

**HELP AND SHELTER INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**



Nizam Ali & Company

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Help and Shelter Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Help and Shelter Inc., which comprise the statement of financial position as at December 31, 2018, and the statements of income and expenditure, other funds and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the company as at December 31, 2018, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs).

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1.1, which explains that the company's ability to continue as a going concern is dependent on ongoing contributions from the Government of Guyana, other funding agencies and donations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the company's financial statements is appropriate.

Going concern, continued

Except as described in Note 1.1, management has not identified any further material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern. Based on our audit of the financial statements, we also have not identified further material uncertainty. Neither management nor the auditor can guarantee the company's ability to continue as a going concern.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

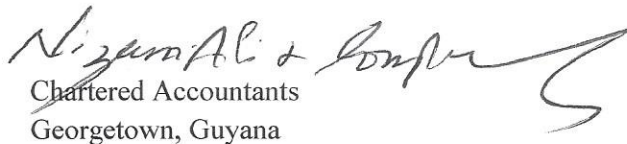
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991.

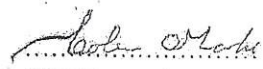

Chartered Accountants
Georgetown, Guyana


September 5, 2019

Help and Shelter Inc.
 Statement of Financial Position
 As at December 31, 2018
 With comparative figures for 2017
 (Expressed in Guyana dollars)

	Notes	<u>2018</u> \$	<u>2017</u> \$
ASSETS			
Current Assets			
Cash resources	3	4,116,881	14,842,091
Other assets	4	<u>275,000</u>	<u>497,000</u>
Working Capital		4,391,881	15,339,091
Property, plant and equipment	2	<u>71,164,222</u>	<u>69,708,209</u>
		<u><u>75,556,103</u></u>	<u><u>85,047,300</u></u>
REPRESENTED BY:			
General fund			
Balance - January 1		79,850,917	76,416,458
Transfer from other fund		-	(1,917,023)
Surplus		<u>(4,360,997)</u>	<u>5,351,482</u>
Balance - December 31		<u><u>75,489,920</u></u>	<u><u>79,850,917</u></u>
Other Funds			
UK Project		-	77,737
UNTF		-	1,673,455
UNICEF		-	5,494
MOE		-	237
USAID		<u>-</u>	<u>2,373,277</u>
		<u>-</u>	<u>4,130,200</u>
Current liabilities			
Other payables		66,183	66,183
Loan		<u>-</u>	<u>1,000,000</u>
		<u>66,183</u>	<u>1,066,183</u>
		<u><u>75,556,103</u></u>	<u><u>85,047,300</u></u>

The accompanying notes form an integral part of these financial statements.


 Director


 Director

Help and Shelter Inc.
Statement of Income and Expenditure
For the year ended December 31, 2018
With comparative figures for 2017
(Expressed in Guyana dollars)

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Income:		
Grant income	5,669,522	5,723,615
Government subvention	31,224,000	31,223,636
Transfer from fund	2,674,187	5,081,535
Donations	2,980,158	2,996,930
Fund raising dinner	150,000	2,055,475
Deed of covenant	200,000	500,000
Bank interest income	268,790	67,383
Volunteer's trust fund	466,086	138,020
	<u>43,632,743</u>	<u>47,786,594</u>
Deduct		
Expenditure:		
Employment costs	28,619,232	26,130,010
Stationery and office supplies	3,092,466	2,944,236
Meals and refreshments	3,660,337	3,187,295
Travel and transport	4,666,341	3,808,881
Mobilisation fees	414,563	260,000
Training materials	289,648	390,615
Telephone	960,792	855,110
Security	1,165,550	667,300
Insurance	192,260	198,260
Bank Charges	151,058	180,615
Fundraising expenses	21,780	122,812
Repairs and maintenance	4,759,713	3,689,978
	<u>47,993,740</u>	<u>42,435,112</u>
(Deficit)Surplus	<u>(4,360,997)</u>	<u>5,351,482</u>

The accompanying notes form an integral part of these financial statements.

Help and Shelter Inc.
Statement of Other Funds
For the year ended December 31, 2018
(Expressed in Guyana dollars)

	Balance at 1/1/2018	Funds received during the year	Expenses paid during the year	Transfer	Balance at 31/12/2018
	\$	\$	\$	\$	\$
Government Subvention	-	31,224,000	(33,363,652)	2,139,652	-
UK Project	77,737	-	-	(77,737)	-
MOE	237	-	-	(237)	-
UNTF Fund	1,673,455	5,669,522	(7,660,070)	317,093	-
Unicef	5,494	-	-	(5,494)	-
USAID	2,373,277	-	-	(2,373,277)	-
	<u>4,130,200</u>	<u>36,893,522</u>	<u>(41,023,722)</u>	<u>-</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements.

Help and Shelter Inc.
Statement of Cash Flows
For the year ended December 31, 2018
With comparative figures for 2017
(Expressed in Guyana dollars)

	2018 \$	2017 \$
Cash flows from operating activities		
Net (deficit) surplus before taxation	(4,360,997)	5,351,482
Adjustments for:		
Working capital changes		
Transfer from general fund	-	(1,917,023)
Change in other assets	222,000	(362,000)
Net cashflow from operating activities	<u>(4,138,997)</u>	<u>3,072,459</u>
Cash flows from investing activities		
Purchase of equipment	<u>(1,456,013)</u>	<u>(157,066)</u>
Net cash used in investing activities	<u>(1,456,013)</u>	<u>(157,066)</u>
Cash flow from financing activities		
Loan repayment	(1,000,000)	-
Decrease in other funds	<u>(4,130,200)</u>	<u>(3,164,512)</u>
Net cash from financing activities	<u>(5,130,200)</u>	<u>(3,164,512)</u>
Net decrease in cash and cash equivalent	(10,725,210)	(249,119)
Cash and cash equivalent - January 1	<u>14,842,091</u>	<u>15,091,210</u>
Cash and cash equivalent - December 31	<u>4,116,881</u>	<u>14,842,091</u>
Comprised of:		
Cash at bank	<u>4,116,881</u>	<u>14,842,091</u>
	<u>4,116,881</u>	<u>14,842,091</u>

Help and Shelter Inc.
Notes to Financial Statements
As at December 31, 2018
(Expressed in Guyana dollars)

2. Property, plant and equipment

	Land	Buildings	Office furniture & equipment	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cost				
January 1, 2018	3,500,000	54,250,000	11,958,209	69,708,209
Additions	-	-	1,456,013	1,456,013
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December 31, 2018	3,500,000	54,250,000	13,414,222	71,164,222
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Net Book values				
December 31, 2017	3,500,000	54,250,000	11,958,209	69,708,209
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3. Cash resources

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Petty cash- Shelter Subvention	31,701	42,972
H&S Current A/C # 651-741-1	-	77,737
MOE Cash at Bank A/C -651-116-6 and Cash	-	237
Unicef A/C 651-526-6	-	5,494
H&S Current A/C # 653-128-9	(860,238)	862,801
H&S BCM # 484-185-4	5,418	1,471,116
Curr A/C 651-795-7	(159,117)	773,454
NBS Save and Prosper A/C	5,099,117	11,608,281
H & S BCM A/C - 484-185-4	-	-
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	4,116,881	14,842,091
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Help and Shelter Inc.
Notes to Financial Statements
As at December 31, 2018
(Expressed in Guyana dollars)

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
4. Other receivables		
UK Project	-	345,000
MOE	-	30,000
Unicef	-	22,000
Staff Loan	275,000	100,000
	<u>275,000</u>	<u>497,000</u>

5. Loan

This represents a loan from one of the Directors of the company. There is no fixed repayment term and no interest is charged on this loan.

6. Financial Instruments

The company's financial instruments comprise of cash and bank balances, accounts receivable, accounts payable and accrued charges

(i) Credit Risk

Credit risk on the other receivables is limited as other receivables are shown net of provision of bad debts. Management believes that there is no additional risk beyond amounts provided for collection losses.

(ii) Liquidity Risk

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and availability of funds through an adequate amount of committed credit facilities.

(ii) Fair values

The fair values of cash and bank balances, other receivables, accounts payable and accrued charges are not materially different from their carrying amounts.