



## **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, 2016, 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, 2016, 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 (IFRSs 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.


*Alicia Alia*  
Chartered Accountants  
Georgetown, Guyana

August 24, 2017

**Help and Shelter Inc.**  
**Statement of Financial Position**  
**As at December 31, 2016**  
**With comparative figures for 2015**  
**(Expressed in Guyana dollars)**

	Notes	<u>2016</u> \$	<u>2015</u> \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash resources	3	15,091,210	24,360,851
Other assets	4	<u>135,000</u>	<u>242,400</u>
<b>Working Capital</b>		15,226,210	24,603,251
<b>Property, plant and equipment</b>	2	<u>69,551,143</u>	<u>68,310,980</u>
		<u>84,777,353</u>	<u>92,914,231</u>
<b>REPRESENTED BY:</b>			
<b>General fund</b>			
Balance - January 1		75,894,956	71,733,099
Transfer from other fund		(764,539)	4,810,905
Surplus (deficit)		<u>1,286,041</u>	<u>(649,048)</u>
Balance - December 31		<u>76,416,458</u>	<u>75,894,956</u>
<b>Other Funds</b>			
Government Subvention			-
UK Project		318,799	3,450,096
UNTF		1,331,899	8,840,809
UNICEF		2,750,500	2,342,095
MOE		520,237	1,386,275
USAID		<u>2,373,277</u>	<u>-</u>
		<u>7,294,712</u>	<u>16,019,275</u>
<b>Current liabilities</b>			
Other payables		66,183	-
Loan		<u>1,000,000</u>	<u>1,000,000</u>
		<u>1,066,183</u>	<u>1,000,000</u>
		<u>84,777,353</u>	<u>92,914,231</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, 2016**  
**With comparative figures for 2015**  
**(Expressed in Guyana dollars)**

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>Income:</b>		
Grant income	24,425,034	17,919,863
Government subvention	10,000,000	10,000,000
Donations	4,468,042	5,690,914
Digicel shelter repairs	514,090	-
Other income	366,100	259,707
Fund raising dinner	4,159,180	1,513,932
Deed of covenant	400,000	500,000
Bank interest income	213,592	194,359
Volunteer's trust fund	283,500	224,800
	<u>44,829,538</u>	<u>36,303,575</u>
<b>Deduct</b>		
<b>Expenditure:</b>		
Employment costs	22,520,365	21,512,630
Stationery and office supplies	4,211,804	3,047,888
Meals and refreshments	4,213,528	2,983,109
Travel and transport	5,277,750	4,240,942
Mobilisation fees	605,000	660,000
Training materials	1,847,132	3,237,445
Telephone	786,656	746,429
Security	529,948	205,043
Insurance	324,442	219,340
Bank Charges	106,805	99,796
Repairs and maintenance	3,120,067	-
	<u>43,543,497</u>	<u>36,952,622</u>
 Surplus (deficit)	 <u>1,286,041</u>	 <u>(649,048)</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, 2016  
(Expressed in Guyana dollars)

	Balance at 1/1/2016	Funds received during the year	Expenses paid during the year	Transfer	Balance at 31/12/2016
	\$	\$	\$	\$	\$
Government Subvention	-	10,000,000	(10,764,539)	764,539	-
UK Project	3,450,096	2,050,280	(5,181,577)	-	318,799
MOE	1,386,275	-	(866,038)	-	520,237
UNTF Fund	8,840,809	-	(4,711,710)	(2,797,200)	1,331,899
Unicef	2,342,095	5,464,500	(5,056,095)	-	2,750,500
USAID	-	10,218,352	(7,845,075)	-	2,373,277
	16,019,275	27,733,132	(34,425,034)	(2,032,661)	7,294,712

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, 2016**  
**With comparative figures for 2015**  
**(Expressed in Guyana dollars)**

	<u>2016</u> \$	<u>2015</u> \$
<b>Cash flows from operating activities</b>		
Net surplus (deficit) before taxation	1,286,041	(649,048)
Adjustments for:		
<b>Working capital changes</b>		
Transfer (from) to general fund	(764,539)	4,810,905
Increase in other payables	66,183	-
Decrease in other assets	<u>107,400</u>	<u>896,956</u>
Net cashflow from operating activities	<u>695,085</u>	<u>5,058,813</u>
<b>Cash flows from investing activities</b>		
Purchase of equipment	<u>(1,240,163)</u>	<u>(894,398)</u>
Net cash used in investing activities	<u>(1,240,163)</u>	<u>(894,398)</u>
<b>Cash flow from financing activities</b>		
(Decrease) increase in other funds	<u>(8,724,563)</u>	<u>4,492,651</u>
Net cash (used in) from financing activities	<u>(8,724,563)</u>	<u>4,492,651</u>
<b>Net (decrease) increase in cash and cash equivalent</b>	<b>(9,269,641)</b>	<b>8,657,066</b>
<b>Cash and cash equivalent - January 1</b>	<u>24,360,851</u>	<u>15,703,785</u>
<b>Cash and cash equivalent - December 31</b>	<u><u>15,091,210</u></u>	<u><u>24,360,851</u></u>
<b>Comprised of:</b>		
Cash at bank	<u>15,091,210</u>	<u>24,360,851</u>
	<u><u>15,091,210</u></u>	<u><u>24,360,851</u></u>

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



**Help and Shelter Inc.**  
**Notes to Financial Statements**  
**As at December 31, 2016**  
**(Expressed in Guyana dollars)**

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**1.1 Incorporation**

Help and Shelter Inc. was incorporated on November 24, 1994 under the Companies Act 89:01 as a company without share capital.

The principal activities of the company is the provision of social services. Funding for the company is derived primarily from annual government subvention and ongoing contributions from various funding agencies.

These financial statements have been prepared on a going concern basis, under which the company is assumed to be able to realise its assets and discharge its liabilities in the normal course of operations. The company's ability to continue as a going concern is dependent upon its ability to secure funding to finance its current and future operations.

**1.2 Significant accounting policies**

**(a) Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Guyana Dollars, which is the functional currency.

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which these estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

These financial statements were authorised for issue by the Board of Directors on *August 24, 2017*.

**(b) Property, plant and equipment**

No depreciation is charged on property, plant and equipment since the company is a non-profit organisation.

**(c) Income**

Income is recognised on the cash basis.



Help and Shelter Inc.  
Notes to Financial Statements  
As at December 31, 2016  
(Expressed in Guyana dollars)

2. Property, plant and equipment

	Land	Buildings	Office furniture & equipment	Total
	\$	\$	\$	\$
Cost				
January 1, 2016	3,500,000	54,250,000	10,560,980	68,310,980
Additions	-	-	1,240,163	1,240,163
December 31, 2016	3,500,000	54,250,000	11,801,143	69,551,143
Net Book values				
December 31, 2016	3,500,000	54,250,000	11,801,143	69,551,143

3. Cash resources

	2016	2015
	\$	\$
Petty cash- Shelter Subvention	24,012	33,907
H&S Current A/C # 651-741-1	318,799	3,450,096
MOE Cash at Bank A/C -651-116-6 and Cash	520,237	1,386,275
UNICEF A/C 651-526-6	2,750,500	2,342,095
H&S Current A/C # 653-128-9	546,533	2,337,465
H&S BCM # 484-185-4	1,968,517	10,369,060
Current A/C 651-795-7	1,331,898	-
NBS Save and Prosper A/C	7,630,714	4,441,953
	15,091,210	24,360,851

**Help and Shelter Inc.**  
**Notes to Financial Statements**  
**As at December 31, 2016**  
**(Expressed in Guyana dollars)**

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
<b>4. Other receivables</b>		
Staff Loan	<u>135,000</u>	<u>242,400</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 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 and accounts payable are not materially different from their carrying amounts.