

CHARITY REGISTRATION NUMBER: 1163294

KHALSA AID INTERNATIONAL
Charitable Incorporated Organisation
Financial Statements
31 March 2017

JOHAL & COMPANY ACCOUNTANTS LTD

Chartered Accountants & Statutory Auditors

167 Uxbridge Road

Hanwell

London

W7 3TH

KHALSA AID INTERNATIONAL
Charitable Incorporated Organisation
Financial Statements
Year ended 31 March 2017

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KHALSA AID INTERNATIONAL

Charitable Incorporated Organisation

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2017

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2017.

Reference and administrative details

Registered charity name KHALSA AID INTERNATIONAL

Charity registration number 1163294

Principal office and registered office Unit 13 Progress Business Centre
Whittle Parkway
Bath Road
Slough
SL1 6DQ

The trustees

Mr Jaspal Singh
Mr Jaswinder Singh Bahra
Mr Paramjeet Singh Saini
Mr Amarjit Singh Bansal
Mr Tarvinder Singh Gill
Mrs Balvinder Kaur Sandhu

Company secretary Mrs Balvinder Kaur Sandhu

Auditor Johal & Company Accountants Ltd
Chartered Accountants & Statutory Auditors
167 Uxbridge Road
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London
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KHALSA AID INTERNATIONAL

Charitable Incorporated Organisation

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2017

Structure, governance and management

Khalsa Aid International has been created to facilitate the expansion and global development of the charity Khalsa Aid. Due to the growth in operations and support for Khalsa Aid over the last 17 years, the trustees sought legal advice from Harbottle and Lewis solicitors on developing a Charitable incorporated organisation to enable the charity to register and develop operations overseas. Khalsa Aid international has been operational since 4th December 2016. This process was led by Mr Jaswinder Singh Bahra, Khalsa Aid treasurer. The accounts and report for financial year April 2016 - March 2017 reflect a period of transition of operations from Khalsa Aid to Khalsa Aid International.

Recruitment and appointment of new trustees

The trustees are selected from the pool of volunteers and supporters of Khalsa Aid. The Charity has appointed trustees who are professional, have good standing within their local communities and have actively promoted and supported the work of Khalsa Aid over the last 16 years.

Induction and training of new trustees

All efforts have been made to keep trustees updated on their roles and responsibilities. Regular meetings are held monthly by the trustees and the core team members of Khalsa Aid International. These meetings are used to update trustees on their responsibilities and it has been proposed that our trustees attend any relevant courses as advised by the Charities commission. Trustees maintain regular communication by way of emails and 'whatsapp' messaging service.

Organisational structure

The Charity has a minimum of 5 trustees who meet regularly to review and plan projects. The trustees look at the finances and appraise long term projects before funds are committed. The day to day running of the charity is co-ordinated by a full-time Chief Executive who is supported by other staff members and trustees as necessary.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. As with all other charities in the current financial climate, our income by way of donations has seen fluctuations. Systems are being established to monitor donations monthly. Ethical Investment of surplus funds is being explored, as at present the charity lacks a long term strategy to remain financially secure. The Charity now has its accounts independently audited. This will continue to support and improve governance which will help to reduce risk further. The financial and moral support from the Sikh community and the Gurdwaras has continued to grow over the last year; this has enabled the charity and our volunteers to continue with the development of Khalsa Aid International and the global relief missions. There has been an increase in support for the charity at an International level and the Charity is currently looking at ways that this support can be utilised to continue the work and development of Khalsa Aid International. The move of Khalsa Aid to Khalsa Aid international is to facilitate registration overseas and enable consistent operating procedures across these different countries, across continents from Australia to North America. Work continues to build on this support and further strengthen the Charity on a Global scale. Many projects being undertaken by Khalsa Aid are planned on a long term basis under the Khalsa Aid International banner and need to be sustainable. Therefore funds and resources are utilised and allocated in accordance with this long term strategy and planning.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2017

Governance and Staffing

Khalsa Aid International is strengthening its internal policies and operating procedures to ensure appropriate level of safeguarding, transparency and accountability to our donors and supporters. Work is being done to ensure policies are regularly reviewed and updated as required in line with risks identified or change in legislation. The charity maintains its own DBS checking facility, these checks do not hold merit when volunteers and staff work abroad, however for our safeguarding purposes the charity will carry out checks on staff/volunteers in the UK. Any disclosures made will be treated with confidentiality and managed by the board of trustees. All reasonable efforts will be made to ensure staff/volunteers from outside of the UK are of good standing and references will be sought before working with Khalsa Aid International. Trustee, Mr J.S. Bahra, continues as treasurer, and oversees and manages the daily financial matters of the charity. Mr R.S Sidhu remains CEO and is in full time employment with the charity with a salary of £33,000 per annum. Amarjit Singh Bansal has joined the board of trustees. All other trustees remain in post. As the charity develops, greater demands are placed on communication and operational systems. As this work cannot be done effectively or efficiently through voluntary manpower and to ensure compliance with the data protection act and best practices, the charity requires dedicated staff working to formalised procedures. An office manager is employed for 20 hours a week together with a full time project coordinator. The role of the project coordinator is to oversee current projects and collect and collate relevant data. The Charity and its work will continue to be governed by way of regular trustee meetings.

Objectives and activities

Objective and aims

The Charity is guided by Guru Gobind Singh Ji's beliefs and teachings to "Recognise All Human Races As One". Guru Gobind Singh Ji was the tenth Guru of the Sikhs and the father of The Khalsa which means "pure and free". The main objectives of Khalsa Aid are to relieve persons in need, hardship or distress as result of disaster or social and economic circumstances. The granting of relief maybe provided through the agency of other charities on a case by case basis. The Charity will pay special attention to the need of displaced persons and refugees. The particular disasters which have prompted our charitable work are drought, earthquake, flood, other natural disasters or wars or other man-made disasters.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2017

Achievements and performance

Projects undertaken this year

The projects listed have been funded by Khalsa Aid prior to December 4th 2016, following this date the projects were funded by Khalsa Aid International.

Nepal

The Nepal earthquake occurred on the 25th April 2015, killing over 9000 people and injuring over 22,000 people. Many families lost their homes and belongings. Khalsa Aid worked with the Nepalese army in Kathmandu to provide daily hot meals for up to 8,000 people daily. Volunteers from across the world travelled to Nepal to work alongside volunteers and the Indian Khalsa Aid team to provide assistance to those affected by the earthquake. Many remote villages had houses completely destroyed, leaving villagers homeless. Khalsa Aid facilitated the homing of these families by building over 1100 semi-permanent homes since 2015. The work of the charity has continued by supporting a local school providing education to the families and children who were affected by the earthquake. Examples of this work can be seen on the Khalsa Aid social media sites and on the Khalsa Aid YouTube channel.

Welfare support Punjab, India

The work of the charity across India has developed significantly with the establishment of a committed team and the registration of Khalsa Aid as a charitable trust in India. This project continues to support families that have been adversely affected by the conflicts in Punjab during the 1980's. Over 250 needy families are currently being provided monthly welfare support. Most of these families are 'sponsored' by individuals across the UK, these sponsors are encouraged to make direct contact with their sponsored family and many have visited their sponsored families when they visit India. A great deal of work is needed to develop this project further. The identification and assessment of the affected families is time consuming and challenging. Families are often vulnerable and hesitant to come forward. In order to ensure charitable funds are utilised in an effective and efficient manner, criteria and assessment procedures have been established. This will enable greater consistency and transparency in this project. This project in Punjab will continue for the foreseeable future; Khalsa Aid will continue to provide assistance to those most in need. The process of identifying needy families affected by the events of 1984 continues. This project requires continued resources and manpower to ensure deadlines are met and operational procedures are developed and followed. A managing director has been appointed to oversee operations and development across India. The team in India currently consists of 4 members of full time staff, with office admin support. This will result in greater expenditure and investment in India from Khalsa Aid in the coming years. Examples of this work can be seen on the Khalsa Aid social media sites and on the Khalsa Aid YouTube channel.

PURE -Punjab Underprivileged Rural Empowerment, India.

Khalsa Aid launched Focus Punjab and the PURE project in 2012. Through this project underprivileged children from areas of severe deprivation are sponsored and encouraged to attend school. A facility the charity runs in Patiala, Bhai Lalo School provides education for 330 children from the age of 3.5 to 14 years of age. This has been a huge success, providing education to underprivileged children who would otherwise be working in labour jobs with their parents. Children of all faiths attend; uniforms and educational resources are provided by Khalsa Aid. The level of education provided at this school has been recognised as being on par and often exceeding the quality of education delivered at the local state schools in the district. Following the success of this school, the charity has also initiated a project to run a school in another district; Dasmesh School in the Sangroor district of Panjab, this currently has 450 children enrolled from the ages of 3.5 through to 17 years old. Updates on the progress of this school will be provided in next year's

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Year ended 31 March 2017

report. Assessments of the most effective way to deliver this project continue, so that the work being carried out can be transparent and the effectiveness of the charities intervention can be monitored. Examples of this work can be seen on the Khalsa Aids social media sites and YouTube channel.

Malawi, Africa

In November 2016 the charity facilitated the installation of 2 water pumps in the rural areas of Malawi Outside Lilongwe, each one of these pumps now provides water for a village of 300 - 500 people and their livestock. Whilst our team was on the ground in Malawi we also provided support to a local orphanage by providing dry foods for the coming months. Examples of this work can be seen on the Khalsa Aids social media sites and YouTube channel.

India - Floods

The team in India led by our Managing director has developed a very active base of volunteers from across India, these teams of volunteers have been operational in providing immediate hands on relief and assistance to flood hit areas, such as Maharashtra. Examples of this work can be seen on the Khalsa Aid's social media sites and YouTube channel.

Yemen

The charity has been providing food rations whenever possible, dependent on security risk through our partners in Yemen; Mona relief, these rations are delivered to the community in and around Saana, Hajja and Taiz Governorates. These are Internally Displaced people and locals affected by the conflict ongoing in Yemen. Examples of this work can be seen on the Khalsa Aid's social media sites and YouTube channel.

Iraq

The conflict in Iraq which erupted in the summer of 2014, creating a huge exodus of internally displaced people (IDPs) within Iraq. Khalsa Aid initially provided food to the Assyrian anti Yazidi IDPs in the city of Erbil. This assistance was taken further north in Iraq to the Duhok district. After an initial assessment in the IDP camps, Khalsa Aid decided to support the machinery and operation of a bakery in this area. This bakery unfortunately could not continue longer term due to supply issues given the turmoil in the area. The charity has continued to support the Yazidi community living in the camps by way of regular food drops, consisting of dried foods aimed at providing staple food such as rice, pasta with other household items on a regular basis. The charity has also provided some support to rehabilitate women into their local community once they have fled capture by isis, these women are often grieving and traumatised due to the loss of loved ones and their torture at the hands of isis, we have been working with a local organisation JINDA to provide food and clothing to these women and their families. In March 2017 an exhibition was held in London titled 'I am Yazidi' this narrated the suffering of these women, this exhibition was launched in parliament and held in central London for 2 weeks at the Lacey gallery. Examples of this work can be seen on the Khalsa Aid social media sites and on the Khalsa Aid you Tube channel.

Lebanon

Khalsa Aid has been supporting the Syrian refugees in the Bekka Valley, Lebanon since 2014. The support includes medical assistance, food and firewood for the winter. This is an on-going project and we are now supporting the refugee children with educational materials which include school furniture, books, stationary etc.

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Year ended 31 March 2017

Syrian refugee crisis

Following the unrest in Syria over the previous years we have seen a mass exodus of Syrian families fleeing the conflict. These families have suffered immense trauma and hardship to reach safe shores, often risking life and limb to reach safety. These Syrian refugees have landed on the shores of countries such as Lebanon, Greece and Turkey in large numbers with immense needs for shelter, food and medical treatment. Khalsa Aid has been working with other organisations on the ground to assist these refugees, providing hot food and assistance when families are being processed on the shores and countries where they have sought refuge.

Haiti

Khalsa Aid has been supporting eight orphanages since the devastating 2010 earthquake in Haiti which left 220,000 people dead, destroyed 50% of schools and adversely affected over 3.5m people. Khalsa Aid and its volunteers have provided continuous support and management of these orphanages over the last four years. Support has been provided on a number of fronts including food items, fresh water supplies, essential toiletries, facilitating children's sporting activities and ad-hoc assistance where required. We aim to continue supporting the orphanages with additional volunteers travelling to assist and provide hands on support on a quarterly basis. Following the Hurricanes in 2017 further resources were committed to Haiti, team of volunteers flew out to Haiti to provide assistance to the orphanages affected by the hurricanes. Examples of this work can be seen on the Khalsa Aids social media sites and YouTube channel.

United Kingdom

The charity also endeavours to be of assistance to the local communities whenever a need arises, as in previous years with the UK floods where Khalsa Aid were instrumental in providing assistance to flood hit victims across the UK. In the summer of 2016 the ports in Dover saw 'super traffic jams' many people with young families were stuck in traffic jams in the heat with little water or food. Khalsa Aid worked with the local authorities to deliver much needed items to those stuck in these traffic jams, items such as water and cereal bars were well received by those affected by the traffic jams. Khalsa Aid works actively to promote community cohesion, an example of this is the 'Meet the Sikhs event' which is a partnership of the charity and the Rotary club of Wells in Somerset. This event was well received by the local community in Wells.

Volunteering and Fundraising

Many volunteers continue to donate their time to fundraise at community events. Khalsa Aid is immensely fortunate to have a very proactive volunteer base. The volunteers who went abroad on missions fundraised their own travel costs through Just Giving. We also saw volunteers climbing the 3 Peaks, running marathons and participating in other challenges. The annual Khalsa Aid fundraiser events were also well attended this year. The annual Skydive, hikes up Mount Snowdon and Ben Nevis were successful fundraising events. The work of Khalsa Aid is hugely dependent on volunteers and we remain grateful to those that give up their time for the charity.

Financial review

All current Khalsa Aid assets will be transferred to Khalsa Aid International, work is being carried out to enable a smooth transition and protect the name of Khalsa Aid as the charity grows and develops further on the global platform. Khalsa Aid funds held with two Barclays Bank accounts have been transferred into Khalsa Aid International account. At present Khalsa Aid funds with Natwest Bank remains with Khalsa Aid. Work is being done to establish the best process to move these funds to Khalsa Aid International whilst protecting and ensuring the legacy and brand of Khalsa Aid. An update on this will be provided in next year's report.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2017

Plans for future periods

Marketing / Advertising

Khalsa Aid continues to grow in support and popularity due to raised awareness through social media such as Facebook and Twitter. The Charity has a significant following on Facebook and indeed many volunteers and fundraisers are recruited through Facebook. The charity continues to advertise with a monthly news magazine, and benefits from regular exposure on various media outlets. The Khalsa Aid YouTube channel has also proved to be a very effective tool for communicating and marketing the work being carried out by the charity. The Khalsa Aid annual presentation evening was held in October 2016 in London. This evening consisted of a dinner and a presentation of the work of Khalsa Aid at present and over recent years. Guests were by invite only; individuals that had supported Khalsa Aid or volunteered with the charity were invited to attend. The cost of this dinner event was supported by a raffle draw, where the raffle prizes were also donated by individuals and businesses who are supporters of the charity. This evening was very well received and was a successful event to engage our supporters. Volunteers with Khalsa Aid were also able to meet other volunteers and supporters at this evening. We would like to thank the donors for the very generous prizes that enabled this event to take place.

Future Developments

Work is under way to protect the legacy of Khalsa Aid, legal advice is being sought to incorporate Khalsa Aid with Khalsa Aid International. Accounts for Khalsa Aid have been filed from 1st April 2016 31st March 2017. The coming year will see the work that has been initiated by Khalsa Aid to date continue and develop further under Khalsa Aid International. We aim to continue supporting the orphanages in Haiti, with more volunteers travelling to assist and provide hands on support to the orphanages. The work in India will develop further over the coming years and will require continuous funding as the work grows. Our work in Haiti, Lebanon, Nepal, Iraq and in supporting Syrian refugees will continue. In the event of a global humanitarian disaster, the charity will assess, and on a case by case basis aim to act rapidly to provide assistance to those in need. The Charity is looking at ways to utilise the international support that is developing for the work and we aim to further the growth and development of the charity and its work. Office space and storage is a concern as the charity grows. Once a suitable property is identified for office space charity funds will be used to purchase or rent such a property. Staffing levels and office space are growing demands for the charity and will be addressed as a priority.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

KHALSA AID INTERNATIONAL

Charitable Incorporated Organisation

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2017

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 31 January 2018 and signed on behalf of the board of trustees by:

Mr Jaswinder Singh Bahra
Trustee

Mrs Balvinder Kaur Sandhu
Trustee

KHALSA AID INTERNATIONAL

Charitable Incorporated Organisation

Independent Auditor's Report to the Members of KHALSA AID INTERNATIONAL

Year ended 31 March 2017

We have audited the financial statements of KHALSA AID INTERNATIONAL for the year ended 31 March 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

KHALSA AID INTERNATIONAL

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Independent Auditor's Report to the Members of KHALSA AID INTERNATIONAL *(continued)*

Year ended 31 March 2017

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Johal & Company Accountants Ltd
Chartered Accountants & Statutory Auditors
167 Uxbridge Road
Hanwell
London
W7 3TH

31 January 2018

KHALSA AID INTERNATIONAL
Charitable Incorporated Organisation
Statement of Financial Activities
(including income and expenditure account)

31 March 2017

		2017	
	Note	Unrestricted funds £	Total funds £
Income and endowments			
Donations and legacies	5	378,743	378,743
Investment income	6	1,016	1,016
Total income		379,759	379,759
Expenditure			
Expenditure on raising funds:			
Costs of raising donations and legacies	7	12,236	12,236
Expenditure on charitable activities	8,9	235,235	235,235
Total expenditure		247,471	247,471
 Net income and net movement in funds		 132,288	 132,288
 Reconciliation of funds			
Total funds brought forward		-	-
Transfer		2,086,842	2,086,842
Total funds carried forward		2,219,130	2,219,130

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 14 to 19 form part of these financial statements.

KHALSA AID INTERNATIONAL
Charitable Incorporated Organisation
Statement of Financial Position
31 March 2017

		2017	
		£	£
Current assets			
Debtors	12	1,250	
Cash at bank and in hand		2,219,080	
		2,220,330	
Creditors: amounts falling due within one year	13	1,200	
Net current assets			2,219,130
Total assets less current liabilities			2,219,130
Net assets			2,219,130
Funds of the charity			
Unrestricted funds			2,219,130
Total charity funds	14		2,219,130

These financial statements were approved by the board of trustees and authorised for issue on 31 January 2018, and are signed on behalf of the board by:

Mr Jaswinder Singh Bahra
Trustee

Mrs Balvinder Kaur Sandhu
Trustee

The notes on pages 14 to 19 form part of these financial statements.

KHALSA AID INTERNATIONAL
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Statement of Cash Flows
Year ended 31 March 2017

	2017 £
Cash flows from operating activities	
Net income	132,288
<i>Adjustments for:</i>	
Other interest receivable and similar income	(1,016)
Interest payable and similar charges	172
Accrued expenses	1,200
<i>Changes in:</i>	
Trade and other debtors	(1,250)
Cash generated from operations	<u>131,394</u>
Interest paid	(172)
Interest received	<u>1,016</u>
Net cash from operating activities	<u><u>132,238</u></u>
Net increase in cash and cash equivalents	132,238
Cash and cash equivalents at beginning of year	–
Transfer of funds	<u>2,086,842</u>
Cash and cash equivalents at end of year	<u><u>2,219,080</u></u>

The notes on pages 14 to 19 form part of these financial statements.

KHALSA AID INTERNATIONAL

Charitable Incorporated Organisation

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Unit 13 Progress Business Centre, Whittle Parkway, Bath Road, Slough, SL1 6DQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2017 £
Donations		
Donations	378,743	378,743

KHALSA AID INTERNATIONAL

Charitable Incorporated Organisation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

6. Investment income

	Unrestricted Funds	Total Funds 2017
	£	£
Bank interest receivable	1,016	1,016

7. Costs of raising donations and legacies

	Unrestricted Funds	Total Funds 2017
	£	£
Donations - advertising & promotion	9,394	9,394
Donations - other motor/travel costs	2,842	2,842
	<u>12,236</u>	<u>12,236</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2017
	£	£
Iraq	56,637	56,637
India	87,794	87,794
Syria Refugees	25,518	25,518
Other charity projects	13,447	13,447
Support costs	51,839	51,839
	<u>235,235</u>	<u>235,235</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2017
	£	£	£
Iraq	56,637	–	56,637
India	87,794	–	87,794
Syria Refugees	25,518	–	25,518
Other charity projects	13,447	–	13,447
Governance costs	–	51,839	51,839
	<u>183,396</u>	<u>51,839</u>	<u>235,235</u>

KHALSA AID INTERNATIONAL

Charitable Incorporated Organisation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017
	£
Wages and salaries	27,655
Social security costs	2,389
	<u>30,044</u>

The average head count of employees during the year was 5. The average number of full-time equivalent employees during the year is analysed as follows:

	2017
	No.
Number of staff	<u>5</u>

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

11. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity were received by the trustees.

12. Debtors

	2017
	£
Other debtors	<u>1,250</u>

13. Creditors: amounts falling due within one year

	2017
	£
Accruals and deferred income	<u>1,200</u>

14. Analysis of charitable funds

Unrestricted funds

	At 1 April 2016	Income	Expenditure	Transfers	At 31 March 2017
	£	£	£	£	£
General funds	<u>–</u>	<u>379,759</u>	<u>(247,471)</u>	<u>2,086,842</u>	<u>2,219,130</u>

KHALSA AID INTERNATIONAL
Charitable Incorporated Organisation
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

15. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2017 £
Current assets	2,220,330	2,220,330
Creditors less than 1 year	(1,200)	(1,200)
Net assets	<u>2,219,130</u>	<u>2,219,130</u>

KHALSA AID INTERNATIONAL
Charitable Incorporated Organisation
Management Information
Year ended 31 March 2017

The following pages do not form part of the financial statements.

KHALSA AID INTERNATIONAL
Charitable Incorporated Organisation
Detailed Statement of Financial Activities
31 March 2017

	2017 £
Income and endowments	
Donations and legacies	
Donations	378,743
	<hr/>
Investment income	
Bank interest receivable	1,016
	<hr/>
Total income	379,759
	<hr/> <hr/>
Expenditure	
Costs of raising donations and legacies	
Purchases	9,394
Other motor/travel costs	2,842
	<hr/>
	12,236
	<hr/>
Expenditure on charitable activities	
Purchases	177,412
Wages and salaries	27,655
Employer's NIC	2,389
Rent	2,487
Insurance	1,321
Other establishment	561
Vehicle leasing/hire	2,223
Other motor/travel costs	7,786
Legal and professional fees	6,734
Telephone	1,191
Other office costs	5,304
Other interest payable and similar charges	172
	<hr/>
	235,235
	<hr/>
Total expenditure	247,471
	<hr/> <hr/>
Net income	132,288
	<hr/> <hr/>

KHALSA AID INTERNATIONAL

Charitable Incorporated Organisation

Notes to the Detailed Statement of Financial Activities

31 March 2017

	2017 £
Costs of raising donations and legacies	
Costs of raising donations and legacies - Donations	
Donations - advertising & promotion	9,394
Donations - other motor/travel costs	2,842
	<u>12,236</u>
Costs of raising donations and legacies	<u><u>12,236</u></u>

KHALSA AID INTERNATIONAL

Charitable Incorporated Organisation

Notes to the Detailed Statement of Financial Activities *(continued)*

31 March 2017

	2017 £
Expenditure on charitable activities	
Iraq	
<i>Activities undertaken directly</i>	
Iraq - purchases	53,810
Iraq - other motor/travel costs	2,827
	<u>56,637</u>
India	
<i>Activities undertaken directly</i>	
India - purchases	87,794
	<u>87,794</u>
Syria Refugees	
<i>Activities undertaken directly</i>	
Syria Refugees - purchases	23,539
Syria refugees - other motor/travel costs	1,979
	<u>25,518</u>
Other charity projects	
<i>Activities undertaken directly</i>	
Other charity activities - purchases	12,269
Other charity activities - other motor/travel costs	1,178
	<u>13,447</u>
Governance costs	
Governance costs - wages/salaries	27,655
Governance costs - employer's NIC	2,389
Governance costs - rent	2,487
Governance costs - insurance	1,321
Governance costs - IT expenses	561
Governance costs - vehicle leasing	2,223
Governance costs - other motor/travel costs	1,802
Governance costs - accountancy fees	1,200
Governance costs - legal and other professional fees	5,534
Governance costs - telephone	1,191
Governance costs - other office costs	5,304
Governance costs - other finance costs	172
	<u>51,839</u>
	<u>235,235</u>
Expenditure on charitable activities	<u><u>235,235</u></u>