%	Maturity	08/19/05	01/30/06	$ 0.25	140,000
11/28/05	$ 25,000	5%	quarterly	11/28/05	05/29/07	$ 0.25	100,000
11/28/05	$ 20,000	5%	quarterly	11/28/05	05/29/07	$ 0.25	80,000
11/28/05	$ 100,000	5%	quarterly	11/28/05	05/29/07	$ 0.25	400,000
03/31/06	$ 75,000	6%	annually	04/30/07	04/30/07	$ 0.25	300,000
	$ 505,000						1,886,666
Warrants							
11/28/05				11/28/05	11/27/08	$ 0.25	58,000
11/28/05				11/28/05	11/27/08	$ 0.40	193,332
11/28/05				11/28/05	11/27/08	$ 0.80	193,332
11/28/05				11/28/05	11/27/08	$ 1.20	193,332
08/19/05				08/19/05	08/19/10	$ 0.25	5,000,000
02/27/06				02/27/06	02/27/08	$ 0.25	100,000
Sub-total							7,624,662
Accrued interest convertible to shares							149,454
Total debt instruments convertible to shares							7,774,116

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COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 - CONVERTIBLE DEBENTURES AND WARRANTS - Continued

The Company can before the maturity date, at its option, elect to pay the convertible debentures in cash, in such case, a redemption premium of 10-25% is payable.

In August 2005, the Company committed to issue more shares from warrants and convertible debt, than its authorized number of shares. Therefore, in accordance to EITF 00-19, the Company has treated all conversion options and warrants as liabilities. The Company calculated the fair value of the warrants and the embedded conversion options upon issuance. The fair value was calculated using Black Scholes model with risk-free interest ranging from 4.0% to 4.8%; volatility ranging from 115% to 190%; and a life equal to the term of the debentures or warrants. The detachable warrants can be net-cash redeemed if the underlying shares are not registered; therefore, the instruments were recorded as a derivative liability. Subsequent to issuance, the liability was re-measured on February 28, 2007. The recorded debenture discount of $531,000 is being amortized over the terms of the debt. In fiscal 2007 interest expense of $211,016 was recognized for such amortization.

NOTE 6 - NUMBER OF SHARES OUTSTANDING

The following table sets forth the computation of basic and diluted share data:

	2007	2006
Weighted average number shares of outstanding - basic	16,559,842	14,489,338
Effect of dilutive securities: convertible debentures and warrants	-	-
Weighted average number of shares outstanding - diluted	16,559,842	14,489,338
Not included weighted average dilutive securities above (anti-dilutive)	-	744,444
Total warrants and other instruments convertible to common stock	7,774,117	7,631,985
Shares outstanding:		
Beginning outstanding shares	15,365,598	13,303,959
Issuance of shares	1,711,511	2,061,639
Ending outstanding shares	17,077,109	15,365,598

NOTE 7- STOCKHOLDERS' EQUITY

On April 27, 2005, the number of shares of common stock that the Company could issue was increased to 50,000,000.

During fiscal 2007, the Company issued 1,052,586 shares of common stock, valued at $67,887, to an executive of the Company.

During fiscal 2007, the Company issued 658,925 shares of common stock, valued at $54,893, to an independent third party for services rendered.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - INCOME TAXES

Deferred income taxes reflect the net effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates. Significant components of the Company's deferred taxes at February 28, 2007 and 2006 are as follows:

	2007	2006
Deferred tax assets		
Net operating loss carry forward	$ 23,077,581	$ 2,925,388
Deferred tax liabilities	-	-
Net deferred tax asset	23,077,581	2,925,388
Valuation allowance	(23,077,581)	(2,925,388)
Net deferred taxes	$ -	$ -

The Company has fully reserved all remaining deferred tax assets, which it cannot presently utilize.

For tax purposes at February 28, 2007, the Company's net operating loss carry forward was $23,077,581, which, if unused, will expire from 2017 to 2022. Certain tax regulations relating to the change in ownership may limit the Company's ability to utilize its net operating loss carry forward if the ownership change, as computed under each regulation, exceeds 50%. There was no income tax provision (benefit) for the fiscal years 2007 and 2006.

The following is a reconciliation of the normal expected statutory federal income tax rate to the effective rate reported in the financial statements.

	2007	2006
Computed "expected" provision for:		
Federal income taxes	(35.0)%	(35.0)%
Valuation allowance	35.0	35.0
Actual provision for income taxes	-0-%	-0-%

NOTE 9 - DISCONTINUED OPERATIONS

On November 29, 2005 the Company entered into a settlement and release agreement with David and Pamela Streilein (collectively referred to as the "Settlement Parties"), whereas the settlement Parties received all outstanding shares of the Company's subsidiary, Comprehensive Network Solutions, Inc. ("CNS") as settlement for any amounts owed under their employment agreements with the Company. In addition to the shares, the Company assumed liabilities of approximately $20,000 and agreed to pay the Settlement Parties a total of $12,000 for unpaid salaries and expenses not reimbursed. The Company recognized a loss on the transaction of approximately $265,000.

On January 3, 2007, the Company entered into an agreement to convey the Company's interest in Accutone, Inc., (Accutone). (Accutone), a 100% wholly owned subsidiary, to a third party in consideration for the cancellation of a

$218,500 loan issued by the third party on June 6, 2005 and accrued interest on the loan. Accutone is a Pennsylvania corporation in the business of selling hearing aid products.

On January 3, 2007, Accutone entered into an agreement with John Treglia, the Company's Chief Executive Officer to take title to the stock of Interstate Hearing Aid, Inc. (Interstate), a wholly owned subsidiary. Interstate is a Pennsylvania corporation, which is insolvent, and which owes, among other obligations, in excess of $350,000, primarily for federal and state withholding taxes.

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC. and SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - DISCONTINUED OPERATIONS - Continued

Pursuant to Statement of Financial Accounting Standards No. 144, *"Accounting for the Impairment or Disposal of Long-Lived Assets"* (SFAS No. 144), the Company's consolidated financial statements have been reclassified for all periods presented to reflect the operations, assets and liabilities of the discontinued operations. The net income (loss) from discontinued operations has been classified in the accompanying consolidated statements of operations as "Discontinued operations, net of tax." Summarized results of discontinued operations for the period from March 1, 2006 through January 3, 2007 (the disposition date), and for the year ended February 28, 2006:

		2007		2006
Op Operating revenue	$	390,798	$	464,490
In Loss from discontinued operations	$	(37,411)	$	(50,812)
G Loss on sale of discontinued operations, net of tax		272,703		(265,313)
	$	235,292	$	(316,125)

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Major Suppliers
Although there are a limited number of manufactures of hearing aids, management shifted its purchasing to include three to five manufacturers who provide similar hearing aids on comparable terms. In the event of a disruption of supply from any one manufacture the Company could obtain comparable products from other manufacturers. Few manufacturers offer dramatic product differentiation. The Company has not experienced any significant disruptions in supply in the past.

Lease obligation
The Company is currently leasing its existing office facility on a month-to-month basis. The total monthly rent expense is currently $3,669.

NOTE 11 - RELATED PARTY TRANSACTIONS

The Company's CEO, Mr. John Treglia, advanced $51,886 to the Company during fiscal 2007. Total debt due to the CEO is $137,412. This loan is unsecured, non-interest bearing with no terms for repayment.

NOTE 12 – DISPOSITION OF ASSETS

On December 5, 2006, the Company entered into an agreement with Comprehensive Associates, LLC (Associates) whereby certain assets of the Company were transferred to Associates. These assets include, but are not limited to, all of the Company's right, title, and interest, in, to, and under a Marketing Affiliation Agreement with Alliance Heathcard, Inc. Based upon same, at this time, Associates is operating the medical discount card business which the

Company had been operating in the past. As consideration for the assignment of assets, Associates agrees to cancel a $27,400 loan issued June 16, 2006, and the Company's obligation to reimburse Associates for legal fees related to that loan in the maximum amount of $20,188.75. In addition, Associates has agreed to cancel other portion of penalties, interest and fees to have the total consideration equal $75,000 as well as assuming any liabilities which were generated as a part of the Marketing Affiliation Agreement. In further consideration for the Transfer, Associates has extended the repayment period for the $235,000 loan issued August 19, 2005 until May 5, 2007. Although this agreement has been executed by the parties, all conditions have not been met at this time since Alliance Healthcard, Inc. has not consented to the assignment. At such time as Alliance consents to the assignment, this transaction will be consummated.

Item 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to financial market risks due primarily to changes in interest rates, which it manages primarily by managing the maturities of its financial instruments. The Company does not use derivatives to alter the interest characteristics of its financial instruments. Management does not believe a change in interest rate will materially affect the Company's financial position or results of operations.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Our accountant is Jewett Schwartz & Associates, CPA. We do not presently intend to change accountants. At no time have there been any disagreements with such accountants regarding any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

Our Chief Executive Officer and Chief Financial Officer (collectively the "Certifying Officer") maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed, is accumulated and communicated to management timely. The Certifying Officer has concluded that the disclosure controls and procedures are not effective at the "reasonable assurance" level. Under the supervision and with the participation of management, as of the end of the period covered by this report, the Certifying Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act of 1934).

Furthermore, the Certifying Officer concluded that our disclosure controls and procedures in place were designed to ensure that information required to be disclosed by us, including our consolidated subsidiaries, in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported on a timely basis in accordance with applicable Commission rules and regulations; and (ii) accumulated and communicated to our management, including our Certifying Officer and other persons that perform similar functions, if any, to allow us to make timely decisions regarding required disclosure in our periodic filings.

Changes in internal controls

We have not made any changes to our internal controls or procedures subsequent to the fourth quarter of 2006. We have identified some deficiencies and material weaknesses and other factors that could materially affect these controls or procedures, and therefore, corrective action is being taken to mitigate these weaknesses in controls and procedures.

Critical Accounting Policies

Our financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States ("GAAP"). GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenue and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use if estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Our significant accounting policies are summarized in Note 1 of our financial statements. While all these significant accounting policies impact our financial condition and results of operations, our views certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause effect on our consolidated results of operations, financial position or liquidity for the periods presented in this report.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Directors, Executive Officers and Significant Employees

The following sets forth, as of June 21, 2007, the names and ages of our directors, executive officers, and other significant employees; the date when each director was appointed; and all positions and offices held by each. Each director will hold office until the next annual meeting of shareholders and until his or her successor has been elected and qualified:

Name	Age	Positions Held	Date Appointed Director
John H. Treglia	64		January 18, 2000

Director, President, and, CEO and
CFO

Set forth below is information regarding the principal occupations of each current director during the past five years or more. None of the directors or principal executive officers holds the position of director in any other public company.

John H. Treglia is a graduate of Iona College, from which he received a BBA in Accounting in 1964. Since January 18, 2000, he has served as our president, secretary, and a director, devoting such time to our business and affairs as is required for the performance of his duties. He has served as our CEO since such time. For the past five years Mr. Treglia has worked exclusively for Comprehensive Healthcare Solutions, Inc.

Code of Ethics.

The company has adopted a Code of Ethics applicable to its Chief Executive Officer and Chief Financial Officer.

ITEM 11. EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The Summary Compensation Table shows compensation information for each of the fiscal years ended February 28, 2007, February 28, 2006 and February 28, 2005 for all persons who served as our chief executive officer. No other executive officers received compensation in excess of $100,000 during the fiscal year ended February 28, 2007.

ANNUAL COMPENSATION

Name and Principal Position	Year	Salary	Other Compensation
John H. Treglia	2007	$13,888	1,000,000 shares
President, CEO, CFO and Director	2006	$29,800	120,000 shares
	2005	$32,000	357,142 shares

Pursuant to his employment agreement, John H. Treglia is to receive a total of $150,000 per year. For the fiscal year end February 28, 2007, Mr. Treglia received $13,888 in salary plus 1,000,000 shares which was valued at $60,000. Mr. Treglia agreed to waive his rights to the balance owed to him under his employment agreement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

The following table sets forth information as of June 21, 2007, with respect to the persons known to us to be the beneficial owners of more than 5% of our common stock, $.10 par value. We know of no person, other than those listed in the Management's Shareholdings Table, below, who owns more than 5% of our common stock. The following table sets forth information as of June 21, 2007, with respect to the beneficial ownership of our common stock, $.10 par value, of each of our executive officers and directors and all executive officers and directors as a group:

PRINCIPAL SHAREHOLDERS TABLE

Title Of Class Owner	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Class	Percent of Class
Common	Carlyn A. Barr(1)	2,837,026	16.14%

	13-44 Henrietta Court Fair Lawn, NJ 07410		
Common	Park Avenue Health Care Management One North Lexington Avenue White Plains, New York 10601	1,200,000	6.83%
Common	Dr. Frank J. Castanaro 71 Bradford Boulevard Yonkers, NY 10710	1,033,000	5.86%

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(1) Carlyn A. Barr is the wife of John H. Treglia. John Treglia has disavowed any interest in the shares of common stock owned by Ms. Barr.

Security Ownership of Management

The following table sets forth information as of June 22, 2007, with respect to the shareholdings of the Company's executive officers and directors.

Title Of Class Owner	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Class (1)	Percent of Class
Common	John H. Treglia 13-44 Henrietta Court Fair Lawn, NJ 07410	1,400,000	7.96%
Common	All directors and officers as a group (1 person)	1,400,000	7.96%

Pursuant to the rules of the Securities and Exchange Commission, shares of our common stock, which an individual or member of a group has a right to acquire within 60 days pursuant to the exercise of options or warrants, are deemed to be outstanding for the purpose of computing the ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Accordingly, where applicable, each individual or group member's rights to acquire shares pursuant to the exercise of options or warrants are noted below.

Medical and Professional Advisory Board

Due to the change in direction of the business, the Company's Medical and Professional Advisory Board has been dissolved.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following is a description of any transactions during the fiscal year ended February 28, 2007 or any presently proposed transactions, to which we were, or are, to be a party, in which the amount involved in such transaction (or series of transactions) was $60,000 or more and which any of the following persons had or is to have a direct or indirect material interest: (ii) any of our directors or executive officers; (ii) any person who owns or has the right to acquire 5% or more of our issued and outstanding common stock; and (iii) any member of the immediate family of any such persons. Current management is not aware of any requirements, which may have been in effect prior to January 2000, with respect to the approval of related transactions by independent directors. Because of its current limited management resources, the company does not presently have any requirement respecting the necessity for independent directors to approve transactions with related parties. All transactions are approved by the vote of the majority, or the unanimous written consent, of the full board of directors. All member so the board of directors all members of the board of directors, individually and/or collectively, could have possible conflicts of interest with respect to transactions with related parties.

Employment Agreement with John H. Treglia

On April 3, 2000, we entered into an employment agreement with John H. Treglia, our President and CEO. The agreement provides for an annual salary in the amount of $150,000 and a term of three years. On April 3, 2003 we

entered into an amendment to such employment agreement extending the terms of the agreement for an additional five years based on the same terms and conditions. Mr. Treglia has agreed to waive the right to be paid in cash until, in the opinion of the board of directors; we have sufficient financial resources to make such payments.

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In lieu of cash salary payments, Mr. Treglia may accept shares of common stock at, or at a discount from the market price. His agreement provides for the possibility of both increases in salary and the payment of bonuses at the sole discretion of the board of directors, participation in any pension plan, profit-sharing plan, life insurance, hospitalization of surgical program or insurance program adopted by us (to the extent that the employee is eligible to do so under the provisions of such plan or program), reimbursement of business related expenses, for the non-disclosure of information which we deem to be confidential to it, for non-competition with us for the two-year period following termination of employment with us and for various other terms and conditions of employment. We do not intend to provide any of our employees with medical, hospital or life insurance benefits until our board of directors determines that we have sufficient financial resources to do so.

ITEM 14. PRINCIPAL ACCOUNTANTING FEES AND SERVICES

Audit Fees

For the Company's fiscal year ended February 28, 2007 and February 2006, we were billed approximately $15,000 and $17,500, respectively, for professional services rendered for the audit of our financial statements. We also were billed approximately $18,000 and $18,500, respectively, for the review of financial statements included in our periodic and other reports filed with the Securities and Exchange Commission for our year ended February 28, 2007 and February 28, 2006.

Tax Fees

For the Company's fiscal year ended February 28, 2007 and February 28, 2006, we were billed $0 and $0for professional services rendered for tax compliance, tax advice, and tax planning.

All Other Fees

The Company did not incur any other fees related to services rendered by our principal accountant for the fiscal years ended February 28, 2007 and February 28, 2006.

ITEM 15. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

None

(b) Reports of Form 8-K filed in fourth quarter of the fiscal year:

On February 2, 2007, we filed a Form 8-K with the SEC to disclose the sale and/or transfer of the assets of the Company. On February 6, 2007, the Company filed an amendment to the Form 8-K with the SEC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Yonkers, State of New York.

	COMPREHENSIVE HEALTHCARE SOLUTIONS, INC.
June 22, 2007	By */s/ John H. Treglia*
	John H. Treglia, President and CEO

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EXHIBIT SCHEDULE

EXHIBIT	DESCRIPTION
31.1	Chief Executive Officer's and Chief Financial Officer's certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chief Executive Officer's and Chief Financial Officer's certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002